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THE ROLE OF THE FINANCIAL SECTOR IN THE DEVELOPMENT AND GROWTH OF THE ECONOMY OF CAMEROON

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ABSTRACT

This paper on the role of the financial sector in the economy of Cameroon, points out the various institutions that make up the financial sector. The main purpose of the paper is to outline the usefulness of the financial sector and its various components in order to help in nationwide development. The paper starts with an introductory section, explaining the various components of the financial sector, it looks at the regulators of financial markets, it explains the role of the public and private sectors, it explains the place of the financial markets, stating the usefulness of the stock exchange market. It looks further into the functions of the stock exchange and the importance of the stock exchange in an economy. It goes further to look at the role played by public limited companies and suggesting ways of strengthening the Douala Stock Exchange and the role of government in building up a good functioning stock exchange. It concludes by looking at the functioning of the Douala Stock Exchange which is a white elephant used as a vehicle to waste state's resources.

Keywords: White Elephant, Stock exchange, Financial Markets, Resources, Development, Growth

1.0 INTRODUCTION

This paper is looking at the role of the financial sector in the development of the economy of Cameroon. It is important to point out that a poor financial sector slows down development and provides huge unemployment and encourages a vast waste of the nation's resources. A poor financial sector gives room for idle resources, giving room for poor productivity. The main purpose of this paper is to point out the reasons for the slowness in development and growth of the Cameroonian economy. The paper suggests ways of strengthening the Cameroonian economy by making sure that the financial sector is functioning well. The financial sector actually provides a barometer by which the temperature of the economy is measured. The paper asserts that the Douala Stock Exchange is not functioning well, hence the poor and sluggish movement of the economy. It points out that Cameroon needs a good financial sector, in order to function properly and emerge by 2035.

A good financial sector is a network of institutions and markets that allow for the exchange of funds and the management of risk by institutions, such as the Banks, credit unions, insurance companies, loan companies, mutual funds, and government treasuries. It includes the various markets such as the Stock exchanges, bond markets, the money markets and the necessary

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infrastructure, such as the technical systems. They are there to enable necessary payments and the exchange of securities, making sure that the financial sector should function well.

In Cameroon, the financial sector includes banks, insurance companies, micro finance institutions, and other financial institutions, viz:

i. Commercial Banks: Cameroon has 19 banks, performing as high street banks.
ii. Insurance Companies: Cameroon has 26 insurance companies.
iii. Micro Finance Institutions: Cameroon has over 400 micro finance institutions.
iv. State Institutions: Cameroon has a state pension fund, a state-owned mortgage bank, and the Douala Stock Exchange.
v. Postal Bank: Cameroon has a state-owned postal bank.
vi. Stock Market: Cameroon has a dying stock market in Douala.

There are 19 commercial banks in Cameroon, namely:

i. Access Bank, part of Access Bank Group
ii. Africa Golden Bank (AGB)
iii. Afriland First Bank (AFB)
iv. BANGE Bank Cameroun, part of BANGE Group [es]
v. Banque Atlantique Cameroun (BACM), part of BCP Group
vi. Banque Camerounaise des Petites et Moyennes Entreprises [fr] (BC-PME), state-owned
vii. Banque Camerounaise pour le Financement International (BGFI Bank), part of BGFI Bank Group
viii. Banque Internationale du Cameroun pour l'Épargne et le Crédit (BICEC), part of BCP Group
ix. Citibank Cameroun, part of Citigroup
x. Commercial Bank Cameroon (CBC)
xi. Crédit Communautaire d'Afrique – Bank (CCA-BANK)
xii. Ecobank Cameroun, part of Ecobank Group
xiii. La Régionale Bank
xiv. National Financial Credit Bank (NFC-B)
xv. Société Commerciale de Banque Cameroun [fr] (SCB-Cameroun), part of Attijariwafa Bank Group
xvi. Société Générale Cameroun (SGC), part of Société Générale Group
xvii. Standard Chartered Bank Cameroon (SCBC), part of Standard Chartered Group
xviii. Union Bank of Cameroon (UBC), part of Oceanic Bank Group
xix. United Bank for Africa (UBA), part of UBA Group

The economy of Cameroon is moving very slowly and financial markets are not functioning as they should, because of the lack of knowledge of how they should function. The regulators are very handicap concerning the functioning of the financial markets. Ndedi (2009), defines financial market as a market for the exchange of capital and credit, including the money markets and the capital markets, which should enable the economy to function properly. The financial markets are the very forces that drive the economy towards development and growth. These financial markets must be well organized and should function well, before they can be able to drive the economy towards development and growth. Poorly functioning and disorganised financial markets can never drive any economy towards development and growth and Cameroon is no exception.

2.0 THE REGULATORS OF FINANCIAL MARKETS

The Central African Banking Committee (COBAC) regulates Cameroon's banking system. The Inter-African Conference on Insurance Markets (CIMA) regulates insurance companies, and the Inter-African Social Security Conference (CIPRES) regulates social security institutions.

Cameroon's financial sector is the largest in the CEMAC region. However, the banking system is shallow and highly concentrated, with the three largest banks accounting for 50 % of total assets, which makes it any unhealthy competition and brings about the malfunctioning of the financial markets. We need a level playing ground for the financial markets to function well.

The Cameroon's National Development Strategy (SND30) aims to boost the financial sector through actions such as: improving financial infrastructure, strengthening public financial institutions, increasing financial inclusion and access to credit and fostering good competition.

The financial sector comprises of the financial markets. The financial markets are made up of financial institutions, market participants and the financial instruments, therein. Without well organised financial markets, borrowers have difficulty finding lenders themselves, and these structures are seen as platforms for economic prosperity of nations, especially in Africa, (Ndedi and Ijeoma, 2008). The financial markets of any economy belong to the private sector of the economy. The financial markets of any economy are divided into two:

i. The Capital Markets
ii. The Money Markets

i. The Capital Markets

A capital market is a financial market that connects buyers and sellers of securities, such as stocks, bonds, commodities and currencies, to help raise long-term funds. It is in the financial markets where individuals and organizations buy and sell securities and stocks to raise long-term funds, especially the capital markets.

The main purpose of the capital market is to match people and institutions with capital to invest with those seeking capital to grow their businesses or government entities. Examples of capital markets are the stock market, bond market, New York Stock Exchange, National Association of Securities Dealers Automated Quotations, (NASDAQ), London Stock Exchange, the American Stock Exchange, Nigerian Stock Exchange and the Douala Stock Exchange. The benefits of the capital markets are to help people with ideas to become entrepreneurs, small businesses growth, and it channel wealth from savers to those who can put it into productive use. In Cameroon, financial regulators, oversee the functioning of the capital market. They are the Ministry of Finance of Cameroon, the Central Bank of Central Africa and the Central African Banking Commission (COBAC), which is a regional institution that supervises the banking systems of the six countries in the Economic and Monetary Community of Central Africa (CEMAC), also in the USA, there are such regulators as the U.S. Securities and

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Exchange Commission (SEC), in Britain the Bank of England (BoE), and in India the Securities Exchange Board of India (SEBI), they oversee capital markets to protect investors from all harmful dealings in the capital market. A capital market is a financial market in which long-term debt (over a year) or equity-backed securities are bought and sold. The capital markets are financial markets that bring buyers and sellers together to trade stocks, bonds, currencies, and other financial instruments. Capital markets are divided into two parts – the primary markets and the secondary markets. The primary markets are markets for the trading of first-hand securities that is initial public offering (IPO), while the secondary markets handle second-hand securities. They are different from money markets, which are markets where short-term debts are bought and sold.

ii. The Money Markets

The money market is a set of institutions, conventions, and practices, the aim of which is to facilitate the lending and borrowing of money on a short-term basis. The money market is, therefore, different from the capital market, which is concerned with medium- and long-term credit. Money market consists of various financial institutions and dealers, who seek to borrow or loan securities on a short basis. It is the best source to invest in liquid assets. The money market is an unregulated and informal market and not structured like the capital markets, where things are organised in a formal way. The money markets include markets for such instruments as bank accounts, including term certificates of deposit; interbank loans (loans between banks); money market mutual funds; commercial paper; Treasury bills; and securities lending and repurchase agreements (repos). Key participants in the money market include banks, financial institutions, mutual funds, governments, and corporations, each playing a distinct role in ensuring the market functions efficiently. Money market fund (also called a money market mutual fund) is an open-end mutual fund that invests in short-term debt securities such as the US Treasury bills and commercial papers. The money market is an organized exchange market where participants can lend and borrow short-term, high-quality debt securities with average maturities of one year or less. It enables governments, banks, and other large institutions to sell short-term securities to fund their short-term cash flow needs.

3.0 THE PUBLIC AND THE PRIVATE SECTORS

The financial markets which comprise of financial institutions, market participants and financial instruments are private sector components. All the elements concerning the capital and the money markets should be best controlled and managed by the private sector of the economy. The public sector of the economy is best at controlling taxation and the state budget. They are obliged to interfere in their role as government, in helping the private sector to progress. This can be done by providing subvention to aid industries that need help in order to grow. Hence, the government's role is basically to help in the development process of the economy, by providing developmental subvention to aid industries that are very much in need of growth. The government should allow the private sector to manage the resources provided to aid in developmental activities. The role of the public sector is to manage government affairs, which does encourage much of developmental activities. The role of the private sector is to encourage developmental activities therefore, the government should provide necessary developmental resources to the private sector in order to improve on growth and development in the economy. It is the private sector that propels the engine of growth and development not the public sector. However, they complement one another, because single handedly no growth and development would be achieved in the economy. It is important to emphasis that the personnel for the private and public sectors are trained in very different training arenas. This means that each must function in its own domain. Hence, those trained for the public sector should work with the public and those trained for the private sector should work for with the private sector.

In Cameroon, government funds earmarked to help the growth and development of the private sector are often managed by public sector trained personnel, who are not trained to handle private sector activities. Such funds end up being misused, since public sector servants are not trained to work in the private sector. Funds for the private sector growth and development activities should be handled by private sector personnel. For example, in Cameroon, organisations such as the Cameroon Development Corporation (CDC), Palmol Lobe Estate and Socopalm Estate Mungo are managed by public servants who have been appointed by the government. These corporations are there to promote growth and development in the private sector and hence, cannot be well managed by public servants. The public servants handle the affairs of these corporations, using the public management approach, which is not proper. Public servants can never manage well in the private sector, they are not trained to do so.

We should remember that in the public sector, public servants are given a basket full of money to go and spend, while in the private sector, the servants are given empty baskets, with instructions to fill them up with money. The private sector servants are trained to source for funds for their various organisations to make sure that they are sustainable. Where private sector servants are unable to source for funds, to make their organizations sustainable, are dismissed and capable servants hired, to do the job properly.

4.0 THE PLACE OF THE FINANCIAL MARKETS

The financial markets totally belong to the private sector of the economy. They are the main drivers of growth and development in the economy. Hence, the financial markets should be in the hands private sector trained managers. They are the ones who have been trained to manage all private sector affairs. It is very wrong for the government to appoint a public sector trained manager to manage the affairs of a private sector organization. The public sector trained manager (an administrator), can not functor well in a private sector set up. They are not trained to function in such an environment. The case of Cameroon Development Corporation (CDC) and Palmol Estate Lobe are typical examples, in Cameroon where public sector trained administrators are appointed to manage private sector establishments. The worst case, scenario is the Douala Stock Exchange. This is a typical financial market which is not functioning as it should, because it is manage by public sector administrators who are not trained to handle its affairs.

The stock exchange market is made up of investors who are buying, selling, and trading shares of companies, reflecting these companies' collective value and performance. It is a market which constitute a mechanism that helps investors buy and sell shares in publicly traded companies. In the stock exchange market, tradings are conducted mostly physically for participants who are on the stock exchange floor and through electronic means between participants who are remote from each other. The mechanism is an excellent means for businesses to raise capital from investors. The stock market is a collective trading network involving company shares and their derivatives. The stock market forms a central part of modern economies, since it is where companies raise vast sums of money to accelerate successful startups, expand existing businesses or consolidate operations and pay off debt. Companies listed on stock exchanges must be public limited companies. This means that their shares are open not just to a select few, but should be traded on stock exchanges and elsewhere. Public limited companies are subject to many reporting and transparency regulations from regulatory bodies. Their shares are sold to institutional investors and high-net-worth individuals, but also to those with far more modest means, looking for income from a share of the profits, others waiting to sell the stock later at a higher price, or simply to have shares in a company which can yield dividends.

The prices of various shares in a stock change are based on the demand for the shares from new investors who want to buy, or the supply of shares from existing investors who want to sell. Investors decide to buy or sell based on the company's performance, economic conditions, the current price of the shares, and other factors. Not every investor makes decisions based on the same criteria, and what might not seem rational to one investor, will seem perfectly acceptable to another. These dynamics in the stock market, keep shares trading from hands to hands and makes future prices difficult to predict. The information is present, but different people use it differently, depending on their perception of how the future outcome shall be.

In the stock market, people purchase shares for a lot of reasons. Some hold onto shares, looking for income from dividends. Others might think a stock will rise, so they snap it up, trying to buy low and sell high. Still, others might be interested in having a say in how particular companies are run. That is because you can vote at shareholder meetings based on the number of shares you own.

It should be noted that the stock market is a vast, complex network of trading activities where shares of companies are bought and sold, protected by laws against fraud and other unfair trading practices. It plays a crucial role in modern economies by enabling money to move between investors and companies. Hence, the stock market should never be managed by public sector trained executives, since they are not trained to handle private sector activities. This makes the Douala Stock Exchange a "White elephant" standing out there only to waste taxpayers' money and not providing valuable services to help the economy in its growth and development strategies.

5.0 THE FUNCTIONS OF THE STOCK MARKET IN AN ECONOMY

The stock market being an important market in the economy fills several different roles worth highlighting:

i. Corporate Governance: Public limited companies follow stringent reporting regulations, which makes them far more transparent and accountable companies. The information produced allows investors to make informed decisions and it helps in maintaining investors' confidence in the market. It is also a boon for everyday investors to gain a view inside major corporations since, without these transparency requirements, they could be hiding much of what we know about them.

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ii. Economic Indicator: The stock market's performance is often considered a gauge of an economy's health. Rising stock prices are associated with corporate profitability and economic growth, while declining prices signal problems ahead, recessions and depressions.

iii. Investment Opportunities: The stock market offers the chance to invest in companies and potentially grow a portfolio over time. The stock market has historically delivered returns outpacing inflation, making it a vital tool for retirement planning, wealth building, and financial security for the population of the economy.

iv. Liquidity: The stock market enables investors to buy and sell shares of companies and other securities quickly when needed. It provides a means where by owners of shares can exchange them for money.

v. Raising Capital: Most importantly, the stock market offers a platform where companies raise funds by issuing stocks. This capital is essential for business expansion, research and development, and other corporate initiatives. By selling shares to the public, companies gain access to these funds without incurring debt.

vi. Resource Allocation: The stock market consolidates the collective judgment of traders and investors through the prices of different companies, the stock market is said to help efficiently distribute capital to companies more likely to succeed and away from those that are not.

vii. Barometer: It provides a barometer with which we can measure the performance of the economy, using indices to measure the performance of the economy. As a measure of performance, when indices are increasing, it shows good performance and when they are decreasing, it shows that the economy is not performing well.

6.0 THE IMPORTANCE OF THE STOCK MARKET IN AN ECONOMY

The stock market offers an important platform where companies raise funds by issuing shares. The capital raised is essential for business expansion, research and development, and other corporate initiatives. By selling shares to the public, companies gain access to these funds without incurring debt. The stock market provides a central place where those who have capital meet with those who have investment opportunities and hence need the capital. This means that the stock market transfers capital from its owners to its users. It is known as a prudent place for the allocation of resources for growth and development of the economy. However, when the stock market is not properly managed, owners of capital would prefer to keep their money in their private vaults rather than bringing it into a very poorly managed stock market. This is actually the case in Cameroon, where there is a lot of money in the Western and Northern Regions, solely in private vaults and not circulating for the benefit of people who have business opportunities, but lack the money to invest. Money does not grow, if it is locked up in a private vault. Remember that the more liquid you are the less profitable you become.

When the earliest stock markets were formed, the global economy was vastly different. These were eras when trade and commerce were primarily driven by physical goods, with industries like agriculture, textiles, and early manufacturers dominating the economic landscape. These stock exchanges were already global investment operations. Yet, they played a relatively minor role in everyday economic life, creating no impact on the population.

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Fast forward to today and the stock market is considered central to the global economy, a change underscored by financialization and the increasing dominance of financial markets and institutions. This is not just because over a million people work in finance. It is because the modern economies are characterized by a complex web of financial transactions and instruments, with the stock market not just a barometer for economic health, but also seen as critical for distributing and creating wealth in the economy. Cameroon is not benefiting from the stock market fruits, because of the poorly organised way in which its stock market is operating. It is designed only to provide services to rich companies. The importance of the stock market felt in the economy, when its services are offered to the general public and not only to the rich.

7.0 THE ROLE OF PUBLIC LIMITED COMPANIES

Not all companies can offer shares to the general public. Only public limited companies have the right to offer their shares for the first time in an initial public offering (IPO), to potential investors. This means that only the public limited companies can have their shares bought and sold on the stock exchanges. From the time a company starts planning for its IPO, through to the time its shares are sold to the general public, it must meet the stringent regulations and financial disclosure laws, imposed by the various financial regulators. In Cameroon the bar set too high, which is not beneficial to many companies, coupled with the poor management style, implemented therein. As a result, most companies are staying away from the stock market.

The stock exchange market is divided into two sections, the primary market and the secondary market. The primary market is involved in raising money by selling its shares to potential shareholders, first time, directly. Since the primary market is where a company sells its securities directly, it is called the Initial Purchase Offering (IPO), which includes follow-on public offerings, private placements, debt offerings, depending on the nature of the securities. The secondary market takes over from the primary market. This means that shares are traded in the secondary market of stock exchanges or the "over-the-counter" markets. In this market, the owners of shares who bought during the IPO offers, may be interested in selling them to raise cash. This can only be done in the secondary market. Hence, the secondary market is a market for second-hand securities. The public limited companies must comply with the registration details of the stock exchange market, so as to qualify as a registered member of the stock exchange. It is a listing procedure to be followed by all public limited companies, in order to become members of the stock exchange market and have their shares traded thereon. When a public limited company gets registered by stock exchange, on its list as a member, it becomes a listed member of the stock exchange market, hence it becomes known as a listed company, that is, listed on the stock exchange market and its shares are thereby authorised to be bought and sold, therein. Only registered members are allowed on the floor of the stock exchange market. This applies to both companies and individuals. The individuals are the market dealers.

In Cameroon, most public limited companies are not registered at the Douala Stock exchange. This is due to the lack of knowledge on how to go about it and the too much high registration levy required to be paid by the Douala Stock Exchange authorities. Very difficult procedures and very high registration fee and other charges, are a great deterrent for public limited companies to get listed at the Douala Stock Exchange. So far only five companies have been registered on the Douala Stock Exchange. It is important to note that, once a company goes public, its shares can be traded freely on the stock market. This means that investors can buy and sell the shares among themselves. This is the secondary market for shares and most trading is done through stock exchanges, by market dealers also known as brokers. It is evidenced that Companies issue shares as a means of raising capital, allowing investors to become part owners of the business. Investing in the stock market has two main benefits when company circumstances are positive - income through dividends and capital gains achieved through price appreciation of a share. Buyers and sellers in the stock market come together to deal with securities such as shares, bonds, and derivatives, but it is not the case in the Douala Stock Exchange. This is because a stock exchange survives and properly functions, when there are large volumes and values of transactions taking place on a daily basis. The Douala Stock Exchange has very few listed companies and very limited buyers and sellers.

8.0 THE DOUALA STOCK EXCHANGE

The Douala Stock Exchange was established in 2001. Since then, it has not been contributing significantly to the Cameroonian financial markets. Over the years and until now the Douala Stock Exchange has listed only five companies. It makes it difficult for most public limited companies to register. For a company to be listed on the Douala Stock Exchange, it must meet certain very difficult criteria. These include very high financial performance, extreme good corporate governance practices, and very high transparency guidelines to follow. Once listed, companies are subjected to regular audits, which are detrimental rather than promotional in nature. This ensures that they continue to meet the Douala Stock Exchange's stringent listing requirements. Companies listed on the Douala Stock Exchange have no significant impact on the Cameroon's economy. They do not contribute much to the country's GDP and have not created much employment opportunities. Hence, the market dealers suffer the same fate.

It is very difficult for these companies to attract foreign investment. This has not brought in, the much-needed foreign capital to boosts economic growth and development.

This means that, the Douala Stock Exchange listed companies have not played any crucial role in the financial sector of the economy. They have not provided a platform for individuals and institutions to invest and grow their wealth. The transactions in the Douala Stock Exchange are very small to either sustain its existence nor help in any growth and development of the economy.

The Douala Stock Exchange (DSX), is supposed to lists companies from various sectors of the economy. This would provide investors with a wide range of investment options. The sectors which should be represented on the Douala Stock Exchange, include, Banking, Telecommunications, Agriculture, Manufacturing, Brewery, Real Estate, Construction, Energy, Consumer Goods, Healthcare, Technology, and Transportation. So far, these sectors have been greatly ignored and only very few represented. It is important to note that the Douala Stock Exchange, has so far registered only five public limited companies. These companies have not contributed anything to the Cameroonian economy. The process of growth and development is stagnated, because of the lack of the important activities of the capital markets, especially the Douala Stock Exchange.

The companies registered on the Douala Stock Exchange include:

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i. Société Générale Cameroun
ii. Ecobank Cameroun
iii. MTN Cameroon
iv. Cameroon Telecommunications (CAMTEL)
v. Société Anonyme des Brasseries du Cameroun (SABC)

The stock exchange is located in the private sector of the economy. It is better managed by private sector trained managers and it is the machinery that drives growth and development in every economy. According to Ndedi, Kuete, Mua and Banaken (2015), most statutes require that stock exchanges be non-profit entities, as it is considered most appropriate from a public policy standpoint, that a stock exchange should serve the general public investors and keep costs of trading as low as possible. In most countries, the model followed is that a stock exchange should be formed as a not-for-profit company by licensed broker dealers or market dealers. Although a stock exchange is usually a not-for-profit corporation that does not mean that it has no revenues. All not-for-profit organizations are permitted under law to charge for their services and to pay salaries to employees. The stock exchange, therefore, charges a small fee for every transaction. The fee is generally a small amount, no more than is necessary to provide for the stock exchange expenses and expansion plans. The five companies registered at the Douala Stock Exchange cannot provide enough revenue to foot its running expenses. It virtually depends on the government for the payment of salaries of its employees and other expenses, hence, it is a "white elephant" surviving at the expense of the taxpayer. This is testified by the findings of Ndedi, Kuete, Mua and Banaken (2015), asserting that "despite financial liberalization and the emergence of new markets and institutions in Cameroon, unfortunately in the absence of adequate oversight and an adaptive regulatory structure, the Douala Stock Exchange can only malfunction". This is also crowned by the fact that the institution is managed by those who lack proper expertise to manage its affairs.

The Douala Stock Exchange is the only formal capital market which is covering the Central African Region, but cannot offer any growth and development activities that are badly needed in the area. The Douala Stock Exchange's operations are full of deceptive and unfair measures and there is a great lack of public confidence in their market dealings, Ndedi, Kuete, Mua and Banaken (2015), It is an indication that too few people trust the system in place, since it is poorly managed and many people are willing to put their money under their pillows than risk it by investing the not properly managed Douala Stock Exchange. However, the Douala Stock Exchange case adds to the historical facts drawn from the corrupt practices stemming from the misleading privatisation offerings which was never properly managed by some government appointed officials, who were never punished for their improper acts. In Cameroon, there is very strong mistrust of all public sector trained administrators. Hence, wherever government appointed officials are working, there is great mistrust. Government officials are seen as very distrusted individuals who absolutely lack morals and grab what is not theirs at the least opportunity. This is the situation in the Douala Stock Exchange, causing companies and individual investors to stay away. It should be noted that in the Douala Stock Exchange, there exist a great lack of market integrity, lack of broker and investment advisers' consensus, lack of a clear means of transferability and liquidity, lack of an effective enforcement process, a lack of education of the public and a clear lack of motivation of interest on share dealings.

9.0 STRENGTHENING THE FINANCIAL MARKETS IN CAMEROON

The financial market attracts funds from investors and channels them to corporations, thus allowing corporations to finance their operations and achieve growth. Without financial markets, borrowers would have difficulty finding lenders, and these structures are seen as platforms for the economic prosperity of nations, especially in Africa (Ndedi and Ijeoma, (2009). The future development of the Douala Stock Exchange will occur when the market players are able to reach mutually acceptable compromises regarding the terms of financial transactions. The current failure of the Douala Stock Exchange to develop is due to the fact that generally the instruments traded do not meet the requirements of some of the players. It is important to note that instruments that require simpler and more easily verifiable compromises must be launched in order to facilitate all trading activities. It is also necessary to note that the path of development will depend on economic, legal, political, institutional, and cultural factors, which all jointly should contribute to the success of the Douala Stock Exchange. These when put in their right places would prompt policymakers to ask the right questions in diagnosing the deficiencies and hurdles.

This section provides guidance for designing suitable policies for the development and functioning of the Douala Stock Exchange, that will contribute to the emergence of Cameroon by 2035. The first step, marking the actual start of operations of listing on the Douala Stock Exchange was to first of all create awareness by educating companies and all potential investors about the duties, activities and functioning of a stock market. It is a major step in the efficient functioning of financial markets as a whole. Everything was very poorly designed and implemented and things are not moving as expected. All listing rules and regulations have been haphazardly put in place, making sure that companies find it very difficult to comply. Average rules and regulations should be put in place, to enable most companies to be listed. The price of shares being fixed by the government. It is never done anywhere in the world. The price of shares has to be flexible and determined by the forces of demand and supply. The share price in every company should be a minimum of 1,000 CFA€ per share and there should be no maximum. A share would sale depending on the valuation of the company in which it is sold. For the Douala Stock Exchange to function well, policymaker should make sure that all public limited companies are listed on the stock market, from where they can raise capital from Tom, Dick and Harry. They constitute a powerful force in the provision of capital in every economy. They contribute massively in the exchanges traded volumes and value; hence, they contribute for the growth and development in most economies. In Cameroon, the stock market has been designed for the rich. It should not be the case, it should be for all, because the poor are dying to become rich. The masses are unemployed, because of the very poorly developed financial sector. Keynes (1936), in his theory of poverty, asserts that poverty occurs inadvertently and that it is mainly caused by unemployment. Most Cameroonians are unemployed and hence they are suffering from a very high degree of poverty. According to Keynes, economic development and growth are the main elements to overcome poverty (Prasetyo & Thomas, 2021). Keynes and Seer stated that economic development and growth occur because of high sustainable economic activities, which can only be brought about by maintaining an efficient financial sector, which Cameroon is yet to build up. In the process of strengthening the Douala Stock Exchange, the theories of Keynes (1936), known as Keynesian economics, centres around the idea that governments should play an active role in their countries' economies, instead of just letting the free market reign. Specifically, Keynes advocated that government should spend on its economy in order to mitigate downturns in business cycles. This does not mean that public sector trained officials should be allowed to manage the private sector affairs, the results will be disastrous. This is very true. The Douala Stock Exchange is a "White Elephant" draining the economy's resources, because it is a private sector project, managed by public sector trained managers. It cannot work, because it like putting square pegs into round holes, which cannot fit well.

10.0 EDUCATING THE PUBLIC ON THE ADVANTAGES OF INVESTING IN THE DOUALA STOCK EXCHANGE (DSX)

The Douala Stock Exchange cannot thrive without massive active participation by local companies. It is important that all public limited companies should be enlisted at the Douala Stock Exchange, by default or regulation. All institutional investors, such as pension funds, banks, trust funds and insurance companies, have to be enlisted at the Douala Stock exchange. The movement of investments from private savings accounts to publicly-traded companies is a vital element in capital market development and growth. One may wonder how it is possible to have massive active participation at the Douala Stock Exchange, in a country that has a very low per capita income like Cameroon. The people do not earn enough to eat, let alone save. Savings and investment are meant for a population that earn enough, more than they can only eat, then savings and investment can be appealing. Most of the population of Cameroon rely on a monthly meager salary, which can barely take them through the month. The other problem is one of educating and attracting the few potential investors, who can afford to save and invest. It is important to note that even in highly developed markets like in the USA and Europe, for example, less than 20 % of the population participates, through investments in the capital markets. It is necessary that Cameroonians be taught that no matter how small your salary is, the individual should always apply the 80/20 principle, which states that under all circumstances, an employee should only spend 80 % of his or her salary, after saving 20 %. Such savings can be invested, so that the individual can have two or more sources of income. It is a very bad practice for an individual to rely on one source of income. The Douala Stock Exchange is a centralized location where investors can buy and sell equities. Various financial instruments are traded, including equities, bonds, and other securities, but the investing public is not educated or sensitised on what to do in a stock exchange environment. Awareness should be created about the benefits of the stock exchange in order to attract local investors. It is important to note that shares become available on the stock exchange, after a public limited company conducts its initial public offering (IPO), which should be bought and sold by Tom, Dick and Harry. Investing in the Douala Stock Market can offer several benefits, including the potential to earn dividends or an average annualized return of about 10 % or more. An investor can decrease his investment risk by diversifying his portfolio based on his financial goals.

11.0 THE ROLE OF THE GOVERNMENT IN CREATING THE STOCK EXCHANGE

According Visemih (2023), the demand for money is influenced by several factors, including the level of income, interest rates, and inflation as well as uncertainty about the future. These factors are all incorporated in the government budget for the ensuing year. In this light it is reasonable for the government to use its plan and budget for the next ten years to print the amount of money (coins and banknotes), required to run the economy properly. This includes running the financial markets which embodies the stock exchange market. The government of every country has the mandate to print its coins and banknotes required in a predetermined period. We should note that the demand for money is determined by the government's ten years development plan. The ten years development plan is what dictates the volume of coins and banknotes, that should be in the economy during a budgetary year. The ten years development plan provides a basis for making a budgetary estimate, based on the envisaged activities for the ten ensuing years. The ten years development plan provides the authorisation for the government to print enough coins and banknotes, to enable the economy to run smoothly during the period. Enough coins and banknotes should be brought in on a yearly basis in order to solve the yearly budgetary problems. The government, at the beginning of the ten years should use the following model:

Md = TYDE

Where Md = Demand for Money

TYDE = Ten Years Development Estimate.

The demand for money is resulting from the government budget, after considering all sources of income and expenditure. It is therefore the net requirement of government expenditure, if there is a deficit of income over expenditure.

Visemih (2023), emphasis that the government should print enough coins and banknotes to enable it to run smoothly, hence government borrowing is not allowed. Individuals and businesses are allowed to borrow, but not the government. Government coins and bank notes are legal tender and backed by the Government's honesty and trust. It possesses the features of gilt-edge securities, issued by the Government. It is important to note that Government can never default on its promise to pay. All independent third world countries should use this model in order to print enough coins and banknotes to serve their various populations. It is a key development strategy, which should be used by all developing countries. It is the only means for the Government to provide enough funding to run all developmental institutions in the economy. The stock exchange should be given priority, in receiving government funding, since it serves as a powerful development tool. It helps in the massive allocation of national resources, making savings to be invested properly and hence, fast tracking development and growth in the economy. A country can only develop and grow well, if it is an independent country in its own right. This means that, as a sovereign country, printing of Coins and Bank Notes is very necessary and preferred to borrowing from the International monetary Fund (IMF), the World Bank (WB) or the African Development Bank (AfDB). We should go for the lesser of the two evils, whenever we desire to increase the money supply of the economy. The lesser of the two evils is the printing of coins and bank notes. The country should not borrow when it has the ability to print its coins and bank notes. The key thing to do is to check for inflation, because too much liquidity creates inflation, no matter whether it is coming from the printing of coins and bank notes or from the borrowings from the International monetary Fund (IMF), the World Bank (WB) or the African Development Bank (AfDB).

12.0 CONCLUSION

The financial sector of every economy constitutes the backbone of its development and growth machinery. The financial sector houses the financial markets, which comprises the capital and money markets, which are very important media for the proper allocation of resources in the economy. The stock exchange market is a capital market component which is very important for the proper allocation resources to enhance development and growth. The Douala Stock Exchange is not serving that purpose. It is just a big "White Elephant" put there by government to be draining and wasting resources, which would have been better used somewhere else. It is not managed by the right people and therefore it is not useful to the economy. It is a massive deterrent to economic development and growth. It is a waste of the economy's valuable resources. It should be reformed in order to save the economy some resources, which can be productively deployed in other areas. If not, it should better be given to the right people to manage it for the purpose for which it is intended.

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