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## The Political Economy of Mineral Exploitation in Cameroon

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### Abstract

The objective of this article is to explore the political economy of mineral exploitation in the Republic of Cameroon. Cameroon has been predominantly an agricultural economy since independence. However, since the 1980's, the petroleum sector has been the country's main foreign exchange earner. Due to dwindling oil output, there has been a drive towards the exploitation of other minerals (e.g. gold, diamond, bauxite, cobalt, uranium, nickel) to boost economic development. This article argues that Cameroon's economic and political structures are similar to states that have suffered from the resource curse. The implications are that mining rents may be used to fund the mechanisms of repression that protects the government's short-term political ambitions at the expense of Cameroon's long term economic development. The government can at best influence sustainable development and reduce conflicts linked to mineral resource capture by either promoting agricultural development or institute a system where revenues generated from mineral exploitation is directly invested in the provision of social services to local communities. In perspective, the current enthusiasm by Cameroonians about future economic benefits from mineral exploitation should be treated with caution.

### Introduction

Since the seminal work of Sachs and Warner (1995), the idea that economies with abundant natural resources grow less rapidly than natural resource-scarce economies have been hugely supported by economists and political scientists. This has often been described as the resource

curse (or the paradox of plenty). The resource curse may lead to a decline in the competitiveness of other economic sectors due to an appreciation of the real exchange rate as export revenues are received, volatility in commodity prices, a dysfunctional political system, etc. Despite these challenges, multilateral donors like the World Bank and IMF have continued to encourage developing economies to invest in the extractive industry as a development strategy (Campbell, 2008). This has led to an increase in investment in mineral exploitation in developing economies. Overall, investment in mineral exploitation in sub-Saharan Africa doubled between 1990 and 1997 and also governments contribution to exploration increased from 4 per cent of global spending in 1991 to 17.5 per cent in 1998 (Pegg, 2006).

Aimed at diversifying the economy after the recent fall in export revenues from Cameroon's petroleum resources, the government have been luring new mining investors. They believe new mining investments worth an estimated \$10 billion will create over 27,000 jobs, boost economic development, raise income levels, fight poverty and improve the standards of living of the people (Musa, 2008). Recent exploration has led to the discovery of more than 50 minerals in commercial quantities. This has influenced the arrival of many multinationals in mining exploitation (see table 1). The oil sectors contribution to the national economy has diminished as petroleum output dwindled from its peak production in the late 1980s. In 2002 for example, the oil sector accounted for less than 5% of the GDP of Cameroon as opposed to the more than 10 percent in the 1980's (Mobbs, 2002). Additionally, there has been low agricultural output, rising unemployment, population explosion, high incidence of corruption, which have all had significant consequences on Cameroons economic development.

Cameroon has been officially a democracy in principle since 1990. However, political opposition is not tolerated and any dissent is suppressed through either violence or abuse of the legal system (Amnesty International, 2009). Like most West African nations, the main political risk of investing in Cameroon is the culture of corruption. Cameroon has always ranked lower in institutional and political governance. Cameroon have always been classified as one of the most corrupt countries in the world and in 1998 and 1999, the main corruption watchdog transparency international ranked Cameroon as the most corrupt country in the planet.

While revenues generated from natural resources can lead to economic growth when there is good governance (e.g. Botswana, South Africa), in economies with poor governance (e.g. Angola, Chad, Congo, Democratic Republic of Congo, Equatorial Guinea, Guinea, Sierra Leone, Liberia) this can cause socio-economic and political disputes (see Collier and Venables, 2008, Stiglitz, 2007). The extent of democracy influences the way nations manage natural resource revenues. As an example, recent academic evidence confirms that democracies with no natural resources tend to grow more rapidly than autocracies with natural resources (Collier & Hoeffler 2008).

In 2005 alone, The Angolan government collected \$10 billion in oil revenues and have collected far higher sums in the ensuing years as a result of rising oil prices and increased production. But the gains are not evenly spread. While some neighbourhoods in Luanda are well organised and people are living in luxury, 70% of Angolans still live below poverty line. Diseases including Cholera, malaria, HIV and AIDS are rife, and child mortality rates are among the worst in the world (Perry, 2007). Despite Angola rivalling Nigeria as sub-Saharan Africa's biggest oil producer at the peak of the oil boom with an average of 1.9 million barrels per day in 2008, the economy entered into a recession when oil prices dropped after 2009. Several

international NGO's have been putting pressure on the government of Angola to promote transparency and publish royalties generated from the exploitation of its natural resources. Global Witness even managed to pressure British Petroleum (BP) into disclosing its signature bonuses. However, in 2000, after BP disclosed a certain exploration signature bonus payment of \$111m and promised to continue disclosing its annual production and payments data, the Angolan government through its state oil company that was involved in the joint venture agreement threatened to cancel BP's production sharing agreement. It quickly warned that any other oil firm that voluntarily discloses its payments to the state will have its contract terminated (Reingold, 2004).

In Zambia, there has been questions as to why mineral rents received during the period of high commodity prices have not assisted in the provision of public goods. This led to close scrutiny of the way the state-owned mining company, Zambia Consolidated Copper Mines (ZCCM), was privatised in the late 1990s and the benefits to the host economy. The conclusion was that unlike countries like Chile, the commodity boom didn't benefit the local economy. This prompted members of the civil society to pressure the government to renegotiate the agreements (Lungu, 2008).

Governments play an important policy role in influencing economic development. In theory, they have the power to improve the terms of trade through economic diversification to offset price fluctuations (Ross, 1999). Through policies, they can also create stabilisation funds, develop good fiscal strategies and sovereign wealth funds that promotes economic development. When there are failures linked to mineral resource capture, the contention by multinationals is that politicians are to blame because they receive and manage the revenues paid to the government. However, the companies also have a social responsibility to host communities. As happened in with the Shell project in Ogoniland, Nigeria, multinationals often overlook bad government behaviour and sometimes pay bribes to gain exploration rights. The multinationals as part of their social responsibility can invest part of their profits generated directly to the host communities.

This article aims to explore the political economy of mineral exploitation in Cameroon. In a broad sense, the study investigates if Cameroon's recent drive towards mineral exploitation would influence various measures of economic, social and political development. Though most evidence have been taken from secondary literature, additional data has been collected from observations and interviews with members of the civil society, politicians and economists.

### **The Cameroonian Economy: 1960-Present**

Since independence, the Cameroonian economy has been predominantly an agricultural economy. Main trading partners include, France, USA, Britain, Nigeria, Germany, Italy, the Netherlands and Spain. Cameroons main exports are crude oil and petroleum products, lumber, cocoa beans, aluminium, coffee and cotton. The country has experienced relative political and economic stability and prosperity when compared to other African countries. Cocoa still remains the main cash crop to more than 75% of the population in Cameroon. Peasant farmers handles cocoa production, but they do not earn sufficient income to meet their needs and maintain a moderate standard of living (Nfinn, 2005). In the 1980's, due to a combination of factors including falling prices of agricultural products and petroleum, mismanagement, government corruption, banking and business failures, the economy was forced to go into recession. Like most developing countries, this led the government to embark on a series of

reforms suggested by the World Bank and IMF. These involved slashing the salaries of civil servants and devaluing the country's currency.

Cameroon is currently one of the world's major producers in cocoa, coffee, cotton, timber, etc and though overall petroleum production has declined since its peak in the 80's, the country was still able to pump just over 30 million barrels of oil in 2008 (Musa, 2008). After a drop in oil prices, the government has recently engaged on wide scale mineral investments, after over 50 new minerals were discovered by multinationals. Companies that have expressed an interest to exploit (or are already exploiting) these minerals include Geovic Cameroun SA producing cobalt, Nu Energy Corporation Cameroun exploring Uranium, Australia's Sundance Resources Ltd exploring Iron and U.S Company Hydromine Inc exploring bauxite. These investments have been stimulated by the introduction of a 2001 mining code, giving investor's incentives such as a five-year tax break and a free transfer of capital out of the country (Nting, 2009).

The Government of Cameroon is also known for the lack of financial transparency, where the management of its oil revenues have been shrouded in secrecy (Walsh, 1997). These rents were for long deposited outside the state's banking system in a foreign account controlled by the president, listed in the national account as an extra budgetary item "hors budget" (Ayangafac, 2008). Due to pressure from multilateral organisations, these revenues were included in the national budget in the 1990's and exposed to public scrutiny albeit on a limited scale. In 2005, in an effort to curb criticisms directed at the Cameroonian government for its lack of transparency in the management of mineral rents, the government decided to adhere to the Extractive Industry Transparency Initiative.

### *An African Perspective of the Resource Curse*

The argument that resource rich economies grow less than resource poor economies has its origins from Ross (1999), which documented economic stagnation in resource rich mineral exploiting African countries as opposed to economic growth in resource poor South East Asian nations. Between 1960 and 1976, leading mineral exporters in developing economies had a per capita GDP growth rate of 1.9 percent, which was half the rate for a control group of non-mineral dependent countries (Nankani, 1980). There has been recent discovery of massive oil reserves and other mineral deposits in several African economies. According to Ghazvinian (2007), since 1990 investments in the production and exploration in the oil and gas industry have surpassed \$20 billion. It is envisaged that \$50 billion will be invested by the end of this decade, which is the largest investments ever seen in the African continent.

Through the support of multilateral organisations, several developing countries (e.g. Cameroon, Guinea, and Equatorial Guinea) have been using resource rents to diversify their economy. Botswana for example has been a model to them, after properly managing its mineral resources to diversify its economy. Botswana escaped the resource curse through government policies that support quality regulations, transparency and accountability in the provision of public goods and a strong political leadership with a long-term development plan. Moreover, in a bid not to suffer from the Dutch disease, the Botswanan government have invested hugely on developing its agricultural sector, notably cattle rearing (McSherry, 2006). Its mining sector has fuelled much of the expansion and currently accounts for more than one-third of GDP, 70-80% of export earnings and an average growth rate of 7.8 percent since the 1980's (CIA World Factbook, 2009, Limi, 2006).

Most conflict prone zones in Africa are those with abundant mineral resources. From a physical point of view, mineral exploitation customarily destroys the local environment, making it harder for communities that traditionally depend on fishing and farming to generate income. These have led to rampant poverty, disease, and inequality. Mineral exploitation is not labour intensive, but influences economies to become import dependent as it has the ability to inflate the value of the local currency after the acquisition of huge foreign revenues. This makes local exports expensive in the international market. The implications are that the traditional labour intensive agricultural oriented economy of most African states often suffer and remain uncompetitive when mineral rents are received (e.g. McSherry, 2006, Ghazvinian, 2007).

Countries in the Central African region, have recently engaged in mineral resource exploitation to promote economic development. After the discovery of petroleum reserves, Equatorial Guinea whose economy had for long depended on agriculture have recently emerged as Sub-Saharan Africa's third largest oil producer and one of the World's fastest growing economies. In Chad and Cameroon, the development of the pipeline project in 2003 to export petroleum from Chad to offshore terminals in Cameroon was expected to create growth opportunities and help reduce poverty. With projected daily production of close to 225,000 barrels, based on estimated oil prices of \$15, the government of Chad was expected to generate \$2.5 billion in direct revenues over the project's lifetime through royalties, taxes, dividends while Cameroon was expected to raise \$60 million annually (Ndumbe, 2004).

Despite Chad earning about \$1.4 billion in oil revenues in 2008 alone, they still failed to comply with agreements in which the government was to set aside a chunk of its oil revenues for the development the health and education of local communities. The then World Bank President Robert Zoellick was forced to stop supporting the project and urged Chad's government to prepay the balance of the loan and end the arrangement (Wroughton, 2008). In Equatorial Guinea, concerns in relation to the mismanagement of its oil revenues compelled the government to agree to work with the World Bank, IMF and USAID to create a Social Development Fund to promote social projects.

Most conflicts in Africa have been provoked by mineral resource capture that has not directly benefitted the host communities (e.g. Niger Delta in Nigeria) or due to political leaders aiming to manipulate resource rents for personal benefits (see Collier, 2007). Darimani (2005), between 1963 and 1998, there was a total of 26 armed conflicts in Africa affecting 74 million people, or 61 per cent of the population. By regions, about 79 percent of people were affected in Eastern Africa; 73 percent in Central Africa; 64 per cent in Western Africa; 51 per cent in Northern Africa; and 29 per cent in Southern Africa. One of the most devastating of these conflicts happened in Sierra Leone in the 1980s. The government of Sierra Leone after having embarked on a disastrous economic development program couldn't control the armed gangs that were overseeing the exploitation of the country's rich diamond fields. In Angola, Republic of Congo, Democratic Republic of Congo, Central African Republic, Liberia, Sudan, armed conflicts have often been financed by warlords who wish to control the country's minerals.

In some circumstances, what might start as conflict linked to mineral resource capture might become quite complex. In Niger and Mali for example, while the rebellion started from demands by Niger Tuareg's people for a greater and more equitable share of the country's uranium revenues after complaints of marginalisation, the conflict has become quite complex and have recently been supported by terrorists' groups; multinational mining companies and

international drug-traffickers with competing ambitions (Keenan, 2008). In Nigeria, what was initially thought of as a fight for justice and a fair share of the country's oil wealth have now supposedly influenced the creation of gangs that have grown to become powerful and violent (BBC, 2009).

Countries that have suffered from the resource curse (e.g. Sierra Leone, Liberia, Democratic Republic of Congo, Congo, Equatorial Guinea, Angola, Nigeria) are highly corrupt, have one of the worst human rights records, under-invest in human capital by spending less on education, have lower levels of environmental quality and finally produce a society with more unequal distribution of income characterised by high gaps between the rich and the poor (Gupta et al., 2000, Esty and Porter 2002). On the contrary, Botswana that have never suffered from the resource curse has consistently been ranked as one of the least corrupt states in the world, have high human development index. In Botswana, the political structures have continued to enhance the participation of locals in decision-making processes. Successive leaders have reinforced institutions which put constraints on political elites, thus mitigating the risks of corruption and state predation (Fofack, 2009).

### ***Will Mineral Exploitation Influence Cameroon's Economic Growth?***

The argument pursued by the Cameroonian government in its quest to attract investments in mineral exploitation is that new mining investments would in the future provide the much-needed mineral rents to supplement for dwindling oil revenues. This will in turn lead to economic development and reduce poverty. However, Cameroon has been a major oil producer in sub-Saharan Africa, but there has been little to show as direct benefits. Based on the political economy of resource rich countries, I look at the political configurations of Cameroon in relation to its previous management of mineral rents. The premise is to ascertain if the institutional dynamics will support the argument that mineral resource exploitation will influence economic development. As in prior research (e.g. Leftwich, 2004, De Mesquita et al., 2005), the presumption is that politics and the institutions politicians develop should be focused on properly allocating and distributing resources. In addition, the distribution of resource rents influences the outcome of elections and can support the survival strategy of the country's leadership.

Many exploitation contracts involved packaged deals that combine resource extraction rights with the provision of public infrastructures. The project to extract bauxite at Minim Mitap and Ngaoundal in Cameroon by a consortium led by US based Hydromin required that the company employ local labour, develop a railroad linking the mining sites, build a hydro-electricity dam and a seaport to ease the exportation of the product. The expectations are that the railway link will open up remote parts of the country and at the same time allow farmers access to markets. The dam will address energy deficit problems, while the envisaged seaport will significantly help to decongest Cameroon's lone port in Douala (see Musa, 2008, Ntaryike, 2008). As part of the social responsibility's agreement, the project will also build schools and hospitals for the host communities. To harness the country's vast hydroelectric potential, other investors like Rio Tinto Alcan group aims to build a dam in the Sanaga River to power a planned aluminium smelter.

Despite the presumed benefits, if not properly managed, the boom can instead influence stagnation in investments in the agricultural sector. Resource booms affects export revenues which in turn lead to an appreciation of a country's exchange rates. Investment capital may also

be drawn away from the agricultural and manufacturing sector. In total, there can be a decline in export revenues from Cameroon's agricultural output and inflation on the cost of goods and services that cannot be imported (Ross, 1999). The effect of the Dutch disease on the local economy can be mitigated if government policies does not allow multinationals to repatriate some of their profits but reinvest them in the agricultural sector. In Cameroon, the discovery of petroleum reserves in the 1980's changed the country's investment plans fuelling a neglect of the agricultural sector (see Benjamin et al., 1989). Many African mineral exploiting nations have followed a similar path. In Gabon, while the country was exploiting its petroleum reserves which benefitted the elites, most of the agricultural and rural economy stagnated, inequality and poverty persisted (McSherry, 2006).

The capital-intensive mineral sector is expected to employ 27, 000 people. This figure might seem huge, but when compared with the over 10.000 people that the Cameroonian Development Corporation (an agricultural company) alone employs (CDC-Cameroon.com, 2009), one wonders why the government is keen in diversifying the economy through investments in the mineral sector. Cocoa and other cash and food crop production offer significant opportunities for poverty alleviation and sustainable development if the necessary infrastructure and support is provided (Nfinn, 2005). Moreover, recent survey evidence by Frynas (2004) for Equatorial Guinea and Ghazvinian, (2007) for Gabon documented that due to the recent increases in the demand of some basic commodities primarily supplied from Cameroon, prices have doubled. Despite these huge benefits to be accrued from agricultural developments and Cameroon's vast unexploited land, there has been no direct involvement or serious attempt by the government to modernise the agricultural sector.

The country's relative inexperience in mineral exploitation is another concern. Experience has shown that developing nations in this position often negotiate deals that are less favourable to the local economy and do rely on international consultancy services for advice on several contractual issues. Additionally, the lack of skilled home-grown workers obliges the multinationals to recruit mostly expensive expatriate workers. The net effect would be huge losses in service and employment revenues and huge capital flight out of the local economy. Moreover, the extractive industry is hard to govern. This is due to its vulnerability in international market shocks and fluctuations in the prices of commodities. This can affect the possibilities of multinationals to raise revenue for investments from the stock market.

Cameroon's political history and governance system resembles that of African nations that have suffered from the resource curse. Moreover, the country is currently investing in mineral resources without the necessary political structures to influence sustainable and economic development. Cameroon fares worst on governance and institutional quality and as discussed above, have frequently been ranked as the most corrupt country in the world. The country is ranked 148th out of 177 on the United Nations Human Development Index, 53rd on the Foreign Policy Failed State Index Ranking and as in the Kaufman et al., (2008) is ranked low on different governance measures. Government ministers are noted for embezzling and depositing huge sums of money in foreign bank accounts. There is high level political repression in Cameroon and members of the opposition are often jailed for criticising the government. During 2008 demonstrations against rising prices of basic commodities, more than 140 people were alleged to have been shot by state sponsored agents. The recent crises in the Anglophone region has led to the loss of several lives. Bribery and corruption is a business culture. In 2005, while investigating the payroll in the ministry of finance, it was found that about 500 officials were

either awarding themselves extra money or claiming salaries for "non-existent" workers. This according to Cameroon's former Prime Minister Chief Ephraim Inoni was costing the finance ministry 1bn CFA francs (\$2m; £1m) a month in lost revenues (BBC, 2005). Mr Inoni himself is currently serving jail for corruption charges.

The Cameroonian public will rarely accrue any direct benefit from its mineral exploitation because democracies and resource rents interact badly and in the presence of resource rents, democracies tend to grow more slowly while autocracies grow rapidly (Collier and Hoeffler, 2008). If natural resource wealth can negatively influence democracy, it can also create a system without checks and balance. The absence of checks and balances can guide the rentier states concept, where rogue governments upon receiving huge windfall from mineral exploitation devote more time towards maintaining the status quo rather than promoting economic development (e.g. Ross, 1999). It is even difficult to ascertain if revenues will be paid directly into state coffers. According to Amnesty International January 2009 report on Cameroon, Paul Eric Kingué, the mayor of Njombé-Penja county in Nkongsamba, Littoral Province, was arrested on 29 February 2008 and accused of trump up charges relating to involvement in the February 2008 riots and inciting revolt against the state. However, sources in Cameroon have confirmed that his arrest was because he demanded that French farmers who were carrying out business in his constituency pay taxes which they had evaded for more than 30 years.

During the period of dwindling oil revenues, economic recession and political pressures against the government of Cameroon, mineral rents can provide a political incentive for the government to avoid paying the political price of increasing tax levies to local businesses. This gives the opposition less avenue to gain the much-needed political support to oust the government in power. Moreover, most mining companies are fronted by political elites and members of the ruling political party or their foreign friends. The implications are that access to any financial benefit might help the regime gain political legitimacy internally from buying of electorates.

After the parliamentary elections of 2006 which was marred by vote buying and rigging, there has been a call for the institution of an independent electoral commission by the diplomatic community and the civil society. The government responded to this with consultations with the different stakeholders leading to the creation of Elections Cameroon (ELECAM), whose members were supposed to be independent but appointed by the head of state. As prove that the president and his political team cannot be trusted, he flawed the law creating ELECAM by appointing members of his ruling Cameroons Peoples Democratic Movement (CPDM) Central Committee to head ELECAM.

Giving the anti-democratic track record of the Cameroonian government, the bi-partisan nature of ELECAM and the recent human rights abuses, one can safely conclude that the current drive towards mineral exploitation will only provide political elites with financial resources to be used to maintain its grip in power. Moreover, the process by which the government in Cameroon is selected and replaced is traditionally aligned to ethnicity, political survival and vote rigging. Different ethnic groups in Cameroon interpret the appointment of government ministers from their regions as a representation of some economic and political benefits. The implications are that state officials might allocate resources to favoured constituents than promote growth-oriented economic policies.



Let us look at a simple project that has caused so much political tension. The four terminals built at Kribi are utilised as follows: the Kribi terminal specialize in fishing and leisure activities, Grand Batanga in tourism and industrial fishing, Mboro in industrial, commercial and naval activities, and Lolabe in iron ore and mineral transportation (Lukong, 2008). On the contrary, despite more than 30 years of lobbying by Anglophone Cameroonians for the opening of their Limbe deep seaport, little is now being discussed by the government to this regard. Observers hold that the ruling elites who are predominantly Francophone Cameroonians and have long been against developing the Anglophone part of the country were not very pleased with Forjindam, (former General Manager of the Cameroon Ship Yard and Engineering Company Chantier Naval) an Anglophone, for initiating and obtaining external funding for the Shipyard project in Douala and the deep seaport in Limbe. They instead favoured Kribi in the South Province. Some predominantly Anglophone private newspapers have carried front page stories claiming that this was the cause of the Forjindam's arrest in relation to the corruption and embezzlement of state funds.

Many political scientist and economist have interpreted the centralisation of state institutions as a way of reaping the Rio-Del-Rey area of Southern Cameroon of its oil resources. After the UN organised plebiscite of 11 February 1961 where Southern Cameroon voted to join with La Republique du Cameroun, the country's constitution was changed in 1972 from a federal form of government to a united republican form and in 1984 to yet another form, which was named Republic of Cameroon. During these procedures, several institutions were put in place to centralise the governance of resource rents. In addition, appointments to strategic positions in the management of resource rents have been limited to elites of Francophone Cameroon.

Cameroonians and several international NGO's generally perceive key public sectors (e.g. government, judiciary, parliament and police) and institutions in their country as one of the most corrupt on earth (see Transparency International Global Corruption Barometer, 2007). One way in which multilateral organisations can influence productive and redistributive activities for the extractive industry in Cameroon is to unite all investors, make investment contracts conditional on policy changes (e.g. democratization and good governance) and monitor their progress. However, due to many reasons, this seems highly unlikely. First, countries like China and India which have become huge consumers of minerals from Africa are known to overlook environmental and human rights concerns. Secondly, many companies from diverse countries have expressed an interest in investing in the sector (see table 1).

In effect, unless there is a strong political will from the regime for sustainable economic development and the institutions of government itself are developed to promote democratic governance, there are little chances that there might be mineral led economic development. Even if political pressures develop from the civil society against rogue institutions, there is a limited chance this can translate to sustainable development through democratic governance of mineral rents. This is because through the investors, the government might have had sufficient financial resources to buy off opposition political elites. One way to mitigate public concerns about questionable dealings with Cameroonian state authorities is for new mining companies to include non-governmental organisations (NGOs) and religious bodies into any negotiation with state officials. Even if locals are unable to contest government policies, if appropriate measures are not taken, privilege and interest groups within the government itself might attempt to take power and control the mineral rents. If ethnic and economic injustices persist, there are potentials for conflicts.

## Conclusion

Cameroon's political structure and governance system resembles that of failed resource rich states (e.g. Democratic Republic of Congo, Sierra Leone, Congo Brazzaville, Equatorial Guinea, Liberia and Angola) than successful African states (e.g. Botswana, Ghana and Namibia). The path taken by the leadership of nations that have suffered from the resource curse have been to use mineral rents to fund political patronage, repression of opposition and to consolidate autocratic rule. With the case of Cameroon, one can at best assert that the current drive towards mineral exploitation risk provoking political instability and conflicts. Without a robust economic planning initiative, rogue politicians will only exuberate their interest in political patronage, leaving local economies without any direct benefits. The governance challenge for resource-rich Cameroon is to strengthen checks and balances through democratisation. This is because democratic values weaken autocracies and promotes the inclusion of civil societies and local communities in mainstream economic life. This will benefit the local economy. Politics can influence the capacity for resource rents to be used towards sustainable development only when there are better institutional and political governance. The onshore nature of mineral exploitation might itself be a source of social upheavals. One reason why the Cameroonian government was able to get away with the exploitation of the country's petroleum without giving anything back to the local community was because most of the operations were lying offshore. Oil companies could safely exploit the petroleum and load them off in offshore terminals in the Atlantic coast for international destinations. The situation will change when mineral companies operate close to communities that live in abject poverty. Because there is nothing to show as direct benefits, armed gangs might develop to contest several issues. This may range from the way mineral rents should be utilised towards local economic development to the environmental problems that has been created.

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Table 1: Cameroon's Mineral Potentials: Major New International Investors

Company	Country of Origin	Year of arrival	Mineral	Estimated Quantity	Area	Investment Value
Hydromin	USA	01/2006	Bauxite	2bn tons	Minim Martap Adamoua	\$4Bn to 5Bn
Geovic	USA	2003	Cobalt, Nickel, Manganese	Colbalt – 4200 tons Nickel – 2100 tons per year	Lomie Nkamouna	
CAMSA	South African Danish Consortium	2008	n/a	n/a	n/a	\$84.12m
Mega Uranium Ltd	Canada	2007	uranium	n/a	Kitongo, Teubang and Lolodorf	n/a
African Aura Resources	UK	2006	Gold, iron, diamond	n/a	Batouri, Tchollire, Rey Bouba, Djoum, Akonolinga, Essong, Ntem and Nkout	n/a
NiCo	Canada	2007	Nickel, cobalt	n/a	Lomie	n/a
Sundance	Australian	2007	iron	567 m tons	Mbalam	\$2.6bn
Alcan	Canada	2006	Bauxite	n/a	Minim, Martap and Ngaouanda	n/a
Gansu Corporation	China	2007	Bauxite	n/a	Minim, Martap and Ngaouanda	n/a
Lafarge	French	Alrfeady present	New Limestone	n/a	n/a	n/a
Small Scale Mining	Cameroon Foreign	2007	Gold, diamond, etc	n/a	nationwide	\$11.13m