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Economic Studies in Togo show that Private investment has a ripple effect on both foreign direct investment and public investment

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In view of a macroeconomic context characterized by the revival of economic growth and the vision of having a better Togo in 2030, we have witnessed in recent years a major campaign to promote both domestic and foreign direct investment. Given the theoretical ambiguity of the relationship between these different types of investments, we offer in this paper an empirical validation of the interactions within the triptych FDI - public investment - domestic private investment. Estimates using a VECM showed that long-run private investment has a ripple effect on both foreign direct investment and public investment, which conversely also have a positive influence on domestic private investment. In addition, there is no significant relationship between public investment and FDI. Regarding the short term, there is a training of public investment in the previous period effect on FDI while domestic private investment tends to oust. Finally, an increase in FDI stimulates in the short term, both public and domestic private investment.

Key words: Foreign direct investment, public investment, private investment, VECM, Togo.

INTRODUCTION

Achieving a rigorous and sustained economic growth is a central question of the number of economic policies. A primary design especially in developing countries shows that the improvement of the total well-being is human populations is beyond a simple goal of economic policy. Indeed, the studies on economic growth show an array of diverse and varied designs to reduce poverty and spur sustainable economic growth. However, it is clear that despite the different approaches, they many theories show an almost unanimous trend on the centrality of investment presented as the main engine, which nourishes and stimulates growth when a number of factors combine to offer an environment conducive to expansion. In the 90s, Asian countries experienced economic growth with other regions in the world and registered a rate of investment of the GDP of around 27%, but in the sub-Saharan Africa it was 17%. Despite unanimity on the role of investment and notwithstanding the herculean challenges ahead, it is clear that developing countries are characterized by low rates of

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investment, and insufficient productivity gains.

In Togo, after independence the nation utilized valuable experiences from industrialized countries. It set up an ambitious public investment campaign to develop a national economy capable of meeting development challenges of the country. Unfortunately, inefficient management of the funds borrowed led to debt and large fiscal imbalances. Furthermore, the pessimistic economic conditions were exacerbated by the internal breakdown in the 90s coupled with reduced international cooperation will greatly limited the financial resources of the state resulting in weak domestic investment.

Impact of both domestic and foreign private investment mobilization

Nowadays, after the failures of development policies and the economic difficulties of previous decades, the resumption of international cooperation strengthened by reaching the completion point of the HIPC has revitalized the Togolese economy. A series of reforms and development strategies have emerged (like SCAPE). This consists of investment policies geared mainly towards improving the national infrastructure. Meanwhile, policymakers in Togo have recognized the role of the private sector in the fight against poverty and the importance of the mobilization of both domestic and foreign private investment in building a foundation and sustained growth. They emphasized on the promotion of the private sector and improving the business climate conducive to the emergence of private investment. The recent adoption of new investment code by which the State agrees to waive for a specified sum of its powers to allow domestic and foreign investors to settle and practice in economic conditions duration, their activities are clear evidence.

Foreign Direct Investment (FDI), they have long been considered as a factor threatening the sovereignty of the state, but recent trends see it in a more beneficial light. Regionally, and according to the World Investment Report (UNCTAD, 2013), the dynamics of reorientation of FDI to developing countries continues and this to such an extent that by 2012, developing countries accounted for the first time, more FDI than developed countries, 52% of global FDI countries. In this context in the promotion of foreign-investment triptych public-private domestic direct investment, it is reasonable to ask the question about the quality of the interactions between these three types of investment. Indeed, existing theoretical links between these investments are somewhat ambiguous and vary not only from one country to another, but also according to the type of investment.

The dynamisms of FDI

Thus, through the political construction, rehabilitation and maintenance of infrastructure, education and health, public investment could enhance the effectiveness of private investment by creating a favorable environment for their profitability and their development. For example, investment in transport and communication could reduce transport costs, save time and increase profitability. Public investment can theoretically be an obstacle to private investment in terms of its financing mechanism, if bond issues or tax increases reduce the funds available to the private sector by hoarding of a part of domestic savings. The increase in public investment (IPU) could therefore lead to the collapse and paralysis of private investment. FDI, on one hand can stimulate a domestic investment through the introduction of new technologies and different skills, on the other hand, crowd out domestic investment both through the strong competition imposed by the use of scarce domestic resources (Helpman et al., 2004).

Given the ambiguity of the relationship between these three types of investment and the prospect of the new growth dynamic, it is important to explore the interactions between these three types of investment. There is a need provide an empirical validation of the relationship between these three types of investment. In Togo for instance, studies on the relationship between public investment and private domestic investment, have had little work on foreign direct investment. This relationship could therefore contribute to a better understanding of the Togolese economic environment.

Analysis of the evolution of domestic and foreign direct investment in Togo

In the early 80s, Togo acquired a worldwide reputation as a hub of business through its sales momentum and its export potential outstanding at that time. Unfortunately, the next decade was marked by numerous political and social tensions that led the major development partners to suspend their financial cooperation with the country, causing the deterioration of the economic and social situation. Because of the international situation in the first half of the 1970s and the implementation of a program of economic and social development based primarily on the creation of infrastructure and public companies, the growth in investment spending was pronounced. Investment financed by massive foreign borrowing has reached high proportions. Thus, the share of capital expenditure in GDP increased from 12.6% in 1970 to 24.8% in 1975 and to nearly 50% of GDP in the late 70s (46.66% in 1978; 47.17% in 1979).

Unfortunately the increase in export earnings was only short-lived and the Togolese government was forced to resort to external borrowing to support the policy. Also, during the 1980s, due to inefficient management of the public investment program, the low profitability of most public enterprises and deteriorating terms of trade, the
Togolese government faced significant fiscal imbalances requiring it to reduce its expenditures. Despite the implementation of structural adjustment policies to redress the adverse market conditions, the ratio of investment to GDP, which was 28% in 1980, dropped to 20% in 1983 and 16% in 1989. The suspension of aid donors in the early 90s, following a serious socio-political crisis exacerbated the downward trend in public investment. Thus, the level of public investment decreased from 13.8% of GDP in 1990 to 3.3% in 2003. Since 1991, the investment rate has varied between 7% and 17%.

A recent resumption of international cooperation and the completion of the IMF’s Heavily Indebted Poor Countries (HIPC) initiative, has led to a revival of public investment. For example, from 2011 to 2012, capital expenditures increased from 230.1 billion CFA to 281.7 billion representing an increase of 22.4%.

Foreign direct investment (FDI)

In general, FDI in Togo is see-saw. From $23 million in 1997, FDI rose to a peak of nearly 70 million in 1999. It then decreased to $57.2 million in 2000, to return to $67 million in 2001. As a percentage of GDP, FDI inflows increased by 11.3% in 1997 to nearly 35% in 1999, with an average of about 30% in 2000 and 2001. Although FDI inflows seem to have slightly improved in recent years, they remain still relatively low. Factors explaining the weakness of FDI are among others: the unstable electricity supply, high costs and poor quality of communications services, dilapidated infrastructure especially roads, and the weight of bureaucracy. Moreover, according to the Doing Business index of investor protection in Togo is below the average for sub-Saharan Africa. Nevertheless, it is estimated that with the improvement of the business climate, the construction projects of power plants, the development work of road infrastructure, communications and the Autonomous Port of Lomé, the attractiveness of the country vis-à-vis FDI will be greatly improved.

Public investment can crowd out private investment

In the literature, theoretical and empirical work has been done on investment in general. In the 1950s and 1960s as inflation picked up, the monetarists developed the theory of the predatory interest rate effect, showing that public investment can crowd out private investment because of the weight of public borrowing on financial markets. In general, the IPU has theoretically ambiguous effect on IPR due to three different effects: (i) the effect of neutrality when in search of a balanced budget state there may be numbness of IPR relative to the IPU; (ii) The IPU can promote IPR insofar as it has a complementary nature to IPR and (iii) in contrast, the IPU may evict the IPR in the sense that it occupies areas (carriers) where the private feels able to invest.

FDI has been the subject of several studies from which we note that their effects particularly emphasis on international trade, growth and employment, conditions of work, environment, balance of payments, human capital and domestic investment (ID).

FDI may have effects on the stimulation of ID promoting increased productivity through several channels: competition (Desai et al., 2005.), and the creation of a new domestic demand and catalysis exports (Chen et al., 2004). The meeting between domestic investment and FDI is likely to create foreclosures through two mechanisms: (i) the mechanisms of competition on both the product market and the market factors (Aitken and Harrison, 1999; Markussen and Venable, 1999; Brainard, 1997; Helpman et al., 2004); and (ii) the mechanisms of the “Dutch disease” including a spending effect (Gregory, 1976; Cordon and Neary, 1982). Indeed, the increase in exports of these multinational companies (MNCs) implies an increase in the rate of real effective exchange rate and reduces the competitiveness of other tradable sectors (Bourdet and Falck, 2006).

The effect of FDI on trade is of two kinds, on one hand we have the IDE as a substitute for trade and on the other the complementarily between FDI and trade. Mundell (1957), in the framework of the theory of international trade, explained more the Heckscher-Ohlin trade-related differences in relative to the abundance of factors and conditions of the horizontal. FDI shows that FDI appears as substitutes for trade in goods. For Dunning, in the case of horizontal FDI, it may be a considerable foreign exchange earner for developing countries.

In the case of vertical FDI, where FMN split their activities between countries according to different comparative advantages, FDI and international trade can

---

1Are international movements of capital made to create, develop or maintain an overseas subsidiary and/or exercise control (or significant influence) on the management of a foreign company says OECD
3Horizontal FDI is to establish subsidiaries all of which produce identical goods in order to facilitate access for the investor to foreign market in the hope of future development. While some factors (or non-tariff barriers to trade, transport costs) affect export competitiveness, the investor prefers to expand abroad reproducing entities, as in his country of origin, all stages of the production process to serve the local market
4With vertical FDI, the investor breaks the various stages of design, production and marketing of products in different countries implanting subsidiaries that produce finished goods or semi-finishes. This is for the investor to take advantage of differences in factor costs across countries. In this case, the
be complementary, with increased intra-firm transactions. Fontagné (2010) distinguished two effects of FDI for the investor country, a substitution effect which shows that if the IDE is not invested in domestic activity (horizontal FDI); this leads to a decrease in growth and employment in the country and an investor income effect resulting from the access to new market shares or new factors. This will lead to increased sales of the FMN.

Apart from these effects, it is also offshoring which can lead to negative effects as positive as the country of origin and the host country. The interplay between public investment, private investment and FDI is theoretically ambiguous and indeterminate. This effect may well be not significant (effect of neutrality), negative (substitution effect or crowding) or positive (complementarily effect through training). The analysis of the effect of public investment on private investment yields different results depending on the authors and countries. Many authors have found a positive effect. So, Antonio and Miguel (2010) from an estimate with a VAR modeling show that public investment crowds out private investment in many countries in their sample. Blejer and Khan (1984) found the same results when used in public investment in infrastructure.


IDE can have two effects: positive and negative on private domestic investment. On one hand, it can stimulate domestic investment by providing new investment opportunities for local firms (Sun, 1998). For Noorzoy (1979) local firms can imitate new technologies introduced by foreign firms, which could stimulate domestic investment. In addition, Jansen (1995) shows that an increase in domestic investment is likely accompanied by an increase in FDI inflows when there is much more risky joint activities between local and foreign firms. According to James (2009), who examined the long-run relationship between domestic private investment, public investment and FDI indicate a fairly robust cointegration relationship between these variables during 1960 to 2003. Foreign direct investment and public investment were found to be complementary rather than competing with private domestic investment.

On the other hand, FDI according to Jansen (1995) may crowd out domestic investment if foreign firms compete with local firms in the use of scarce domestic resources such as: skilled labor, financial resources etc. Moreover FDI can be a substitute for domestic investment if foreign firms have advanced technology or managerial expertise or profits tax provided by the host country (Noorzoy, 1979).

Some studies of the effects of MNCs on local firms remains inconclusive. Indeed, Agosin and Mayer (2000) by controlling for endogeneity and heterogeneity of their panel, find that FDI is conducive to the stimulation of investments in Asia, foreclosure neutral in Latin America and in African countries 1970-1995. Hejazi and Pauly (2003) and Barrios et al. (2005) show that the introduction of an FMN has two opposite effects. Stimulation is only when positive externalities (offsetting effects) can compensate and exceed the substitution effect and the effect of compensation exists only in the case of manufacturing FDI. However, the results of Barrios et al. (2005) show that FMN affects local firms in a nonlinear way, in a curved "U". These results are consistent with the assumption of creative destruction.

More generally, empirical studies find that the effects of FDI on domestic investment depend positively on the supervision of public authorities (Agosin and Mayer, 2000); the absorptive capacity of local firms (Borensztein et al., 1998; Barrios et al., 2005); and the bargaining power of FMN (Görg and Greenaway, 2003).

**ECONOMETRIC METHODOLOGY AND DATA**

The study had the assumptions that, FDI and public investment contribute positively to the increase in private investment in the long-run; and that in the short term, there is a crowding out between private investment – public investment and foreign direct investment.

This methodological approach was thought reasonable in analyzing the relationship between public investment
(IPB), Foreign Direct Investment (FDI) and private domestic investment (IDP). We also used a modified version of work of Antonio and Miguel (2010) and James (2009) in which the VAR process was introduced by Sims (1980) as an alternative to Keynesian macroeconomic models. The VAR model is as follows:

\[ X_t = \mu + \sum_{j=1}^{p} \Phi_j X_{t-j} + \epsilon_t \]

Where: \( X_t = [IDP \ IPB \ IDE] \) represents the vector of constant terms; \( \Phi_j \) is the parameter matrix of the delay for a VAR j. \( \epsilon_t = [\epsilon_{IDP} \epsilon_{IPB} \epsilon_{IDE}] \sim \text{IN}(0, \Omega) \), ~ \text{IN}(0, \Omega), the vector error terms or \( \Omega \) is the covariance matrix of residuals.

The choice of these control variables is made on the basis of the literature on the topic and the economic and political history of Togo. The economic literature agrees on certain variables explaining significantly the level and structure of investment in a given country or group of countries. These include: investment in prior periods, variables related to the country’s income; and the financial situation of report variables of the national economy. Institutional quality and political stability of a country are the determinants of investment. Given the fixed nature of exchange rates in the WAEMU and the unavailability of data for some variables on behalf of Togo, we use as control variables: investment periods earlier, real GDP per capita and the degree of openness.

We will incorporate three dummy variables to take into account the effect of the structural adjustment program in the 1980s, the socio-politico-economic crisis that had known Togo from 1991 to 1992, and soaring global food prices which affected Togo in 2007-2008 as follows:

\[ D_{80} = \begin{cases} 1 & \text{if} t = 1980 \\ 0 & \text{if} not \end{cases} \]

\[ D_{91-92} = \begin{cases} 1 & \text{if} t = 1991 - 1992 \\ 0 & \text{if} not \end{cases} \]

\[ D_{07-08} = \begin{cases} 1 & \text{if} t = 2007 - 2008 \\ 0 & \text{if} not \end{cases} \]

**Data and choice of variables**

All data used for the model estimation are annual and cover the period 1975 to 2011. WDI (World Development Indicators) of 2013 is the main data source of this study.

We retain as variables: IDP: Domestic Private Investment; measured by the difference between private investment and foreign direct investment. IPB: Public Investment; measured by gross fixed capital formation of the public. FDI: Foreign Direct Investment; represents the net inflows of investment to acquire a lasting interest in an enterprise that is operating in the Togolese economy. We used the logarithm of all investment series to normalize the data.

**The estimation of the model parameters**

The estimation of the model parameters of the VAR representation was made using the STATA 12 software. This estimation was performed through several tests and in a fixed order. 1. Unit root test: Test of Augmented Dicky-Fuller (ADF) for the investigation of properties of stochastic series considered in the model by analyzing their order of integration; 2. Johansen cointegration test to detect existing between the variables in the model cointegration relationships. In the absence of cointegration, we estimate the VAR model, if one is obliged to determine an autoregressive error correction model (VECM).

**Determining the optimal number of delay for the selected model Estimated VAR or VECM**

Two unit root tests were used, namely the Dickey-Fuller (ADF) and the Phillips-Perron (PP). We use in this study the Augmented Dickey-Fuller. The test results of the presence of unit root are presented in Table 1.

It appears from this test that all series (in level) of the model are non-stationary. This led us to the application of the ADF test on the first difference series. Based on these results, we can conclude that our series are all stationary in first differences since the ADF test statistic is well below the critical values at the 1, 5 and 10%. All series are integrated of order 1. Equal levels of integration are required to make a cointegration test to see if you must use a VAR or VECM modeling.

**Cointegration tests**

We test the number of cointegrating relationships using the tests proposed by Johansen and Juselius (1990). The results are reported in Table 2. These tests analyze the possibility that one or more cointegrating relationships between public investments, foreign direct investment and private domestic investment in Togo. The trace test indicates the existence of a cointegration relationship with a threshold of 5%.

This result led us to the next step of estimating solutions of long and short-run equation in the context of a vector error correction model (VECM).

**Estimation of the VECM**

The first step is to determine the order “p” VECM process to remember. To this end, we considered various VECM
processes for orders of delays "p" from 1 to 4. Akaike criterion leads us to retain a VECM process (3) (Tables 3 and 4).

The results of estimation result, with regard to the long-run relationships in the following conclusions. In the long-run, foreign direct investment is positively impacted by domestic private investment. A 1% increase in private domestic investment leads to a positive change in about 80% of foreign direct investment. Public investment appears not significantly to determine FDI in Togo. Finally, private domestic investment in Togo is positively impacted by foreign direct investment, on one hand, and the Togolese public investment, on the other hand.

Cointegrating coefficients in the estimation are the restoring forces to the long-run equilibrium. The long-run relationships suggest that whenever the variables foreign direct investment and public investment will deviate from their equilibrium level, they will reduce each period, 148 and 92% respectively, the imbalance suffered. By cons, if it came to deviate from its equilibrium level, the variable private domestic investment is in move away indefinitely. Indeed, the cointegration coefficient attached to this variable is not statistically significant.

The short-run dynamics shows that FDI is positively impacted by its own lagged values. As for the Public Investment, it appears not dependent on its own lagged values, or Domestic private investment. It is also positively influenced by the level of foreign direct investment. Just as public investment, private domestic investment in Togo is impacted by the level of foreign direct investment. Indeed, private domestic investment is positively impacted by FDI receipts, private domestic investment in previous years. The three dummy variables used to capture the effect of the structural adjustment program in the 1980s, the socio-politico-economic crises that had known Togo from 1991 to 1992, and soaring global food prices that hit Togo in 2007-2008 are statistically insignificant and therefore are excluded from the estimate.

The results of our estimation enabled us to establish a long-run relationship, on one hand and short-run relationship on the other hand, between public investment, private domestic and foreign direct investment in Togo. Of course, other variables may influence this relationship including good governance, the level of domestic bank credit, foreign debt, the interest rate, the inflation rate and infrastructure.

**Conclusion**

The objective of this study was to shed light on the implications of the relationship between foreign direct investment, public and private investments. In light of the estimates, it appears that Togo domestic private investment exerts a long-run ripple effect on foreign direct investment and public investment. Conversely, the increase in public investment and FDI also stimulates long-run domestic private investment. In addition, in their long-run, there is no significant relationship between public investment and foreign direct investment.

Regarding the short term, while public investment in the previous period seems to boost foreign direct investment, private domestic investment tends to reduce it. Moreover, the previous values of FDI seem to have a positive influence on its current value. Domestic investment,

---

**Table 1.** Results of unit root test.

<table>
<thead>
<tr>
<th>Series</th>
<th>In Level</th>
<th>First Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ADF stat</td>
<td>P-value</td>
</tr>
<tr>
<td>LIDE</td>
<td>-2.532</td>
<td>0.1078</td>
</tr>
<tr>
<td>LIPB</td>
<td>-0.932</td>
<td>0.7772</td>
</tr>
<tr>
<td>LIDP</td>
<td>-1.180</td>
<td>0.6823</td>
</tr>
<tr>
<td>LGDP_Capital</td>
<td>-1.404</td>
<td>0.5802</td>
</tr>
<tr>
<td>Ltrade</td>
<td>-1.838</td>
<td>0.3617</td>
</tr>
</tbody>
</table>

---

**Table 2.** Results of cointegration test.

<table>
<thead>
<tr>
<th>Cointegration rank</th>
<th>LL</th>
<th>eigenvalue</th>
<th>Trace statistic</th>
<th>Critical value/ 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>-1929.5491</td>
<td></td>
<td>29.9952</td>
<td>29.68</td>
</tr>
<tr>
<td>1</td>
<td>-1919.0219</td>
<td>0.49296</td>
<td>8.9409*</td>
<td>15.41</td>
</tr>
<tr>
<td>2</td>
<td>-1915.689</td>
<td>0.19348</td>
<td>2.2751</td>
<td>3.76</td>
</tr>
<tr>
<td>3</td>
<td>-1914.5515</td>
<td>0.07076</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3. Estimated long run relationships.

<table>
<thead>
<tr>
<th>Variable explained</th>
<th>Foreign Direct Investment</th>
<th>Public Investment</th>
<th>Private domestic investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>lipb(-1)</td>
<td>0.503</td>
<td>0.219</td>
<td>lide (-1) 0.106</td>
</tr>
<tr>
<td>lide(-1)</td>
<td>0.802</td>
<td>0.001</td>
<td>lide (-1) 0.602</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>lide (-1) 0.040</td>
</tr>
<tr>
<td></td>
<td>Constant -12.76</td>
<td>Constant 11,603</td>
<td>Constant 6.014</td>
</tr>
</tbody>
</table>

Table 4. Short run error correction representation.

<table>
<thead>
<tr>
<th></th>
<th>D. LIDE</th>
<th>D.LIPB</th>
<th>D.LIDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coef. cointégration</td>
<td>-1.486</td>
<td>-0.920</td>
<td>-0.386</td>
</tr>
<tr>
<td>Lide</td>
<td>0.878</td>
<td>0.855</td>
<td>0.552</td>
</tr>
<tr>
<td>L2D.</td>
<td>0.513</td>
<td>0.659</td>
<td>0.490</td>
</tr>
<tr>
<td>L3D.</td>
<td>0.675</td>
<td>0.340</td>
<td>0.350</td>
</tr>
<tr>
<td>Lipb</td>
<td>2.444</td>
<td>0.799</td>
<td>0.066</td>
</tr>
<tr>
<td>L2D.</td>
<td>-0.516</td>
<td>0.371</td>
<td>-0.494</td>
</tr>
<tr>
<td>L3D.</td>
<td>0.496</td>
<td>-0.027</td>
<td>-0.440</td>
</tr>
<tr>
<td>Lip</td>
<td>-2.444</td>
<td>-0.430</td>
<td>-0.640</td>
</tr>
<tr>
<td>LD.</td>
<td>-0.189</td>
<td>-0.308</td>
<td>0.074</td>
</tr>
<tr>
<td>LD2.</td>
<td>-0.744</td>
<td>0.961</td>
<td>-0.440</td>
</tr>
<tr>
<td>LD3.</td>
<td>-1.131</td>
<td>0.302</td>
<td>0.596</td>
</tr>
<tr>
<td>PIB par tête</td>
<td>-0.019</td>
<td>-0.004</td>
<td>-0.0032</td>
</tr>
<tr>
<td>LD.</td>
<td>0.005</td>
<td>0.830</td>
<td>0.00431</td>
</tr>
<tr>
<td>LD2.</td>
<td>0.005</td>
<td>0.591</td>
<td>0.0002</td>
</tr>
<tr>
<td>LD3.</td>
<td>0.052</td>
<td>-0.019</td>
<td>-0.010</td>
</tr>
<tr>
<td>Opnness trading</td>
<td>0.004</td>
<td>0.0005</td>
<td>0.001</td>
</tr>
<tr>
<td>LD.</td>
<td>0.004</td>
<td>0.555</td>
<td>0.001</td>
</tr>
<tr>
<td>LD2.</td>
<td>0.001</td>
<td>0.478</td>
<td>0.001</td>
</tr>
<tr>
<td>LD3.</td>
<td>0.0923</td>
<td>-0.044</td>
<td>0.018</td>
</tr>
</tbody>
</table>

whether public or private, is not influenced by short-run direct investment. Indeed, an increase in FDI in the short-run would be beneficial for both the public and domestic private investment. Finally, none of the dummy variables used in the model seems to significantly affect the estimates.

Conflict of Interests

The author has not declared any conflict of interests.

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Reflections on the natural-resource development paradox in the Bakassi Area (Ndian Division) of Cameroon

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The Bakassi Area (Ndian Division) exhibits all aspects of the natural resource controversy. Blessed with a horde of natural resources which are supposed to serve as an engine of development, it would seem from an outside observation that this division is one of the most developed in Cameroon. Ironically, the presence of these natural resources has not, in any way been reflected in the much needed socio-economic take off of the division. Put succinctly, the division is roasting in abject poverty in the midst of plenty. As the population continues to groan because of this unwanted state of affair, it is germane to suggest that the government and other stakeholders take all necessary measures to identify this missing link between natural resource abundance and crunching poverty. This is even more crucial because concerns have already been expressed on the nursing revolutionary tendencies of the people of the oil-rich Bakassi Peninsula in Ndian Division. This paper makes use of field observations, interviews of inhabitants of the Bakassi Area, and the consultation of related literature to give an appraisal of the natural resource potentials of the Bakassi Area; it examines the drivers of the persistence of this resource paradox and suggests possible escape routes from the resource curse. Identifying the root causes of such a paradox is necessary for effective policy and decision making which would be geared towards reversing the curse into a blessing. The study concludes that the poor state of development of the Bakassi Area rests largely on two main factors; they include, the failure of the authorities to give the division a fair share of her proceeds and the failure by the population to make use of other resources other than the conventional ones which they continue to groan about. This study therefore portrays such a situation and shares the view that to avoid the harnessing of a potentially violent political volcano, rigorous government intervention is needed to reverse the paradox.

Key words: Natural resources, development, Paradox, Bakassi Area.

INTRODUCTION

The qualitative and quantitative mutation of socio-economic variables, otherwise referred to as development witnessed in any defined geographical region, is to a very great extent, a function of the economic value of the region which is measured in terms of the available resources (Kimengsi, 2011). The above statement implies that the availability of natural resources, ceteris paribus, determines the level of development witnessed in any region. Since there is a strong correlation between resources and development, it could be concluded that
where resources abound (natural and human), we should expect development. While research findings have revealed a strong correlation between natural resources and economic development (World Development Report, WDR, 2009; Barbier, 2009; Auty, 2000), it is important to note that further findings have brought to light a contrary view - the paradox of plenty (or the natural resource – development paradox). The natural resource - development paradox opined that regions with an abundance of natural resources, specifically point-source non-renewable resources like minerals and fuels, tend to have less economic growth and worse development outcomes than those with fewer natural resources (Same, 2009; Barbier, 2009; Auty, 2000).

The resource curse refers to the notion that regions with an abundance of natural resources, specifically point-source non-renewable resources like minerals and fuels, tend to have less economic growth and worse development outcomes than countries with fewer natural resources. This line of thinking is very important today because resource rich but economically tottering regions have been noted for prolonged conflicts which only go further to thwart the development drive of such regions. The implication of such a state of affair is the upsurge of the feeling of resentment which results in conflicts. As noted by Collier (2007), natural resources can, and often do, provoke conflicts within societies as different groups and factions fight for their share. Sometimes, these emerge openly as separatist conflicts in regions where the resources are produced (such as in Angola’s oil-rich Cabinda Province) but often the conflicts occur in more hidden forms, such as fights between different government ministries or departments for access to budgetary allocations. This tends to erode governments’ abilities to function effectively. There are several main types of relationships between natural resources and armed conflicts (Collier, 2007); first, resource curse effects can undermine the quality of governance and economic performances, thereby increasing the vulnerability of countries to conflicts (the ‘resource curse’ argument); second, conflicts can occur over the control and exploitation of resources and the allocation of their revenues (the ‘resource war’ argument); third, access to resource revenues by belligerents can prolong conflicts (the ‘conflict resource’ argument). No matter what form these conflicts take, the bottom line remains that these conflicts thwart the development drive of the region in question.

The Bakassi Area exhibits situations of a paradox in which despite a host of resources, it has very little development to show for. An implication of the paradox presents itself in two faces; first, the oil-rich Bakassi Peninsula has been the bone of contention between Cameroon and Nigeria and prior to the signing of the “Green Tree Accord”, the peace, which is a necessary ingredient for development, had been compromised. In addition, even after the signing of the accord, fears still linger in the minds of investors and economic operators as to whether further clashes will not ensue. These fears were proved right in February 2011 when the Divisional Officer and Mayor for Kumbo Abedimo were kidnapped and some gendarme officers killed (Kimengsi, 2011). Secondly, the mere fact that the Bakassi Area lacks basic developmental amenities even with their huge resource potentials (Esoko Magazine, 2008; SOWEDA, 2006) generates feelings of resentment and raises a number of unanswered questions which logically should be directed to the government. This paper makes use of field observations, interviews of inhabitants of the Bakassi Area, and the consultation of related literature to give an appraisal of the natural resource potentials of the Bakassi Area; it examines the drivers of the persistence of this resource paradox and suggests possible escape routes from the resource curse.

THE STUDY AREA AND RESEARCH METHODS

The Bakassi Area (Ndian Division) is located between latitude 4°17’ and 5°26’ N and latitude 8°35’ and 9° 26’ E. It has a surface area of 6165km² and a population of 122579 persons (BUCREP, 2010). It is bounded to the north east by Kupe Muanenguba, to the east by Meme, to the south by the Atlantic Ocean and Fako Division and to the west by Nigeria (Figure 1). The division consists of nine sub divisions with the headquarters in Mundemba. Field observations and 80 interviews of inhabitants of the Bakassi Area (Table 1) were done. The data obtained from interviews were further buttressed through a study of related literature on the natural resource potentials of the Bakassi Area. These methods were judged to further elicit aspects of the paradox.

Based on the interactions through interviews, complemented by secondary sources, the researcher heavily employed the content analysis approach to appraise the resource paradox. This saw the transcription and examination of participant’s diverse opinions. One of the key challenges in this method employed is the fact that it does not show in quantitative terms the degree to which these challenges exist. Furthermore, no simulation model was developed to project future developmental scenarios should the enhancement mechanisms be instituted. However, the study preferred the use of content analysis in order to clearly analyse without eliminating or suppressing the views expressed through interviews.

RESULTS

Ndian as a resource haven

The border position of the Bakassi Area makes it an

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economic corridor through Nigeria. In addition, the division is replete with natural resources such as the oil rich Bakassi Peninsula, the enormous fisheries resources of her coastal stretch in Rio-Del Rey which are comparable only to major fishing grounds in New Foundland and Norway, the huge forest potentials of the Korup and Rumpi, and the presence of the third largest palm oil producing company in Cameroon – Pamol, and other natural resource potentials (Kimengsi, 2011; Esoko Magazine, 2008; SOWEDA, 2006). This can transform the division in no distant time. Though agriculture is the life wire of the Cameroonian economy, crude oil has also made very significant contributions to the country’s gross national product (GNP). Ever since the discovery of crude oil as a great energy provider, this precious liquid (also known as the black gold) has continued to dictate the pace of development of most regions of the world except in areas were the paradox of plenty operates. Since August 1959 when the American Colonel Drake drilled the first successful oil well in Titusville, oil has remained both big business and politics. Cameroon can boast of its greatest crude oil reserve which is found in the Bakassi Peninsula (Figure 2). Reserves of oil have been noted along the littoral stretch of the South West Region spanning all through the Rio-Del Rey area and are being exploited by major companies.

**Water /marine and fisheries resources**

The Bakassi Area has water resources which can support the supply of potable water and the generation of hydro-
electricity power (HEP). The different streams and springs in the region take their rise from the radial drainage pattern of the Rumpi Hills (Figure 3). The Bakassi Area has good spring sources which could also be harnessed and bottled for consumption and sale to other parts of the country. Marine resources are also enormous. The creeks, the onshore and inland waters provide good fishing grounds while the deep natural bays provide potential sea-port sites, the coastal stacks, arches, beaches and crater lakes are potential tourist attractions. The division has a coastal stretch with the Atlantic Ocean which makes navigation very easy to other parts of Africa and the rest of the world. The Atlantic Ocean could also be very important in the development of the salt industry in the country. Here, the topographic-hypographic mechanism could be used to trap sea water which is then evaporated and salt obtained for consumption (like what obtains in Abu Dhabi and parts of East Africa). Of major importance too are the fisheries resources of the region.

The Bakassi Peninsula provides very good offshore fishing potentials and accounts for the presence of foreign fish exploitation companies around this peninsula. The Peninsula holds enormous fishery potentials. Bakassi (Figure 2) is situated at the extreme eastern end of the Gulf of Guinea, where the warm east-flowing Guinea Current (called Aya Efiat in Efik) meets the cold north-flowing Benguela Current (called Aya Ubenekang in Efik). These two great ocean currents interact creating huge foamy breakers which constantly advance towards the shore, and building submarine shoals rich in fish, shrimps, and an amazing variety of other marine life forms.

This makes the area a very fertile fishing ground, comparable only to Newfoundland and Scandinavia in Western Europe. The Bakassi Area (Ndian) has a total fishing population of 3708, accounting for about 32.8% of the total fishing population of the South West Region (SOWEDA, 2006). Estimate of fish catch in this area goes up to 6603206kg which accounts for 49.5% of the total fish catch for the South West Region (Table 2 and Figure 4).

It is important to note that, fishing is mostly done at local and relatively small scale with the absence of

Figure 2. Map of the Bakassi Peninsula. Source: Map No 4247, UN Department of Peacekeeping Operations Cartographic Section, May 2005 cited in Kimengsi, 2011.
advanced technology of harvesting, storage, packaging and sales. This too, is accounted for by the absence of the development of fish transformation industries in these areas. If the industry is given such a processing and proper storage sector, and the stakeholders are sensitized on the need for discriminate fish catch, then it could be very instrumental in generating income and ensuring development for the present and future generations of the Bakassi Area. Some countries in the world have enjoyed economic development thanks to their proper development of the fisheries sector, but this is still inapplicable in the Bakassi Area.

Forest resources

The Bakassi Area has a forest rich area as proven by the presence of a number of forest reserves such as the Korup National Park which is one of the oldest rainforest ecosystems in the world (Esoko Magazine, 2008), and the Rumpi Hills which are all biodiversity havens as well as other Community and Council Forests (Figure 5).
Figure 4. A divisional presentation of fish output (kgs) for the South west Region. Source: SOWEDA, 2006.

Figure 5. The distribution of forest resources in the Bakassi Area (PSMNR, 2009).
Table 3. Natural resource potentials of the Bakassi Area (Ndian Division).

<table>
<thead>
<tr>
<th>Resources</th>
<th>Indicators</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agro Potentials</td>
<td>Favourable Tropical Climate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relatively Fertile Soils</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extensive Oil Palm Plantations (Pamol and Small Holder Schemes)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gentle Undulating terrain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Korup National Park</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Rumpi Forest</td>
<td></td>
</tr>
<tr>
<td>Forest resources</td>
<td>Mundemba Council Forest</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mokoko Forest Reserve</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bakassi Reserve</td>
<td></td>
</tr>
<tr>
<td>Mineral Resources</td>
<td>Not yet disclosed</td>
<td></td>
</tr>
<tr>
<td>Petroleum and Crude Oil</td>
<td>Huge Chunks at the Bakassi Peninsula</td>
<td>Bakassi Peninsula</td>
</tr>
<tr>
<td>Fisheries</td>
<td>Bakassi Peninsula</td>
<td>Bakassi Peninsula</td>
</tr>
<tr>
<td>Border Position</td>
<td>Rich in Exchange or Economic Activities</td>
<td>Ekondo-Titi and Mundemba</td>
</tr>
<tr>
<td></td>
<td>Illor,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ngeringe and Kote waterfall,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meme waterfall,</td>
<td></td>
</tr>
<tr>
<td>Water Falls</td>
<td>Befake waterfall</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mana Waterfall</td>
<td>Mofako Balue</td>
</tr>
<tr>
<td></td>
<td>Mundemba Waterfall</td>
<td>Betenge Balue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dikome Balue</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: MINEPAT (2007) and Field work (2010).

for carbon storage and given Cameroon’s position as part of the Congo Basin Forest Ecosystem, it is clear that with the new shift in climate change mitigation (carbon credit), if it were anything to by, the region could fare well economically by receiving compensation for conserving the forest base. Table 3 shows the main resource potentials of the Bakassi Area.

The natural resources/development paradox

The importance in highlighting this aspect is that, such controversies have, in some regions, resulted in conflicts as the regions struggle to gain a fair share of “what belongs to them”. While the Bakassi Area is generally very peaceful and continues to grumble silently, such silent dissatisfaction could degenerate into conflict situations. It is better to avoid a future of such a situation which will only further worsen the development picture of the area.

The paradox

Given the enormous natural resource potentials of the Bakassi Area, it is possible from an outside view, to conclude that such a division enjoys the warm arms of development. However, the region still witnesses a very high degree of backwardness. It is lagging behind in terms of socio-economic and infrastructural development which has therefore kept it in the doldrums of underdevelopment. The division is virtually cut off from other parts of the region and the entire nation since the roads are highly seasonal and it does not receive communication signals (CRTV radio and TV) without satellite dishes.

The Bakassi Area serves as an economic corridor between neighbouring Nigeria and Cameroon. The economic potentials are enormous and this has earned it the title of an "economically vibrant" part of the South West but access to the consumer centres and markets remains problematic. This has reduced the economic livewire of the division to a standstill. It has become “perilous” and must be given due consideration. An economy that is suffering from backwardness still faces a deplorable road situation (Figure 6) which further worsens the state of affairs as exemplified by the rise in the prices of basic commodities (Table 4) in the area due to the poor state of the roads, especially in the rainy season. To buttress the further impoverishment of these enclaved areas, it will be necessary to mention that, while the transport fare from Mile 17 (Buea) to Kumba which is over 69km is just 1500, that of Kumba to Ekondo-Titi which is just 50 km moves from 4000frs right up to 10,000frs in the heart of the wet season.

The poor communication network has acted against the much needed development of these regions, thus, accounting for the spatial disparity scenario of the regions. Esoko Magazine (2008) summarised the development challenges of the Bakassi Area as follows;
Figure 6. Bad state of roads leading to the the Bakassi Area: An indication of the paradox of plenty (cited in Kimengsi, 2011).

Table 4. Average prices (FCFA) for basic commodities in the Bakassi Area.

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Price (Kumba)</th>
<th>Price Ekondo-Titi</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>Kg</td>
<td>300</td>
<td>450</td>
<td>33.3</td>
</tr>
<tr>
<td>Bread</td>
<td>Kg</td>
<td>550</td>
<td>700</td>
<td>21.4</td>
</tr>
<tr>
<td>Canned Tomato</td>
<td>Can</td>
<td>125</td>
<td>150</td>
<td>16.7</td>
</tr>
<tr>
<td>Milk (Peak)</td>
<td>Can</td>
<td>1900</td>
<td>2500</td>
<td>31.6</td>
</tr>
<tr>
<td>Sugar cubes</td>
<td>Kg</td>
<td>800</td>
<td>1000</td>
<td>20</td>
</tr>
<tr>
<td>Salt</td>
<td>1 cup</td>
<td>50</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>Candles</td>
<td>1</td>
<td>100</td>
<td>125</td>
<td>20</td>
</tr>
<tr>
<td>Savon (400g)</td>
<td>1 Tablet</td>
<td>300</td>
<td>400</td>
<td>25</td>
</tr>
<tr>
<td>Kerosene</td>
<td>1 litre</td>
<td>400</td>
<td>700</td>
<td>42.9</td>
</tr>
<tr>
<td>Mackerel</td>
<td>1 kg</td>
<td>700</td>
<td>1000</td>
<td>30</td>
</tr>
<tr>
<td>Cooking Gas</td>
<td>1 bottle (13kg)</td>
<td>6000</td>
<td>9000</td>
<td>33.3</td>
</tr>
<tr>
<td>Exercise Books</td>
<td>80 leaves</td>
<td>250</td>
<td>400</td>
<td>37.5</td>
</tr>
<tr>
<td>Pen (Beifa)</td>
<td>1</td>
<td>50</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>Beer (Export)</td>
<td>65cl Bottle</td>
<td>500</td>
<td>700</td>
<td>28.6</td>
</tr>
</tbody>
</table>

Source: Kimengsi, 2011.

“... there is no single kilometre of tarred road in Ndian Division,... the available earth roads, due to the soil texture, easily give way under heavy and continuous downpour during the rainy season; CRTV Radio and TV signals do not get through in Ndian Division without satellite dishes...”

In addition, despite its oil rich Bakassi Peninsula, the division is still grappling with the problem of epileptic power supply which has hindered the development of modern industries. Agricultural production losses for the Bakassi Area was estimated at about 40%, while the division has good maritime resources (transport and fishing) which are still poorly developed (Soweda, 2006). More specifically in the domain of fisheries, the BAC-PARUDEP is expected to develop this sector so that the proceeds from fishing should be increased. The strategy was geared towards the virtual phasing out of foreign exploiters who have, over the years, gained monopoly of this sector through the provision of loans, formation of Common Initiative Groups and assisting in some fishing inputs.

DISCUSSION

The Bakassi Area is a resource rich area which is still facing a high degree of backwardness. The Bakassi area which had been conflict ridden for more that a decade exhibits a clear incidence of the devil’s excrement. In addition, the population is yet to witness oil oriented development. Collier and Hoeffler (2000) argue that
conflict may be explained either by greed or by grievances, such as feelings of ethnic or political marginalization. In this case, a potential source of conflict emanating from grievance could be noted since concerns have already been expressed on the nurturing of revolutionary tendencies of the people of the oil-rich Bakassi Peninsula who have been described as capricious, hungry and jobless youths who are fast developing the rebellious attitude of the Niger Delta Militants (cited in Kimengsi, 2011).

Perhaps, at this juncture, it will be necessary to make allusion to the Niger Delta Crisis which has rocked the international scene of conflict resolution for over four decades. According to Ojakorotu (2008), the long nursed grievances of the inhabitants of this oil rich area escalated into civil strife because of certain fundamental issues, namely, their exclusion or marginalization in terms of access to oil revenue; their struggle for greater access to resource sharing (known in Nigerian parlance as resource control); environmental degradation; and egregious human rights violations. This crisis assumed horrendous dimensions in the early 1990s with the emergence of social movements and militant youth groups that began to challenge not only the Nigerian state but also the policies, attitudes, and activities of the multinational oil companies (MNOCs) in the region (Ojakorotu, 2008). Whittington (2001, cited in Ejibunu, 2007) aptly described the economic dilemma of the Niger Delta Region when he stated that “the oil region in Nigeria seems to be stuck in a time warp, with little real change since oil was discovered 45 years ago. Away from the main towns, there is no real development, no roads, no electricity, no running water and no telephone”.

Underdevelopment in this region is so severe that the youths of the region are the hardest hit by the lack of development. This is why many of them have resorted to militancy in an effort to focus national and international attention to their plight. These, among other factors have made this region famous in discussions on international conflict resolution (Ejibunu, 2007). Of significance is the fact that it has paved the way for the involvement of a number of Non-Governmental Organisations (NGOs) and International Non-Governmental Organisations (INGOs) in different aspects of ‘environmental politics’ in the region such as Amnesty International, the Green Peace Movement, the Un-represented Nations and Peoples Organization (UNPO), among others.

While we acknowledge the role of natural resources (the geography of the areas) as an important factor accounting for every pace of development, it is necessary to point out that the role of the government, the manager of these resources, is also primordial. The lethargy of regions with sound resource base and very little development to show for may be found in politics and not in resource level implications (Fogwe and Mbaha, 2008). This situation agrees with the present scenario in the Bakassi Area where it would seem that some groups of people are either too comfortable or too insensitive to do what is right to developing the area. If such a division continues to stay in the doldrums of underdevelopment and crunching poverty amidst riches, then there is a need to suggest pathways through which the livelihoods of these groups of people who have been described as “fast developing the Niger Delta tendencies” should be improved upon. The goose that lays the golden eggs should not be neglected because it could provide the root cause of regional instability in the future when the indigenous people stand up for their own rights in much the same way as their brothers of the Niger Delta Region of Nigeria. Newspaper tabloids continue to carry messages about the plight of the people of Bakassi. Their anguish is reflected in some of the voices of the Bakassi Area who note that;

“Ndian inhabitants say it is unacceptable that government has exploited oil in the area for close to four decades without tarring the road to the divisional headquarters, Mundemba, at least” (cited in The Post Weeekender N’01201, Friday November 19, 2010, pp4).

In another dimension, the notion of conflict which presents itself both as a tragedy and as an impediment to development has a greater burden on the poor segments of society (Collier and Hoeffler, 2007). Therefore, if the present stakeholders have the people at heart, it will be unwise to keep them where they are. Rather, they should mobilize the available resources now to improve on the situation of the population instead of allowing their patience to run out.

The way forward

The Bakassi Area, by virtue of her rich Peninsula which has been a bone of contention between Cameroon and Nigeria for many years should be disenclaved within the shortest possible time. While we acknowledge the vision of the government in placing Bakassi as a project priority area, it is necessary to mention that the pace at which development is going seems not to tally with what observers previewed for the area, given the highly sensitive nature of the area. A major drawback to the eventual development of the Bakassi Area remains the absence of a good road network. So, to encourage Cameroonian presence, it does not suffice only to build schools and health centres, without developing a good transport network that will initiate a conducive investment climate and encourage Cameroonians to move and settle there. This accounts for the high dominance of Nigerians in the area even after the official handing over of Bakassi to Cameroon. Also, the poorly developed port facilities of the Bakassi Area should be taken into consideration. These port facilities, if well developed, will stimulate trade some socio-economic takeoff.
In some oil rich nations such as Nigeria where the paradox of plenty is glaring, the government opted for the derivation principle. For instance, in Nigeria, where petroleum rights are in the hands of the Federal Government, there is a provision based on the derivation principle whereby not less than 13% of the revenues accruing to the Federal Government from the exploitation of natural resources should be allocated to the states from which the revenues are derived. The Federal Government of Nigeria is using the derivation principle in the Niger Delta. Going by the tenets of the derivation principle, redressing the imbalance in this oil rich division requires the adoption of the derivation principle, that is, a certain percentage of the oil resources tapped from the area should be used to develop the area.

In addition, except for some technical and highly skilled operations, the local population should be included as much as possible in the employment opportunities that these companies offer and they should, in all instances, be consulted in the event of the initiation and implementation of any development project. It should be clearly stated that before exploiting companies are allowed to install in Bakassi, they should contribute to socio-economic takeoff by carrying out development projects for the Bakassi Area.

Projects earmarked for this area should incorporate issues of rural electrification through the development of micro HEP systems using the water resources which are abundantly present in most of these rural communities and the development of latent resources. While participatory rural development has been the creed, the hitherto top-bottom approach seems to have continuously prevailed and this acted as a drawback to community-driven development in most of these enclaved areas.

Conclusion

The paradox of plenty which has been described as the “Dutch Disease” is an epitome of inequality which is very much alive in the Bakassi Area. The area could be described as a developed area if we take into consideration its natural resource endowments. However, this information can only be consumed by an outside viewer who is not well informed about the situation on the ground. Accessibility to this area has been a major factor that hinders the exposure and proper development of these resources to ameliorate the living conditions of the areas. It seems to have given some highly placed persons (minority) a lion’s share of the resource while the local population (majority) continues to languish in abject poverty. This predicament, it should be noted, is not mandated to occur automatically in all natural resource endowed regions, but it is largely predicated on failed political, economic and social institutions especially in the realm of effective policy implementation. The effect of the resource curse is not felt in the same proportion in a country with sound institutions as in those with poor and failed institutions (Same, 2009). In the case of the Bakassi Area, the ailing economic situation in the midst of resource abundance can be handled by the institution of a sound policy and effective implementation of such policies. Bakassi, in the recent years has been placed under the government’s top priority list of development as a number of projects have been earmarked for this area.

Conflict of Interests

The author has not declared any conflict of interests.

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1 Bureau Centrale De Recensement et D’etudes de la Population (BUCREP) is the institution that is charged with conducting and publishing census results in Cameroon.
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