

The Role Of Bank Spread In The Efficient Mobilisation Of Domestic Savings In The Extreme Western Region Of Cameroon.

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Abstract

There has been an upsurge of interest in matters of formal financial systems in Cameroon since the banking crisis of the mid 1990s, but more so for the important role it plays in the efficient mobilisation of internal resources for capital formation. Most savings especially in the rural milieu probably are not efficiently mobilised as a result of factors, which amongst others, include bank spread orderwise referred to as commercial bank branches distribution. This paper particularly considers bank spread as a major restraining factor in the effective and efficient mobilisation of domestic savings in Cameroon because proximity to bank facilities will reduce transportation costs, risk and the inconveniences involved in such transactions. It resolves that poor distribution has led to the development of a strong informal financial sector, which now competes with the formal sector at an almost equal strength. To remedy the situation, a fair distribution of commercial bank branches, which will take into consideration the number of people, the surface area as well as a good relationship between these sectors, is recommended.

Keywords: Formal financial sector, Bank spread, Domestic savings, Efficient Mobilisation, Extreme Western Region of Cameroon.

Introduction

The deterioration of economic situations, which resulted from falling market prices for her primary commodities, also affected the Cameroon financial system and public finances seriously. The impacts of this have continued to expand many years after, with very disastrous outcomes. The state budget dropped by 31.8 percent between 1985 and 1993 and only the combined effects of devaluation in January 1994 and the introduction of the petroleum revenue in the state budget could again permit an upward trend which stood at 1256 billions Fcfa in the 1997/1998 national budget (Bomda, 1998).

The crisis equally led to a drop in government deposits in the banking sector from 190 billions Fcfa in 1988/89¹ to barely 94 billions Fcfa in 1994/95 (a 50.53 percent decrease). Private sector deposits also dropped from 317 billions Fcfa to 278 billions Fcfa during the same period (1985 and 1993). This did not only lead the economy to generally witness a low domestic savings/GDP ratio of 9 percent, but also a decline to 8 percent between 1988/89 and 1994/95. Already characterized with a narrow formal

financial sector (FFS), one would have thought that urgent measures would be designed to remedy the situation. But unfortunately, one instead notices the liquidation of a number of its commercial banks. As a result of this liquidation process, the number of formal financial institutions in the entire territory dropped from twelve in 1989 to seven in 1995. This action had a direct impact on the number of commercial bank branches which itself has shown a very unsteady and unprecedented up and down movement since 1989.

In spite of the fact that capital investment and financial profitability improved from 20.79 percent and 5.37 percent to 23.87 and 9.97 percent respectively, the number of commercial banks and bank branches has remained low. The current number of ten banks and 87 bank branches is inadequate considering the number of people and surface area they are expected to serve. Possibly as a result of the poor distribution, one is able to visibly see how the Extreme Western Region of Cameroon is highly dominated by the informal sector. According to (Kammogne, 1988; Sika & Strasser, 2001), 90 percent of the Cameroon economy is controlled by the informal financial sector (IFS) and the rest 10 percent by the semi-formal and formal sectors. This low number of commercial banks might generally explain the complete absence of formal banking services in the rural areas.

The Extreme Western Region, which is made up the Northwest and Southwest provinces of Cameroon, has only five commercial bank branches. Thus many of its chief towns like Wum , Nkambe , Mbengwi, Muyuka, Bali, Mundemba, Ndop, Tombel, Nguti etc whose populations range between 25 000 and 40 000 inhabitants go without a single bank branch. Since savings is a major characteristic associated with “modern man”, many of those deprived of these services are usually forced to develop unorthodox saving facilities such as tontines, loans/credits associations and meeting groups. Unfortunately the latter only encourages a ‘black market’ economy with informal practices like money laundry, hoarding and usurers all of which slow down the growth of capital formation, essentially needed for economic growth and development.

The Extreme Western Region has a total land surface area of 43 118 square kilometres and inhabited by a total population of 2 997 232 according to 1999² projections. However the Northwest Province (one of the provinces of the study region)³ has a high population density of 100.49 persons per square kilometre, second only to that of the Midwest Region (134.77 per square kilometres). Like in all other regions of the country, the transportation network is poor and makes movement from one place to the other difficult and involving a lot of painstaking, sacrifice, cost and risk especially during the rainy season. This region is also endowed with people characterised by a very high spirit of solidarity and sense of association. These possibly are some of the major factors responsible for the overwhelming number of tontines and associations, all of which have either a professional, tribal, age or social class lining.

¹ Information obtained from (Bomda, 1998).

² DSNA, GPHC (1987 projection), and INC(administrative map of Cameroon 1996 mainland surface area).

Beside the problem of bank spread or bank distribution which is generally biased in favour of the large urban locations like Yaounde, Douala, Bafoussam, Bamenda etc, the Cameroonian formal financial system equally suffers from problems linked to foreign domination⁴ as well as stiff competition from the informal financial sector. The latter might not have probably been a major problem if the informal/formal sectors relationship were harmonious. Far from it! This brings to light the need for an improved and sustained financial system whose primary task will be to move scarce loanable funds from those who save to those who borrow for consumption and investment. Such a financial system as (Rose, 1986) notes, will cut down cost and increase the amount of credits made available to pay for the different goods and services purchased daily.

This paper is therefore designed to examine the location or physical distribution of formal financial facilities (commercial banks branches) in Cameroon and the impact they have on the efficient mobilisation of domestic savings. Based on findings, recommendations will be made on long-term measures of improving on savings collection, most particularly in the semi and formal financial sectors in Cameroon. The availability of such facilities usually ensures continuity, discretion and security of funds; all of which contribute to customers' confidence building (Bomda, 1998). Only this will permit a durable financial system for Cameroon. The paper has been organised in five sections: Introduction, Literature Review, Methodology, Results and Analysis, and Conclusion and Recommendations.

Literature Review

Savings, which we define as the part of incomes not immediately, consumed, but reserved for future consumption, investment or for unforeseen contingencies is considered as an indispensable weapon for economic growth and development. Its role is reflected in capital formation through increased capital stock and the impact it makes on the capacity for an economy to generate more and higher incomes. Rose (1986) sees the importance of savings beyond capital formation. To her, savings are a catalyst for capital formation but equally, a major determinant of the cost of credits based on the law of scarcity, which holds that 'when the former is low and scarce, it becomes more costly to obtain'.

The classics⁵ as well as modern growth models hold that savings constitute the principal parameter, and determinant of economic growth. This idea is upheld by (World Bank, 1989) which showed that on the average, third world countries with higher growth rates incidentally are those with higher saving rates. Capital mobilised from domestic sources is very fundamental for a country's development not only because it has a low cost, but also due to the fact that it is durable and permanent. Adam (1985) considers that most of this domestic savings will come from the rural areas especially in countries with a dominant rural because there is a greater saving capacity and growth potentials. Thillairajah (1994) and Padmanabhan (1988) sharing the same opinion, explain the high marginal propensity to save by

³ The Southwest province has a density of 46.2/sq. km, while the average for the region is 73.35/sq. km

⁴ Most of the commercial banks are own by French and America companies.

⁵ Adam Smith, Ricardo, Harrod-Domar and others.

the unstable economic conditions that generally prevails in these areas (unstable incomes, fluctuations in harvest etc).

But unfortunately, in spite of these advantages, most of the saving potentials of rural communities in developing economies remain not mobilised especially in respect to the formal financial system on which an economy depends for growth (Nwankwo, 1994). To permit an efficient and sustainable mobilisation of savings in general and rural savings in particular, a number of factors must be fulfilled. These, according to (Hussein & Thirlwall, 1999) are classified into the capacity to save and the willingness to save. Whereas the capacity to save is influenced by the level of per capita income, growth of these incomes, population age structure and income distribution; the willingness to save on the other hand depends more on the country's financial system through variables such as the level of financial deepening, and inflation. They however concludes that the number, proximity and diversity of financial institutions (willingness to save factor) serving the various needs of savers play a dominant influence over the primeval factor of the capacity to save. But there appear to be a strong link between the rates of growth of financial circuits and how develop and efficient a country's financial system can sustainably mobilise domestic savings.

Bomda (1998) stressed on the influence of certain factors on the supply of savings and empirically showed the existence of a negative correlation between the rate of savings and the costs/risks incurred by customers. These include transportation cost and risk involve in moving with large sums of money through long distances. Whatever motive an individual may have for savings, the rate of savings in any given community according to (Toluhi, 1968; Schmidt & Kropp, 1988; Padmanabhan, 1988) depends on the available savings institutions which themselves must fulfil conditions like an efficient number, diversity, accessibility, attractive terms of operations, perfect knowledge on their existence and the usefulness and trust people have on them.

Thus, an efficient and sustainable savings mobilisation will certainly depend on the availability and or number of financial variables, their accessibility and nature of and the way such services are rendered to customers. Unfortunately, Cameroon's formal financial system seems poorly developed, poorly diversified and inefficient. It is also fragmented and records a low financial deepening ratio (M2/GDP)⁶, which witnessed a decline from 22 percent in 1989 down to 17 percent in 1995 according to (Heidhues&Weinschenck, 1989; Kammogne, 1988). Due to this low financial deepening ratio, Cameroon was ranked behind countries like Gambia, Ghana, Nigeria, Senegal and South Africa whose respective per capita incomes were far lower than hers during the same period. But to ensure that the banking industry is efficiently spread equally requires financial soundness of these institutions.

⁶ The financial deepening ratio measures the efficiency of a financial system in mobilising funds needed to stimulate growth. It also permit one to appreciate the development of a country's financial system

Methodology

The study "bank spread and the efficient mobilisation of domestic savings in Cameroon with particular reference to the Extreme Western Region of Cameroon" adopts an analytical approach using both primary and secondary data. A questionnaire was issued and answered by 1313 randomly selected inhabitants, spread over a surface area of 43 118 square kilometres (the Northwest and Southwest provinces of Cameroon). The questionnaire was based on investigating the rate of savings, the average distance to the nearest commercial bank branch, the type of institutions used for savings and other financial transactions as well as the average monthly incomes of those interviewed. Sources of secondary data include World Bank publications, Bank of Central African States (BEAC) and the Department of Statistics and National Accounts (DSNA). Analysis, conclusions and recommendations are based on the commercial bank branches densities calculated on the bases of population and the total surface area, financial deepening rate (M2/GDP) and Cameroon's savings rate (internal savings/GDP).

Results and Analysis

The Cameroonian banking system that faced numerous problems was worsened by the general economic crisis the country witnessed. This affected the conditions of exploiting credit establishments and led to the liquidation of some of its banks (BM-BIAO in 1996, Credit Agricole in 1997, Cameroon Bank, and the change of ownership of BICIC etc. With only 10 commercial banks and 87 bank branches in 2002 for a population of close to 15.6m, there is a noticeable under-banking in Cameroon. There is an overwhelming number of tontines (ranging between 100 and 150) in each town, savings collected by the formal financial sector are relatively low. Consequently, the banking density, which measures the level of accessibility of commercial banking to the population, is poor. For instance in 1994, there were only 109 commercial bank branches in the entire national territory which covers a total surface area of 466 050 square kilometres. This implies 0.083 bank branch to every 10 000 inhabitants. However, the un-proportionate rate of increase between population and the number of banks branches on the one hand, and the small number of bank on the other hand explains the drop from the 1988 figure of 0.17 bank branch per 10 000 inhabitants.

Rate of savings according to sectors

Based on the Table 1 above, 61.61 percent of the total savings of 16 610 580 billions Fcfa realised in 1993/94 was accounted for by the informal and semi-formal financial sectors (SFFS). The formal sector on the other hand contributed only 38.39 percent. The domination was not very different in 1994/95 although the combined share for the informal and semi-formal sectors dropped by 0.93 percent. However the table reveals the dominance of the formal financial sector in respect to saving rate (26.0 as against 20 for the overall average).The 13 percent recorded by the informal and semi-formal financial sectors is non-negligible and confirms to (Sika, 2001) that local tontines, small informal savings and loans associations in Cameroon prove to be the main grassroots financial systems

whereby some 90 percent of their financial transactions are effected. So efforts to improve on the general situation of the Country's financial system should give an equal attention to both the formal, semi-formal as well as informal sectors.

Results obtained from the questionnaire⁷ show that of the 1313 questionnaires responded to, one hundred percent of them effectively save part of their monthly incomes. From this number, 46 persons carryout their saving transactions with the formal financial system, representing 3.50 percent of the total. Another 279 persons do savings with the semi-formal financial institutions like the post office savings bank, loans/credits cooperatives etc. The bulk representing 75.29 percent are engaged with the informal financial sector. The principal reasons for this were given as the lack of better alternatives and such institutions' (IFS) flexibility in matters of savings and withdrawals.

The 3.50 percent who prefer business with the formal financial systems were attracted by high interest rates, their desire for financial confidentiality and for the fulfilment conditions of obtaining loans. All of those constituting the 3.50 percent belong to the higher income bracket (50 000 Fcfa and above). Lastly, it was also reported that the 21.20 percent saving with semi-formal financial systems prefer the latter for security and the flexibility of such accounts.

Most interestingly, we noticed that all the respondents use more than one financial facility at any given time and 81.7 percent of those using FFS and SFFS institutions were also doing business with the informal sector. The explanation for this seems to lie in the need for a possible spread of the risks of saving and the maximisation of benefits likely to accrue from the different systems. The fact that tontines in Cameroon are considered to have a strong socio-cultural backing may further strengthen this explanation.

Some 98 percent of those effectively effecting savings, save at least 20 percent of their monthly incomes and contrary to expectations, the study observed that the rate of savings in the rural masses of Cameroon and the Extreme Western Region of Cameroon are not influenced by interest rates. This result therefore contradicts the economic principle that establishes a positive correlation between savings and the interest rate. In this light, the results confirm those of other empirical research works carried out in Cameroon and developing economies⁸ in general.

(2) The Distribution of Commercial Bank Branches in Cameroon.

Commercial banking in Cameroon is particularly different from the trend in other countries like the United States of America. Here it is characterised by a few large banks (12 in 1989 down to barely 7

⁷ For details, see tables on page below.

⁸ Heidhues F. and Weinschenck G. 1989.

in 1997)⁹ with several branches located all over the country as against a system like that of U.S having small/modest sizes banks ranging between 14 000 and 15 000¹⁰ in number.

As can be observed from Table 2, both the number of commercial banks and bank branches has been fluctuating with time. Since the 1989 figure of 12 commercial banks, it has been difficult to attain this figure after the bank crisis of 1996 whereby only 7 banks survived the storm. Presently the number stands at 10 with 87 bank branches characterized by a mark urban bias in its distributing. This situation is likely to be reflected in the amount of savings collected annually.

It is also important to note that ownership of commercial banks in Cameroon is foreign oriented with very few indigenous based banks (Union Bank, Amity Bank, and Commercial Bank of Cameroon). Within the banking sector itself, activities (bank branches, savings etc) are dominated by three of the present 10 commercial banks. For example, these banks (BICEC, SGBC and SCB-CLC) accounted for 64.37 percent of the number of bank branches in 2002 meanwhile BICEC alone contributed 31.04 percent of that number.

All the respondents of the questionnaire are resident in the smaller towns (Divisional headquarters) and rural areas of the Extreme Western Region of Cameroon with the number of inhabitants ranging between 5000 and 40 000 people. 224 of them live about 20 km away from their nearest commercial bank while 43.18 percent of the total sample size are 50-75 km away. The rest 522, constituting 39.72 percent need to cover a distant of more than 75 km to receive the services of a commercial bank. These distant locations are equally characterized by poor road network where movements are almost impossible during the rainy season.

Commercial Bank Branches Densities

In 1994, the country counted 109 commercial bank branches for a surface area of 466 050 square kilometres. According to this figures and that of 2000, about 0.083 and 0.0419 bank branches respectively was meant to serve every 10 000 inhabitants. Comparing these rates show a continuous decline from the 1988 figure of 0.17; a situation that can be logically blamed on the disproportionate rate of increase between the population figures and bank branches during the respective periods.

From Tables 3 and 4 above, one notice an even poorer figure as concerns the number of commercial bank branches density in terms of population as well as land surface coverage. In 2002, 0.0569 bank branch served every 10 000 inhabitants, while one commercial bank branch covered a total surface area of 5 356.9 sq. kilometres. An even distribution will imply that a good proportion of the population will cover at least 73.19 km for their saving services to be effected. During this same period, 0.0500 bank branch in the Extreme Western Region was meant to serve 10 000 inhabitants and one bank

⁹ They include BICEC, SGBC, SCB-CLC, ST. BANK, CCEI, Amity, CBC, Citi Bank, UB, Eco Bank.

¹⁰ Carter & Partington (1981); Rose (1986), the number of U.S commercial banks in 1985.

branch covered a total surface area of 2 874.53 sq. km. Although these ratios appears better compared to those of the country as a whole, they are still far from the accepted average of one bank branch to every 10 000 inhabitants. It therefore implies that the distance between one bank branch and another is enormous, leading to an uneven coverage of the national territory.

From this situation we deduce that most Cameroonians and those of the Extreme Western Region either go without the services of commercial banks or get such services only at enormous sacrifices expense and/or difficulties. These include overcrowded bank branches, long and costly journeys through poor road network, as well as bear enormous risks associated with such transactions. The poor bank spread and the resulting inaccessibility of their services have made many Cameroonians not to be familiar with banking services. This therefore makes savings in the region and especially that of the rural areas not efficiently mobilised, if at all some is formally collected. Many others may not possibly be savings with institutions of their choice due to the restricted and inadequate number.

Another consequence resulting from the lack of accessibility to formal financial facilities is that those affected are developing substitutes and competing facilities through the informal financial sector like tontines, loan associations and meeting groups etc. In this respect, (Bomda, 1998) concludes:

“the rural population of Cameroon do not generally have access to formal financial services; they deal mostly with the informal financial system through tontines, usurers, parents, friends etc; and the semi-formal financial system to a lesser extent”.

The future of commercial banking is therefore feared to be at stake if urgent redressing measures are not taken, considering that these tontines have a socio-cultural lineage in Cameroon and thus can't be avoided by the masses.

Unfortunately too, these tontines do not play a complimentary role with commercial banks in mobilising savings because the funds collected as savings are not made available to investors through the formal financial sector. Thus, most often, these savings remain as idle resources, constituting a leakage to the economy. For example, a similar study¹¹ carried out in the Mid West Region of the country revealed that out of 109 tontines interviewed in the rural zones, only 8 of them, representing barely 7.34 percent effect savings transactions with either the semi-formal or formal financial systems. From this number, four made deposits with savings/credit cooperatives (SFFS), two in post office saving banks and remaining (1.83 percent) two in commercial banks. This therefore show a poor tontines/commercial banks relationship, indicating that much of the savings collected through the informal sector do not contribute much in Cameroon's capital formation, growth and development since the latter directly depends on savings.

¹¹ Schrieder G, 1996: The role of rural finance for food security of the poor in Cameroon, PhD Thesis, Frankfurt, Germany, Peter Lang? Verlag.

The need for a durable financial system for a modern economy and sustained economic growth

Because the informal financial sector is characterised with disorder and un-pragmatic approach of doing things, it is difficult and risky for an economy to rely on it for any realistic and durable growth and development. Against this background is the concept of financial system built on the principles of the formal financial sector, having the primary role of making funds available for lending and borrowing for the various economic imperatives of a modern economy. As a result, the financial system which include the collection of markets, individuals and institutions, laws, regulations and techniques through which bonds, stocks and other securities are traded and interest rates determined is considered as one of the most important invention of modern society.

On how efficiently the financial system will mobilise domestic savings and or contribute to the sustainable growth and development of any economy depend on the availability of good institutions (financial intermediaries). Such institutions (formal financial sector) should be well distributed, provide attractive conditions and facilities that will encourage higher savings, capital accumulation as well as the borrowing of such funds. Funds collected locally for capital accumulation are considered to contribute more to durable growth and development compared to that from foreign sources (Adams, 1985). This is explained by their costs and difficulty of obtention, especially for small private enterprises.

Therefore the basic conditions of a durable financial system requires above all, emphasis on the encouragement and sustainable development of the formal financial sector. This will fuel an economy with the funds required by the commercial and industrial sectors (Seibel, 1992). Based on the "new theoretical institutionalism" (Stiglitz, 1986) pinpoint the fact that the backbone of sustainable economic development remain good financial institutions. Thus, the greater the quantity, variability, quality and efficiency of the financial instruments and institution, the 'deeper' the financial system and the greater its contribution to a sustained economic development.

Conclusion and Recommendations

The dominant privately owned financial institutions in most economies is the commercial bank, which performs the three principal functions of accepting deposits, granting credits and as a major financial intermediary involved in making payments on behalf of the public for the purchase of goods and services. They are traditionally regarded as an efficient instrument for the mobilisation of savings from all classes of the society. Savings are also more liquid in banks than it is with the insurance houses and other institutions and therefore, suitable for the lower income groups.

This paper shows that a greater proportion of domestic savings in the Extreme Western Region of Cameroon is neither effectively nor efficiently mobilised. With its small number of commercial banks (formal financial sector) which stood at ten in 2002 and a commercial bank branches of only 87 for a population of above 15 millions and living on a total surface area of 466 050 square kilometres, many

potential savers are certainly not reached. The few that are reached receive these services with much stress and sacrifices. It may be concluded that with the given commercial bank branches spread, the greater mass (low income earners) of the rural areas that make a considerable stride in saving is completely left out. No town with less than a population of 40 000 enjoy formal financial services. Thus towns like Muyuka, Nkambe, Ndop, Kumbo, Batibo, Mbengwi, Mundemba, Wum, Tombel, Bali, Nguti, Ndu all of which have more than 30 000 inhabitants each do not have a single commercial bank branch. In this respect, it will be recommended that the distribution of bank branches take account of the population size as well as surface area coverage. This will reduce transaction costs and eliminate the risk of moving with large sums of money over long distances. To achieve this measure, we recommend government participation in creating banks that will be placed under the direct tutelage and management of the treasury.

We equally noticed the affluence of local tontines, small savings and loans/credits associations. They seem to be the main grassroots financial system in Cameroon. An improvement in the poor relationship that currently exists between the informal and formal financial sectors will ensure that savings mobilised by the informal sector are made available to the investors through commercial banking. In this light hoarding will be reduced to the barest minimum and consequently lead to an improvement in the economy's domestic capital formation, which as we know, is the major determinant of economic growth and development.

With respect to the formal financial sector itself (commercial banks), much need to be done in the light of confident building. In fact fraud, embezzlement, mismanagement and inefficiency should be completely checked and eliminated so as to restore the mutual confidence and trust that existed between these institutions and its clientele. Compensation for risk taken and postponing consumption should be commensurate as well as the use of motivating variables to encourage savers. These include interest rates and the payment of annual bonuses and other incentives. For commercial banking to regain its position as an effective and efficient instrument for mobilising saving in the region and Cameroon as a whole, there is an absolute need for the restoration of public confidence. In this respect, we consider a good financial system like one with efficient and durable institutions capable of ensuring permanence and continuity. Since the bank crisis of 1996/97, many Cameroonians especially those of this region who were directly or indirectly affected by the closure of Cameroon Bank, have completely lost faith in commercial banking. This may partially explain the sudden upsurge and growing interest for informal financial transactions like Tontines in the region.

Table 1: DISTRIBUTION OF TOTAL SAVINGS ACCORDING TO FINANCIAL SECTORS.

Sectors	1993/1994		1994/1995		Savings rate
	Amount	Percent	Amount	Percent	
IFS	7678700	46.23	5911831	42.06	12.0
SFFS	2556180	15.38	2792800	18.62	14.0
FFS	6375700	38.39	5896700	39.62	26.0
All	16610580	100	14601330	100	20.0

Source: Bomda, Enquête August- October 1995. Table 2: Commercial Banking &

Table2:DISTRIBUTION OF BANK BRANCHES IN CAMEROON

Periods	1993	1995	1997	1999	2000	2001	2002
Total no. of Commercial Banks	10	9	7	10	10	10	10
BICEC	20	20	20	20	21	21	27
SGBC	12	11	8	8	8	8	17
SCB-CLC	17	16	14	12	12	11	12
Standard Chartered	3	3	3	3	3	3	3
CCEI	5	5	5	6	6	7	0
Amity Bank of Cameroon	4	4	4	4	4	5	6
Com. Bank of Cameroon	0	0	0	5	5	5	5
Citi Bank	0	0	0	1	1	1	2
Union Bank of Cameroon	0	0	0	1	3	3	4
ECO bank	0	0	0	0	1	1	1
Others	21	20	14	0	0	0	10
Total	82	79	68	60	64	65	87

Source: Adapted from BEAC's Conseil National du Credit –Yaounde

Table 3: COMMERCIAL BANK BRANCHES DENSITY IN CAMEROON BY POPULATION (2002).

Region	Population	No. Bank Branches	Branch Densities
Northern	4 541 724	15	0.0330
Central	3 685 472	23	0.0624
Littoral	1 214 880	25	0.2058
Extreme western	2 997 232	15	0.0500
Mid-West	1 926 792	9	0.0467
Total	15 292 000	87	0.0569

Source: Adapted from BEAC's conseil national du credits (2000) Yaounde and DSN..

Table 4: CAMEROON'S COMMERCIAL BANK BRANCHES DENSITY BY AREA (2002).

Region	Area (sq. km)	No. Bank branches	Sq. km/bank branch
Northern	164054	15	10 936.93
Central	225146	23	9 788.96
Littoral	20248	25	809.92
Extreme Western	43118	15	2 874.53
Mid-West	12719	9	1 413.22
Total	466050	87	5 356.90

Source: Adapted from DSN (2000) and conseil national du credits BEAC-Yaounde(2000)

Results of the questionnaires

Saving Institutions

Sector	Number	%
FFS	46	3.50
SFFS	279	21.25
FS	988	75.25
ALL	266	20.26
Total	1313	100

Savings Rate

Rate	Number	%
0.2	14	1.07
0.25	238	18.13
0.33	540	41.13
≥ 0.5	521	39.68
Total	1313	100

Monthly Income

Amount	Number	%
≤ 20 000	425	32.37
21 000 - 50.000	810	61.69
50 000 and above	78	5.94
Total	1313	100

Distance covered to the nearest bank branch

Distance	Number	%
≤ 50 km	224	17.06
51 - 75 km	567	43.20
75 and above	522	39.72
Total	1313	100

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Annex I
A Questionnaire based on Domestic Savings Mobilisation in Cameroon.

- 1) Sex: Male Female
- 2) Age: a) Below 20 years b) Between 20 and 60 years c) Above 60 years
- 3) Occupation: Formally employed (civil servant)
 - a) Business man
 - b) Farming
- 4) Area of residence: i) Urban ii) Rural
- 5) Average distance to the nearest Commercial Bank:
 - a) 20 km and below b) between 21 and 50 km c) More than 50 km
- 6) Average monthly income:
 - a) Less than 20.000 frs b) Between 21.000 - 50.000 frs c) Above 50.000 frs
- 7) Do you save part of the income you earn?
Yes No
- 8) If yes, about how much (what percentage of your income?)
 - i) 1/10 , ii) 1/5 , iii) 1/4 , iv) 1/3 , v) 1/2
- 9) Where do you save?
 - a) In a commercial Bank (BICEC, SGBC etc) specify
 - b) In a Cooperative saving bank
 - c) In a Post Office savings bank
 - d) In a tontine (Njangi, Meeting and other Associations)
- 10) Why the choice in question 9?
 - a) For security reasons
 - b) Confidentiality of information
 - c) Banking requirements/conditions problem (flexibility)
 - d) Difficulty of making banking operations
 - e) Remuneration (interest earned) attractiveness
 - f) Lack of better alternatives
 - g) Others reasons (specify)
- 11) What makes you not to save?
- 12) Approximately how many other tontines exist in your area?
 - a) 10 b) 11 – 20 c) 21 – 50 d) above 50