

**UNILATERAL PRIVATIZATION OF THE CDC WITHOUT PROPER
CONSULTATION OF THE PEOPLE CANNOT PROVIDE A VIABLE AND
SUSTAINABLE SOLUTION TO CAMEROON'S ECONOMIC PROBLEMS**

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**LETTER FROM CONCERNED CAMEROONIANS REGARDING THE IMF-
SANCTIONED PRIVATIZATION OF THE CAMEROON DEVELOPMENT
CORPORATION (CDC)**

Dear Mr. Koehler:

You recently visited our homeland, Cameroon. During this important visit, we understand, you discussed with our national leaders, *Cameroon's Enhanced Structural Adjustment Facility (ESAF)/Poverty Reduction and Growth Facility (PRGF)* program. An important part of this program is the sale to the private sector of important state-owned companies. One of the most important of these is the Cameroon Development Corporation (CDC), an agro-industrial complex with facilities located principally in Fako division in the Southwest province, and in parts of the Northwest, Littoral and Western provinces.

We understand that one of the most important roles of the IMF is to enhance economic growth to alleviate poverty in the developing countries. Since the mid-1980s, economists from the IMF have been engaged in efforts to help Cameroon improve macroeconomic performance and generate the wealth that it needs to effectively confront poverty and

deprivation. In recent years, that effort has involved the privatization of state-owned enterprises (SOEs).

Part of the motivation to sell to the private sector, many of the country's SOEs is the fact that they have been managed poorly and represent an important drain on the national budget. Thus, privatization should improve macroeconomic efficiency, reduce public debt and generate the additional resources that the country needs to meet its rising financial obligations.

We understand that the sale of these poorly managed state-owned enterprises will result in a significant reduction in public expenditures since the state will no longer have to subsidize them. Privatization of SOEs has been taking place in Cameroon for quite a while. Although there is anecdotal evidence to indicate that relatively high levels of corruption and venality have tainted the process, we have not found it necessary to intervene directly with your office. Instead, we have sought to voice our opinions through the usual media outlets in our homeland and by directly contacting sympathetic politicians. However, when we learned that the CDC was on the list of those state-owned companies to be sold to the private sector, we felt it necessary to intervene.

The CDC is a unique institution in Cameroon. The company controls a resource that is considered sacred to Cameroonians: land.

The CDC currently owns and controls significant portions of the ancestral lands of several ethnic groups in the country, PRIMARILY the lands of the Bakweri, from whom close to 400 square miles of their most fertile lands were forcefully and expropriated German colonialists in the late 19th century" Land, to many Cameroonians, is not just a place to hunt, fish, derive shelter, and provide for one's physical needs. Land represents the resting-place for ancestral spirits, where one's soul returns at death; the place where one unites with one's ancestors; etc. Thus, in making any effort to improve the welfare of the people of Cameroon, we must be concerned not only with ways to increase the economic productivity of resources, we must also consider how a change in property rights will affect the essential foundations of the life of given ethnic groups within the society.

In developed societies (e.g., USA, Germany, France), a conversion of such magnitude of landed property to private ownership usually involves elaborate and extensive consultation with the people. In addition, an effort is usually made to provide the relevant stakeholder groups (those whose welfare will be affected directly by the privatization) facilities to fully and effectively participate in the process. This has not been the case in Cameroon where the privatization process has been totally lacking in transparency and accountability, and where organizations such as the Bakweri Land Claims Committee (BLCC) that are speaking on behalf of the indigenous stakeholders are being muzzled by the Cameroonian government (please consult the BLCC web site at <http://www.bakwerilands.org> for more details).

Leaders of our country are currently in the process of taking one of the most important decisions regarding the allocation of land since Kamerun became a German colony in 1884, and yet little effective effort has been made to consult the people and engage them in debate over this monumental decision. We hope that the IMF will not unwittingly become a signatory to what is certain to become an important public policy fiasco. As an organization that supports and encourages transparency and accountability in all its dealings, we hope that the IMF will expect no less from Cameroon. The IMF must insist that proper consultation of the people, especially the relevant stakeholder groups, be undertaken before the future of this important agro-industrial complex is determined.

Unilateral privatization of the CDC without proper consultation of the people (particularly the people of the North-West and South-West provinces of Cameroon) cannot provide a viable and sustainable solution to the country's economic problems. In addition, such a decision will impose significant damage on political development in the country and could lead to increased conflict between the English-speaking provinces and the rest of the country. Proceeding with privatization at this time and under such conditions of lack of transparency, accountability, and consultation, could cause destructive ethnic conflict, including civil war.

We hope that the IMF will give this important issue its highest priority, while continuing its efforts to enhance development and peaceful coexistence in Cameroon.

Thank you for your cooperation and continued service to Cameroon and its people.

We remain yours sincerely,

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