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Master's Thesis of International Studies  
(International Cooperation)

Conditions for Effective Economic  
Development Planning (EDP) and  
Implementation in Cameroon: EDP lessons  
from the South Korean experience

August 2021

Development Cooperation Policy Program  
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A thesis presented

By

AKO JOAN AFANGAH

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Planning (EDP) and Implementation in Cameroon: EDP  
lessons from the South Korean experience

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# ABSTRACT

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The purpose of this study is to analyze the effectiveness of economic development planning, and implementation in Cameroon; this can be done by assessing the role of the Ministry of Economy, Planning and Regional Development (MINEPAT) in coordinating EDP in Cameroon.

The study will analyze the institutional setting within which the Cameroonian Government has placed MINEPAT regarding its strategic developmental role, with an attention on its unique role as an economic policymaking institution likewise as its effectiveness in implementing the economic development planning in Cameroon. Before concisely describing the official configuration of MINEPAT as the economic policymaking institution in Cameroon, its role concerning the implementation of economic development planning (EDP) in Cameroon is examined.

The analytical framework used for investigating the effectiveness of the EDP in MINEPAT will be established and will be based on an integrated planning framework

for sustainable development as suggested by the UNDP (2016). This has been applied by other countries with success stories like Korea as shown on the table in chapter four section of this study.

To carry out this study, we are going to use a qualitative method to research the effectiveness of the EDP as coordinated by the MINEPAT. In so doing challenges in the implementation of effective economic development planning as coordinated by MINEPAT are going to be Identified, and also policy measures are suggested.

Through this research, we intern to contribute toward improving economic development planning as a vital engine for economic progress in Cameroon. we are going to propose strategic policy measures to improve the role of MINEPAT in its capacity as the economic development planning institution of the country.

Also during this research, an analytical approach established on lessons learned from economic development planning in Korea is going to be studied to know how political leadership can play a significant role within the economic planning of a nation. Thus the method of economic development planning as implemented in an emergent economy like that of Korea will be examined throughout its developmental stage.

Information gathered in this study will come from books, articles, the organizational and institutional framework of MINEPAT, newspaper reviews, videos, and reports on this issue.

Keywords: Economic development Plan, MINEPAT

Economic Development Plan (EDP); An Economic development plan encompasses a broad overview of the economy, sets policy trends for economic progress, and pinpoints strategies, programs, and projects to enhance the economy.

EDP is equally a national plan to achieve economic growth.

MINEPAT: The Ministry of Economy, Planning, and Regional Development.

Student Number: 2019-26779



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## **LIST OF ACRONYMS**

EDP - Economic Development Planning

MINEPAT- Ministry of Economy, Planning and Regional Development

UNDP - United Nations Development Program

EPB - Economic Planning Board

GDSS - General Data Dissemination System

GESP- Growth and Employment Strategic Paper

MINFI- Ministry of Finance

‘PLANUT’- Three Years Emergency Investment program (2015-2017) for accelerated economic growth

CEMAC-Central African Economic and Monetary Community

CPDM- Cameroons people democratic movement

MPC- Multi-Partner Committee

MCs - municipal councils

SONARA - National Oil Refinery company

CDC -The Cameroon Development Corporation

ECCAS- Economic community of the Central African States

HDI- Human Development Index

GDP- Gross Domestic Product

ALUCAM- The Cameroonian Aluminum Company

BEAC- Bank of Central African States

CNDP-National Public Debt Committee

VISION 2035-Cameroon's national vision and strategy paper

EPA- Economic Partnership Agreement

WTO- World Trade Organization

CRESMIC- 'Reference framework and common minimum methodological guidelines for designing the PRSP and MDG information tracking system'

PRSP- Proposed reference framework and common minimum program

IMF- International Monetary Fund

NIF- National Investment Fund

NSDS - National Statistics Development Strategy

HCI- Heavy Chemical Industries

SME- Small and Medium-Sized Enterprises

EMDEs - Emerging Markets and Developing Economies

SOEs -State-Owned Enterprises

KSP- Knowledge Sharing Program

FDB- French Development Bank.

ICT- Information and communication technology

ED- Economic development

GATT-General Agreement on Tariff and trade

# CHAPTER I: GENERAL INTRODUCTION

## 1. Context of the Study

For most countries, economic progress and development is a significant national agenda. It is the most important instrument for job creation and poverty eradication in developing countries. According to the Harvard economist Rodrik (2008) remarked, nothing has worked better than economic progress in history in allowing societies to enhance the life chances of their members including those at the very bottom. Most countries have struggled to attain economic progress, but not all of them have succeeded including Cameroon. On the contrary, only some of the states have been able to pull themselves from developing status to a developed status through sustained and broad-based growth like Korea and some other countries (Koh et al., 2018).

Cameron's experience with the national planning began with the second five year economic and social development planning (that is from July 1966 to June 1971) and has continued with the third five-year plan (from July 1971 to June 1976). Walter H. Rambousek (1982). since the year 1966, the first purpose of Cameroonian planning had been to assert, represent, and reinforce national unity. EDP in Cameroon has been regionalized because since independence it has paid attention to problems peculiar to some regions. It should be noted that regionalism but rather integrated development to attain balanced growth of the national economy. this is because, before independence,



Cameroon's economic development strategy mainly reflected the influence of the colonial past which never took the local economic and social structures into considerations. Choi, B.-S. (1987). "The structure of the economic policy-making institutions in Korea and the strategic role of the Economic Planning Board (EPB)."

In Cameroon, the planning organ in charge of preparing the economic development planning is the MINEPAT consistent with Article 14 of the 1996 constitution (law N° 96 / 06 of 18 January 1996). (CONSTITUTION, Cameroon, & Cameroon, 18 January 1996). MINEPAT is the institution in charge of the elaboration of strategic development planning. This is done through the preparation of studies and prospective analysis and implementation for long-term and average term development programs. Even though MINEPAT is the planning institution with a well-defined legal mandate, the economy of Cameroon is still held back more by insufficient policy implementation than by a scarcity of economic resources for investment or by the absence of a regulatory framework. Poor policies result in poor governance and also create a suitable environment for rent-seeking (Ogwang et al., 2019).

To this scope, this research aims to assess the effectiveness of Cameroon's practice with EDP. within the course of this research, the economic development planning process, and implementation, an attempt will be made to shed more light on some of the key observations which are encountered in MINEPAT during the implementation of the development plan (Wilfried. A. Ndonko, 1974). Attention will be focused on the subsequent salient features of Cameroonian planning. The mechanism for planning, the

institution's responsible for coordination and implementation of development plans, and eventually a general assessment of the Cameroonian experience in planning for development.

To this end, it should be pointed out that Cameroon with its cultural diversity, ethic and linguistic background has ever since the year 1966 implemented a regionalized approach to planning to get to ensure an equitable distribution of investment resources and therefore fruits of economic progress (Walter H. Rambuusek, 1982).

Cameroon's development challenges will be likened to that of other developing counties. Although Cameroon still has some features that magnify the circumstances, such as limited policy implementation and coordination. The result of this research will contribute towards an improvement of the practices of economic development planning. To contribute to the realization of a planning model that's realistic EDP that is primarily oriented to the development needs of the state.

To achieve this, the present study will be conducted using Korea's experience in economic policy planning as a reference. In this light, this study seeks to assess policy measures and strategic tools utilized by the Republic of Korea throughout its developmental stage to enable it to pull itself from developing status to developed status. This will be done by an examination of the economic development strategies of Korea throughout the years. An Economic development plan provides a broad overview of the

economy, sets policy trends for economic progress, and pinpoints strategies, programs, and projects to enhance the economy.

The economic development plan should be constructed in a way to promote a self-sustaining society to avoid the culture of dependency and to create a self-sustaining and diversified economy that's not completely reliant on agriculture. Thus an efficient economic development plan will be to enhance the wellbeing and the living standards of people in Cameroon. Lastly, lessons will be drawn from the Korean economic policies, and thus sound policy measures will be suggested to overcome gaps within the Economic development planning in Cameroon. Thus a more realistic and structured policy measure for the implementation of the Cameroonian economic development planning model as coordinated in MINEPAT will be visualized.

## **2. Definition of Key Terms**

A plan is a program for future activities, and planning is the process of creating and implementing the program. A plan is different from a 'Decision' since it involves choosing amongst alternatives, 'forecast is a prediction of future events or policy which involves the general direction for the decision making. A plan is also different from 'government intervention'. A plan encompasses decision, forecasting, policy, and 'government intervention. A national plan is a methodical and inclusive action plan to utilize specified national resources to achieve specified goals in a specified period (Kang,2000). An economic development plan is a national plan to achieve economic

development. A plan can either be long term or short term. A long term economic plan projects the optimal potential course of development and its broad states policy goals. Actual economic policies are molded by short term considerations, but the recommendations contained in the plan have an indisputable effect on short term policy choices (Wellisz, 1960).

### **3. Scope of the Study**

Based on the Central Intelligence Agency report (CIA, 2019), Cameroon is a country located within central Africa, with a population of 26,5 million people growing by 2,5 % per annum. Cameroon's gross national income in 2019 was 1500 per capita. More people are working in the agriculture sector than the service sector which provides jobs for 4 out of 10 people. 15 percent are working in the industry, Cameroon has a labor force of 11,4 million people and the unemployment rate was last recorded at 3,3 %. Cameroon's nominal GDP in 2019 was 38,8 billion US\$. Its public debt amounts to 34 % of GDP and the Cameroon economy is expected to shrink by 1,1 %. The official languages spoken in Cameroon are the French and the English languages in addition to approximately 350 indigenous local dialects (CIA,2019). Cameroon gained independence from France and England in the years 1960, and 1961 respectively. The total size of both French and English speaking regions of Cameroon is approximately 41,871 km<sup>2</sup>, which represents about 9.1% of the total surface area of the Country. As regards religions in Cameroon, Christianity is the main religion in addition to Islam.

Regarding, standards of living, it should be noted that above 30% of its population lives under less than the poverty threshold of \$1.25 per day. In the sector of agriculture, Cameroon is well-known for cocoa, cotton, bananas, rubber, and oilseeds.

Cameroon has the highest mountain in the West of Africa known as Mount Fako or mount Cameroon situated in the southwest region of the country. The mountain has an altitude of 4040m and has the wettest lands on earth having an annual rainfall of approximately 1028cm. The Cameroonian flag has three main colors Green which represents vegetation, red signifies independence and yellow represents sunshine with a yellow star affixed in the middle of the red color to represent the unity of its people. Cameroes is a Portuguese word that implies a river of prawns and is geostrategic positioned entirely in the central and west of the African continent. Yaoundé is the political capital of the country while Douala is the economic capital of the country. Regarding regions, Cameroon has ten (10) regions whereby eight (08) of them mainly French-speaking while the two (02) are mainly English speaking. The country has 360 municipal councils.

In Cameroon, the population below the poverty line is estimated at 37.5% with 44.7 below \$3.20/day (World Bank, 2014). The ratio of its Gini coefficient is relatively high that is 46.6 % (World Bank,2014). The Human development index is about 0.563 medium (2018) (ranked 150th) 0.371 low HDI (2018). The Labor force is approximately 11,354,044 (2019) and 69.6% employment rate (2014).

In Cameroon, the economic system is mixed with an array of private freedoms, together with highly centralized economic planning under government regulation. Cameroon is a member of the economic community of the Central African States (ECCAS).

It has a market based, diversified economy that features oil and gas, timber, agriculture, mining, and the service sector. Oil is the major export commodity and despite dropping global oil prices, oil still accounts for approximately 40 % of its exports. Manufacturing contributes to about 17,3% of the GDP (2008), the key manufacturing activities are oil refining, aluminum production, food processing, consumer goods, textile, and ship repair. Douala is the largest manufacturing center. The aluminum casting subsidiary of Rio Tinto Alcan is the main aluminum production company, while the state-owned 'Societe Nationale de Raffinage' (SONARA) leads oil refinery and production. The Cameroon Development Corporation (CDC), is the major actor in the agro-processing industry, and it exports semi-processed rubber as well as processed palm oil.

Also, Cameroon located in the western region of Africa is known for its diversity and enormous resources and has experienced general stability which has given way to development. It has a population of over 22 million and a population density that is highest in urban areas, the western high lands, and the northeastern plains. In contrast, the northeastern and the Adamawa plateau south eastern Benue and the southern plateau is sparsely populated.

#### **4. The objective of the Study**

The main aim of this study is to examine the effectiveness of the economic development planning and implementation in Cameroon; this will be done by assessing how this is coordinated at the level of the (MINEPAT) which is the economic planning institution in Cameroon. The study also seeks to provide strategic proposals to enhance the role and distinctive competence of the MINEPAT in economic development planning.

The sub-objectives of the study, therefore, are as follows:

- to examine the actual state of economic development planning in Cameroon
- to propose policies to enhance the effectiveness of the economic development plan
- to assess EDP practices in Cameroon
- To suggest measures that ensure the effective coordination of EDP by MINEPAT prepared separately in different line Ministries?

#### **5. Statement of the Problem**

Situated in Sub-Saharan Africa Cameroon has the potentiality to become one of the fastest developing countries in the sub-Saharan African region (Sikod et al, 2012). It is gifted with a major resource base, oil reserves, forests, mineral deposits, and an abundant agricultural base, and adequately skilled human capital. It's also one of the few countries in Africa that have not had any serious political unrest. though this has not been the case

recently due to the Boko haram crisis in the north of Cameroon and recently the uprising of the Anglophone crisis within the northwest and southwest regions of Cameroon. Unfortunately, the abundance of natural resources has not lead to economic progress: rather, the economy of the country has experienced a decline within the past few decades, and nowadays Cameroon is amongst the few African countries under observation to have reached the status of the heavily indebted poor countries initiative (HIPC) completion point. The decline of the economy brought to the forefront of serious structural, administrative, governance, and mismanagement issues that the economy had been facing. MINEPAT being a planning institution with a well-defined legal mandate to elaborate and spearhead the economy is still held back by insufficient policy measures and limited implementation of the already existing policies, rather than a lack of financial resources for investment. This study will be focused on the examination of the role of MINEPAT which is the main economic planning institution in implementing the effective planning, programming, and implementation of activities of economic development planning in Cameroon.

## **6. Research Questions**

To address the issues mentioned in the problem statement, this study will be based on the following findings:

- How effective is the implementation of the economic development planning in Cameroon?



- What are the important limitations and problems raised in the EDP in Cameroon?
- Is the organizational framework of MINEPAT adapted as an efficient planning institution?

## **7. Hypothesis**

A hypothesis is a forward-thinking guess made in response to a research finding.

Main hypothesis: Ineffective economic policy implementation and as well as issues with economic development planning would be the source of stagnant growth in Cameroon.

The sub hypothesis are as follows;

- What are the important issues observed during the implementation of EDP in Cameroon?
- What are the conditions for an effective implementation economic development plan?

## **8. Significance of the Study**

This study seeks to understand the limitations in the implementation of effective economic development planning in Cameroon. This is because EDP is crucial in enhancing the efficiency of economic progress and in stimulating private investment (sikod et al, 2012). The gov't is aware that it is critical to proceed actively to tackle issues

of economic governance and transparency as an essential component of the economic reform program that is being carried out within the country. Therefore, the formulation and promotion, and implementation of sound policies are at the epicenter of many of the reforms being undertaken by the government, especially in areas of public investment spending and expenditure administration, the liberalization of markets, also the institution of transparency mechanism and accountability into public life for which the MINEPAT has a legal mandate to do so.

## **9. Research Methodology**

The primary research method for this study will be based on a qualitative analysis of existing literature: Identification of challenges in the implementation of an effective economic development planning will be outlined. Qualitative analysis will be used for the comprehensive exploration of EDP in Cameroon as coordinated by MINEPAT. Information will equally be obtained from the legal and organizational framework of MINEPAT;

### **9.1 Methodology**

In this qualitative research, it was important for us to choose a theoretical approach, and suitable techniques for data collection and analysis (Crotty, 2003). This decision is supported by our intentions to explore a particular case (i.e empirical precision) and to attempt conclusions as suggested by (Alhojailan Mohammed Ibrahim, 2012). Data

collection for this study began with a literature review, administration of online questionnaires, and video interviews conducted online in the MINEPAT precisely at the department for project preparations, forecasting, and programming. Documents from the libraries of the Seoul National Universities were used. Also, the information will be obtained from the organizational framework of the MINEPAT. During the data collection process, I targeted a total population of thirty (30) participants from MINEPAT staff to respond to my elaborated questionnaire.

In this qualitative research, challenges in the implementation of effective economic development planning as coordinated by MINEPAT will be investigated. Policy limitations in the EDP framework in Cameroon, based on existing literature will be analyzed. Also in this study, we used South Korea as a case study to carry out a comparative analysis of economic development planning strategies employed by Korea throughout its developmental stage. South Korea is a country that has been able to grow from the status of a developing to a developed country.

## **9.2 Sample Size**

According to Patton's perspective (1990), in the qualitative assessment and research findings, sample size depends upon the information that is being researched, and the purpose of its investigation. Moreover, Patton (1990) stated "there are no rules for sample size in the qualitative research findings". Classically, the qualitative research method has reduced sample sizes than the quantitative research method. Quantitative

research seeks to gain breadth within a large sample size. Therefore, we intended to obtain greater information relating to the subject matter. Saturation is expressed in this process at a point where no new information was found (Creswell et al., 1995) in the data collection process, from the literature review to the administration of the questionnaires and interviews, documents from the libraries of the Seoul National Universities were used.

To assess economic development planning in MINEPAT, we used the integrated planning framework for sustainable development suggested by the UNDP (2016) based on five key areas:

- Strengthening institutions and governance systems;
- Evidence-based, empirically backed policy options;
- Development of budgeting and financial system;
- Provision for Monitoring and Evaluation in MINEPAT (M&E);
- Capacity development.

### **9.3 Data Collection**

The data collection process started in March 2020. During the process, we drafted out interview questionnaires both in French and in English languages and both copies were presented to my director at the office. After feedback from the MINEPAT hierarchy,

some of the questions re-phrased while some were maintained in their initial order. we then contacted some colleagues in MINEPAT who accepted to oversee the filling of the printed scripts on-site to my target participants. The procedure was particularly challenging since the period from mid-march 2020 to June 2020 was a lockdown period in Cameroon due to the coronavirus pandemic and most staff did not go to work. Nevertheless, some interview sheets were filled online and sent back to me by mail. While the printed scripts were scanned and sent to me by mail.

Also, video interviews were conducted with some of my target participants, and also data for this work was equally collected from books in the Seoul National university library as well as some articles online.

### **9.3.1 Semi-Structured Questions/Interviews**

In this research, semi-structured and one to one interview questions were used in this study to allow for the flexibility in obtaining explanations and also interpretation from respondents' thoughts. This is sustained by Merriam (1998) who contends that an "interview is a collective qualitative data collection instrument. The most common form of interviews is the person-to-person meeting whereby one person prompts information from the other". Also according to authors like Fontana and Frey (1994), there are three types of research interviews; structured, semi-structured, and also unstructured interviews. In this study, in addition to the administration of online conducted interviews by mail, I also did a person-to-person interview using online video calls on scheduled

dates, venues, and times with the target participants. To ensure the reliability of data, and the protection of the participants, a verbal agreement was reached upon between myself and the target participants.

This was a preemptive measure to avoid any misuse and abuse of information anywhere. It is for this reason that the participants' name, title, occupation, and rank in office, identity, and demographic details were not disclosed during data collection. Pseudonyms were used instead of the respondents' real names (Patton, 1990). The interview procedures lasted around 20 to 30 minutes and the questions were organized in a semi-structured, and structured nature. At the end of each interview, the interview sheets were filled, notes were taken as well, and data were kept privately. Interview questionnaires were drafted out and given to different officials working at the department for project development and forecasting at the MINEPAT

### **9.3.2 Observations**

In the present study, I recollect facts and findings from my field observations, day to day duties and responsibilities as a research officer as well as my experience working as a government official in different field missions at the Ministry of Economy. During this period, we observed how a project, preparation planning, and forecasting are being carried out and implemented at the level of MINEPAT.

## **9.4 Data Analysis**

The framework of analysis of the economic development planning at the level of MINEPAT in this study will be based on an assessment of the diverse practices of development planning. This is done using the integrated framework for this purpose adapted from that suggested by the UNDP. Special focus will be paid on governance since considerable research suggests that better governance leads to greater chances of success in economic development planning (Claessens, 2013).

The integrated planning framework for sustainable development used in the assessment of the practices of economic development planning is based on five key areas: 1) institutions and governance; 2) evidence-based and empirically backed policy actions; 3) development of budgeting and financial systems; 4) monitoring and evaluation; and 5) capacity development. Each area contains three to four conditions for effective development and execution as shown in Table 1. In the Korean experience, four conditions were added to the existing 16 conditions for effective development planning and execution. This entails securing political leadership alongside determination; instituting a planning structure with a strong legal mandate; use forecasting models and statistical tools to convey specific targets, and creating an iterative feedback process. Using this framework, the Cameroon economic development plan will be investigated to find out whether the practices at the Ministry of the economy are found to satisfy most of the conditions set out by the integrated framework. Policy implications will be drawn.

## **10. Limits of the Study**

This study entails an assessment of the different practices of the economic development plan of Cameroon under the coordination of MINEPAT as the main planning institution. It does not take into account the economic development planning in other planning institutions and entities in the administration as well as the private sector in Cameroon.

we faced challenges in obtaining primary data to carry out an indebt analysis of the development plan since most of the interview sheets sent to the officials of MINEPAT were not filled by the target participants and others did not show up for the online interviews. However, we could gather some relevant information from some staff who responded positively to the interview and their contributions were included in our analysis.

## **11. Organization of the Thesis**

From the research findings presented in the sections above and the selected methodological approach, we drew up a plan that is divided into five chapters each organized as follows:

Chapter I is based on the general Introduction;

Chapter II is related to the literature review;

Chapter III is focused on the analysis of economic growth and development in Cameroon;



Chapter IV is based on the EDP model of South Korea

Chapter V covers the conclusions and suggests some policy recommendations.

# **CHAPTER II: LITERATURE REVIEW**

## **1. Introduction**

A wide range of literature on the role of planning institutions and their impact on growth has been described in several ways by several other authors. Our work will be based on assessing the effectiveness of the EDP as coordinated at the level of the MINEPAT;

## **2. The Legal Framework for Economic Development Planning in Cameroon**

The institutional and regulatory framework for economic development planning in MINEPAT exists but it's not enough to secure political leadership and work is ongoing to further strengthen it and thereby ensure political leadership. several development programs outside the formal framework like PLANUT etc. are launched to further enhance political leadership.

According to Decree n0 2008/220 of July 4, 2008, based on the Organigram of the MINEPAT, the General Directorate of the Economy and the Programming of Public Investments (DGEPIP) and the General Directorate of Planning and Regional Development (DGPAT) are according to Art. 30 - (1) Placed under the authority of a Director-General, are all departments at the MINEPAT in charge of carrying out the strategic planning as well as economic studies, in conjunction with other administrations

and organizations. They are equally responsible for the monitoring and permanent evaluation of development programs throughout the national territory, economies under regions of Central Africa, and also the international economic environment;

- monitoring and permanent analysis of changes within the employment market in conjunction with

administrations concerned;

- centralization, processing, updating, and dissemination of economic information;

- the planning and implementation of appropriate technical instruments for the work of macroeconomic projections and analysis, in conjunction with administrations and organizations concerned;

- short and medium-term macroeconomic forecasts, in conjunction with the administrations and organizations concerned;

- studies on the national growth and competitive strategies of the national economy;

- designing and monitoring the implementation of the sector development policy;

- the definition of strategic orientations for privatization and restructuring operations public enterprises;

- the development and monitoring of the implementation of the economic and financial program to medium

term of the gov't, in conjunction with the administrations and organizations concerned;

- the coordination and centralization of studies on projects of national economic interest and also the monitoring of their accomplishment;

- the centralization of major structuring projects;

- the identification of multiannual State investment programs in line with the set objectives

the overall framework for strategic development planning;

- the development of public investment policies, programs, and budgets;

- the promotion of consultation frameworks between the varied development actors;

- monitoring the activities of the management of resources resulting from the reduction of public debts multilateral and bilateral, in liaison with the administrations concerned;

- monitoring the activities of the technical committee for the preparation and monitoring of the adjustment program structure, the competitiveness committee, the National Institute of Statistics, and also the Mission of rehabilitation of public and Para public sector companies.

(2) It includes:

- the economic analysis and policies division;
- the division of forecasting and preparation of programs and projects;
- the direction of the programming of public investments.

### **3. The Economy of Cameroon**

After the independence of most countries within sub-Saharan Africa, Cameroon was one of the most prosperous economies. During the mid-1980s, the fall in commodity prices for its main exports such as petroleum products, cocoa, cotton, coffee, together with an overvalued currency and economic mismanagement, led to a decade-long stagnation. Real GDP per capita fell by over 60% from 1986 to 1994. The account and fiscal deficits widened, and foreign debt increased. Nevertheless, due to its enormous petroleum reserves and also a rich natural resource, Cameroon still among the best-endowed primary commodity economies in the sub-Saharan African region.

Also the financial system in Cameroon is the most significant within the CEMAC region. Accessibility to Finances is restricted, particularly for SMEs. Notwithstanding a standard affinity for financial institutions and banks to choose to allocate finances to already established and huge companies interest rates for loans to SMEs being topped to about fifteen percent which is extremely taxed. Since 2006, bank loans to Small and medium enterprises hardly reached 15 percent of the total outstanding loans.

Less than five percent of Cameroonians have a bank account. The microfinance sector is thus becoming increasingly significant, its development is hampered by a loose regulatory and supervisory framework for micro-financial institutions (MFIs). The banking sector in Cameroon is highly concentrated and controlled by foreign commercial banks. Of the eleven largest commercial banks six are foreign-owned, and also the three largest banks hold up to fifty percent of the whole financial system assets. Foreign-owned banks generally exhibit good solvency ratios while the small domestic banks are in a much-disadvantaged position.

Cameroon became an oil-producing country in the year 1977. Claiming the need to form reserves for difficult times, the authorities manage "off-budget" oil revenues in total imperviousness (the funds are placed in New York, Switzerland, and Paris accounts). Billions of dollars were thus diverted to the benefit of oil companies and regime officials. The influence of France and its 9,000 nationals within Cameroon remains considerable. African Affairs Reader noted within the early 1980s that they "continue to dominate the majority of key sectors of the economy, very much like they did before independence. French nationals control 55% of the trendy sector of the Cameroonian economy and their control over the industrial sector and banking system is total.

Cameroon is amongst one of the African countries to have endorsed the continental free trade agreement area to renovate and transform African economies through structural transformation. Also, it should be noted that the Enhanced Structural Adjustment Facility (ESAF) recently signed by the IMF and Gov't calls for greater macroeconomic

planning as well as financial accountability; the Privatization of a majority of Cameroon's nearly 100 remaining non-financial parastatal enterprises and firms; exclusion of state marketing board monopolies on the export of cocoa, some coffees, and cotton; privatization and price competition within the banking sector; implementation of the 1992 labor code; a vastly improved judicial system; and political liberalization to enhance investment.

France is Cameroon's highest trading partner and source of private investment and aid. Cameroon has an asset guaranty agreement and a bilateral accord with the US. Investment by the USA in Cameroon is about \$1 billion, most of it within the oil sector. Inflation has been brought back in check.

Cameroon purposes at becoming an emerging nation by 2035 and the gov't have embarked upon a series of economic policy reform programs sustained by the World Bank and the IMF starting from the late 1980s. Most of the IMF measures have been agonizing since the gov't slashed the incomes of public servants by 65% in 1993. The FCFA franc the common legal tender and currency of Cameroon together with 13 other African states were devalued by 50% in January 1994. The gov't couldn't meet up with conditions of the first four IMF programs.

### **3.1 Cameroon Vision 2035**

Cameroon's strategic growth program vision 2035 is established based on the results of retrospective studies, by the identification of the needs and ambitions of the population, and also the political ambitions. Specifically, it regulates the ambitions and viewpoints expressed by various actors in "A United and solidified nation that enjoys an environment of peace and security", "An economy based on sub-regional and regional integration in addition to international insertion "A Cameroonian culture affirmed in its plural, attractive and exportable unity at the international level; The general goal of the vision is to make Cameroon an emerging country over the following twenty-five to thirty years which is the period required to transit from one generation to another. The vision also incorporates a variety of intermediate goals, notably: poverty alleviation; becoming a middle-income status by 2035, becoming a newly industrialized country, as well as uniting democracy and national unity while respecting the country's cultural diversity.

### **3.2 The Growth and Employment Strategic Paper (GESP)**

In Cameroon, in a bid to increase national wealth and reduce poverty through the promotion of employment, the government has equipped itself with the GESP. This strategic document which defines government action has as main objective to;

- reinforce economic activity and generate an average growth rate of 5.5% between 2010 and 2020;



- reduce unemployment to less than 50% by 2020 and;
- reduce poverty to less than 28% for the country to be emergent by 2035.

The country's priority development thrusts as defined in the GESP covered the 2010-2020 period. The strategic objective of the GESP was to promote inclusive growth and poverty reduction. This strategy which stems from the 2035 Development Vision seeks to: (i) increase annual average growth to 5.5% throughout the year 2010 to 2020 period;(ii) curb underemployment from 75.8% to a value less than 50% in 2020; and (iii) reduce the poverty rate from 39.9% in 2007 to 28.7% in 2020. In order achieve the aforementioned objectives, the Government had to implement, in a coherent and integrated way, a three-thrust approach, comprising: (i) a growth strategy; (ii) an employment strategy; and (iii) a strategy to improve the governance and strategic management of the State. Following a mid-term review of Vision 2035 outcomes and considering the risk that its objectives may not be achieved, the Government decided in 2015 to implement PLANUT to accelerate economic growth. This plan prioritizes major infrastructure projects in the transport and energy sectors to accelerate progress towards achieving Vision 2035 objectives. The priority development thrusts defined in GESP, which are complemented by PLANUT, were a coherent and credible framework for achieving Vision 2035 development objectives.

The GESP is prepared through a participatory process at the level of MINEPAT. The Ministry organizes a participatory consultation to solicit the views of the population on

the status of implementation of the previous strategy (PRSP). The impact of policies and proposals for improvement was reflected in the design and implementation of GESP. The Government has already initiated consultations with all stakeholders to prepare the second-generation GESP.

Currently in Cameroon, an emphasis is placed on promoting the consumption of local products. This is a policy that is welcomed because it will allow local artisans to better sell their goods, to flourish financially, to keep the money running, and thereby boost the economy.

# **CHAPTER III: ANALYSIS OF ECONOMIC GROWTH AND DEVELOPMENT IN CAMEROON**

## **1. Introduction**

After a long period of resilience to shocks, the economy of Cameroon being the most vigorous and diversified in the CEMAC Zone has been showing signs of regression in economic growth. Ever since the 2008 crisis and notwithstanding unfavorable external international financial conditions, the Cameroonian economy witnessed a steady GDP growth, moving slowly up from 3.3% in 2010 to 4.6% in 2012 and then to 5.8% on average over the 2013- 2015 period. Apart from oil production, growth was mostly driven by the primary sector (particularly subsistence agriculture) and through tertiary sector branches (especially transport and communications) as well as local and external demand components (final consumption, investment, and exports). The GDP growth rate remained positive but slowed by more than one percentage point, from 5.9% in 2015 to 4.5% in 2016.

Though moderately expansionist, the fiscal policy of financing major backbone projects conducted in the context of falling oil revenue led to an increase in budget deficits. The monetary deficit rose from 2% of GDP in 2015 to 6.5% in 2016, reflecting a rise in public expenditure of 1.6% of GDP and a decrease in revenue of 1.9% of GDP (of which 0.9% in oil revenue). The deficit was financed through the issuance of Eurobonds worth

USD 750 million, treasury bonds on the regional banking market, and Central Bank (BEAC) statutory advances to the tune of 0.5% of GDP. The fall in the price of the major export commodities (oil, cocoa, and timber), coupled with that of the volume of their output led to an 18% drop in export revenue between 2015 and 2016. However, due to a decline in imports resulting from import substitution in the public works and civil engineering sector, the current account deficit contracted from 4.1% in 2015 to 3.6% in 2016. The level of foreign exchange reserves dropped slightly due to the effect of the deficit and lack of control over the repatriation of export earnings. This led to a decrease in reserves equivalent to 3.7 months of imports in 2016 compared with 6 months in 2015. Inflation (2.2% in 2016 against 2.8% in 2015 and 1.9% in 2014) will continue to be maintained below the 3% convergence threshold in the CEMAC zone throughout the program duration.

The signing of an economic and financial program with the IMF predicted well for the stabilization of the macroeconomic framework in the medium term. The fiscal policy underpinning the Extended Credit Facility concluded with the IMF was restrictive. Consequently, public investment expenditure was expected to stabilize gradually from about 8.8% of GDP in the year 2016 to 7.3% in 2017 and then to 6.7% in 2019 at the end of the program. Income (with grants) was expected to grow moderately from 16.3% of GDP in 2016 to 16.7% in 2017 and then to 17.6% in 2019. The alternative to concessional loans will be rigorously controlled and limited by the CNDP including the IMF. Similarly, the tightening of BEAC's monetary policy by making lending conditions

more stringent and improving bank liquidity control should limit the use of commercial loans by the State to finance its infrastructure projects.

The public debt is therefore expected to stabilize over the 2017-2020 period at the 2017 benchmark (36.1%) while avoiding the accumulation of domestic debt arrears. Medium-term growth prospects remain positive but the downward trend could continue in 2017, with a growth rate of 3.7%, before picking up in 2018. This trend could be attributable to the continued contraction in oil and gas production activities. Crude oil prices on the world market which are still far below the 2014 reference level do not augur well for investments in the exploration of new fields and/or exploitation of new deposits. The economic recession hitting Nigeria (Cameroon's main trading partner in Africa) and which could spread to the other five neighboring CEMAC member countries does not stimulate demand. However, the economy could rebound in the future due to the ripple effects of the Economic Partnership Agreement (EPA) with an increase in exports to the European Union, a rise in energy supply resulting from increased power generation by new hydroelectric power dams or power plants financed by independent power producers (IPPs). Besides, the development of agro-industrial value chains and the reduction of imports to the benefit of local industries<sup>11</sup> are expected to boost growth.

## **2. Competitiveness of the Cameroonian Economy**

The competitiveness of Cameroon's economy is constrained by high factor costs and delays observed within the implementation of economic reforms to boost the business

climate. The overall Competitiveness Index improved only slightly from a score of 3.4 in 2012 to 3.75 in 2014 on a scale of 1 to 7. The Cameroon Business Forum (CBF) has been established as a platform for discussions between the Gov't and therefore the private sector which is predicted to detect second-generation reforms in a consensual way. Still, weaknesses persist regarding the legal and institutional, and regulatory framework of the business climate as a result of high factor costs within the transport, ICT, and energy sectors within Cameroon. The shortage of electricity, which ends up in load shedding and therefore the irregular supply of electricity to households and agro-industries impedes industrial processing activities and also the creation of decent jobs.

The poor quality of the road and rail networks, the high cost and inadequate supply of ICT products, and the poor performance of the Port of Douala result in additional costs for economic operators and jeopardize the competitiveness of Cameroon concerning other African countries. The foregoing also limit access to domestic and regional markets likewise because of the country's ability to draw in foreign direct investments to non-extractive sectors. Mindful of these challenges, the Gov't is allocating substantial budgetary resources for the construction of roads and power infrastructure to reduce the cost of factors of production. With a results-based Public Finance Mechanism, the Gov't is focusing on efficiency and efficacy to enhance the quality of investment expenditure, mainly within the productive sectors.

Thus the competitiveness of the Cameroon economy would be attained by strengthening the governance and competitiveness of productive sectors (such as the transportation, energy, and agrarian sectors)

### **3. Inclusive Growth, Poverty Situation Social Context**

Cameroon's economic progress over the previous few years has had a positive but modest impact on poverty reduction but still falls short of national targets and Sustainable Development Goals (SDGs). The results of the Fourth Cameroon Household Survey (ECAM4) demonstrates that the poverty line was dropped by 2.4 percentage points between 2007 and 2014, from 39.9% to 37.5% compared with 40.2% in 2001. However, inequalities have widened. The Gini coefficient of the whole country reached 0.44 in 2014 compared with 0.39 in 2007 and 0.40 in 2001. The incidence of poverty in urban areas has decreased, from 18% in 2001 to 12.2% in 2011 and then to 8.9 % in 2014 according to ECAM4. The frequency of poverty has reduced mostly in the East, Littoral, and Centre Regions of Cameroon. On the contrary, the incidence of poverty in rural areas has increased ever since 2001, from 52.1% to 55% in 2007 and 56.8% in 2014.

Regarding gender, challenges persist in terms of empowerment. These include low access to credit, due to lack of collateral, and land, in some parts of the country, a fairly low level of representation in high-level positions in government services and management positions in the private sector. This situation constitutes a challenge to rethink public policies, particularly concerning decentralization and regional

development. To address this situation, in collaboration with technical partners, including the world bank, the country is focusing on economic diversification in the agro-sylvopastoral<sup>14</sup> and fisheries<sup>15</sup> value chains in the various regions of the country to promote more inclusive and job-creating growth. PLANUT, which is currently being implemented, aims to provide the regions with socio-economic infrastructure (roads, hydroelectric dams, etc.) to build the capacity of the poorest segments of the population<sup>16</sup> to generate income and thus meet their basic needs.

#### **4. Analyzing the Configuration of the Economic Policy Institution in Cameroon**

Over the last decades, the institutional structure of Cameroon's Ministry of Economy has been subject to frequent nominal change but whose role has not changed greatly. MINPLADAT, MINPAT, MINEPAT,

In Cameroon, the planning institution in charge of the elaboration of economic development planning is the Ministry of Economy, according to Article 14 of the 1996 constitution (law N° 96 06 of 18 January 1996), MINEPAT is the Economic policymaking institution responsible for the designing of a global framework for strategic planning, forecasting, and budgeting. It is responsible for designing the country's development plan through the designing and implementation of development projects. It carries out studies and prospective analyses for long-term and medium-term development programs. MINEPAT coordinates and promotes economic growth and



competitiveness of commercial, trade, and business sectors to enhance social and economic development.

The MINEPAT's main focus and direction is the setting out of goals targets to attain sustainable development and within a globally competitive market through the promotion of trade, and enhancing the industrial base to contribute to the socio-economic development of the nation. Through this goal, the MINEPAT enunciates policies, develop regulation, and create an environment that'll focus on making the country globally competitive in trade, and its industrialization.

The Ministry of Economy is the focal point Ministry of the Gov't of Cameroon in the formulation and implementation of the economic and growth policies. It's supposed to address all socio-economic impacts of project implementation. The Ministry supports interventions that are aimed at linking producers to markets and also sustain other blockages along the related value chains. Though the planning institution with a legal mandate, the economy of the country continues to be held back more by insufficient policy implementation than even an inexistence of sound policies within the organizational setting of MINEPAT.

#### **4.1 Economic Development Planning in Cameroon**

Cameron's involvement with EDP planning began with the implementation of a regional plan that is the second five year economic and social development planning (July 1966

to June 1971) and it continued with the implementation of a third five-year plan (July 1971 to June 1976). From 1966, the principal aim of the Cameroonian EDP has been to assert, symbolize, and strengthen its national unity. EDP in Cameroon has been mainly regionalized in the sense that it's paid attention to problems peculiar to particular regions. This is because, before independence, Cameroon's socio-economic development policy replicated the effect of the colonial past which never took into consideration the local economic setting.

The constitution of 1961 was created at the national level two policymaking institutes with broad economic and governmental powers and responsibilities. These institutions are the Presidency and as well as the national assembly which has the supervisory capacity regarding their ability to regulate and power the planning processes in the country. Currently in Cameroon, the authority on matters of development planning, economic policies making, control and allocation of loans, the establishment of the national budget, and determination of taxes and each one levy required to meet the national gov't expenditure, are exercised conjointly by these two institutes.

Precisely, the President is responsible under the terms of the constitution for ensuring the supervision of the affairs of the state. In his capacity as the President and head of state, he defines the major lines in the planning policies within the presidential circular and takes the key decisions. The national assembly deliberates and votes on decrees and laws to approve the economic growth and ED plans.

At the level of the nation, the planning machinery is implemented at the MINEPAT and is headed by the Minister who controls the final coordination of projects and measures as concerns the preparation of plans as well as the coordination of their implementation. The Department of regional planning in MINEPAT, in collaboration with the other departments of the Ministry, is in charge of designing the medium and long-term development plans, supervising the realization of the plans. At the level of the regions, there are regional economic services which are in charge of: The Collection, centralization, and forwarding of the economic data on the region to the Regional Governor and the MINEPAT, and particularly ensuring that the control forms regarding the implementation of the regionalized plans are up to date, and organizing the regionalization of the socio-economic development plans by carrying out the secretarial duties of the Regional Planning Authority.

Apart from Regional Economic Services, there are also Regional Development Councils which deal with all problems on the specification of the growth objectives and implementation of the projects assigned for each region. particularly, the regional Development Councils suggest regional action programs and defines the order of priority of the action to be approved. Besides, they study the local means available and cheer the coordination of technical services, public organizations, and agencies, as well as private firms. At the level of divisions, there is a Divisional Development Committee chaired by a senior divisional officer (SDO). The Committee comprises local technical services, deputies, mayors, and private citizens. This committee examines the approaches and the

means employed to ensure the satisfactory implementation of the drafted plans as well as the progress made in the executed programs. Further, it determines the results of programs in the domain of rural action and gives its views on requests for subventions by Local Councils. The SDO is assisted in his work by a Regional Divisional Officer who is the technical representative of MINEPAT at the regional. Thus Cameroon has so far made an effort to combine at each level, both the policy and technical planning tasks.

In the Cameroonian planning system, experts, politicians, and administrators are brought together to assure continuous cooperation in the preparation and implementation of development targets at the national, regional, and also the divisional levels. Consequently, it has been possible to initiate development programs that are essential to support each region to achieve its economic and social potential. It has also been possible to carry out an overall regional economic and social investigation to ensure that all levels of the planning mechanism may proceed from a common base of information, though a lot is still to be done to enhance proper information sharing.

## **4.2 Preparation of Regional Plans**

The procedure for the formulation of EDP consists of identifying the potentials for socio-economic development and difficulties obstructing economic progress within each region, as well as specific public/private investment programs that will improve their performance. Moreover, areas in each region that are judged to have the potential for future growth and will be identified to enhance the general development of the region.

After this exercise, the main investment priorities will be determined and undertaken to be approved to achieve absolute gains from public financing.

Furthermore, an exercise involving the planning and programming of realistic and feasible projects for implementation is carried out. Based on this work, the Head of Government President Biya instructs all ministries and regional authorities reaffirming the important guidelines and setting the objectives and targets within the development plan and he also sets out guidelines on the strategic operations that are to be approved. The second stage entails meeting the national and regional planning boards. From the national plan, especially the third national Plan, it's been possible to employ a growth strategy that revealed only a single factor of production which has been capital.

From 1971 to the 1976 Plan, investment provisions were not done based on a regional basis as with the case of the 1966 to 1971 Plan. Instead, investment allocations were made per sector and on a project basis. The information enclosed within the Plan on the outlines of resource distribution does not lend the above-mentioned regional analysis to better conceive the degree of planned investment that was allocated for each region.

The economic policy of "inclusive development" in Cameroon entails that separate institutions, apart from the MINEPAT, be founded at the national level and also the regional levels for a proper harmonization and implementation of development plans. Thus, at the national level, the National Planning Council was created and reinforced to take part in specialized committees and departments responsible for studies, for instance,

the issues project implementation within the different sectors. Rural institutions are of key importance, especially in the administrative supervision at the level of divisions whereby the central authority could not go right down to the level of each village to rural inhabitants who had to be aware of their contributions towards economic and social progress and also the means of achieving that progress.

### 4.3 Assessment of EDP in Cameroon

The following entails the assessment of the EDP in Cameroon using the UNDP integrated planning framework to verify the implementation of ED policies within the EDP plan. A tick (√) is given to the conditions which received a favorable assessment to the criteria outline in the UNDP framework. While X will be checked to the conditions which received a negative assessment.

**Table 1:** Evaluation of Cameroon EDP Using the 2016 UNDP Integrated Planning Framework for Sustainable Development

Elements	Assessment	Observations	Remark
<b>1- Strengthening of institutions and governance systems</b>			
1.1 Establishing national vision and strategy, and the legal status of plans.	√	<ul style="list-style-type: none"> <li>- National vision dubbed “2035 Vision”; Growth and Employment Strategic Paper (GESP). Currently in Cameroon, the national development strategy is being finalized. It represents Cameroon's vision and is consistent with the national strategy.</li> <li>- The vision 2035 strategic vision aims at making Cameroon an emerging country. The GESP 2010-2020 and the NDS30 (national development</li> </ul>	The Vision and the GESP are reference framework policy documents adopted for Cameroon which outline the country’s long-term development vision. Every sectoral program, priority action, activity, and the task was undertaken for development must

Elements	Assessment	Observations	Remark
		strategy) unroll the strategies to achieve this emergence. These strategies are focused on the development of production infrastructures and the promotion of local products.	be in line with the Vision and GESP
1.2 Enhancing coherence and also the coordination across Ministries, civil society, and the private sector (partnership and communication)	√	<p>The policy framework provides for synergy in action by all stakeholders involved in the development process.</p> <p>More and more, the civil society and the private sector are to an extent involved in the work that aims to contribute to the economic development of Cameroon but a lot is still to be done for their involvement in the running of the state affairs.</p> <p>This is because efforts are being made particularly for their involvement in the Cameroon Business Forum, which is a permanent platform for exchange between the government and the private sector. However, several employers' concerns, in particular on tax incentives, are not always taken into account.</p>	<p>The (MINEPAT), ensures that there are coherence sectoral strategies; coordinates policy implementation;</p> <p>There exist an Inter-Ministerial Commission for the Evaluation of government programs.</p> <p>There is a structured policy framework for PPP (Support Council for the realization of Partnership Contracts known by its French acronym CARPA) mainly in the transport sector, urban development and energy sector, and the agro-food sectors.</p> <p>Despite government effort at ensuring synergy in action between the different stakeholders, there still exist coordination issues that dampen the efficiency of development actions.</p>
1.3 Securing political leadership and also determination	√	<p>GESP has a political backing given that it hinges on:</p> <p>Political leadership could be visualized through the Head of State's Ambitious policy and vision in the GESP and the vision 2035; structural studies on the system; the people's expectations and, government commitment vis-à-vis its international partners.</p>	<p>However, strategic document vision 2035 and GESP are regularly the subjects of numerous critics from various opposition political leaders, some civil society activists, some scholars, and even some international organizations who think;</p> <p>- That the GESP is too generalizing than precise in its approach to development;</p>

Elements	Assessment	Observations	Remark
			- The GESP is based on the big push theory whereby, a big and comprehensive investment package in every sector at the same time and intensity can be helpful to bring economic development. It of course poses problems related to coordination, duplication of certain actions between ministries, and finance especially in a context where resources are limited.
1.4 Establishing a planning institution with a legal mandate	√	The Ministry of Economy (MINEPAT) is the planning institution with a legal mandate	MINEPAT is the institution responsible for the elaboration of a global framework for strategic planning. Responsible for the country's development planning regarding development projects. That is the realization of studies and prospective analysis for long-term and average term development programs.
<b>2- Evidence-based, empirically backed policy options</b>			
2.1 Creating reliable and comprehensive data	√	Statistical operations are contained in the National Statistics Development Strategy which is in line with GESP.  The National Institute of Statistics (INS), an autonomous institution operating under the aegis of the MINEPAT is the most important macroeconomic data production agency	Despite that administrative authorities have taken initiatives to improve the database, the quality, coverage, and timeliness in the database are issues to be addressed further, given that most data available are outdated. This isn't a favorable situation in the event of strategic planning. Cameroon has participated in the General Data Dissemination System (GDDS) since 2000. GDDS participants are



Elements	Assessment	Observations	Remark
			encouraged to review and certify the accuracy of metadata at least once a year.
2.2 Better information sharing with agencies, sectors, and civil society	√	The GESP provides for a consultation and promotes a structure for the expression of freedom of relationship, social dialogue, the involvement of citizens in policy and of the development plan, participatory budgeting, public expenditure tracking, monitoring by citizens, etc.  There is an emphasis on sharing information on innovations in public finance and others.	Despite that, the GESP was designed to promote access to information by actors other than government and systematic dissemination of information on public acts, access to information has not always been an easy task for these groups of actors who sometimes are left at the margins of decision making.
2.3 Promoting participatory approaches for evidence-based policymaking	√	The GESP focuses on strengthening the participatory approach. It was piloted in following an all-inclusive process that brings together all actors of development (government, agencies, sectors, and civil society, development partners, etc.)	
2.4 Building capacity across government and specialized agencies in the broad range of tools (including the statistics department)	√	The paper recommends enhancing the capacity of the various actors of the economy and capacity building of supervisory structures.	
2.5 Using forecasting models and statistical tools to formulate specific targets	√	In designing the GESP, the choice of methodology was guided by the determination of authorities to implement the Paris Declaration principles on the effectiveness of development assistance.  A Management by Objectives (MbO) method provided the opportunities for a comprehensive review of all sector policies and strategies	It is a result-based management approach, geared more towards achieving objectives, aligning resources appropriated, and results obtained for more effectiveness, better service quality delivery, and also enhanced transparency and accountability in public administration.

Elements	Assessment	Observations	Remark
			<p>It would require a complete analysis to assess the effectiveness and efficiency of the method adopted in achieving;</p> <ul style="list-style-type: none"> <li>- Targeted objectives and results (development indicators),</li> <li>- Rational allocation of resources,</li> <li>- Enhanced service quality delivery,</li> <li>- promote transparency and accountability in public administration</li> </ul>
<b>3- Development of budgeting and financial system</b>			
3.1 Connecting the development plan with the budget	√	Through an institutionalized medium-term expenditure framework. This is where Sector strategies are translated into clearly formulated medium-term Priority Action Plans (PAP), with an estimated cost and budget.	<p>It was thought reasonable as part of revising the strategies to provide very comprehensive actions streaming from the Vision and GESP strategic document, capable of enabling the subsequent costing and budgeting procedure.</p> <p>We can only question the effectiveness and efficiency with which the process of costing and budgeting is performed.</p>
3.2 Effective financing mechanisms to meet the costs	√	<p>The GESP presents the need for accentuated efforts in the mobilization of domestic and foreign resources to meet the cost of growth and employment challenges.</p> <p>The Law n°2007/006 of 26th December 2007, on the Financial Rule of the State, has rendered mandatory the elaboration, presentation, execution of State Budget in the form of Program Budgets. This Program budget translates public policies and objectives linked with performance or result indicators.</p>	

Elements	Assessment	Observations	Remark
		A framework is globally known as the Planning, Programming, Budgeting, Follow-up, and Evaluation chain is instituted from the standpoint of effective and efficient implementation of the government budget.	
3.3 Creating incentives for the private sector	√	In, the Vision 2035 and GESP documents, the private sector is considered an essential partner with the precise role of being the principal driver of growth in the economy.	<p>To clinch viable, sustainable, and more competitive investments in the private sector, actions are undertaken such as;</p> <ul style="list-style-type: none"> <li>- the investment code provides fiscal incentives, tax advantages, and custom exemptions, for different categories of investors in growth spurring key sectors.</li> <li>- Cameroon business forum for addressing the challenges/problems and providing policy reforms to boost private sector investment,</li> <li>- online enterprise creation,</li> <li>- online declaration of taxes, etc.</li> </ul> <p>Despite marked incentives in favor of private sector investment and private sector-led growth, the entire sector still meets with a rather challenging business environment caused principally by hostile administrative bottlenecks and corruption and macro-economic instability, and a weak financial sector.</p> <p>Consequences;</p> <ul style="list-style-type: none"> <li>- Ranking low in World Bank annual ratings in the ease of doing business.</li> <li>- It dissuades some foreign direct investors and domestic private sector investors</li> </ul>

Elements	Assessment	Observations	Remark
			- Etc.
4-			
4.1 Establishing a tailored evaluation system	√	<p>The evaluation system adopted for the GESP is inspired by the principles of Result-Based Management which shall permit the production of viable information to better conceive policy, its execution while guaranteeing that rational use is made of public resources.</p> <p>Implementation and monitoring focus on the methods and the strategies adopted. Results monitoring permit a total assessment of the level of attainment of targeted objectives and results.</p> <p>Therefore, an Inter-Ministerial Committee in charge of follow-up, and a Technical Committee for monitoring and evaluation of the technical committee assists the inter-ministerial committee by producing the relevant documentation required to ensure proper follow-up and evaluation.</p>	<p>Phase One of the GESP comes to an end on December 31st, 2019. A newly elaborated planning document shall take effect from January 1st, 2020.</p> <p>According to the above, a summary evaluation of the GESP at this final stage indicates that growth still averages 4,5% contrary to the targeted 5,5% and it has been only just sustained due to regular fluctuations, and unemployment rates have only reduced by 3% contrary to the targeted 10%.</p>
4.2 Capacity building in statistics and data collection	√	The GESP recommends enhancing the capacity of the various actors of the economy	The National Institute of statistics coordinates capacity building in statistics and data collection under the auspices of the MINEPAT
4.3 Coordinating with line ministries especially the statistics department	√	For monitoring and evaluation of the ED plan, statistical procedures are based on an information system inspired by CRESMIC and are based on the National Statistics Development Strategy (NSDS).	Line Ministries centralize their data at the Ministry in charge of Economy and planning for its coordination.
4.4 Establishing an iterative feedback process	√	Information shall be gathered from active stakeholders, then, centralized and analyzed by the Technical Committee and before being presented to the Inter-Ministerial Committee in the form of Semester and Annual Reports on the level of implementation of the GESP.	

Elements	Assessment	Observations	Remark
<b>5- Capacity development</b>			
5.1 Better understanding of the necessity of planning, coordination, and appraisal	√	As part of the State's strategic supervision of development, the GESp emphasizes measures to reinforce the capacity of the State in:  The Planning and setting out of the national development priorities; Framing and implementing general and sector policies; Development of strategic initiatives in priority sectors; Programming and monitoring of infrastructure development programs and projects, Promotion of regional development and housing policy; Framing human resource development policies etc.	
5.2 Greater support to sub-national government agencies and increased coordination with them.	√	The ministry of Economy provides financial support and coordinates some sub-agencies.	
5.3 Greater awareness of the benefits and opportunities for the private sector	√	The document highly emphasizes the important role of the private sector in growth-led sectors of development	The government is nowadays, increasingly aware of the significant role of the private sector in contributing to the share of overall GDP, and is promoting the sector through line Ministries specifically responsible for small and medium enterprises; agencies for the promotion of SMEs and industries; the SMEs Bank, etc.  But as mentioned earlier, the sector faces a rather challenging business environment that slows

Elements	Assessment	Observations	Remark
			down private sector development and expansion.
5.4 Greater awareness of the right to participate and build capacity in civil society	√	the Vision 2035 and GESP integrates several lines on the participation of civil society.	Through National Integration: participation of all citizens remains indispensable to the success of any social project. The strategies considered in this context include the reinforcement of partnerships between the State, private sector, and civil society and the incorporation of disregarded groups (women, children, disabled, elderly, etc.).

NB: √ is given to the conditions which received a favorable assessment. While X is given to the conditions which received a negative assessment.

**Source:** Researcher Analysis of Cameroon Economic Planning using the UNDP Framework

From the evaluation of Cameroon practice in EDP carried out in MINEPAT obtained a favorable assessment to most conditions and criteria listed out by the 2016 UNDP plan. This implies sound policies do exist and are implemented within the Ministry of Economy and so challenges facing growth should be exogenous factors such as management issues and corruption. These challenges will be discussed in the following sections.

#### 4.4 Challenges Facing Growth in Cameroon

Even though Cameroon is a country that is richly endowed with natural and human resources to support sustainable development, still the country is affected by a backbone-infrastructure deficit. This condition increases factor costs and the attractiveness of non-

extractive sectors to investment, thus reducing the chances of reworking and diversifying the economy in sectors like the agro-industry and also the energy sectors. The energy sector regulatory framework impedes private investment and prevents the country from developing its hydroelectric, gas, and thermal power potential. Concerning transport infrastructure, resources earmarked for road maintenance are inadequate and don't help to bog down the deterioration of road networks. Yet, Cameroon's geographical position makes it the principal transshipment and freight-traffic country for landlocked countries like Tchad and the Central African Republic.

Some bottlenecks still structurally thwart growth and stop further diversification of the economy: electricity supply, the weakness of the interior market, low processing of local products, a robust currency, and therefore the lack of effective tariff protection, particularly concerning goods imported from Nigeria. However, it's also the sociological constraints inherent to the Cameroonian and regional model (rent system, lack of productive investment, the load of corruption, and insecurity) that sadden economic activity. Cameroon is experiencing governance problems that hamper its development and hinder its attractiveness to investors.

Another challenge in economic progress in Cameroon is an overrated currency and economic mismanagement. As is also the case with many developing countries the agricultural sector plays a major role within the Cameroon economy. Cameroon experiences an extended recession that has been from 1986 to 1994 and this had extremely adverse effects on the country's agriculture and therefore the economy as a

whole and there is an outsized gap within the distribution of wealth even though Cameroon is endowed with both human and natural resources development continues to be a problem. And despite Cameroon oil resources and favorable agricultural condition the country still faces many problems of underdevelopment; like unequal distribution of income, corruption, drain, and lack of infrastructure, lack of health care, and a ray of gender issues and several people including health professionals live Cameroon in exploring for more opportunity and specialization in other countries furthering the problems with drain.

The distribution of the budget allocation to different sectors needs to be looked upon. More resources should be directed towards the grading roads, creation of schools, and improvement of quality education, towards agriculture, economy, and emergency funds. Agriculture plays a significant role in the economy by supplying a major source of income. Despite these kinds of challenges faced by Cameroon in achieving its economic development goals, policy-making institutions like MINEPAT contemplating development planning is required to deal with some basic issues in the drafting or planning stage to boost the national income and spur up economic progress. Thus reform programs and policy actions should be envisaged by the Govt. to progressively remove the aforementioned constraints.



# **CHAPTER IV: ECONOMIC DEVELOPMENT**

## **PLANNING STRATEGIES OF SOUTH KOREA**

### **1. Introduction**

South Korea is one of the greatest development success stories in recent times(Choi, 1987a). The country has risen from a state of extreme poverty to become one of the most dynamic industrial economies and a major player in sectors like automobiles, semiconductors, and telecommunications. Rapid growth has been achieved despite resource constraints and geopolitical uncertainties and its development approach is the source of valuable lessons for developing countries and emerging market economies around the world.

In 1961, The Republic of South Korea (ROK) along with developing countries like Ghana, Zimbabwe all had essentially identical GDP per capita 1961 according to Moon and postulates that there should be a rare story behind why the ROK went on to prosper to an advanced industrial country status whereas other developing countries didn't. That narrative leaves out many things, including the role of highly effective reforms carried out within the ROK during the Korean War that set a basis for long-term growth Lie, (1998). Also significant was the broad-based societal demand for education which led to an unlimited rise in literacy in this Asian Nation around the 1945 and 1961 eras. The

ROK made societal alternatives that were the inspiration for equitable and fast-paced development supported by an intense investment in human capital. (Kuznets, 1988)

The ROK underwent intense economic progress and development during the decades after 1962 given rise to understandings that, its creation of institutions of national intervention in economic activities, and its imposition of a strict and authoritarian type of government, are to be accredited for the economic transformation that followed. By exploring the historical and theoretical origins of Korea's economic science, beforehand the first five-year plan's endorsement in 1962 elucidating the contextual approach of economic planning during the colonial epoch, the Asian regional background setting, earlier planning efforts before 1962, and therefore the US-South Korea political and economic relations. Rather the government that seized authority during the year 1961 is shown to have been exceptionally ill-prepared to accomplish the republic's economy and is revealed to have been co-opted for its self-legitimation purposes significant institutional changes designed by its predecessors, the constitutionally elected government of prime minister Chang Myon.

These actions included a five-year plan, additionally because of the national construction service and therefore the governmental reorganization plan resulting in the establishment of a powerful economic Board. Also, it's shown that climate favorable to popular support certainly restiveness of an economic transformation has lain during the preceding years such that the military appropriation of power received unnecessary credit for a process

previously underway and likely to have been continuous without resort to a militarized take over.

The government of Korea guaranteed the rule of law and low taxes for all businesses regardless of their sizes. Moreover, President Park Chung Hee gave tax incentives for companies. Thus, the big conglomerate such as Hyundai, lotte got to compete in an open market with other corporates companies from Japan and the US, and at the same time, they also had the full support of the state. Though South Korea had no natural resources with a big population those huge companies focused on the industries that required a large workforce such as manufacturing and this resulted in the birth of the 'chaebol nation' where hundreds of thousands of workers were employed.

Chaebols were big industrial clusters or conglomerates supported by the states, like Hyundai companies that were born in the 1940s. Though the gov't of Korea guarantees total support to those chaebols this doesn't mean they had a blank cheque. The reason for which when the chaebols went as far as being bankrupt no one could bail them out since they were more accountable to and supported by the state itself and this was a clear motivation for these companies to strive to do better.

The success of the major industrial clusters paved the way for the improvement of other steel-related industries like shipbuilding, automobiles, fine machinery, construction industries, as well as electronics. Thus the Korean economy has shown that without

adventure there cannot be economic growth. The new community movement is considered as one of the crucial forces in promoting the growth of the Korean industry.

Also, the gov't of Korea supported the communities that had the will to stand on their own. The people also cast off their self-doubt and gained confidence that anything was possible which nurtured hope for a bright future. The movement aimed to increase the revenue of farmers and it made its way to all sectors of society; increasing social awareness in the cities, factories, and workplaces. This showed that poverty could not be overcome through foreign aid alone and that the true path to success lies in deep-rooted solutions that can change the core of society. These grassroots efforts coupled with a global economic boom helped to fuel amazing economic growth in Korea but a crisis emerged from an unexpected source. In October 1973, the Yom Kippur war broke out and with the price of raw material skyrocketing, the domestic factories grew to a halt while inflation soared. This was a critical blow to Korea since it was a country without a drop of oil and which has just begun to industrialize. But this crisis proved to become an opportunity and the Korean government rather than a disadvantage. (Choi, 1987b)

The then financial crisis presented an opportunity for economic reforms. And in solving financial institutions were shut down while corporate businesses underwent extensive restructuring, along with this restructuring, management systems were also changed to include principles based on competition and performance.

During that period, Korea recognized that it had to restructure some of its policies and some of its industries and did this aggressively and forcefully and by provided leadership for that to happen and did not wait for the rest of the world to make it happen.

## **2. Distinctive Features of Korean Government Policies for Enhancing Efficiency Towards Development**

Korea and western countries took disparate paths to development and also the unique developmental capabilities of Korea don't seem to be captured in western economies. According to a renowned scholar referred to as Moon, South Korea's economic success from 1960 to 1990 is because of its companies' that embraced constant benchmarking with the pursuit of second-mover advantages, its cultural emphasis on getting things done urgently, and its education system's reliance on rote memorization through large courses as an efficient means to spread knowledge. He argues that other emerging economies should adopt these practices to accelerate their economic development.

Moon illustrates South Korea's economic progress by employing a conceptual framework, based on four key factors: agility, benchmarking, convergence, and dedication. To understand how Korea enhanced its productivity, the subsequent dimensions were explored and incorporated into the Korean model of economic development.

### **3. The South Korean Economic Development Plans**

The series of five-year plans for economic development initiated by the Korean government, especially during the Park Chung Hee administration, was well-known for being highly aggressive and growth-oriented. The plans focused on creating and directing the conditions to foster capital investment, production, and exports. Japan's ministry of international trade and industry had already pursued similar policies with its developmental programs (Johnson 1987), and Korea followed suit by establishing the Economic development advisory board in June 1961.

Officially the five-year plans continued through the late 1990s with the seventh five years economic and social development plan. However, thanks to the various nature and context of development within the 1990s, only the first five-year plan is mentioned here. The first five year plans are differentiated by their fast pace and a vibrant focus on accelerating growth. During the Park, administration industries were aggressively restructured like defense and construction, sometimes to stimulate competition and other times to cut back or eliminate it. The economic planning board established export targets that, if attained companies were granted additional government-subsidized credit and wider access to the growing domestic market. On the other hand, failure to fulfill such targets resulted in credit withdrawal. By setting clear goals for firms, the gov't. was ready to raise the boldness of both foreign and domestic businesses to take positions and invest within the industries targeted by the gov't. (Wolf Jr, Charles, 1962).

Also, just like other high performing Asian economies, Korea first underwent an import substitution phase, but immediately switched to export-oriented policies. Initially, Korea first underwent an import substitution phase, but immediately switched to export-oriented policies. Initially, Korea implemented wide-ranging import liberalization measures after it decided to join the GATT in 1967, and imports in Korea began to expand at a greater rate than exports. Thus Korea needed to develop import- substitution industries to scale back the increasing trade deficit. However, the policy shifted toward export expansion to accelerate the speed of industrialization. As Korea's changing trade pattern reveals, the country was ready to move from import substitution to export promotion quickly and with precision. This was possible because there was a well-designed plan in situ by the gov't.

#### **4. Export Trade-Oriented Policies**

The Korean gov't pursued sector-specific industrial policies to some extent. The import machinery and production programs were then complemented by an intense domestic effort to create the foremost efficient use of imported knowledge. learning imported technology is within the fact the foremost efficient way of making new technology through improvement. As an example, the Hyundai motor was eventually able to develop new powerful engines after the firm learned the fundamental technology from Mitsubishi Motor of Japan and improved it. Hyundai's motor tremendous effort of learning from its

predecessors and improving upon existing technologies is one of the key factors for its success as a significant international exporter.

Scholars (e.g., Lawrence and Weinstein 1999) revealed that advanced levels of imports are often related to greater productivity growth; on the opposite hand, sectors that start with export strategies record lower rates of productivity growth. Korean firms, however, countered this statement with their successful export strategies. Just like the first five year plans, export-orientated policies were quite effective in delivering growth to Korea. They pushed firms to find out the most effective practices of existing business players to become competitive within the market. Since Korea had a comparatively small domestic market, the gov't from the onset pressured firms to focus on the world market so that they may expand investment and achieve economies of scale. To further encourage the firms to expand outwards, the gov't maintained a low currency value and vigorously conducted monthly trade promotion meetings, on- the spot guidance, and episode purges of unsuccessful firms (see Chang 2003a, b).

## **5. Structural Transformation and Spillover Effects**

The connection between growth and structural change remains a principal concern for development economies (Fagerberg et al, 2002). Schumpeter (1934) emphasized the importance of technological revolutions in guiding fundamental changes in economic progress and structure. Beginning with Clark (1940), several economists called attention to the importance of structural transformation through theory such as the 'Big Push'



(Rosenstein et al., 1943), balanced growth (Nurkse 1952), unbalanced growth (Hirschman 1958), dual economies (Nurkse 1953) and stages of economic progress (Rostow, 1960). Later, global institutions like the UN spearheaded these efforts, then researchers like Kuznets (1966) and Chenery (1975) established that higher rates of economic progress underlined substantial changes in the economic structure. Industrialization in Korea witnessed substantial changes during its technological build-up stage and learning and effectively competent to these changes to boost its international competitiveness. the overall goal of the Korean government in this regard was the development of the iron and steel industries. Because of the basis for other industrial commodities, steel and metal were critical resources. This was the central motivation behind the Korean gov't's initial target was on the steel industry. The successful development of steel allowed subsequent entry into industries like automobiles and shipbuilding. When these sectors matured, the gov't built international scale industrial complexes in petrochemicals, electronic components, and machinery. A number of these complexes built in the late 1960 have grown to become the world's largest industry clusters. Gov't policies of promoting key industries like steel and therefore the establishment of world-class industry clusters significantly enhanced the productivity of labor and capital and transformed industrial structure to a more advanced level.

## **6. Enhancing National Goals through Modernizing Rural Areas**

There were two important effects of the Saemaul movement; one was to reinforce the work ethic of urban workers and also the other was to boost the living standard of rural farmers. The Saemaul movement originally aimed to develop and modernize the agricultural areas of Korea by evoking the spirit of diligence, self-help, and cooperation. The Saemaul movement began in 1971 when Korea faced economic disparities between urban and rural areas because of the prioritization of export-oriented industrialization's the income gap between urban and rural communities grew wider, there was a mass exodus of youths to urban areas. Consequently, villages were run-down with laborers, and cities faced significant population pressure.

Moreover, at that point, Korean farmers were idle and lax during non-farming seasons within which they turned to heavy drinking and gambling. In fact, from the period of the Silla kingdom to the recent pre-modern past. Korea was known for its culture of drinking, singing, and dancing. The Saemaul movement thus aimed to enlighten rural people and alter their views on poverty through 'community education. These programs promoted the values of clear goal orientation while helping villagers develop various craft and construction skills. By proclaiming that "not even the state can help the lazy", the gov't raised the appreciation for diligence and its contribution to a robust livelihood.

Another intention of the Korean government was to mobilize farmers and direct their efforts towards national development goals. The Saemaul movement successfully helped

farmers overcome the “non-economic” psychological issues and achieve increased productivity and prosperity within the rural areas, through the methodology of spiritual training” (Han 2004). Between 1970 and 1979, Korean farmers’ average household income grew over five times from 825 dollars to 4602 dollars (UNESCO 2012). The changing attitude of the rural or pastoral people was further enhanced as they might also find opportunities to labor in newly developed, local industry clusters; they didn’t have to leave their towns. As a result, the income gap between the urban and the rural populations was significantly reduced and some rural populations even exceeded the urban populations in income.

## **7. Reinforcing Total Factor Productivity (TPF) for Korea’s Economic Growth and Development**

The popular view that productivity gains are grounded mainly on technology imports and efficient allocation of capital to high yielding investment could also be incomplete. Particularly in Korea’s strong governmental leadership was geared to speed up industrialization through export-oriented policies. Exportation permitted firms to acquire and learn the best practices and technological skills of major global actors. This awareness and knowledge were then quickly applied to manufacture goods for export. This played a crucial role in promoting the private sector while transforming the industry structure, through enhancing input-driven productivity.

What was also important, and which is usually missing in other studies is Korea's TFP was further enhanced by improving the productivities of human and capital resources, and related infrastructure through the gov't policy of industry clustering. The industry clusters played an important role by efficiently linking infrastructure and other related industries. Clusters enabled firms to cut back transportation and transportation costs while encouraging both competition and cooperation. The Saemaul movement then helped the effectiveness of industry clustering by providing regional industry complexes with a motivated workforce educated campaign of the movement.

In essence Korea's, TFP growth was rendered quite than what existing studies found on various government policies which were effective in enhancing the productivity of human, capital, and other resources for economic development.

Specific gov't policies utilized by the Korean presidential administration managed to beat obstacles and built new competitiveness.

When Korea's liberal, democratic government was first established in 1968, the country was amongst the poorest within the world GDP per capita less than 70 dollars. However, to the amazement of observers worldwide, Korea demonstrated continuous growth into the 21 century and raised its per capita income remarkably to almost 28000 dollars by 2014 approximately 400 times that of the 1948 level. Another notable aspect that Korea displayed transformative growth by developing new industries every decade, from the agricultural sector to labor-intensive manufacturing industrialization to capital-intensive

industrialization and more advanced technology-intensive industries. specifically, the industrial structure had been upgraded significantly by the 1980s, at which point Korea worked on enhancing the competitiveness of its existing industries additionally to developing new technical industries like semiconductors components and specialized chemicals.

A report published by the United States Congress called the Korean economy within the congressional perspective on October 27, 1986. The report highlights four reasons that specify how Korea was able to experience such rapid economic development.

### **7.1 The Collective Effort of the Korean People**

The collective effort of the people is a result of political leadership (particularly at the first stage). Domestic market expansion is that the result of increased income, and also a part of the export promotion policy only constitutes part of the government's economic planning. All four reasons are associated with the role of the state. this implies the necessity to thoroughly grasp the essence of the Korean government's role in developing the economy to observe Korea's success comprehensively.

### **7.2 Korean Government Leadership for National Growth**

Political leadership under a good governmental system is very important in improving national competitiveness. However, many eminent scholars (e.g., Porter 1990) argue that the gov't only plays an exogenous role in creating and maintaining national advantages.

Despite these views, the role of the state, particularly in developing countries, is more important than is known by western scholars. The principal purpose of the policy is to allocate national resources to sectors that have the best products to maximize value creation and optimize value distribution. This sort of government capability has taken primacy in Korea additionally as other east Asian countries, and this can be the key to properly understand the role of the gov't in these economies. By observing the mainstream economic policies of Korea throughout its developmental history, while brief, the review of Korea will show important strategies pursued by the Korean government through some successful and others not. This overview provides useful benchmarks for developing countries that want to learn from Korea's experience of economic development policy. particularly, it might be interesting to observe how each government contributed to not only solving the issues then but also creating new competitive advantages for the long term.

## **8. The Nation-Building Stage of Korea**

By the time President park was inaugurated, the US had reduced its aid to Korea significantly and this limited the power to use foreign aid to execute economic policies (Haggard 1990). At that point, the central issues consisted of domestically versus internationally oriented development, promotion of agriculture versus manufacturing, capital formation through foreign investment versus foreign loans, and balanced versus unbalanced growth. While the gov't of Korea was contemplating the national goals for

the assembly of it carefully examined domestic and foreign consumption patterns. overall, the inadequate size of the local purchasing power encouraged the gov't to shift outward and promote export-oriented policies that were founded on modern industrialization strategies with a consideration of a global wider market place for Korean products, exporting was a decent means to get foreign currency (Lee 2005; IMF 2006).

During this era, national building through export promotion became the Korean nation's basic philosophy in all sectors and economic activities (Harvie and Lee 2005). Therefore, the previous import substitution growth strategy was shifted to an export-oriented growth strategy. The gov't of Korea realized the importance of controlling the financial sector, and by so doing limited capital resources were allocated to targeted companies, the government was ready to obtain a firm's compliance with its economic objectives and simply control firms' activities. This was done to market export-oriented industries.

Accordingly, the gov't implemented a series of reforms including the nationalization of economic or commercial banks, an increase in private interest rate to promote household savings, and also the devaluation of the currency to extend exports. However domestic capital accumulation through savings wasn't enough to satisfy the strain of the domestic firm's investment. Thus the Korean gov't acquired capital through foreign public and commercial loans offered these selected firms at quite a low-interest rate (Gereffi and Wyman 1990; Lee 2005; Park et al. 2007)

Another policy under President Park's rule was to cultivate large enterprises or chaebols. President Park realized that depending on small and medium-sized enterprises (SMEs) wouldn't achieve his goal of building a contemporary industrialized economy in an exceedingly short period (Kim and Park 2011). Thus he chose to allocate capital efficiently to designated large firms, which might have benefited from the scale and be more competitive. The gov't only provided preferential treatment to firms that satisfy the goals set by the government, thereby avoiding the financial loss of misusing capital, this facilitated the allocation of scarce resources to the foremost competitive firms for export. The export-oriented growth strategy achieved great success at the early stage of Korea's economic development. The gov't initially adopted an unbalanced growth approach with the hope of skyrocketing the spillover effects from the growing targeted areas. The main target on the manufacturing sector and huge companies promised faster and better employment, quicker returns on investment, and quickly catching up on technology. This showed how the gov't had a transparent vision and was decisive in its actions.

The 1960s witnessed considerable economic progress in Korea because of the aforementioned government policies. However, since most of the raw materials and machinery for the manufacturing sector were reliant on imports, there have been limits on improving the economy beyond this first growth. Because the volume of Korea's export grew, there was a corresponding growth in imports of intermediate goods and raw materials, and this resulted in a very large increase within the nation's deficit. Also at



the same time, Korea's market position within the light industry weakened because of other emerging countries' augmented competition and intensified trade conflicts.

To find an alternate source of attractiveness, the Korean gov't focused on six pillar industries: steel, non-ferrous metals, technology, shipbuilding, electronics, and chemicals. This choice clearly showed the Korean gov't intention to foster heavy and chemical industries(HCIs) (Lee 2005; IMF 2006). To attain economies of scale, only some large firms got authorizations for doing business within industries classified under the category of HCIs. And this strategy further encouraged the expansion of big firms during the 1970s, unlike the labor-intensive light industries that were promoted within the 1960s the capital- intensive light industries that were promoted in the 1960s, the capital intensive HCIs required rather more investment in capital, technology, and related infrastructure. To lift capital to finance these large-scale industries, the gov't of Korea started the National investment fund (NIF) in the year 1973, which granted future, low-interest financing for those large companies. In effect, the NIF was a significant source of monetary support for the investment and development of HCI (Cho and Kim1995). The fund was operated by the Korea Development Bank under the nation's five-year economic plans (US international trade commission 1985).

The modernization effort indirectly propelled the expansion of other sectors such as technical schools and related manufacturing industries. More importantly, the gov't established various vocational as well as technical colleges to conquer the deficiency of the semi-skilled labor force that was required for building capital intensive HCIs (Lee

2005; Kwon and Yi 2009). President Park also established government-run research institutes to support the import of foreign technology, thereby meeting the growing demand for the technology of the HCIs. As a result, the quantity of government-funded research institute increased from two within the 1980s to 10 within the 1970s (STEP 2012). Unlike those established in the 1960s, the newly built research institutes were mostly specialized in specific industries like machinery, electronics, chemicals, and telecommunications.

Further economic progress extended to the enlightenment and engagement of the Korean people through the Saemuel movement. The previous decade's disproportionate emphasis on the manufacturing sector resulted in an increasing imbalance between urban and rural areas. In essence, the Saemuel movement was a part of the gov't's efforts to cut back such imbalances. By cultivating the importance of diligence, self-help, and cooperation, the gov't aimed to implant a growth-oriented mindset to modernize the agricultural sector. However, because it did when supporting large corporations, the gov't was strict in providing financial support for the agricultural villages yielded good outputs, and didn't support villages that were lacking diligence or self-reliance, this was highly effective in fostering healthy competition amongst the villages.

During this stage, there was the active promotion of free trade and marketization. By joining the WTO in 1995 and the OECD in 1996, Korea paved its path towards liberalization and internalization (Lee2005; Kim 2007). Though President Kim's gov't, initially set a 100 days' plan (February 22-June 30,1993) that addressed core topics

including privatization and also the promotion of SMEs, the slow economic progress (3% average since 1992) became the major concern for the gov't. The inefficient organizations that had been accumulated over time began to surface during this era, and also the government was pressured to make sure free involvement and innovation within the market. As such, the gov't began bearing on replacement economy in an endeavor to interrupt far from past customs and behaviors.

To resolve the problems (i.e. high cost and low efficiency) of the deteriorating competitiveness of the Korean firms, the gov't particularly aimed towards developing technology industries. For this, the gov't decided to extend investment in teaching, higher education, and research for basic science and technology to foster labor skills. However, the gov't's financial support was targeting several key competitive research institutes. The support to local universities didn't begin until the mid-1990s when the government realized that local research was necessary for local industrial development.

Though there have been a series of measures for liberalization, the pace of alleviation in government control failed to accelerate until the 1990s (Chang, park, and Yoo 1998). However, during the Kim administration, the interest value achieved nearly full liberalization through a step by step approach. Furthermore, the deregulation of the capital market made big strides which were one of the most conditions for Korea to join with the OECD. Additionally, those restrictions on foreign activities in the banking and non-banking sectors were greatly alleviated (Koh 2008).

However, the liberalization of the capital markets was more associated with short-term foreign borrowing, which made the capital market unstable. Although they were many achievements during this administration, it lacked a correct monitoring system to control the fledgling financial sector, which was one of the most important causes of the 1997 Asian financial crisis. Because the Korean economy was hit hard by this crisis, the gov't was forced to go after the IMF for economic relief. The resulting overhaul and restructuring of the Korean economy caused great social tension for the upcoming years.

## **9. Korean Economic Policies Per Administration**

Korea's economic policies by Presidents will be summarized in table 2 below and it shows how the Korean gov't dispensed different policies in line with their situations. Particularly the efforts were centered on overcoming disadvantages and solving problems while building new competitive advantages to allow for sustained growth. The gov't did so by first setting economic goals, then classifying and resolving weaknesses and ultimately creating new strengths and once a selected target was achieved, the gov't moved on to the following development challenge and repeated the method of setting targets, overcoming weaknesses, and creating strength.

By repeating these steps, the gov't created a virtuous cycle of economic progress that enabled Korea to continuously enhance its national competitiveness, thereby transforming it from a developing to a developed country. while scholars criticized the

gov't interventionist policies for economic development, Korea's government policies demonstrated high effectiveness, particularly in its early development stage.

The success of governing policies doesn't lie in the intervention itself but in the enhancement of business efficiency. For instance, the gov't failed to support all exporting firms in 1960 but only those which showed superior performance. Therefore, this selective support policy facilitated competition and a firm's operational efficiencies. Furthermore, the gov't gradually loosened its control over all economic sectors which provided more opportunities for firms to use competitive resources from across the world and build new competitive advantage. Moreover, the administration continued to pursue new policies to push national growth like the information-based society (Kim Young et al) the green industry (Lee Myung-bak), and there the creative economy (park Geun-Hye).

Korea's development strategy has been unique and different from traditional economic theories. Traditional theories primarily explain economic development through comparative advantage that's innate to a nation, implying that a nation cannot create competitiveness in certain fields where it doesn't have inherent advantages. By contrast, Korea has demonstrated that a nation can attain economic development by continuously overcoming inborn disadvantages.

**Table 2: Korea's Economic Policies by Administration**

<b>Economic goals</b>	<b>Solving problems</b>	<b>Creating advantages</b>	<b>New problems</b>
Park Chung-hee (1) (1963-1971) import Substitution export promotion	External borrowing low interest and tax	Development of chaebol Learning from abroad	Trade deficit limited progress with light industry
Park Chung-hee (2) (1972-1979) export promotion, the heavy and chemical industry	Investment with scale economies Saemaul movement	Vocational schools Government-run research Facilities	High inflation Overlapping investments
Chun Doo-hwan (1980-1988) stable growth Deregulation	Tight monetary and financial Policy. Restructuring the Private sector	Private R&D investment Market liberalization and privatization	The increased power of chaebol, income gap
Roh Tae-woo (1988-1993) Liberalization growth promotion	Tighter control on chaebol Welfare policy	Import liberalization Expanding R&D together in all industries	Weak competitiveness In the global market Weak financial sector
Kim Young Sam (1993-1998) Internationalization deregulation	Joined WTO and OECD Financial reform	Developing high technology Liberalizing capital markets	Weak financial infrastructure Financial crisis
Kim Dae-Jung (1998-2003) Overcoming financial crisis Economic restructuring	Financial reform FDI promotion	High tech industry knowledge-based economy	Unbalanced growth Social inequality
Roh Moo-Hyun (2003-2008) Social equity democratization	Labor friendly policy Anti-authoritarianism	Balanced growth Initiation of FTAs	Rapid labor market Economic stagnation
Lee Myung-bak (2008-2013) Market stimulation internationalization	Flexible labor market Market friendly policy	Promotion of FTAs Green industry	Slow economic Growth social welfare
Park Geun-Hye (2013-2018) Job creation Balanced society	Public sector reform Restoring principles	Creative economy Economic democracy	Slow domestic employment Social rigidity

Source: H.C. Moon (2016).

## **10. Koreas Business Leadership for Corporate Growth**

Another group that had a vital role in catalyzing the South Korean economic progress were the leaders of Chaebol. The role of executive leadership in corporate success is well noted. Ducker (1988) describes leadership as being the irreplaceable core of the organizational business, while Collins (2001) claimed that 3 out of 4 companies falter due to unstable leadership. The role of leadership as a classy human factor is principally important for companies in less developed countries. This is because nations or companies within the initial stage of economic development don't produce other advanced factors that generate significant competitiveness. For these nations and firms, the foremost important factors start from effective leadership in a way to mobilize limited resources efficiently to strengthen the competitiveness (Cho and Moon 2013).

This was evident in Korea's case as the primary founders of Korean companies portrayed remarkable vision and decision making to lead their large companies. The founders of POSCO, Samsung, and Hyundai respectively. Each of the said companies was able to overcome its disadvantage and created new advantages thanks to the precise attributes and qualities of each of the CEO. Though these leaders had widely different leadership styles and personalities, they possessed similar attributes that were crucial for understanding the great expansion and success of Korean companies.

# CHAPTER V: CONCLUSION AND RECOMMENDATIONS

## 1. Introduction

Cameroon like many other emerging market economies must prioritize her needs to meet her development targets. The country needs to take look at how it can achieve the objectives in its growth and employment strategic plan and also its longer-term development priorities. Macroeconomic short term imbalances have to be addressed at the same time using economic models based on data that most likely to predict the implication of policy actions on the various aspects of the economic development plan. Policy simulation tools and framework suggested by the UNDP can be used to access the impact and effectiveness of the economy and economic development planning in general.

## 2. Conclusion

The study has focused on assessing the effectiveness of EDP within the MINEPAT using the UNDP 2016 framework. From the analysis of the EDP using the UNDP framework, we found out that the Cameroon EDP got a favorable assessment to most of the criteria as listed out by the framework. This is to imply that policies do exist and the MINEPAT is equipped with sound policies but growth remains a major challenge despite an existing and sound planning structure. Thus, the development policies in place needs to be



aligned and enhanced to meet up with the development targets of the country as stated in its GESP. This will contribute to curbing the growth challenges facing the country.

It can be argued that for growth to be a reality in Cameroon, policy strategies should be aligned with implementation procedures for economic planning to effectively contribute to growth. The effective coordination of existing policy measures in collaboration with line ministries and other institutions in the country remain important for an effective monitoring and evaluation of the EDP plan.

The study has also contended that economic reforms will almost certainly require and be accompanied by stronger, better-organized, and more institutionalized policies, which play a significant role in growth.

The gov't of Cameroon should promote its already expanding industrial clusters by way of state financial support and collaterals to obtain foreign loans to expand their businesses.

The government of Cameroon should base its development on the innate potential of the state and to strive to be competitive in those selected areas such as the agricultural and mineral extraction industries. The agriculture and the mineral resource extraction sector should be developed from not only exploitation but to the transformation of the natural resources.

Though the GESP for development was set out within MINEPAT. It should be noted that some objectives of this GESP couldn't be achieved and so economic development planning in Cameroon couldn't be effective. The vision 2035 and the second phase of the GESP (2021-2030) in Cameroon are currently under study and is in the process of

being legalized at the Presidency of the Republic. The GESP was projected over 10 years (2010-2020) and was mainly focused on the implementation of first-generation projects. The implementation of the second phase of the GESP (2021-2030) should be focused on the realization of second-generation projects.

### **3. Recommendations**

#### **3.1 Operational Policies for Economic Growth**

The long-term stagnation of growth in Cameroon being a developing economy (DEs) highlights the importance of structural policies to strengthen the engine of growth. A simulation exercise following World Bank (2018a) shows that a blend of structural policies to boost investment, expand educational and health systems, and reform the employment market can reverse the expected decline in potential growth over the following decade. Particularly, an enhancement to public and private investment can help decrease the stagnation in growth, if implemented efficiently.

Under this context, structural issues for Cameroon's economic progress can be suggested in three aspects of investment that is physical capital and human capital, and strengthening total factor productivity can be envisaged.

### **2.1.1 Reinforce Investment in physical capital**

Physical capital accumulation can be a key component not only to stimulate long-term economic progress but also to alleviate poverty in many DEs like Cameroon, considering the weak performance of the physical investment. It's estimated every DEs needs sizable physical capital accumulations, particularly for power, transport, and climate (Vashakmadze et al., 2017; UNCTAD, 2014). However, investment priorities for physical capital vary across countries during the development stage, growth strategies, resource endowment, industrial structure, and geographical location. In Cameroon, domestic road and port infrastructure should be granted high priority in commodity exporters, especially in some landlocked areas in Cameroon facing logistical problems in international trade. Also, water and sanitation infrastructure should be expanded rapidly to accommodate population growth and urbanization (World Bank, 2016b). The foremost critical issue during this accumulation of physical capital is that it'll require an enormous amount of financing from public or private sources. Besides determining investment priority among many aspiring projects, DEs must find an operational way of financing and its allocation toward growth-enhancing sectors including public infrastructure, despite the increase in public as well as private debt throughout the past years.

The core of the industrialization policy is to rapidly expand physical capital, and also the foremost significant mission to the gov't is to raise the required financial resource. To do this, the gov't needs to envisage raising a large share of fiscal spending on

infrastructure investment through fiscal investment and loan. Fiscal investment and loan in government expenditure increase the general public physical assets including the building, equipment, machinery, highway construction, harbor, land conservation, inventory through the directly fixed capital formation from general and special accounts, indirect financial investment in state-owned enterprises (SOEs), and lending to private own businesses.

Private physical capital accumulation should be founded on foreign loans with the gov't guarantee of repayment and policy loans with a low-interest rate.

Particularly, the National Investment Fund (NIF), should significantly contribute to supplying credit to the big companies or corporate sector, because funds within the banking and public sector are required to lend a fixed set portion of their funds to the NIF. Also, the gov't of Cameroon should enact several laws to support physical capital accumulation by the private sector and supply various tax incentives on physical investment.

### **2.1.2 Enhance Investment in human capital**

Improving human capital amid a rising working-age population is going to be another critical component to support potential growth in Cameroon. Investment in health, education, and nutrition will go to an extent to raise labor productivity though spending in these areas is well below the typical in Cameroon. Policies for better education could help not only increase labor market participation and labor productivity but also adjust

workers to technological changes. Cameroon still has ample room for further improvement in numeracy, literacy, and ICT-related skills. Public health policies also have to be strengthened. Well defined and monitored public health care, greater accessibility to clean water, and better sanitation could increase lifetime and life expectancy in DEs like Cameroon.

In the meantime, labor supply may be well increased through policies to draw in more people into the labor market. In Cameroon where the working-age population is already increasing, policies to enhance labor market participation, particularly for women and also the elderly, are critical to offsetting the declines in potential.

The most significant policy within the buildup of human capital is that the expansion of educational opportunities for countries aspiring for development. Education and especially vocational training from the high school level should be enhanced to supply the skilled manpower for industrialization. University education should even be expanded, as industrialization required an enormous number of students who are trained in science and engineering.

In carrying out these policies, economic policy would play a critical role in expanding schooling facilities and teacher training.

From the Korean economic model, we realize that it's simultaneously achieved astonishing economic development and a democratic form of Government thanks mainly to its investment in people. It took only 30 years for Korea to emerge as a key investor

in R& D. This was made possible probably due to the motivation of private industries to involve so actively in research and development also in innovation.

South Korean schools spend whatever they needed to ensure the most effective education for their youths. This is most often because the Korean gov't understood that the chaebols (industrial clusters) will need high skilled workers, then the gov't established an academic system that works in line with its national companies. This explains why the dream of most Korean youths is to end up working in one of those chaebols particularly at a Managerial position within the chaebols.

### **2.1.3 Strengthen TFP Growth**

Reforms to lift TFP growth are a key driver of long-term growth but have less paid attention in Des like Cameroon. There are several sources for strengthening productivity growth from absorbing technologies and concepts of AEs to expand the business environment and governance structure. Several studies show that structural reforms on economic institutions to stimulate competition, to facilitate entry and exit, and to encourage entrepreneurship and innovation could help buffer the decline of TFP growth across EMDEs. For instance, governance reform is related to higher TFP and investment growths (i.e., Hodge et al., 2011; Acemoglu et al., 2001; Divanbeigi and Ramalho, 2015). Improvements in political institutions could also help overcome difficulties during the reform process (Khemani, 2017). Structural reforms mentioned above would inevitably involve a deep transformation of the economy reallocating resources toward more

productive sectors, diversifying into new industries, and upgrading institutional frameworks. But, there is no unique size fit-all strategy and structural reform policies are closely associated with one another.

#### **2.1.4 Reinforce Government-led industrialization**

The gov't of Cameroon should enhance the buildup of physical capital and human capital for industrialization centered on HCI, and also implement various policies to increase the productivity of the economy entirely.

More efforts should be done to promote industrialization within the designing phase of the EDP process. By fostering labor-intensive manufacturing for both import substitution and export promotion. More attention should be paid to the transformation and modernization of the agricultural sector and the extractive industries for which the country can achieve a relative competitive advantage.

### **3.2 Policy Strategies for Enhancing Coherence Between Ministry of Economy and Line Ministries and TFP**

To strengthen the promotion of sound practices in EDP, we must always start from past experiences to develop new policies, we must always involve all the actors who can contribute to the improvement of the EDP.

The gov't should enhance the organization of consultative meetings and workshops in collaboration with civil society and economic operators. The MINEPAT should

coordinate and work in collaboration and with its technical and financial Partners(TFP) for better coordination of the economic development plan.

Budget support programs should be coordinated at two levels. At the preliminary level, the Gov't coordinates the budget support operations of key TFPs (such as the IMF, AfDB, World Bank, EU, and FDB). As such the Gov't should set up and supervise committees responsible for monitoring the implementation of Structural Reforms for the Promotion of Inclusive Growth and Poverty Reduction in Cameroon. The committees should be put in place within MINEPAT and National Planning councils, and should comprise of multi-sector experts, should be placed under the authority of the Secretary-General of MINEPAT. Before holding technical discussions with this committee and sector ministries, high-level discussions should be held between the Ministry of the Economy and the Ministry of Finance in collaboration with TFPs on conditions precedent to the establishment of their budget support. At the second level, TFPs ensure coordination within Multi-Partner Committee Exchange/Thematic Group (public finance, energy, transport, agriculture, etc.) Platforms. Reform measures within the four sectors selected, namely public finance, agriculture, transport, and energy, should be discussed, harmonized, and prescribed upon within the TFPs and with the Gov't to form synergy and complementarity and facilitate the monitoring of the reform matrix of all TFPs.

Private sector actors should participate in meetings and conferences that are organized as part of the design and improvement of the EDP.



### **3.3 Strengthening Institutions and Governance Systems**

A major challenge with development planning in most countries including Cameroon is that plans are prepared separately in different sectors and no single institution has the resources and mandates to put them together. The Ministry of Economy and the the planning institution needs to be allocated with such resources, incentives, and enhanced legal mandates that would help ensure policy coherence and strengthen the impact of EDPs.

### **3.4 Evidence-based, Empirically Sustained Policy Choices**

Even though authorities in MINEPAT took initiatives to enhance its statistics database, the quality, coverage, and timeliness in the database are issues to be addressed further, given that most data available are already outdated. This is not a favorable situation in the event of strategic planning. MINEPAT will have to organize a General Data Dissemination System (GDDS). GDDS participants are encouraged to update, review, and certify the accuracy of metadata at least once a year.

The complexity of planning makes evidence-based policy-making all the more important in assessing EDP in MINEPAT. This is because plans vary greatly in detail and comprehensiveness, mostly because of the absence of reliable data, as well as other deficiencies in formulating empirically backed policy options. The lack of capacity for data analysis or insufficient compensation for staff in MINEPAT would hamper the quality of planning in Cameroon.

In Cameroon, the insufficiency in specific targets or overly ambitious targets undermines the effectiveness of EDP. Target's set should be realistic with the help of statistical models and reliable data. Thus, the use of forecasting models for analyzing EDP in MINEPAT should be reinforced when evaluating the EDP in MINEPAT.

Even though the GESP was designed to promote access to information by actors other than government and systematic dissemination of information on public acts, access to information has not always been an easy task for these groups of actors who sometimes are left at the margins of decision making.

Though MINEPAT uses forecasting models with statistical tools to formulate specific development goals and it employs a result-based management approach, geared towards achieving objectives, aligning resources appropriated and results obtained for greater effectiveness, better service quality, and improved transparency and accountability in public supervision is still to be improved.

It would require a complete analysis to assess the effectiveness and efficiency of the method adopted in achieving;

- Targeted objectives and results (development indicators),
- Rational allocation of resources,
- Improve service quality,

- Improved transparency and accountability in public administration or management.

### **3.5 Reinforcement of Budgeting and Financial Structures**

Cameroon like most developing countries faces a shortage of funding required to meet development goals. Connecting design or planning to budgeting should be taking into considerations as the most integral stage in the development planning process. MINEPAT must work together with the Ministry of finance (MINFI) to develop an effective financing mechanism for the development plans. Even though coordination between them may be difficult because the planning cycle does usually not coincide with the budgeting cycle or because the responsibilities are divided between different ministries.

### **3.6 Enhance Monitoring and Evaluation**

MINEPAT has introduced monitoring and evaluation systems (M&E) for development policies and EDP plans. But these systems are often found to be inadequate; the results of the M&E systems are usually not fed back into the next round of forecasting and budgeting. Policymaking, implementation, and M&E are all disconnected from each other. This is mainly because M&E is labor-intensive and costly, but it is essential to continuously assess the progress during implementation as well as revising the strategy when necessary to realize the goals of the plans. Thus more financial resources should be allocated for the M&E process of the EDP.

MINEPAT is responsible for the implementation of the M&E systems for development policies and plans. It coordinates reforms with the other Ministries/agencies involved in the M&E systems for development policies and plans. But a Structural Reforms Implementation Monitoring Committee to ensure the technical coordination of the monitoring of program implementation should be envisaged. In that connection, it collects information on the status of reform implementation from the various entities. Also, the major challenge here is that the country does not have a common reform matrix elaborated in line with other ministries involved in the EDP.

### **3.7 Capacity Building of Staff for Implementation of Plans**

The staff of MINEPAT needs to be well equipped with technical skills to collect and analyze data, develop policy options, and make appropriate choices, implement the economic development plans, as well as monitor and evaluate the results. To promote broader participation by stakeholders, it should also possess communication and consensus-building skills.

A major constraint in planning and implementation is found to be not the lack of financial resources, but deficient administrative capacity (Waterson, 1965).

An outdated administrative system, unable to adapt quickly to changes, is least likely to yield successful results.

### **3.8 Promotion of Good Practices for Plan Implementation**

To promote decent practices in EDP, we must always start from past experiences to design effective policies, we must always involve all the private sector actors who can contribute to the planning stage of the EDP.

Some policy measures that would be suggested to enhance economic development planning in Cameroon are as follows:

- Elaboration of a medium-term horizon program (7 years maximum) in the priority action plan, taking into considerations financial constraints;
- support and development of sectors with relative competitive advantages for the Nation yet creating new competitive advantages for the future;
- Creation of state/ Civil Society Cooperation Program which should be geared at eradicating poverty and improvement of the welfare of citizens in sectors like (higher education, education, health, agriculture and fisheries, multi-area);
- Through the creation of a collaborative Impact Management Program geared towards the development of expertise in the performance management and enhancement of the effectiveness of public-private cooperation projects (consulting, monitoring, feedback);

- Creation of Civil Society Partnership and creation of forums on the capacity development
- Initiative for capacity building and active participation of the private sector Public-Private Partnership in state affairs through the creation of Incubating Programs (Civil Society Policy Cooperation Program, On-Site Partnership Enhancement Program)
- Creation of forums for Social and Solidarity Economy Program by the creation of global social value through vitalizing the social and solidarity economy model (Eradication of poverty, the achievement of socio-economic development);
- Strengthening the role of the gov't through the correlation of Grants and feasibility report to encourage private sectors' participation (technical, commercial, fiscal, government debt analysis, environmental, social, and legal feasibility);
- Improving Public-Private Partnership (PPP) suitability test: PSC (public sector comparator) and evaluation based on accurate procurement;
- The shift of PPP policy: from market promotion to living standard in local areas;
- Vitalizing SME's participation through their specialty;
- Enhance the organization of knowledge sharing program (KSP) and capacity building workshop as part of Official Development Assistance (ODA) to nonpublic sector firms and enterprises;

- A Structural Reforms Implementation Monitoring Committee to make sure technical coordination of the monitoring of program implementation should be envisaged at the level of the Ministerial department to ensure effective implementation of Monitoring and evaluation processes;
- Steadily reduce the role of the gov't: Strengthening the role of private sectors, utilization of private sectors' specialty (enhancing efficiency), encouraging private sectors' participation in number and specialty;
- The needs of citizens should be incorporated in the ED plan to entice public interest in development. By demonstrating the advantages of Public-Private Partnership to influence the unfriendly public to participate in development.
- Monitoring of PPP projects to be continued by setting a transparent standard and principle for refinancing and re-negotiation of the said projects.
- Developing "bankable" projects will deliver value for money.
- Despite the significant amount of allocations to public investment, the effectiveness of public investment should be improved, particularly for the development of road infrastructure and power supply.
- The gov't should enhance the country's competitiveness and improvement in service delivery by developing strategic tools aligned with the country's growth and employment strategies and Cameroons' stated vision and priorities for development: by

improving competitiveness established on some major axes; that is increase infrastructure investment, increase investment in the energy sectors, transport, and telecommunications sectors; activities aimed at ensuring the transparency, equitability, and sustainable use of its natural assets, including mining, agriculture, fisheries, protection of its endangered areas; promotion of high potential value chains and improved business climate. Given the significant role, all this contributes to enhancing competitiveness; regional integration.

- The gov't must improve service delivery directed towards areas such as:
- Capacity building and development of human capital; to enhance educational efficiency as well as accountability
- social protection and integration, to help develop an efficient safety net system based on targeted development programs;
- local development, to extend access to basic services through the upgrading of infrastructures and capacity building for improved local governance.
- MINEPAT should enhance the creation of major economic reform programs to promote growth and also prioritize the financing of sectors in which the country has a competitive advantage that's innate to a nation, implying that a nation would not be able to create competitiveness in certain fields where it doesn't have inherent advantages.



#### **4. Suggested Areas for Further Research**

This study focused on assessing economic development practices within Cameroon's Ministry of Economy. The study recommends more research on the role and contributions of the private sector to economic development in Cameroon.

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## 국문 초록

본 연구는 카메룬의 경제 개발 계획 및 강화의 효과를 분석하는 것에 있다. 이는 경제 기획 및 지역 개발부 (MINEPAT)의 역할을 평가하여 수행하고자 하였다. 본 연구는 카메룬 정부의 전략적 개발 역할을 하고 있는 MINEPAT의 제도적 환경을 분석하고, 카메룬 경제 개발 계획을 실행하는 것에 있어 경제 정책 결정 기관으로서의 전략 개발 역할에 중점을 두고 분석하고자 한다. 카메룬의 경제 정책 결정 기관으로서의 MINEPAT의 공식 구성에 대한 고찰 이전에 카메룬의 경제 개발 계획 (EDP) 실행과 관련된 역할을 검토하고자 하였다. MINEPAT 내에 있는 EDP의 효과를 조사하는 데에 사용된 분석 프레임워크는 UNDP (2016)에서 제안한 지속 가능한 개발을 위한 통합 계획 프레임워크를 활용하였다. 이는 본 연구의 4장 섹션의 있는 표에 나와있는 것처럼 한국과 같은 성공 사례가 있는 다른 국가에서도 적용된 바 있다. MINEPAT가 조정한 EDP의 효과에 대한 방법으로는 정성적 분석 방법을 사용하였다. 이는 MINEPAT에 의해 조정된 효과적인 경제 개발 계획의 실행에 대한 도전적인 부분의 도출과 동시에 정책적 개입을 제안할

수 있을 것으로 보인다. 또한, 본 연구를 통해 카메룬 경제 발전의 핵심 동력인 경제 개발 계획 개선에 기여할 수 있을 것으로 보인다. MINEPAT의 국가 경제 개발 계획 기관으로서의 역량과 MINEPAT의 역할 향상을 위한 전략적 정책 조치를 제안하였다. 본 연구에서는 한국의 경제 개발 계획에서 수립된 분석적 접근 방식을 연구하여 정치 리더십이 한 국가의 경제 계획에서 어떻게 중요한 역할을 할 수 있는지 알아보았다. 신흥 경제 상태에서 발전한 한국 경제의 경험을 경제 발달의 전반에 걸쳐 검토하였다. 본 연구에서 활용된 정보는 해당 연구와 관련된 책, 기사, MINEPAT의 조직 및 제도적 프레임 워크, 신문 리뷰, 비디오를 통해 수집되었다.