

## Decentralizing the Cameroonian Economy for Balanced Growth

### Abstract

Cameroon's economic growth, while moderate, is fundamentally undermined by significant regional disparities, with the Central, Littoral, and Southern regions monopolizing investments while others face entrenched underdevelopment and high poverty rates. Although the legal framework for a decentralized unitary state is robust-established by the 1996 Constitution and harmonized by the 2019 General Code-the effective implementation of economic decentralization is severely hampered. This policy brief demonstrates that effective economic decentralization is a strategic imperative for equitable growth and national cohesion. Current obstacles include incomplete transfer of resources alongside responsibilities, low local administrative capacity, and insufficient own-source revenue mobilization. To transform these inequalities, the brief recommends four actions: 1) Ensuring effective transfer of powers and resources to local authorities; 2) Strengthening local technical skills in project planning; 3) Providing sustained support from central authorities; and 4) Promoting inclusive economic development that leverages specific regional potential. By strengthening fiscal autonomy and governance, decentralization can become the core driver of balanced, sustainable growth for all Cameroonian territories.

**Keywords:** Cameroonian economy; Balanced growth; Economic decentralization; Sustainability; Entrepreneurship

### Introduction

Cameroon's economic growth has been moderate in recent years (3.3% in 2023, compared to 3.6% in 2022) but remains marked by significant regional disparities [1]. The Central, Littoral, and Southern regions account for the majority of public and private investments [2]. Meanwhile, the Far North, East, and

### Research Article

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English-speaking regions continue to lag behind. These areas, long neglected in the distribution of public investments, face entrenched underdevelopment, worsened by alarming poverty rates. Nearly a quarter of the population survives on less than \$2.15 per day, and persistent security crises hinder any sustainable economic momentum. The legal framework for decentralization—the 1996 Constitution, the 2004 laws, and the 2019 General Code—is solid, but the effective exercise of powers and the ability to mobilize local resources remain limited.

This brief aims to demonstrate that economic decentralization, if implemented effectively, can transform these inequalities into drivers of equity and local development through the financial, institutional, and human strengthening of local authorities. The challenge is strategic for consolidating national cohesion and supporting more evenly distributed growth.

**Legal and Policy Framework of  
Decentralization in Cameroon**

Decentralization in Cameroon is based on a solid constitutional pillar: the 1996 amendment introduced the principle of a decentralized unitary state by creating decentralized territorial collectivities (regions and municipalities), which were endowed with legal personality and administrative and financial autonomy. The founding laws of 2004 complements this constitutional base.

Law No. 2004/018 (Councils) & 2004/017 (Orientation of Decentralization) define the devolution of competencies and resources to the DTCs. These texts confirm the exclusive transfer of competencies (economic, social, health, and educational) to the DTCs, accompanied by appropriate human, technical, and financial resources. The principle of subsidiarity is affirmed: responsibility is exercised at the level closest to the populations concerned.

The 2019 General Code (Law 2019/024 of December 24, 2019) centralizes and harmonizes these provisions: 501 articles covering the status of elected officials, the organization of decentralized territorial communities (CTD), the financial system, legality oversight, and state support. It formalizes the role of the State representative (governor, prefect) in supervising the acts of local authorities, as well as the legal process for validating, controlling, or annulling acts within 15 to 30 days.

**Furthermore, decrees and institutions reinforce this framework.**

- Creation of FEICOM (Special Fund for Intercommunal Equipment) and its attachment in 2018 to the status of an economic and financial public institution to support CTDs
- Establishment of governance structures such as the National Council for Decentralization and the Interministerial Committee for Local Services, as well as the implementing decrees of the 2004 laws.

### **Link between Decentralization and Balanced Growth**

Balanced growth, understood as development that benefits all regions, reduces disparities, and improves infrastructure and well-being, is closely linked to well-managed decentralization. When decentralized local authorities (DLAs) have real powers, adequate resources, and strong technical capacities, they

can direct investments to the priority sectors of their territory: rural roads, health, education, water, and sanitation. This not only helps reduce territorial inequalities but also socio-economic disparities.

Cameroonian studies show that fiscal decentralization strongly contributes to the growth of local expenditures. For example, in the city of Douala, own-source taxation, shared taxation, and subsidies respectively account for significant variations in local public spending. Thus, local public expenditures grow faster where local revenues are effectively mobilized. This dynamic leads to better provision of local public services, which improves living conditions and stimulates more inclusive growth.

Furthermore, strengthening good governance, transparency, accountability, and citizen participation plays a vital role. The work of Gilles Brice M'BAKOB and Isabelle Mamgaing Talom shows that economic growth, if not accompanied by equitable distribution, does not automatically translate into well-being for all. Government initiatives and those of international partners show the way: investments in municipalities, the establishment of reports on local financing, the socio-economic profiling of municipalities to guide decisions, all contribute to more balanced growth.

### **Obstacles to Effective Economic Decentralization**

Economic decentralization in Cameroon faces several obstacles, both structural and practical, which reveal a gap between the laws and institutional reality. First, the incomplete transfer of responsibilities, and especially of resources, prevents local authorities from truly carrying out their missions. Indeed, municipalities and regions have increased responsibilities without sufficient autonomous tax allocations or reliable budget transfer mechanisms [1].

Furthermore, the low local administrative capacity—that is, limited staff, insufficient technical skills in project planning and execution, and the lack of financial management tools—prevents converting available resources into services and productive investment [3]. These shortcomings increase dependence on the central state and donors for major projects. Local governance also suffers from a weakened institutional environment. There are opaque procedures, centralized control of revenues, and political influence

over the appointment of key actors, which undermine transparency and accountability [4]. Consequently, this discourages local private investment and weakens citizen trust.

Moreover, the insufficiency of own-source revenue, limited fiscal base, tax evasion, and inefficient collection constrain the self-financing capacity of local authorities. Without a clear guarantee of sustainable revenues (modernized local taxes, effective fiscal sharing), local authorities struggle to plan for the long term. Finally, contexts of fragility and localized conflicts (areas affected by tensions) complicate resource mobilization and project implementation, requiring responses that are adapted to the field.

### **Why and How Economic Decentralization Can Drive Local Growth?**

The expression “govern from the center and administer at the periphery” clearly explains the role of decentralization in the administration of a territory. Transferring resources to local authorities will allow them to effectively address the concerns of their population. The effectiveness of decentralization in the economic development of CTDs is understood in the same vein.

Aspects such as proximity, that is, the tendency to bring local citizens and decision-makers closer together in decisions that affect their community, help to maximize the effectiveness of public action through measures that fit the needs and context of the community. In addition, the availability of goods and services will place different communities in a situation of rivalry or competition. Here, competition will be in terms of attracting the largest number of investors or consumers. Communities will therefore need to create a favorable environment where businesses and citizens from other communities can thrive and remain sustainably.

The combination of several factors will help sustainably support the economic growth of local authorities through the identification and enhancement of regional potential. This aspect involves local authorities highlighting the sectors of activity that can support their economic growth. Furthermore, establishing a conducive framework to promote development is essential. This framework depends on the powers delegated to them. As such, local territorial

communities must have a certain degree of flexibility to make their territory attractive. They can place particular emphasis on basic infrastructure for their development, such as roads and basic public services. Additionally, decentralized cooperation should also be promoted by the local authorities, both among national local authorities and with foreign ones.

### **Recommendations**

- **Effective transfer of powers:** Decentralized local authorities (CTDs) still have limited room to maneuver to achieve their development objectives. It is essential that the authorities actually grant them the powers provided by regulations.
- **Capacity building:** Economic decentralization requires that local authorities have the necessary technical skills and resources to effectively drive the development of their territory.
- **Support from central authorities:** The central government retains a key role by providing technical and financial support to local authorities to achieve their objectives.
- **Inclusive economic development:** Local authorities can be key players in large-scale projects and inclusive growth, by adapting initiatives to local realities and the specific challenges of their territory.

### **Conclusion**

Economic decentralization can transform Cameroon into a country with more equitable and sustainable growth. When implemented effectively, it allows local authorities to bring decision-making closer to citizens, allocate resources based on local needs, and enhance regional potential. The availability of quality goods and services creates a dynamic of healthy competition among communities, encouraging the attraction of investors and local economic development. However, for this decentralization to bear fruit, it is crucial to strengthen fiscal autonomy, technical skills, and local governance, while promoting inter-municipal and international cooperation. Under these conditions, decentralization can become a driver of national cohesion, the reduction of territorial inequalities, and sustainable growth, benefiting all Cameroonian populations.

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