BUDGET, ECONOMIC GROWTH AND SOCIAL DEVELOPMENT IN CAMEROON: An Exploratory Study of Public Budget Trend, Economic Growth and Social Development Indicators’ Trends From FY 1989/90 to FY 2000/01

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Introduction

The 1990s were the years of great changes in Africa. The tedious and bloody adoption on the continent of liberal democracy and economy was bearer of greatest hopes for social and economic development in the years to come. More than a decade later, it is still hard to find some tangible outcomes of the massive progress and welfare then predicted by experts and the government, and desperately expected by the populations.

In the ages of effectiveness, efficiency and economy, Africa is literally lagging behind, and government budgeting, as a central process to the survival of nations, is an area where this is clearly evident. A close observation and comparison of the budgets trends and budgets’ outcomes trends in Cameroon, from FY 1989/90 to FY 2000/01, reveals that the budgetary process may have been highly ineffective and unproductive. It is suspected that if these trends were maintained, budgeting could become a dysfunctional threat to the very existence of Cameroon’s economy and its social and political system. Despite the constant and exponential growth of the public budget over the period under study, budgets, as the budgeting process and system that produced them, have failed to achieve or positively impact economic growth and social development. This is to say that budget makers include the government have not been able to use the budget, as a unique tool to fulfill the fundamental mission of developing the society and improving citizens well being assigned to the them by the constitution. In some ways they have overlook the real goal of the budget and misused it.

Importance of public budget

Originally, the word “budget”, according to Henry Carter Adams, meant the moneybag or the public purse, which served as a receptacle for the revenue and expenditure of the
state (Burkhead, 1967). As defined by Cleveland (1992), it is a plan for financing an enterprise or government during a definite period, which is prepared and submitted by a responsible executive to a representative body whose approval and authorization are necessary before the plan may be executed. To be short, a budget is an annual statement of all the receipts and all the expenditures of a state. In fact, the budget is the key instrument in public policymaking. Through it, elected officials are able to choose what services are to be provided by the government. It determines the programs as well as the costs and instruments of programs to be implemented and which areas will be left to the private sector economy (Wayne Boss 1976). According to Denhardt (1995), not only the budget is a primary expression of government’s priorities and constitutes a record of the decisions that are made concerning various public policies, it is also an instrument of fiscal policy. In his 1992’s book entitled *Government Budgeting: Theory, Process and Politics*, Hyde defines the budget as the “government most important document,” that includes four interconnected dimensions. First, as a political instrument it allocates scarce public resources among the social and economic needs of a jurisdiction. Second, as a managerial and/or administrative instrument it specifies the ways and means of providing public programs and services and establishes the costs and/or criteria by which its activities are evaluated for their efficiency and effectiveness. Third, as an economic instrument it directs national and even local economic growth and development. Fourth, as an accounting instrument or financial management instrument, it holds government officials responsible for both the expenditures and revenues of the programs over which they exercise control.

**The negligence of the budgeting function in Cameroon**

Most, if not all, public administration scholars, including pioneers such as Luther Gulick and Lyndal Urwick (1937-1947), in their collection of “Papers on the Science of Administration”, identified budgeting as one of the main functions of executives and governments. Public budgeting is about the allocation of limited resources to the problems of governments and other public organizations face (Denhardt, 1995). This is why governments must make sure that budgeting is effective. This study explores 1990 – 2000 – decade of Cameroon’s budgets, to show how budgets, as the most important national public policies, have been mishandled by the government and its associates and,
therefore can be seen as missed opportunities to achieve economic growth and social development. It is aimed at, first, describe the budget imbalances which have been growing over years, contributing to a hardly bearable public debt and deficit of public finances for this small scale economy. This description is a clear indication of how the government has been progressively unable to ensure an effective and efficient management of public resources put at its disposal. Second, the study throws some lights on how, in Cameroon, an ever-increasing budget deficit of public finances hurts the economic growth and sows the seeds of economic stagnation and stagflation.

In effect, the current budgetary process is handled in a way that not only limits government’s capacity to implement public programs and policies but, could weaken or eliminate any opportunity of achieving economic growth in the future. It appears that, government and international institutions such as the World Bank and the International Monetary Fund (IMF), which are involved in the formulation and implementation of major developmental policies in Cameroon have, for a long time, underweight the importance of the budgeting process in realizing the chief nation’s goal, which is economic growth and social development.

As the World Bank itself observed, “budget processes work poorly in too many development countries. This reflects weak technical capacity and deficiencies in the determination and application of basic budget systems. In acute cases of administrative collapse, governments are totally unable to produce published budgets. The budget then takes the form of constantly adjusted tables known only to the finance ministry, the IMF, and the World Bank. The only part of the budget revealed to the spending ministries is the monthly release of funds. This lack of transparency inhibits accountability, and is clearly linked to poor governance. In great many countries the budget is published, but late []. Budget implementation also poses problems. Actual expenditures, especially their results, often differ greatly from budgeted intentions”(The World Bank, 1991:10). Cameroon is no exception to the gloomy picture described above. Nonetheless, none of the main international institutions involved in the budgeting process “has general prescription for budgetary reform”(ibib:11 ). In fact, in Cameroon as in many African countries, these last decades, the policies of IMF and the World Bank in helping these
countries toward economic growth has been mainly concentrated on some specific areas such as public sector management, debt system management, structural adjustment lending, civil service reform, public sector decentralization and strengthening local government, and so on (The World Bank: 1989,1991;Nunberg: 1990;Silverman: 1992; Ademolekun, Lusignan and Atomate: 1997). Overall, little attention was given to the budgeting process.

**Importance of budgeting as a process and policy**

This negligence is unfortunate and expensive because, as Hyde noted “budgeting is, and always has been, the single most important decision-making process in governmental organizations.” History of public administration stands as a loud testimony that budgeting has always been considered as one of the main tools for efficiency and effectiveness in public administration. In effect, at the very beginning of Public Administration as a field of specific academic and professional interest, the proponents of the Public Reform Movement of the early 1880s in the United States and forerunners such as Woodrow Wilson (1887) all called for economy, effectiveness and efficiency in public administration. They were concerned with ridding “politics”, that is partisanship, corruption and other unethical behaviors from public administration (Burkhead, 1967). Budgeting stood at the heart of this movement. As Turnbull III (Golombiewsky et al., 1976) argued, “it should not be forgotten that when what is now considered traditional budgeting swept across the country in the first decade of the century, it was a radical, rational reform design to eradicate graft, corruption, and the power of political bosses from the hall of government.” Also, because of the same concerns, the TAFT Commission, known as “commission on economy and efficiency”, recommended a unified national executive budget and, Frank Willoughby in his book entitled, *Movement of Budgetary Reform in the U.S* (1918), outlined developments that stressed the same issues and led to the creation of a modern budget system. Budgeting became even more crucial in the 1930s with the advent of rapid growth in public programs and expenditures, as a consequence of World War II and the economic depression and the New Deal efforts. That is why a budgetary theory – that is how to rationally allocate government resources - was desperately needed, as mentioned by V.O. key Jr, in the1940s and later
on by Verne B. Lewis in the 1950s. Both regretted the “lack of a budgetary theory” (Shafritz and Hyde 1978).

Furthermore, government budgeting is important, because it is one of the major processes by which the use of public resources is planned and controlled. To the extend that this is well done, governmental programs are increasingly brought to the service of the citizens, enhancing their material and cultural status (Burkhead, 1976). Thus, as clearly explained by the public choice theory, the budgetary process provides a mechanism for allocating resources among many competing forces (Baker, 1976; Levine, Peters and Thompson, 1990; Vildasvky, 1964). More recently, Gosling (1977) concluded that, in the most integral sense, budgeting lies at the heart of public policy-making at all levels of governments. Moreover, it is a process central to politics, particularly to administrative politics and the operations of government agencies and programs. It is the major formal mechanism through which necessary resources are obtained, distributed, spent, and monitored (Gordon and Milakovitch, 1995). In sum, the budget appears as the key instrument in public policymaking. Through the budget, elected officials are able to choose what services are to be provided by the government and which areas are to be left to private sector of economy. It often determines the degree of activities and costs, as well as the specific programs and instruments to be used in implementing these programs. Furthermore, as the principal instrument of fiscal policy it often aims at encouraging prosperity, stable growth, and high employment in economy (Wayne Boss, 1976).

This historical dynamics of the use of the budget as an effective tool of government has not been followed by most developing countries. In Africa, for example, at the end of the colonial era, most native government who took over the political leadership from the colonial masters lacked the capacity for proper and effective public management of governmental business. Decades after their independence, one has the impression that not much progress has been made toward espousing the principles of good management including those of budgeting. Today, the government in Cameroon, still face budgetary dilemmas, including what Turnbull III (Golembiewsky, 1976) describes as the lack of planning and inadequate understanding of long-range effects of technical decisions that have to be made by the government, including that of budgets.
Two crucial aspects need to be emphasized. The first, less important, is about public budgeting as a public policy. The second concerns the relationship between the budgeting process and economic growth.

**Budget as a public policy**

The budget is, first and foremost, a policy. That is, a purposive course of action followed by governments in dealing with human needs, deprivations or dissatisfactions or policy problems (Meier, 1993:81; Jones, 1970:29). As a matter of fact, it is the “policy of policies” because it affects “whatever government choose to do or not to do” (Dye, 2001). The budget determines and affects all the public policies that are adopted and implemented by the government. For these reasons, to be effective the budgeting process must closely follow the principles of effective policy formulation and implementation. Instead, experience shows that the budgeting process in Cameroon hardly follows the rules of the art. In principle, policymaking is a long process that starts with a policy problem identification and ends with policy implementation or termination (Jones, 1970).

However, one of its most important steps is evaluation. At this phase of the policymaking process, “auditing and accounting units in government determine whether executive agencies, [the government itself], legislatures and courts are in compliance with the statutory requirements of a policy and achieving its objective” (Dunn, 2004:45). Thus, the role that evaluation plays in policymaking and should play in the budgeting process is crucial. The basic requirement of evaluation in budgeting is to respect budgetary standards and rules of budgetary accounting. According to Meyers (1996:105-106), “these rules determine whether spending was to be considered budgetary, how cash flow were measured, and how obligations to spend and finance were recognized.” Evaluation in budgeting does even more. Lincoln and Guba (1986:8) assign four essential functions to policy evaluation, including: (1) determining the congruence between performance and objectives; (2) obtaining information for judging decision alternatives; (3) comparing actual effects with demonstrated needs and; (4) critically describing and appraising and evaluation through connoisseurship. Whichever approach is used, evaluation is used to bolster a good or bad program, to make improvements in programs and to improve public policies (Paluombo, 1987), so that they could have more and better outcomes.
A close observation of the budgeting process in Cameroon, reveals that one of the main weaknesses of the budgetary system is the failure to proceed with a proper evaluation of the budget as well as – in the absence of an effective national system of systematic collection of macroeconomic and social data and statistics - the failure and unwillingness to use the budget as a tool for an annual evaluation of economic and social growth or decline. Typically, the public policy “watchdogs”, which are the legislature, the government and courts as well as IMF and World Bank, failed to use the budget and the budgeting process and procedures as ideal tools for assessing and measuring the social and economic results and effects of public spending. They have missed the opportunity to use it as the only true and effective tools at their disposal to measure successes and failures of government and government agencies in the implementation of public policies. Through them could be known how well these institutions and public organizations are doing. They could know if policies initiated and implemented by the government are achieving the main goals defined by the government and the nation or not. How far is the government from realizing these defined goals? Do these programs and policies need adaptation or, simply, termination? Are they hurting the economy and market? Are they improving the social conditions of individuals and communities?

It is obvious that for decades there has been little if any evaluation of budget as a policy, and therefore of all other policies. Public policies and programs could be easily assessed every year, during the review or and adoption phases of the budget cycle when in legislative sub-commissions and commissions the members of the parliament debate with head of departments and agencies head of the results of the last fiscal year budget and the apportionment or reapportionment of the coming fiscal year. As a consequence, some of the main goals assigned to the government, the social development and economic growth of the country are far from being achieved. In effect, since the early days of the independence, except for some political goals such as the reunification of the country, one of the main social and economic goals on the agenda of successive governments in Cameroon have been economic growth and social development. Though these goals have over the years become, “poverty alleviation” and “sustainable development”, they remain the same. Yet, almost all the experts who looked at economic and social indicators agree on the fact than rather than progressing toward development
Cameroon seems to be dramatically regressing toward underdevelopment and poverty. As experts of the World Bank sadly observed, in Cameroon, “the extent of poverty has spread in the second half of the third and at the start of the fourth decade [of independence]. Official statistics and the voices of the poor alike point to a society that has, so far, not done enough to confront its poverty”(The World Bank: 1995). This study contends that something better could be done if this nation’s budgets and its budgetary processes were rationally and effectively manage by policymakers and government.

**Economic growth and social development**

Since the early days of the independence of Cameroon, more than forty year ago, the main policy problem on successive governments agenda, except the country reunification, has been, the economic growth and social development of the country. This same mission is now engulfed in a new concept of “poverty alleviation” and “sustainable growth.” The complexity of the concept of development is summarized in two main approaches to development, which are “community development”, and “economic development.” The dichotomy existing between the concepts of “economic development” and “community development” is, however, constantly blurred or ignored by writers, who view all local problems improvement to be “community economic development”(Wilder, 1995). On the one hand, as defined “community development is [a process of] asset building that improves the quality of life among residents of low-to-moderate-income communities, where community are defined as residents of a neighborhood or a multineighborhood area”(Ferguson and Dickens, (1995:5). On the other hand, according to Bartsch (1994), economic development “is the process by which individuals and organizations decide to, and then do invest in an area – central business district, neighborhood, or exurban site. The results are new and expanded, or retained industrial, commercial, or service enterprises, and new or retained jobs.” It “is the process of creating wealth through the mobilization of human, capital, physical, and natural resources”(American Economic Development Council, 1984:18; Caves, 1995:152) Though theoretically different, both concepts aims at the same goal – improve the well being of citizens and communities. Development is a process that improves the quality of life of individuals, and especially that of low-to-moderate- income populations...
and communities. Quality-of-life entails social justice, political efficacy, and economic vitality. In general, residents should feel secure in their home and neighborhoods, they must have the capacity to collaborate among themselves and with business people and public officials to solve local problems; they should be influential in local political affairs and garner their fair share of public good and services; they should have the resources and support necessary to acquire and keep jobs. Also, local businesses must be competitive and well integrated into the regional economy; well-maintained housing should be affordable for residents; local school should educate children well; local religious institutions must help maintain the moral foundations of the community (Ferguson and Dickens, 1995).

Though the concepts of economic and community development tends to connote mostly with western social and economic systems, they are often used to describe social and economic processes elsewhere, in Asia, Latin America and Africa. In the latter context the world development usually engulfs both economic and community aspects. In effect, in Africa, “development simply means an improvement in the living conditions for the average person. This means not only more jobs and increased income but also better access to education, health care, and nutrition. It implies such things as a sustained annual increase in GNP (Gross National Product) per capita of at least 5 percent or more, provided prices are not rising rapidly, unemployment and distribution of income are not worsening, and so on” (Ayittey, 1998:30). It supposes improvement gross national income (GNI) and income per capita, in gross national savings (GNS) and gross national investment (GNI). The improvement of all these social parameters culminates in a better quality of life and a better human development indexes (HDI). More specifically, in the context of Cameroon’s independence days, nationalists and other leaders who pressed for political and economic autonomy had a precise understanding of independence. In the minds of the Ruben Um Nyobe, Ahmadou Ahidjo, John Ngu Foncha, Paul Soppo Priso, Salomon Tandeng Muna and others, independence meant first development at the national and local levels of physical and useful infrastructures, to meet important human needs and better the conditions of citizens in very worse shape at the time. It meant developing roads, dams, telephone and electric network and supply, clean water supply system. Also, putting in place government buildings, hospital and health care centers,
schools and other educational facilities and training structure to produce an able body of national elite. One of the areas mostly emphasized was agriculture that will ensure food self-sufficiency. The last focus was industrial and commercial development and the support to local firms, small and medium businesses, industries or initiatives and job creation for a demographically young population. The final aim of economic growth and social development is therefore to improve the quality of life of the populations.

The argument here is not to know whether a strict and thorough budgeting process reduces the size of the budget relative to a piecemeal appropriation process, to which the answer “not necessarily”, according to Ferejohn and Kriebiel (1987), is controversial. Rather the point is that, there is and ought to be a relationship between the budget and the social development and economic growth. In the western hemisphere, the budget scope and its procedure accompanied the growth of responsible and democratic government. As Burhead (1967:454) mentioned, “the development of budgeting in western Europe and in the United States was part and parcel of the economic development of these countries - of industrialization, of the growth of the national government[].” Public budgeting has paralleled the political and economic changes in the structure of societies.” Unlike in these western countries, in Cameroon, the budgeting pattern is apparently isolated from the economic pattern. The dramatic growth of the budget in Cameroon apparently has little, if any, relationship with social development and economic growth. Unexpectedly, the more budget increases the more the social and economic conditions and development is depressed and citizen and communities are dived into poverty.

The purpose of this research is to explore a suspected contradictory in trends revealing a possible disconnect between the budget growth and social and economic growth, and the mission/goal of the government, as defined by the constitution, in Cameroon during the period from 1989 to 2005. These inverse or contradictory trends are signs of a disconnects which are considered to be among the main barriers to the social and economic development of the country. In the sense that, because of contradictory orientations between the budget growth and social and economic expenditures and investment, the government lacks the basic capacity or fails to improve the economic parameters and the quality of live of citizens and communities. It fails to improve
population access to local or home security, better jobs, safe and quality housing, good schools and education, minimum and better health care, affluent and better public good and services, enthusiastic and massive free and fair community and political participation.

**The importance of this study include:**

(1) Improve the body of scientific knowledge on budgeting and social and economic development through a better understanding of the relationship that exist between budget increase or growth, the budget equilibrium or imbalances, its fitness to the nation’s and government missions and goals, as well as its capacity to function as an engine to social development and economic growth.

(2) Improve the policymaking process in Cameroon and Africa. Specifically, contribute to an identification of some obstacle or biases that limit the effectiveness of the budgeting process and reduces its outcomes. This research will not only raise the awareness of policymakers, citizens and all budget stakeholders but also help them to come out with better views or ways to formulate, implement and evaluate budget, and to keep in mind the need for the budget to be not only balanced, but to be directed toward the improvement of human development and the quality of life of citizens and communities. The budgeting process must not be only politically driven and business oriented but also people – oriented and community-based.

(3) Raise the awareness on the importance for Cameroon government, currently confronted with social poverty and economic depression, characterized by high level of unemployment, widespread illiteracy, ineffective health care, rising rate of crimes, failed housing system and low political participation, to use a more stricter rational budgeting process, that is an informed planning process guided by the principle of effectiveness, efficiency and economy to inverse the slope of economic and social development and that of the widespread poverty currently overwhelming the country.

A budgeting process that respects the principles effectiveness and efficiency, even though it would not achieve economic development, often assimilated to physical
development, would at least improve the quality of life of citizens and communities, which is the ultimate goal of every nation.

**Basic assumptions, variables and measurement**

This research is based on the following assumptions derived from the observation of the Budgeting process and procedure and results this last decade in Cameroon:

(a) The budgeting system in Cameroon from FY 1989/90 to FY 2004/05, for reasons not yet explained has produced budgets that has been growing exponentially and faster than and, possibly, above the state resources and overall capacity.

(b) This period budgeting – because of the ineffectiveness of the executive, legislature and courts in the budgetary policymaking process and specifically the lack of evaluation and adaptation – has incurred imbalances namely a quasi permanent deficit and an unbearable public debt which could only pose serious limitations on and threat to the government capacity to take any initiative toward development. This observation finds its base in the notion that a good and otherwise performance public budget is often a balanced budget. Balancing the budget at the end of the fiscal year is a technical necessity.

(c) This period budgeting has yield budgets that, apparently, were not oriented toward some of the stated goals of the Cameroon’s government, which are economic growth and social development. In effect, for some Fiscal Years, more than 80% of the budget was allocated to the operating budget and, through it, mostly to, “public debt reimbursement”. There is clearly a disconnect between budgets allocation and spending and the goals of social development and economic growth which require more investment rather than spending public moneys on feeding the bureaucracy through high operating budget and costs, and overuse of public moneys to reimburse public debts.

(d) Furthermore, because of these, inefficiencies in the budgeting policymaking, it appears that for more than a decade budgets growth has apparently had nothing to do with Cameroon’s economic growth and social development. Clearly, social and economic development indicators have not followed identical trends with the overall growth of the budget. Which allows us to reasonably suspect - since their evolution do not go together
or do not follow the same trends curve - that there is no association between them. Which allows us to think that there is a disconnect between public budget and economic growth and social development. Obviously, the trends of social and economic indicators, such as Gross National Product (GNP), Gross Private Investment (GPI) Gross Private Savings (GPS), Consumer Price Index (CPI), to name the few indicators retained for this study, are more likely to follow a different trends from that of the overall budgets or part of the budgets.

(e) Finally, the disconnect between budget trends and some Human and Community development indicators trends is even more significant. These indicators include, indicators of poverty, education, health, gender equality, and child mortality.

This study unit of analysis is Cameroon. The independent variable is “budget”. It is conceptually defined as the “annual statement of all the receipts and all the expenditures of a state” (Cleveland, 1992). Budget will be measured by the total amount in CFA of receipts and expenditures in each fiscal year budget as adopted by the legislature and promulgated by the President of the republic of Cameroon and published in government publications.

This study dependent or explanatory variables are economic growth and social development. “Development” and “growth” are conceptually defined as “the process of creating wealth through the mobilization of human, capital, physical and natural resources” (AEDC, 1998:18; Caves, 1994: 152). Economic growth and social development are measured by three attributes including: the GNP the “total value of all goods and services produced in a country in any given year” (Ayittey, 1998). It will be measured by the total value in US dollars of all good and services produced in Cameroon during each fiscal year as published by the government world Bank and IMF publications.

Economic growth is further measured by the Gross Private Investment (GPI). It refers to “the total amount of investment spending by business and firms located within the border of a nation. It includes fixed investment, which includes capital goods used for production and the values of the purchases of non-residential used for production, and the
values which includes construction spending for factories or offices” (U.S Department of Commerce, Bureau of Economic Analysis, 2007).

Also, is retained as indicator of economic growth in this study, Gross Private Savings (GPS). It is the total amount of saving realized by public and private entrepreneurs located within the border of a nation. GPS includes “private saving” defined as “after tax income minus consumption”(Hussman, 2004), as well as “government saving”, which is “an oxymoron and defined as the excess of taxes over government spending” (Ibid).

Finally, the last economic growth indicator, that controls for inflation, is Consumer Price Index (CPI) It is “an inflationary indicator that measures the change in the cost of fixed basket of products and services, including housing, electricity, food, and transportation” (Investorwords.com, 2007). The CPI also called “cost-of-living-index” is published monthly.

The sub – variable social development is measured by selected Human and social development indicators, which directly relates to poverty, education, gender equity, and health care. More specifically,

(a) Poverty is measured by “Income per capita” in US dollar per individual per year, “malnutrition prevalence, weight for age in percentage of children under 5” and “prevalence of undernourishment” in percentage population per year as published by the World Bank5.

(b) Education is measured by “primary [school] completion rate” as a “total percentage of relevant age group” as well as the percentage net of “school enrolment” in the primary educational sector, as published by the World Bank6.

(c) Gender equality is measured by the proportion of “seats held by women in the national parliament” as a percentage of all parliamentarians and “the share of women employed in the non agricultural sector” per percentage of total non agricultural employment” published by the world Bank7.
Health care indicators are “child mortality rate” per 10,000 live birth, “incidence of tuberculosis” per 100,000 people and “tuberculosis cases detected per 100,000 people as published by the World bank.

The relationship between the above defined variables and their indicators are translated into precise research questions.

**Research questions:**

From the above discussion stems the following research questions:

1) How does the general trends of the budgets growth compare to the general trends of economic growth trends in Cameroon?

2) How do the trends of budgets growth compare to those of social (and human) development indicators in Cameroon?

3) How does the budget in Cameroon comply to the practical need for a balanced public budget, especially in a developing country with a dominant public sector and shrinking private sector?

4) How do the trends of the budget growth and the trends of economic growth and social development relates to or explain the situation of economic and social development in Cameroon?

5) Has the dramatic increase in the budget in Cameroon during the decade under observation had some tangible outcomes? Has the permanent increase in the budget had some impact on the overall economic growth and social development of the country? Has the budget growth enabled the government through its policies and programs to improve the quality of life of citizens and community?

This study hypothesizes that: As the budget (trends of total public budget) grows or increases in Cameroon, economic growth and social development (trends of the social and economic indicators growth) are likely to regress or stagnates. This allows us to suspect that there is no association between the budgets and the economic growth and social development of the country. It is also assumed that (1) The trends of the budget
growth and budget imbalances—deficit and public debt—are identical; (2) There is a disconnect in Cameroon between budget allocation (and spending) and the stated goals of the nation; (3) There is a disconnect between the budget growth trends and social and economic growth trends in Cameroon; (4) There is no congruence between the permanent and dramatic growth of the budget and public spending and the economic and social conditions and well-being of citizens and communities in Cameroon.

Methodology:

This is a quantitative research. More specifically, it is a quasi-experimental study using a simple time series or data trends observation (Nachmias, 1979). It simply compares the trends evolution (growth or decline) of the overall state budget estimates and budget spending or of specific budget item or section of the budget to the trends of economic growth and social indicators within the same period.

This research expects to discover some significant dissimilarity between the budget growth trends patterns overtime and that of the social development and economic growth indicators. It also suspects dissimilarity of trends among aspect of the budgets, including investment budget, operating budget and public expenditures. In principle, “time series design makes it possible to separate reactive measurement effect from the effect of policy” (Ibid: 57). However, this study as all social studies faces serious risk of bias. Tompkins (2005) noted for the workplace studies some risks which are equally valid for budgeting in this terms: “variables are so interrelated and interdependent that outcomes cannot be understood in terms of linear cause-and-effect relationships where complex social, [economic, political, market and non market…] phenomena are at issue, rarely does change in one thing causes a direct change in another unmediated by other factors”. With this caveats this study will measure the variation in economic development as budget growth or decline varies.

Data

The data sources of this study is unobtrusive and the collection technique non-reactive. Specifically the data collection technique for this study is obtained from
secondary sources. More specifically data on budget are obtained from the government publications (Cameroon Tribune and the Official Journal), in which are displayed government new budget estimates and old budget results at the end of every fiscal year. Data on economic growth are published by the World Bank and/or IMF, which are among the rare existing sources of data on social, economic and political aspects of life in Africa.

The reliability of the data used in this study may be called to question, for many reasons: first, in general, as mentioned by Haveman and Margolis (1988), there are some difficulties and limitations associated with most of public expenditure analysis. They are due, on the one hand, to a lack of readily accessible information about the composition and the incidence of expenditure programs. On the other hand, they stress the “lack of appropriability,” which characterizes many public expenditures. In the sense that, “when a public expenditure produces a public good whose value accrue to all, whether or not they desire it, explicit analysis of the distributional impact, economic efficiency, or individual behavior response generated by the expenditure is extremely difficult.” (Ibid :2). These limitations are even greater in developing countries. This research was ban, in the absence of well known statistical organizations such as the Gallup organization in the U.S. or INSEE in France, to used secondary macroeconomic data collected and published by Cameroon government, the World Bank or IMF. These international institutions are the only ones well versed in the national policies formulation and implementation, which along with government are highly interested in keeping those data.

Second, and more specifically, a distinction must be made between the data provided by government and those published by the World Bank and/or IMF. It seems to me that the figures of budget estimates and budget spending published by the government are highly reliable. In contrast, the figures relative to social and economic indicators published by the World Bank and IMF must be treated with caution. Often time, in effect, the statistics on economic growth and social development are prepared by governments and communicated to the World Bank or IMF, which cannot by themselves
collect and analyze data on the field. In the absence of effective organization of statistics collection and analysis, similar to those existing in many western countries, governments in Africa seldom or only occasionally collect such data. When they do, most are tempted to polish the figures so that their social and economic indicators will make their economy more attractive. This way, they hope, they can attract and retain private investors and public international donors. Clearly we must take “lure statistics” of African governments with caution.

It flows from the above observations that whoever is conducting social research on Cameroon will have to deal with the only existing data source. As it appear these data are not perfect. They do not exist for all the indicators and for all the years. In such circumstances, we must admit, a researcher can only rely on courage, perseverance and faith in what he is doing. While hoping that a well organized and systematic system of data collection and analysis will be put in place in Cameroon, any research associated with the social field and others in Africa will be confronted for a long time to this harsh reality. This explains why anyone conducting social studies on Africa must be armed with courage and perseverance. The use of many indicators of each dependent variable in this study will help to minimize the side effects of the imperfect data may cause and improve the quality of the results of the analysis. In spite of all these limitations, the study, it is believed, yields some interesting, pertinent and useful public policy results about the effectiveness and efficiency of public budgets (and the budgeting process), at least for the decade under study in Cameroon. The results of this study may help experts and policy makers to better understand similar phenomenon in the countries with similar social, political, economic characteristics in Africa and elsewhere.

Analysis:

The fast and irrational budget growth, imbalances and the “deficit danger”

As Wanat (1978:26) argues, “in contemporary collective society the allocation of goods and services is provided through two mechanisms: the free market system and the [government] command allocation system. Government allocates society’s resources by
commanding that taxes be collected and then by commanding where those taxes will be spent.” According to the public-choice theory, public policies in general and budgetary policies in particular are concerned with the allocation of goods and services that cannot be easily provided in the private sector. In fact, adds Wanat (1978:5), “the budget is responsible for allocating the expenditure of a sizable proportion of all that is produced in the country.” Clearly, “the impact of government on the economy can be assessed by the magnitude and composition of government spending as presented in the budget”(Wanat, 1978:11, Selowsky, 1979).

Therefore, the size as well as the growth of public budget is worthy of attention. Besides, it is interesting to examine how the overall budget estimates trends and or spending compare to the other main budget’s compartments (investment budget, operating budget, public debt, deficit / surplus) trends. It allows to “measure the relative commitment of the government to various program” and gives and idea of “policy priorities”(Ibib:6, 5).

Observation reveals that from FY 1989/90 to FY 2004/05, public budgets has grown fast. The slow growth of the budget before FY 1995/96 became very fast after that FY. Like the budget, the major budgets’ items have followed similar trends. However, for most of the fiscal years budget were unbalanced, as it appears in table 1 figure 1 below.

<table>
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Table 1. General trends increase over time in billion CFA of total budget, Investment budget, operating budget, public debt, and budget deficit and surplus FY 1989/90-2003/2004.

* Missing data

![General trends for total budget, investment and operating budget, public debt, and budget deficit and surplus](image)

Figure 1: General trends for total budget, investment budget, and operating budget, public debt, and budget deficit and surplus.

Data source: Cameroon government: Ministry of economy and finance / Direction of budget (Annual Report) and Cameroon Tribune.

**Budget Growth general trends:**

It is observed from the above chart 1 and table 1 that in the period starting from the FY 1989/90 to FY 2003/04, Cameroon’s public budget has grown very fast. Observations also show a relatively slow growth, ranging from –8.33% to 17.32%, between FY 1989/90 and FY 1995/96. With a dramatic increase in FY 1996/97 and thereafter, the budget almost doubled and kicks off in a rapid and constant yearly important increases, ranging from –2.12% to 38.72%. As a consequence, in a little more than a decade the budget almost tripled.

Of other major budget items, the operating budget growth trends were similar, and sometimes faster than that of the overall budget. The operating budget, like the total
budget, shows a constant and steady growth. This growth was relative and seesawed before FY 1996/97, accusing substantial reduction in FY1990/91, FY 1993/94, FY 1994/95 and FY 1995/96. However, as from FY 1996/97, when it more than doubled, the operating budget has been increased every year, so much so that for FY 2003/04 it represented almost four times its lowest size for the period under study (FY 1993/94).

Unlike the overall budget and the operating budget, others gross budget items behave differently, and experienced either very slow growth, stagnation, decline or decrease.

Public debt experienced a relatively slow growth before FY 1995/97, the year it almost doubled. It more than doubled during FY 1996/97 the year the overall budget almost doubled, and remained high all the time with peaks during FY 1995/96, FY 1996/97, and FY 1997/98. From FY 1995/96 to FY 2003/04, public debt permanently represented one fourth to one third of the budget. to on grew as faster as the budget, but remain constant, experiencing even some important growth.

The investment budget fare excessive poorly. For more than a decade, investment budget was decrease every one fiscal year out of two. The growth in the investment budget is absolutely negligible compare to those realized by the operating budget and the total budget. The most important increase in this item happened during FY 2000/01. It represented only 14.91% of the preceding FY’s budget. To give an illustration of how badly the investment budget was treated, during the FY 1996/97, the year in which the overall budget almost doubled and the operating budget more than doubled, the operating budget experience a dramatic reduction of 48.61%.

Except for three fiscal years including 1995/96, 1996/97 and 1998/99, and without accounting for the fiscal years with missing data, the budget incurred almost all the time. This deficit has been growing higher and higher and representing 14.02% of the budget during FY 2000/01, its highest level. These developments are diametrically opposed to the growth in the nation resources, which shrink year after year in the meantime.
Change in Growth trends:

Comparison between the trends of change in percentage increase fiscal year after fiscal year of the total budget and major budget items reveals more contrast and nuances when the percentages of changes fiscal year after fiscal year are calculated as it appears in table 2 and figure 2 below.

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<th>FY</th>
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<th>Operating budget</th>
<th>Public debt</th>
<th>Budget deficit/surplus</th>
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Table 2. Trends of change in the total budget and in investment budget, operating budget, public debt, budget surplus and deficit as percentages of the total budget.

Figure 2: Trends of change in total budget, investment budget, operating budget, public debt, budget surplus and deficit.
It is discovered that, operating budget grew the fastest with a growth range of –10.16% (FY1990/91) to 83.66% (FY 1996/97) (i.e., 93.82 percentage point increase). The total budget has the second highest growth range from –8.33% (FY1990/91) to 38.72% (FY1996/97) (i.e., 47.05 percentage point increase); Investment budget has the third highest growth range from –20.42% (FY1996/97) to 17.65%(FY1995/96)(i.e., 38.07 percentage point increase) budget deficit/surplus has the fourth growth rate from –13.39%(FY 2000/01) to 8.01% (FY 1995/96)(i.e., 21.4 percentage points increase) and Public debt has the lowest growth range from –15.18%(FY1998/99) to 45.71% (FY 1996/97 ) (i.e., 17.14 percentage point).

Overall, similar trends associated with the overall evolution of the budget were confirmed although with clear nuances. Even thought the operating budget experienced some reductions, they were negligible. The operating budget constantly grew over the fiscal years, and sometimes even faster than the total budget; with a dramatic peak in FY 1996/97. The total budget also grew constantly with few insignificant decreases. Public debt was high almost all the time, and followed similar trends associated with the operating budget and the total budget. However, public debt experienced a dramatic increase in FY 1998/99. Investment budget experienced the lowest growth and was kept at a lower level. It even experienced a dramatic decline in 1996/97. Finally, the budget incurred an almost permanent deficit except for few fiscal years. Including FY 1995/96 and FY 1996/96.

As noticed through the observation above, the FY 1996/97 appear to be the fiscal year of dramatic changes in the structure of public budget and the history of budgeting in Cameroon. Why is it so? The only plausible explanation to this dramatic increase of the budget has much to do with the oil revenues, which thanks to the constraints of the World Bank and the IMF on the government were included in the budget in FY 1996/97. This never included in the budget before. The budget almost doubled then, and from that fiscal year on the budget has not stopped growing exponentially. Curiously,
such important intake in the budget has help only for few years (FY 1995/96, 1996/97 and 1998/99) to absorb budget deficit. Unfortunately the rest of the fiscal years the budget continues to incur severe imbalances. The public debt was neither wiped out, nor substantially reduced and remained steadily high.

The increase of the public debt has been steady for more than a decade ranging from 16.16 in FY 1989/90 to 49.26% in FY 1996/97, the very fiscal year that budget resources were dramatically increased by 38.72% . The change in public debt ranged from –15.18 % to 45.71%. The dramatic increase in public debt (45.71%) happened the very fiscal year the overall budget almost doubled. In fact, the increase of the budget was used in major part to compensate the public debt. Overall, public debt has permanently been a burden on the nation’s shoulders. In practice, public debt represented 49.26 % of the total budget the very year of the budget was increased, it was 47.66% the following fiscal year (FY 1997/98), and remained high at 44.98 % in FY 2002/03. The oil revenues included in the budget did not really helped, given that it was not used as a productive resource or an asset to deflect the course of poverty in the country. For example, the same year of the dramatic increase in the budget, the investment budget compared to the precedent FY was decreased by 28.73%. Surprisingly, the greater share of this fresh and important revenues was allocated to the reimbursement of the international and local public debt. Obviously, this revenue paid back to foreign donors and investors and surely exported will never be benefit the local economy.

Arguably, the reimbursement of the local public debt did not trigger any sign of relief in the local economy either. In fact, in the meantime and for almost two decades, taxpayers in Cameroon have been complaining about the excessive increased of the tax burden and pressure combined, which are killing local businesses, by discouraging local production of goods and services, reducing exports, limiting purchasing power and marginal propensity to consume, minimizing saving capacity and marginal propensity to save and reducing marginal propensity to invest and investment. Besides, given the fact that Cameroon ranks among the countries with the highest corruption index on the planet, it is suspected that important part of the money supposedly given back to
economic agents and investors to whom government owes money was wasted in the corrupted local system of public contracts and bureaucracy.

It is important in this study that some emphasis be made about public debt and deficit. On the one hand, by definition, a government’s national debt shows the accumulated amount that the government owes because spending over time exceeded receipts. It represents the national deficit accumulated over years. It also represents the total cumulative amount that the national government has borrowed and not repaid (Finkler, 2001). It can be surprising that government decided to drag a huge public debt, and concomitantly increase the budget. Literally, Cameroon government refused to use the resources available to offset the public debt. What could strengthen economic parameters and improve the overall situation of the economy. Such an illogic approach raises suspicion and may lead us to think that the budget in itself is conceived only as an “empty shell” and does not translate the real financial capacity of the country. Eventually, the political rationale as in other African and developing countries is one where an artificially fabricated and inflated budget is used as a political propaganda tool that gives the illusion to observers, locally and abroad, that the country is doing well and that the local economy is growing. Which is not quite true! Effective solution for the government would have consisted in keeping the budget at its real and, if possible, balanced level. This supposes that the government strives to effectively reimburse important part of the debt, in priority to the local economic actors who are willing to invest in the local economy. That way, it could trigger some increase in consumption, investment, jobs creation, which would, as multipliers, positively effect the local economy. The ever increasing level of public debt is a liability on the national economy and must be a matter of concern for the government. In a developing country like Cameroon, where the public sector of economy is dominant and the private sector less and less competitive and poorly organized, budgets through effective public budgeting must and can be used to control and solve at shorter or longer run the disturbances in the local economy. The burden of public debt in Cameroon is even heavier when the budget deficit is considered.
On the other hand, budget deficit is typically a situation in which national government outlays exceeds national government receipts. As it appears (table 2 and figure 2 above) budget deficit is a constant pattern of budgets in Cameroon. For the period from FY1989/90 to FY 2002/03 the budget has incurred deficit, except for the year with missing data, 9 years out of 12. Only 3 years out of 12 – FY 1995/96, FY 1996/97 and FY 1998/1999 - could the budget experience a budget surplus. Again, for the two first fiscal years cited the surplus was clearly a result of the introduction of oil revenues in the budget. In short, most of the time, the country has been unable to totally meet public commitments. The public deficit ranges from 2.76% (FY 1997/98) to 13.39% (FY2000/01).

The conservatives and supply-siders governments and think thanks, support the idea that some level of imbalances in the public budget and fiscal and budgetary policies might be beneficial to the economic growth\textsuperscript{10}. As an expert observed, “had deficit been eradicated by either higher taxes or diminished government outlays, the outcome would have been reduced private and / or public spending with no exodus from the recession, and quite likely a deepened (as well as prolonged) recession”\cite{Cebula1981,Friedman2004}. As the best empirically based research available indicates, corroborating Keynesian and neo – Keynesian thoughts on this point, “deficit spending had at most a minor effect on the crowding out of private investment and little or no influence on interest rates or inflation [deficit] help rather than hinder the economy”\cite{Savage1988}. For these and other reasons, “most leading economists expressed their doubt or outright rejection of the position [ ] that government deficit produced the harmful effect on the economy”\cite{Ibid10}. Such explanation may create the impression that budget deficit is good for the economy and that, in general, an unbalanced budget – with high public debt and deficit - may not be harmful to the economy and society as a whole. This is troubling. The question, as Golombiewski (1976) asked, is whether rationality and budgeting can coexist. The answer is of course “yes”.

In fact, it seems that deficit in itself is not good or bad. Its capacity to harm an economy depends on how much it accounts for the Gross National Production. That’s why experts also agree that budget or public deficit spending could be a good think for
some developed economies. For example, “Japan and Western European nations frequently ran deficits larger than America’s measured as a proportion of their Gross National Product (GNP)” (Ibid:2). This implies in some ways that strong and developed economies with important, wealthy, and diversified private sector can stand high public deficit. This does not seem to be the case for small and tiny economies of the like of Cameroon, with an extremely shrank, ill organized and weak private sector, as well as a public sector that is overextended, over centralized, overburdened and representing the main or dominant sector of economy. For such an economy it is sound to believe that running a large budget deficit would be economically harmful than beneficial to the country. For a small economy, I believe as Lawrence Klein did that, “forcing the [] government to have a balanced budget is good discipline. It’s a way to enforce efficiency in the operation of the bureaucracy [and the economy], so we should aim for it as a goal [even if ]a balanced budget is not particularly useful as a symbol of the fight against inflation or as a guide for whether we’re operating the macroeconomy appropriately” (in Ibid:11).

Modern and effective budgeting is compelled by the necessity of accountability, responsibility, and planning of government in running public policies. As Denhardt (1995:47) suggests, in dealing with and beyond the budget process, public organization must carefully and responsibly managed large amounts of public money and resources – taking in taxes and other revenues, purchasing innumerable goods and services, and investing surplus funds or managing debt wisely.” These budgeting principles recall the absolute necessity for public budget to follow some crucial principles including – rationality in their approaches and choices; control of the abnormal and unnecessary growth of the budget and productivity of the budget. It supposes avoiding deficit and realizing a surplus, whenever possible.

Budget deficit, without any doubt, is a “an economic threat” (Cebula, 1987) and “danger” that threatens to undercut economic growth and erode the society (Friedman, 2004). In effect, expenditures and receipts of the national government, by virtue of their magnitude, have considerable impact on the economy as they affect the level of unemployment and the inflationary pressure (Ott and Ott, 1977). It is argued by
economists that problems arise when the treasury borrows to finance a deficit, as it seems to be the case in most African countries and Cameroon. This public debt (especially when the treasury floods the bonds market) pushes market interest rate yields above their natural level. Given these higher interest rates, it is argued, consumer buys fewer new products in the market, causing jobs and income to be lost in industries. Higher interest rates also discourage firms from investing in new plants, new equipment, causing more jobs and income to be lost. In addition, more long – term inflation may result from the reduced rate of capital formation. Besides, when interest rates are higher, the currency value tends to rise, which translates into low exports, higher imports and thus higher unemployment (Cebula, 1987). On the contrary, “a balance budget provides an easily understood rule to guide the transfer of resources from private to public sector” (Burkhead, 1967:450).

The discrepancies described above, in the budget are even more acute when one considers the changes overtime in different compartments of the budget are put together. Basically, within the period under consideration, change in the overall budget grew faster and higher with picking climax in FY1996/97 and declined the following fiscal year but remained high. However, the operating budget grew faster and higher than the overall budget, with a slight decline in FY1996/97, but a substantial increase the following fiscal year and it remained constantly high all the time. The investment budget grew slowly and was low all the time with a dramatic decline in FY1996/97. Besides, public debt was important all the time. It experienced a slow growth till FY 1994/95, then skyrocketed in 1996/97 and grew faster from then on. The budget deficit trends remained constantly high and the budget experienced an exceptional and very low surpluses only in FY 1995/96,1996/97 and 1999/00 as presented in Table2 and Figure 2 above. As hypothesized by this study, it appears the trends of the budget and the major budget items show built-in defects, which make public budget in Cameroon, for over more than a decade, structurally sterile and unproductive.

In sum, there is no dispute, although there are still a number of dissenters, most policymakers agree that something must be done to control the size of the national budget and there are a number of means to deal with this problem ranging from tax
reform, tax increase, cut in defense expenditures, cuts in non defense expenditures, coordinated expansionary monetary policies, and balanced budget amendment (Ibid: 133). These are some ways to be followed as soon as possible by the government of Cameroon if it want to get out of the vicious cycle of irrational and unjustified budget growth, a dramatic increase of public debt and deficit that endangers the economy.

Disconnect and incongruence between budget growth and economic growth and social development.

Today, government, observe Ott and Ott (1977), “exerts a significant influence on the state of the economy.” It is observed that, “budgetary decisions are connected to all government attempt to influence the national as well as regional economies” (Gordon and Milakovitch 1995:31). Practically, public budget has an impact on the nation’s economy through its effects on aggregate spending. Spending by consumers, businesses, and government determine outputs, employ ments prices, trade balance and others social and economic parameters”(Selowsky, 1979:73). More specifically, public budget has a strong relationship with the nation’s output, that is, the gross national product (GNP) or “ the sum of spending by consumers, businesses, and government on goods, and services produced domestically (that is excluding export), plus foreigners purchases of good produced in the country (ibid: 74).

This study compares not only the total budget appropriation trends with those of the GNP, which is one important economic growth indicators, but also with the trends of gross private investment (GPI), gross private savings (GPS) and consumers index price (CIP) all defined above and presented in relative term. It is assumed that there should be congruence between budget, and specifically budget expenditures and economic growth and social development. One of the overarching goals assigned to the government by the Constitution of Cameroon is the economic growth and social development of the nation. The only and most important means for the government to realize that goal is through public budget. It is in effect crucial that budget be used primarily to achieve these important goals.
In fact, all the goals pursued by the government through programs such as structural adjustment, fiscal discipline, fight against corruption, civil service reform, health for all, education for all, job for all, and so on are just parts and parcels of achieving the broad goal of economic growth and social development. That’s why, this study assumes that, (1) there has to be a congruence between the total amount of budget and the level of social and economic development; and (2) any growth or decline in the total amount of the budget, and even the pace or elasticity of this growth or decline, will effect in one way or another the social and economic conditions of the population and the nation in the identical direction. According to budgeting scholars such as Burkhead (1967), “economic development should be judged not only by the increases in output [or input] but by the extend to which there is an increased participation in economic activities and in the income derived from it.” That relationship is measured here by comparing the trends of the evolution of the total amount of Cameroon’s budget from FY1989/90 to FY 2003/04 to the trends of the evolution of indicators of economic growth such as gross domestic production (GDP), gross private investment (GPI), gross private saving (GPS), consumer index price (CIP) and available indicators of social development especially of poverty, education, gender equality and health care.

Budget Growth and economic growth

The trends of the total budget change are compared to those of this general economic development indicators change for Cameroon in the period from FY 1989/90 to 2003/04, shown in the following table 3 and chart 3.

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<td>38.72</td>
<td>5</td>
<td>12.03</td>
<td>-5.10</td>
<td>4</td>
<td>4</td>
<td>12.76</td>
</tr>
<tr>
<td>8</td>
<td>1997/98</td>
<td>12.91</td>
<td>5.1</td>
<td>2.01</td>
<td>14.61</td>
<td>7.78</td>
<td>4</td>
<td>12.76</td>
</tr>
<tr>
<td>9</td>
<td>1998/99</td>
<td>-2.12</td>
<td>5</td>
<td>7.89</td>
<td>6.71</td>
<td>2.85</td>
<td>4</td>
<td>12.76</td>
</tr>
<tr>
<td>10</td>
<td>1999/00</td>
<td>5.49</td>
<td>4.4</td>
<td>//</td>
<td>//</td>
<td>//</td>
<td>//</td>
<td>//</td>
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<tr>
<td>11</td>
<td>2000/01</td>
<td>13.74</td>
<td>4.2</td>
<td>//</td>
<td>//</td>
<td>//</td>
<td>//</td>
<td>//</td>
</tr>
</tbody>
</table>
Table 3 Comparison trends of change in relative term in total budget, GDP, GPI, GPS and CIP.

![Graph showing trends of change in relative terms for total budget, GDP, GPI, GPS, CIP.]

Data Sources: Ministry of economy and finance / direction of budget (annual report); Cameroon Tribune; World Bank’s Annual “World Development Indicators Database” and World Bank’s Annual “African Development Indicators.” at http://devdata.worldbank.org/external/cpprofile.asp?

As it appears in table 3 and figure 3 above, the comparison of budget trends to economic growth indicators yield mixed results. This is to mean that, contrary to what was expected, compare to budget trends, economic trends indicators did not fared badly all the time. Nor did they perform in such a way that they will trigger economic growth.

Overall, Gross Private Investment (GPI) over time experimented important ups and downs. It was almost all the time negative or shown a much more lower growth than the budget growth. It incurred some exceptional growth years, faster to that of the budget in FY 1991/92 (4.14%) , a much faster growth in FY 1993/94 (20.63%) , and a less faster in FY 1998/99 (7.89%). In theory, only for three fiscal years over ten could the budget positively affect the some form of investment which importance is already stressed.

Gross Private Saving (GPS) also experimented either negative or lower growth , compared to that of the budget. It became extremely negative in FY 1992/93 (-22.98%),
before starting an ascending course, and growing faster than the budget only in FY 1995/96 (22.32%) and slightly faster in 1997/98 (14.61%), and less faster in FY 1998/99 (6.71%). Like for GPI, only for these three years out of ten, budget could reasonably affect some form of saving.

Consumer Price Index (CPI), is expected to grow lower than the budget if some benefit from the budget growth may accrue to consumers. It appears from the observation that, CPI grew lower than the budget most of the time, except for FY 1990/91 (1.10%), FY 1992/93 (-0.13%) and 1993/94(-3.68%). For these three years only, out of ten, CPI experienced a higher growth. It means that for the rest of seven years, CPI growth was lower than the budget growth, which is positive thing for the consumer, in theory.

Gross Domestic Product (GDP) seems to be the indicators that behaved the worst, since it expected to grow at least at the same pace with the budget if no faster than the budget in the absence of economic recession. Rather, GDP experienced a much more lower growth than the budget except in FY 1998/99(5%).It however, after a negative growth from FY 1990/91(-6.1%) to FY 1994/95( -2.5%) and experienced a constant positive but low growth ( as compared to budget growth) from FY 1995/96(3.3%) to FY 2000/01 (4.2%).Therefore , to the best, GDP growth has stagnated over the whole period under study.

Grossly, it appears, despite some positive results for some of the years, that the budget growth has not affected in a significant way the growth of economic growth indicators and parameters.

Incongruence between Budget Growth and social Development

Government expenditures, and budgets, can and must be oriented in a way that they allow positive impact in social development. That is they should bring positive change in the quality of lives of the individuals, communities and the nation. In effect, according to Selowsky (1979:3), changes in the direction of government expenditures can have a significant effect on the real income of the lowest income groups, and improve the situation of the poorest by equality in the distribution of incomes, improving welfare
indicators such as life expectancy, calorie consumption, and minimum literacy. Also by suppressing inequality of access to the consumption of foods and services such as housing, water, sewage, education as well as employment. That’s why one of the dominant principles of budgeting is the *Pareto optimality*\(^{12}\), that is concerned with a rational distribution (and redistribution) of goods in the society (Baker, 1976:40-60). In other words, one of the best tests for performance of government expenditures and budget is how well each and every individual and communities see the conditions improved in terms of poverty alleviation, level of improvement of education, access to health care and gender equality. Though many other parameters exist and may be consider, these are those we could use in this study as presented in the table 4 below.

Table 4: The trends of change in total budget in billion CFA and trends of change of social development indicators are compared in the following table 4 and chart 4.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>1990/91</th>
<th>1995/96</th>
<th>2000/01</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget change</td>
<td>-8.33</td>
<td>13.96</td>
<td>116.42</td>
<td>7.1</td>
</tr>
<tr>
<td>Poverty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malnutrition (children under 5)</td>
<td>15.1</td>
<td>22.2</td>
<td>18.1</td>
<td></td>
</tr>
<tr>
<td>Undernourishment (% Population)</td>
<td>33.0</td>
<td>34.0</td>
<td>26.4</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school completion</td>
<td>55.9</td>
<td>54.47</td>
<td>62.4</td>
<td></td>
</tr>
<tr>
<td>Primary school enrolment</td>
<td>73.36</td>
<td>91.8</td>
<td>116.7</td>
<td></td>
</tr>
<tr>
<td>Gender equality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women parliament seats</td>
<td>14.0</td>
<td>12.0</td>
<td>6.0</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>20.2</td>
<td>20.8</td>
<td>21.4</td>
<td>21.6</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Women employed in non agricultural sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortality rate (infants under 5/1,000)</td>
<td>139(0.13%)</td>
<td>151(0.15%)</td>
<td>151(0.15%)</td>
<td>149(0.14%)</td>
</tr>
<tr>
<td>Incidence of tuberculosis people/10,000</td>
<td>84.91(0.008%)</td>
<td>131.78(0.013%)</td>
<td>170.05(0.017%)</td>
<td>174.31(0.017%)</td>
</tr>
</tbody>
</table>

Data Sources: Ministry of economy and finance / direction of budget (annual report); Cameroon Tribune; World Bank’s Annual “World Development Indicators Database” and World Bank’s Annual “African Development Indicators.” at http://devdata.worldbank.org/external/cpprofile.asp?

The indicators relative to social development indicators and published by the World bank exist for the most of them only for FYs 1989/90, 2000/01, 2000/01, and 2005/06. Still some data are missing. However, trying to make some sense of these data, we used them to compare the trends change in the budget to that of the social development indicators retained by this study.

Overall, it was found that, during the decade under study, budget trend and social development indicators trends did not match at all.

First, relatively to “poverty” indicators, it appears, on the one hand, that though “malnutrition of children under five” has grown faster than the budget in FY1990/91(15.1%) and in FY 2005/06(18.1%), its experienced a slower growth in FY2000/01(22.2%), when the budget boomed, compared to five years earlier, by 116.42%. On the other hand, the growth of “undernourishment (% population)” was faster than that of the budget almost over the entire period considered by the study. Therefore, the budget does not seem to affect poverty indicators.

Secondly, as far as “Education” is concerned, it is observed that, except for FY 2000/01(54.47%), “Primary school completion” growth was faster than budget growth in FY 1990/91(55.9%) and FY2005/06(62.4%). Likewise, except for FY 2000/01(91.8) “Primary school enrolment” growth was faster than budget growth in FY1990/91(73.36%) and FY2005/06(116.7%). Once more, despite the fact that
“Education”’s indicators, taken in themselves, have been doing well and, apparently, are fastest growing of all social development indicators, there doesn’t seem to be a congruence or any relationship whatsoever between budget growth and “Education” growth.

Thirdly, coming to “Gender equality,” it is observed that “women parliament seats” has grown faster than the budget only in FY 1990/91(14.0%) and FY2005/06 (8.7%). However, it has grown slower in between these fiscal years, with 12.0% in FY 1995/96 and 6.0% in FY 2000/01 while the budget was fast growing. In the meantime, “women employed in non agricultural sectors”, except for FY2000/01, has been growing faster than the budget. and was 20.2% in FY1990/91, 20.8% in FY2000/01 and 21.6% in FY 2005/06. Otherwise, the proportion of “women employed in non agricultural sector” has remained constant over the decade under study. However, in sum, budget doesn’t seem to affect “Gender Equality.”

Finally, “Health care” indicators are published per 10,000 inhabitants for “mortality rate (infant under 5), an per 100,000 inhabitant for “incidence of tuberculosis”. Converting them in percentage doesn’t make any sense (See table 4 above). However, though health care indicators growth trends were supposed to decline with the growth of budget trend, over the period of the study, they behaved differently to what was expected. As budget was experiencing a steady growth from FY 1990/91(-8.33), to FY 1995/96 (13.96%), to FY 2000/01(116.42%), “mortality rate (infant under 5/10,000)” also experienced a growth from 139 mortality cases (FY 1990/91), to 151 mortality cases and remain constant in FY 2000/01 with 151 mortality cases. And as the budget declined dramatically to 7.1% in FY2005/06, mortality cases declined only slightly and were 149 mortality cases. Worse still was, in the meantime, the situation of “incidence of tuberculosis (people/100,000)”. Rather than going down, incidence of tuberculosis has been going up extremely faster. From 84.91 cases in FY 1990/91, it increased to be 131.78 cases in FY 1995/96, from there to 170.05.05 cases in FY 2000/01 and finally, it went up to 174.31 cases in FY2005/06. As it appears as Budget is increasing in trend, infant mortality and tuberculosis cases are not decreasing but are increasing even faster.
for tuberculosis. Therefore, it is clear that, like for many other indicators of social
development, the growth of the budget has not improved the situation of health care.

In sum, except for education, to some extent, during the decade under study, budget growth trend was not in congruence with most social development indicators trends. Which leads us to conclude despite budget constant growth, the budget has not positively impact social development in Cameroon. Actually, that can be sense overall that there does not seem to any relationship between budget growth and social development. For example, even education, which apparently improve, seem to experience a growth when budget is declining. This pattern is observed for all indicators in FY 1990/91, for “undernourishment” and “women employed in non agricultural sector” in FY1995/96 and for all the indicators in FY 2005/06.Inversely, when the budget skyrocket in 1995/96, “malnutrition” and “women employed in non agricultural sector” decreased and all others indicators were lower than the budget.

However, it is noted that there is an overall improvement of all social development indicators for FY 2005/05, which may mean that the previous fiscal years increase of budget could be starting to induce some payoff. Perhaps those increases are starting to have some effect on social development. Further study, with an improved design, on a longer period and using all more complete data is needed if we want to appreciate with more certainty, the effects of public budget on social development as well as social development.

Conclusion:

In theory, public budget is important to every citizen. It is the basic planning document of the government that can be used to literally change the state of the economy. It represents government priorities and consists in government proposals to orient public expenditures in such a way that will promote economic stability and growth (Ott and Ott, 1977). In other words, not only there is a strong relationship between public budget and expenditures and economic growth and social development, but also, governments have the obligation to use and orient budget and public expenditure to positively affect economic growth and social development of nations.
Based on the variable and indicators defined above and despite mixed results attached to some variables, in general this study revealed that, over the period going from the FY 1989/90 to FY 2000/01 and over, the overly fast growth of the budget has been unable to positively impact the economic growth and social development of the country. A close observation of public budget trend compare to economic growth and social development indicators trends shows a lack of congruence of trends between these variables. This study suspects that these poor outcomes are a straight result of ineffective and inefficient use of public government by the government, including wrong choice of policy priorities. In effect budgeting in Cameroon, over the period of this study, does not seem to be oriented towards some of the main goals assigned to the government by the constitution, which are the pursuit of economic growth and social development, in order to ensure the well being of citizens and communities. As a result, for example the majority of budget expenditures is affected to “operating budget”, to fund day to day overbearing cost of an ever growing bureaucracy. In the meantime, the smallest share of the budget is allotted to the “investment budget” which is the real tool to stimulate investment, consumption and savings (public and private), and therefore improve the situation of economic growth and social development. In the same logic, important part of public budget is used, in priority, for public debt reimbursement, even though beneficiaries have been mostly foreign investors and institutions. Which resources are exported and are more likely to not be beneficial to the local economy. Government irrationalities and mismanagement of the budget has also resulted an unproductive budget, characterized by a quasi-permanent budget deficit, now representing a heavy liability on nations resources. These observations led us to think that there has been some sort of “artificial” growth of the budget in Cameroon, which in part, has justified the overly optimistic observations of Bretton Wood institutions and the government on the economic growth in Cameroon. For example, in 2001, IMF experts conclude of “Cameroon’s good record of performance in the macro economy” as well as “poverty reduction and growth”. Government was seen as having “made good progress “ in implementing macroeconomic policies and structural reforms”(IMF, 4/7/2006). A Cameroon government report also had similar optimistic view, stating that, “the Cameroonian economy has been enjoying uninterrupted growth,” during the decade
concern by this study (Republic of Cameroon: *Interim Poverty Reduction Strategy Paper*, 2000,16). Based on this research results, one will totally disagrees with the above optimistic view. The budget in Cameroon despite its permanent and rapid growth this last decade has not played its institutional and economic role of backbone, motor and booster of social development and economic growth. The Cameroon government itself acknowledged that, the “growth rates are not enough to wage an effective fight against poverty. They also agree that, while growth is an important tool for reducing poverty, [it] must be equitable, by guaranteeing that as much of the people as possible has access to basic social services, basic infrastructures, and the opportunity to earn income or secure a job”(Ibid,1). There is little evidence that the permanent increase in the total amount of the budget for a decade has improved whatsoever in the quality of life of the population and especially of the low-incomes categories or class.

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1 This study was publicly presented, for the first time, at the Southern Interdisciplinary Rountable on African Studies (SIRAS)' Conference at the Kentucky State University, USA, April 12-14, 2007.
2 Jacques Philibert Nguemegne is a Political Scientist, Senior Lecturer / Researcher at the Department of Public Law and Political Science of The Faculty of Law and Political Science, University of Dschang, Cameroon, West Africa. E-Mail: jpnguemegne@yahoo.fr.
3 The level of these economic and social indicators for all the countries are published every year in the World Bank’s publication known as “World Development Report”.
4 These indicators of economic growth were arbitrarily chosen, not only because their representativeness of economic growth, also because the are among the indicators that could better explain the relationship between economic growth and the budget, and mostly they were the rare ones with data available on most or all of the fiscal years in which we are interested. Others had too many missing data, to the point that one could not objectively trace the trend of their evolution over the years. The Government of Cameroon, I guest, is the one to be blamed here because of its unwillingness or incapacity to collect and publish these figures crucial to most economic and social analyses.
5 The human and social development indicators retained for this study are those which were published by the World Bank and available at http://devdata.worldbank.org. However, apparently, even the Word Bank doesn’t have all the data. In Fact, only the figures for 1990, 1995, 2000 and 2005 were available and most of the indicators have missing data. This study selected the indicators, which had enough data covering the period of the study so that one can have an idea of divergence or convergence between the trend of budget and trend of social development in Cameroon.
6 Ibid.
7 Ibid.
8 Ibid.
9 This analysis is not done in real terms. The analysis of national debt, deficit and surplus in real term means after adjusting for inflation. In effect, inflation reduces the value of the national debt and deficit so that the size of the deficit in current CFA grossly exaggerates the growth of the real national debt. So after adjusting for inflation deficit may not look as bad as it first appeared. The raw data used in the analysis however gives a close idea of the mechanisms, functioning and results or outcomes of the budgeting system and therefore will yield reliable results. See Cebula .Op cit, 5.
10 According to the Conservatives and supply-siders, “The objective of tax cut [and therefore of the budget deficit] may be to stimulate consumer spending and thus the economy as a whole. However, if the marginal propensity to consume (MPC) is low, that is , if households are not very responsive to changes in disposable income, the tax cut would have to be quite large to simulate sufficient spending in order to
eliminate the recession. On the other hand, if the MPC is high, the tax cut necessary to end the recession may not be particularly large. Assuming that consumption depends on disposable income.” See Cebula, Richard J.1987. Federal Budget Deficits: An Economic Analysis.(Toronto : Lexington Books).

11 As already, signaled these are some of the economic growth indicators on which we could find data for a longer period to compare trends with that of the budget. It should also be signaled however, in defense of the validity the reliability of these indicators and data and the overall validity of the study that, according to econometricians, there is no need to use all the indicators of all the variables of the phenomenon under study – say budget, economic growth or social development, to be able to check with some comfortable level of confidence, the nature and the strength of the relationship between the dependent and the independent variables. One representative indicator of both is enough to explain the relationship. Keeping in mind that all other variable are represented by the error term η (See Gujarati, Damodar N.2003. Basic Econometrics, ( New Dehli: Tata McGraw – Hill Publishing Company Limited).

12 “Pareto optimality” is the principle according to which “ under a given allocation of resources nobody is made better off without at least one person being made worse off. [But] ideally, individuals (in their judgments) are better off, and no one is worse off (in his own judgment) by the allocation. Conversely, undesirable allocations occur if individuals consider themselves to be worse off, and no one thinks of himself as being better off by a given allocation of resource”. in Baker, Keith G.1976. “Public Choices Theory: Some Important Assumptions and Public Policy Implications”.41-60, In Golombiewski, Robert T.; Gibson.; Cornog, Geoffrey Y.1976.Pubic Administration : Readings in Institutions, Processes, Behavior, Policy.( Chicago : Rand McNally College Publishing Company).

13 The level of poverty in Cameroon is high, so much so that Cameroon now belongs to the group of countries with a “low human development” index, Cameroon stands in this group along only 11 African countries, including: Madagascar, Swaziland, Lesotho, Djibouti, Mauritania, Kenya, Gambia, Guinea, Senegal, Nigeria, Rwanda and only 2 non African countries which are Haiti and Yemen. See. World Bank.2005. Human Development Report.(New York : Oxford University Press).P.252. Cameroon now is classified in the IMF and World Bank category of “Highly Poor Indebted Country.”
Reference: