Journal of Economics and Sustainable Development
ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)
Vol.7, No.10, 2016

The Determinants of Poverty in Cameroon

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Abstract
This study appeals to an alternative approach in explaining poverty in Cameroon, notably it looks at variables which are not base on current household consumption. This paper looks at monetary poverty in Cameroon. This study made used of data on the Cameroon household survey (ECAM III) collected by the national institute of statistics in 2007. The Statistical package used to generate results was SPSS version 17. Variables that explain household economic well-being were years of schooling of household head, household head having a public or private sector job, age of household head, gender, distance to the nearest hospital, distance to the nearest road, owning farm land, both urban and rural localities. From the regression results, the following variables contributed positively to household expenditure account; years of schooling of household head, access to credit, household head having a public or private sector job and number of migrants in the household. Variables that rather reduced household expenditure were age of household head, owning farmland, male headed households, household head unemployed, distance to the nearest tarred road and distance to the nearest hospital. Based on these findings, the study advocates for government intervention with policies that encourages attainment of higher levels of education, employment and rural development.
Keywords: Poverty, Inequality and welfare

1. Introduction

Recently, countries have come up with policies and visions to combat poverty which has proven to be an incurable disease over the past centuries. The Millennium Development goal of halving poverty by 2015 was not achieved not to mention the poverty reduction papers and structural adjustment programs designed for developing countries. The failure of the Millennium Development Goals has brought up the concept of Sustainable development policies whose success cannot be predicted. Poverty is a phenomenon which affects all countries in the world. Writing in Australia in the mid 1970s at the time when the prospects for full employment were about to disappear (Gregory and Sheehon, 1998) identified unemployment as a major cause of primary (or income) poverty. As pointed out by Angaye (2005), poverty is engulfing more and more of the world's population. According to him, the number of the poor in the world stood at 1 billion in 1994, 1.3 billion in 1995, 1.74 billion in 1996, 2.04 billion in 2000, and 2.56 billion in 2002 and has continued to increase despite all developmental efforts being put in place by both governments and Non-governmental-organizations (NGOs) to eradicate poverty. Olu (2003) observed that poverty in developing countries has considerably increased over the years. It takes various forms including low nutritional status, low level of education, decrease in spending on social services by the government, high percentage of household income spent on food, high enfant mortality rates, low level of savings, low level of investment, poor quality and insufficient quantity of infrastructures etc.

In accordance with Baye (2003), the general belief in Cameroon is that the poor are disproportionably located in the rural areas and are primarily engage in small scale agriculture and its associated activities. The remaining poor are located partly on the fringes of urban centers where they engage in various forms of self-employment, such as street housing, trading and petty services. According to household surveys conducted in 1996, 2001 and 2007, income poverty in Cameroon has fallen substantially from 53% to 40% of the population). The depth of poverty also fell from 19% to 14% within the same period (NIS, 2007). According to ECAM I (1996), Cameroon poverty line was estimated at CFA Franc 148000 per capita per year. People living with less than this amount were estimated at 50.5% f total population. In 2001, according to ECAM II, people living with less than CFA Franc 232547 were considered to be poor and represent 40.2% of the total population, slightly the same percentage as in 1986 (40%). In 2003, the value was estimated to be about 67.68% with 31.62% as the core poor. Reports from ECAM III (2007), shows that poverty is stagnated around 39.9%. If this trend continue, it means about 80% of Cameroonians in 2015 will fall below the poverty line with about 42% of such known as the core poor (Forgha, 2006). During the 1996-2001 periods, the gap by which the average income of poor households fell below the poverty line improved from 19.1% in 1996 to 14.1% in 2001and to 13.9% in 2007.

An analysis of income distribution in Cameroon using the ECAM II data shows that there is a considerable gap between the poor and the non poor, on the one hand, and between urban and rural dwellers, on the other hand. It also suggests that there was little narrowing of inequality between 1996 and 2001. In fact, average annual income, estimated by mean expenditure per adult equivalent, is eight times higher among the non poor as among the poor (963,882 CFA francs in 1996 versus 185,490 CFA francs in 2001) and it is twice as high in the cities as in the country side (408,115 CFA francs versus 233, 734 CFA francs). Yet, the gap between the poor and the non-poor is more pronounced in the cities than in the country side, indicating that urban income

distribution is more highly skewed Poor. Rural household devote more than 56 percent of their income to food. Overall, households spend 7.6% of their total annual budget on health and 5.4% on education

The World Bank (1993) observes that poverty is caused by ills such as corruption, poor governance, poor judicial system, the prevalence of diseases, arm conflicts, heavy debt burden, low investment, mismanagement of human and material resources which tend to plague African countries into poverty and inequality in general and Cameroon in particular. If these problems are allow to prevail in a country then the future of that country is in danger, the results will be devastating. However, the question is to what has been done in this domain and what can be added to it, remains an issue of intense debate.

Cameroon like most Sub Saharan African countries have suffered a series of setbacks that plunged its economic structure into economic crisis. Since the mid 1980s, Cameroon experienced an economic crisis that was engendered mainly by a fall in world prices of agricultural and other commodities causing a fall in revenue. In an effort to move the economy out of this crisis, the government of Cameroon adopted IMF/World Bank supported Structural Adjustment Programs. Difficulties in solving poverty issues pushed government to adopt a medium term economic and financial program spanning the period July 1997 to June 2000 (Baye and Fambon, 2001). This led Cameroon to be admitted into the Heavily Indebted Poor Countries (HIPC) initiative in October 2000. The Cameroon household survey data (ECAM, 2007) reveals that the rate of poverty remained at 39.9%, above the objective of 37.1% set by the government in the PRSP. Also, the millennium development goal of halving poverty by 2015 was not met. Many authors have approached the study on poverty and changes in the living standard of Cameroon. Among these, are pioneer authors such as Araar (2006), Baye (2005), Baye et al, (2002), Fambon et al (2001) just to sight a few. It should be noted that despite all these studies and efforts made by the government of Cameroon to reduce poverty, significance changes are still to be observe. Therefore an analysis on the determinants of poverty in Cameroon is needed to complement already existing studies. What therefore are the determinants of poverty in Cameroon? What are the micro (household) variables that contribute to monetary poverty in Cameroon?

The main objective of this research was to analyze the determinants of poverty in Cameroon. Specifically, the study was out to evaluate the contributions made by micro variables(such as years of schooling of household head, age of household head, proportion of household members below 25years of age, household head having a public or private sector job and many others as listed in the methodology) to monetary poverty in Cameroon

The rest of this paper is organized as follows; in Section two, the relevant literature is reviewed. Section three presents the analytical techniques. Results are presented and discussed in the fourth Section. The fifth section summarizes, recommends and draws an adequate conclusion from the study.

2. Literature review

The existence of poverty in less developed countries has called for many theories that explain the issue. Theories that explain the existence of poverty in LDCs examined in this work are the natural circumstantial theory of poverty and the personal income distribution theory and poverty alleviation theory of poverty

The natural Circumstantial Theory of poverty identifies some geographical locations, inadequate natural endowments in human residents, unemployment, old age, physically affected areas and mental disabilities as explanatory variables for the existence of poverty in some parts of the world. The theory suggests that for poverty to be reduced or eradicated, sectional welfare measures must be provided to the poor such as pipe born water, electricity and access to health facilities. Although the suggestion of this theory is considered very useful as a poverty alleviation measure, some developing countries have failed to make effective use of such suggestions. Cases in Cameroon include: the Lake Nyos natural gas disaster area of 1986 which up till now is partially inhabited, the mount Cameroon eruption of 1999 which affected the Bakigiri people, the Kousseri Djamina, Kaele seasonal drought that greatly affects productivity, diseases such as river blindness around the Sanaga River which has rendered most youths and the active population blind, high population of the aged and inactive population in the civil service rendering the active population jobless. Gifts directed to the victims of this transitory poverty such as drought, floods, pests, volcanic eruption, landslide etc are not usually directed to them in good faith, hence a limitation to this theory.

The Theory of Personal Income distribution and Poverty Alleviation also called the Marginal Productivity theory of poverty alleviation. It provides the microeconomic foundation of income inequality and an organizing framework to determine the channel by which macroeconomic variables are transmitted into changes in poverty rates. This theory focuses on the labour market and the determination of labour incomes based on the demand and supply of labour under competitive firms. In other words, this theory sees productivity as the driving force for poverty reduction in any economy. It explains that firms will hire labour up to the point where the value of the marginal product of labour equals real wage rate. (MPN = W/P)

Empirical studies have also been carried out on poverty in the developed and less developed countries. Using OLS estimates of determinants of poverty in Nigeria, Babatunde et al, (2008) insinuates that households

with smaller number, headed by male and educated heads are better-off in terms of poverty than their counterparts with larger number, headed by female and uneducated heads. Oyugi, et al (2007) carry out an OLS regression analysis, with an extension to understand inequality in urban and rural Nigeria, noting variables like residential zones, household size, illness and farming as determinants of economic well-being that account for inequality.

The second approach apply a qualitative regression analyses-which uses either a probit or logit regression model- to establish probabilistic statements on the significance of certain variables in determining household poverty or well-being (Alemayehu et al, 2003; 2005; and Oyugi, 2000). For instance Oyugi (2000) uses both discrete and continuous indicators of poverty as dependent variables to study determinants of poverty in Kenya, which is an extension of the earlier works of Greer and Thorbecke, (1986a, b). Similarly, Nyugen et al, (2006) employ the standard methodology of multinomial logistic regressions has been used to study poverty dynamics in Vietnam during the period 2002-2004. They note a decrease in poverty and chronic poverty levels with varying trends relative to urban-rural locality. In addition, EL-Osta and Morehart (2007) apply a probit model in analyzing determinants of Poverty among US farm households. They identify educational attainment as key in mitigating farm household poverty in the U.S. but only when poverty is measured on a relative rather than an absolute basis. Lastly Chaudhry et al, (2009) utilize both a log-linear and a logit model to extricate the impact of socioeconomic and demographic variables on poverty in Punjab, Pakistan, identifying household size, dependency of household, landholdings, participation and number of livestock as having an influence on the incidence of poverty.

Alexander Danzer (2004) carried out a research on the severity and the determinants of household poverty in Ukraine. He found that poverty existed even among households who are employed. He measured poverty using income and consumption. Income to him is the most important determinants of poverty in Ukraine. Other variables are level of education, inequality in government spending and high level of prices.

Tabi (2009) examined the effect of social capita on household poverty in Cameroon using the 2001 Cameroon household survey data. He used an ordinary least square regression and realized that membership in association and the indicator for decision making index are positively correlated with household per capita expenditure and that households with higher levels of income tend to group together. He recommended to policy makers that social capital should be improve upon along side the millennium development goals so as to reduce poverty in Cameroon

Fambon (2006) in constructing a dynamic poverty profile for Cameroon covering the 1996-2001 period, with data from ECAM I and ECAM II, he used a poverty profile standard construction method and realize that the average total expenditures per adult equivalent of urban household are higher than those of rural households, income poverty is lower in 2001 than 1996, poverty profile according to strata remained almost unchanged between 1999 and 2001, poverty reduce in households whose heads are employed than those who are not, poverty also reduces in households with higher levels of education and finally that poverty ratio decline in relative terms by nearly more than 32% with absolute reduction 19% in the urban area, as compared to 10% in the rural area. He recommended growth alongside social programs should be targeted to reduce poverty.

Fondo (2001) on the Constraints to managing poverty in Cameroon, views poverty as a dynamic social relation, reproduced by ongoing social, economic and political processes that result in the concentration or deprivation of influence, wealth and environmental assets that are prerequisites for social well being. He suggest that poverty reduction in the urban (and rural) areas of Cameroon can only come about by restructuring the institutional and management set up so that it can be more responsive to the needs of the people.

Nssah and Bassole (2010) on "A Counterfactual Analysis of the poverty Impact of Economic growth in Cameroon" use survey data from ECAM 1, II and III, carried out an ordinary least square regression analysis and realized that Returns to education (in terms of real per adult equivalent expenditure) are positive and statistically significant across all quintiles. The conditional-quintile function for 2001 is right-skewed because the slopes below the 75th quintile are more or less flat while those above are steep. Not surprisingly, economic welfare increases with education over the whole distribution. In addition, the impact of education was higher in 2001 than in 2007. Households engaged in agriculture are worse off across quintiles and years, than those employed in other sectors of the economy.

Studies carried out in Cameroon such as that of (Baye, 1998), on poverty show that price hikes resulting from the 50% devaluation of the FCFA in 1994 and the salary cuts in 1993, have created a new class of poverty in Cameroon especially within public sector workers. This group of persons has been pushed toward the consumption of second handed, low price and low quality goods. Baye also explains that the nutritional status of most public sector workers in Cameroon has deteriorated as priority is given to quantity instead of quality. Of recent, government policies seem to be conflicting with its objectives. The aim is to reduce poverty and at the same time excessive control of the economy, high tax rates and new taxes being introduced, destruction of settlements and kiosk in some parts of the country without alternatives provided are the order of the day. These policies have rendered some Cameroonians homeless and jobless

3. Methodology

The household consumption survey data use in this work covers the entire national territory of Cameroon and is based on consumption household surveys of 1996, 2001 and 2007. The analysis is focused on ECAM III (2007) household survey which was carried out by the national institute of statistics. The ECAM III survey was carried out between May and July 2007. It comprised 11391 households. Its aims was to upgrade knowledge on poverty and welfare status in Cameroon by providing indicators that capture the living standards of the local population as to peg poverty profile and as a follow up of efforts made towards the implementation of the PRSP and the realization of the MDG objectives. According to the National Institute of Statistics, the data can be used to (1) study all aspects of poverty at national and regional levels (monetary poverty, household poverty, poverty in terms of potentials and subjective poverty), as well as establish correlation between these different types of poverty; (2) study the dynamics of poverty between 2001 and 2007, with the aim of evaluating the effects of macro-economics policies of the last five years on household wellbieng.

In discussing the variables used in the model, let us begin with our choice of the dependent variable, the household welfare indicator. This is the total daily per capita consumption and expenditure reported by a survey household. The set of regressors, or independent variables, that are included in the model of the determinants of poverty in Cameroon may be categorized as follows:

- age of the household head,
- proportion of individuals in household of age 0 to 5 years
- proportion of individuals in household of age between 5 and 10 years
- proportion of individuals in household of age between 10 and 15 years
- proportion of individuals in household of age between 15 and 20 years
- proportion of individuals in household of age between 20 and 25years
- sex of the household head
- Household owns Land
- Years of schooling of household head
- Household head working in informal non-agriculture
- Household head having a public sector job
- Household head having a private sector job
- Household head unemployed
- Access to credit
- Number of migrants in household
- Distance Nearest Hospital
- Distance Nearest Tarred Road

Using the above variables, the model can be specified as;

$Y=F(X_1, X2, X3, \ldots X_n)$ ……(1)

Where

Y= Household per capita consumption or expenditure

X= household welfare characteristics as mentioned above

$Y = b_0 + b_1X_1 + b_2X_2 + \ldots b_nX_n + U$ ……(2)

Where

Y= household per capita consumption or expenditure,

X= household welfare characteristics as mentioned above

Since the variables (household characteristics are many and can not be represented on a multi-variable Model, we can sum these household characteristics in a single model as

$$Y = b_0 + bi\sum_{i-1}^{H} Xi + U \ldots (3)$$

Where;

Y= per capital expenditure

X= Household characteristics as mentioned above

U= error term

The ordinary least square technique was employed to analyze the data use in this study. The technique is preferred because it makes use of the best linear unbiased estimation (BLUE) property. The use of the ordinary least square technique is also advantageous in that it presents the exact type of relationship which exists between the dependent and independent variables and shows the extent to which changes in the independent variables influence the dependent variable (poverty). The R2 or R^2 which is the correlation coefficient computed from the

data of the sample which shows the total variation of the dependent variable being explained by the joint variation of the explanatory variables specified in an equation and the standard deviation or error of the estimates measures the dispersion of the sample estimates around the true parameters were use. The t-statistic or t-value also was used to justify whether the coefficient of the estimated parameter are statistically significant at a certain degree of freedom and the F-Statistics are used to test the overall significance of R^2.

4. Presentation and Discussion of Results

Table 4.1 below shows the descriptive statistics of the variables use in this analysis to analyse the determinants of poverty in Cameroon. We are dealing with a sample population of 11391 individuals. According to the data set, age of the household head vary from 11 to 95 years. The average age of a household head stood at 42 years during the period of the survey. As concerns owning land a piece of land, 2.5% of the households owned a piece of land.

The descriptive statistics for male headed household shows that household headed by men had a mean of 0.74376 meaning that 74% of households were headed by men during the period of the survey. Data on access to credit shows that about 5.5% of households had access to credit. About 6.9% of the household heads had public sector job, while 7.2% of household heads had private sector job.

The unemployment status of household head had an average of 0.02129. This means that 2.1% of household heads were unemployed. Statistics also show that household head spend at least 5 years in school. It has also been realized that about 55.8% of households lived in the urban areas

Table 4.1: Descriptive statistics of variables of the study

Variables	Observation	Mean	Std Dev	Min	Max
Per capital expenditure	11391	12.66661	0.75196	11.185	16.2439
Age of household head	11363	42.0977	15.327	11	95
Age <5	11391	0.14247	0.1779	0	0.75
Age <10	11391	0.10424	0.1444	0	0.75
Age _15	11391	0.0909	0.1441	0	1
Age_20	11391	0.10467	0.18536	0	1
Age_25	11391	00.1175	0.22518	0	1
Own land	11366	0.2523	0.4343	0	1
Education	11372	5.764	4.795	0	18
Male headed	11391	0.74376	0.4365	0	1
Access to credit	11337	0.05537	0.2287	0	1
Public sector job	11391	0.06938	0.2541	0	1
Private sector job	11391	0.0728	0.2599	0	1
Agriculture activity	11391	0.4802	0.4996	0	1
Informal	11391	0.2958	0.456	0	1
Unemployment	11391	0.02129	0.1444	0	1
Urban Milieu	11391	0.558	0.496	0	1

Table 4.2: OLS Regression Results of Determinants of Well-being -Dependent variable: Well-being (log of household total annual expenditures per capital

Method (OLS) / Variable	**Coefficient**	**T- Value**
Age of household head	-.0024224	(-2.20)**
male household head	-.1770782	(-6.77)***
Owns a land	-.0126999	(-0.48)
Access to credit	.1020773	(2.47) **
Education of household head/number of years of schooling	.04797	(12.56) ***
Household head having a Public sector job	.1267684	(1.92)*
Household head having a Private sector job	.2625429	(3.56) ***
Household head involve in Agricultural activity	-.1401035	(-2.43) **
Household head working in Informal non-agriculture	-.0502191	(-0.86)
Unemployed	-.0520836	(-0.51)
Urban milieu of residence	.3079249	(9.64)***
Age <5 (% Household size)	-1.420174	(-18.66)***
Age <10 (% Household size)	-1.197538	(-14.61)***
Age <15 (% Household size)	-1.271359	(-15.87)***
Age <20 (% Household size)	-.8947627	(-10.23)***
Age <25 (% Household size)	-.4775861	(-5.71)***
Adamaoua	.0562354	(0.84)
East	-.1174286	(-1.74)*
Far-North	-.1152492	(-2.42)**
Littoral/Coast	-.0189486	(-0.45)
North	-.0618601	(-1.30)
North-West	-.0776217	(-1.88)**
West	-.0281327	(-0.77)
South	.0163061	(0.27)
South-West	.105985	(1.95)**
Number of migrants	.0254892	(3.10)***
Distance to nearest Shop	-.0079381	(-0.61)
Distance to tarred road	-.000435	(-1.67)*
Constant	13.81316	(120.74)***
F-Statistics [df]	103.26	
R^2- Adjusted	0.5978	
Number of observations	2926	

Notes: T-statistics in parentheses. ***, ** and * indicate 1%, 5% and 10% levels of significance, respectively.
For the regions the reference zone is the centre region

The coefficient for the variable age of household head is negative. This means that there is an established negative relationship between age of household head and the per capita expenditure of the household. From the above results, as household heads grows older, the per-capita expenditure/income of the household reduces, thus, increasing the level of poverty in the household. Specially, a one year increased in the age of the household head will lead to 0.24 fall in per capita expenditure of the household. It is believed that as the age of a household head increases, his demand for goods and services reduces. This is because at a younger age, the household head has so much responsibilities (to build and furnish a house, provide needs for children and to acquire wealth) but as he goes older, his expenditure reduces since he have already acquired his material and financial wealth. Considering the t-statistics, we realize that t- calculated (2.20) is greater than t-tabulated (1.70). The result is statically significant at 5% level of significant. The implication is that the variable age of household head is an important determinant of household welfare.

Male headed households have a negative relationship with per capita expenditure. An increase in male headed households will lead to a reduction in the per capita income/expenditure of the household which will increase household poverty. Specifically, this result show that a 1% increase in the number of male headed households will result in 0.1770% fall in the household per capita expenditure. This means that female headed households contribute more to household per capita income/expenditure than male headed households during the period of this survey. Female headed households are better off than male headed households during the period of the 2007 survey. This might be because males do have more responsibilities to take care for both the family and other external relations as compare to the female whose responsibility is limited to the immediate family. As a

result, there is great pressure on male incomes which might be distributed to others and very little might be left for the household to spend. This means that male headed households are poorer than female headed households. This result is statistically significant at all levels of significance

The result shows that there is a direct or positive relationship between access to credit and household per capita expenditure. An increase in credit facilities will result to an increase in per capita expenditure of the household and consequently reduces poverty. Precisely, this result shows that a 1% increase in access to credit facilities will lead to a 0.102% increase in household per capita expenditure. This might be because when banks and credit Unions are open in areas that are closer to the households and communities, the facility and availability of credits increases. Households can go in for credits from these financial institutions, which will increase the per capita expenditure of the household. The availability and access to credit facilities will normally encourage consumers to take credits and spend on goods and services. Considering the t-statistics, the result is significant at 5% level of significance. This is because the t-calculated value (2.47) is greater than the t-table value (1.70). This means that access to credit is an important variable in explaining household welfare.

Considering the number of years of schooling of household head, it associates positively with per capita expenditure. This means that there is a positive or a direct relationship between years of schooling of household head and household per capita expenditure. Household whose heads spend longer years in school (more educated) have higher level of per capita expenditure and thus, their level of poverty is also low as oppose to those whose heads spend lower years in school. Specifically, the results shows that an increase in one more years of schooling of the household head will lead to 0.048 increase in household per capita income/expenditures. Evidently, Household whose head spend more years in school have higher possibility of knowledge enhancement regarding choices made in terms of employment opportunities, sound practices and even how income is spent in the household, with a view to ensuring household welfare. Education depicts an opportunity for employment, thus the ability to generate income and subsequently per capita expenditure in the household. Statistically, this result is significant at 1%, 5% and 10% levels of significant since t-calculated value is greater than the t-table value. This means that education is an important determinant of household per capita expenditures. According to ECAM (2007), the poverty rate for households whose head has never been to school is 15.2 times higher than witnessed in households whose head has reached higher education. This finding reflects, once more, the fact that the level of education, a key component of human capital, remains a decisive factor in terms of fighting poverty.

The coefficient for household head having a public sector job is positive. This means that there is an established positive and direct relationship between household head having a public sector job and per capita expenditure of household. An increase in the number of household head having a public sector job will lead to an increase in the per capita income of households, thus, a reduction in the level of poverty. The results shows that a 1% increase in the number of household head having a public sector job will result in 0.13% increase in household per capita expenditure. Households whose head have a public sector job are better off than those whose head have job in other sectors. This might be because workers in the public sector can use their legal working hours to attend to other businesses that will yield additional revenue. Also, salaries in the public sector are stable. This goes to support the results from the descriptive statistics of ECAM III (2007) that household whose head works in the public sector had a significant improvement in their level of poverty as oppose to household whose head works in other sectors. This result is statistically significant at 10% level of significant. This is because the t-calculated value (1.92) is greater than the t-table value (1.31). This means that household head having a public sector job reduces household poverty.

Household head having a private sector job has a coefficient whose sign is positive. This shows a direct and positive relationship between household head having a private sector job and per capita expenditures. This result indicates that a 1% increasing in the number of household heads having a private sector job will lead to 0.28% increase in the per capita expenditure of the household and their poverty level will reduced. Household whose head have a private sector job is relatively better off than those whose heads have jobs in other sectors. Considering the t-statistics, this result is statistically significant at 1%, 5% and 10% levels of significances. This means that household employment in the private sector should not be left out in explaining the determinants of poverty in Cameroon.

Household head involve in agricultural activity is negatively related to per capita expenditure. An increase in the number of households whose head is involved in agricultural activities will lead to a reduction in per capita expenditure. This will consequently lead to an increase in the level of poverty. The result shows that a 1% increase in the number of households whose head is involve in agricultural activity will result to 0.14% decrease in the per capita expenditure. This means that households whose head is involve in agricultural activity are worst off than those whose head work in other sectors. Statistically, the result shows that the calculated t-value (2.43) is greater than the table t-value (1.70) at 5% one tail test. The result is therefore statistically significant at 5% level of significant.

Household head whose head is unemployed has a negative relationship with per capita expenditure.

Households whose head is unemployed are worst off than households whose head is employed. The results shows that a 1% increase in the number of households whose heads are unemployed will lead to a 0.05% fall in the per capita expenditure. This will consequently result to an increase in the level of poverty in the household thus, increasing the level of poverty. Statistically, the result shows that the t-calculated value (0.51) is less than the t-table value (1.31) at 10% one tail test. This means that the result is not statistically significant but could still be use for policy analysis aim at reducing household poverty.

Also, the coefficient for urban milieu of residence has a positive sign. This means that there is a positive relationship between urban milieu of residence and per capita expenditure. An increase in the number of households living in the urban areas will lead to an increase in per capita expenditure which will also result in a fall in the level of poverty. The result shows that a 1% increase in the number of households residence in the urban areas will lead to 0.307% increase in per capita expenditure. Households who are residence in the urban areas have higher levels of per capita expenditures and lower level of poverty as compared to those living in the rural areas. Hence, households' residence in urban areas are better off than those residences in the rural areas. This is because there are more opportunities in the urban areas than in the rural areas. This result is statistically significant at 10% two tail test. This means that the level of poverty is significantly higher in rural areas than in urban areas and should be taken note of for policy analysis aim at reducing household poverty.

The proportion of household members from 0 to 5years, 5 to 10years, 10 to 15years, 15 to 20years and 20 to 25years all have coefficients with negative signs. This shows that there is a negative relationship between these age groups characteristics and household per capita expenditure. An increase in the proportion of household members who are below 25years of age will lead to a fall in per capita expenditure of the household and consequently an increase in the level of poverty. It is generally believed that family members who are below 25years of age still depend on their parents, at such they contribute very little or nothing to household income. So, households with large proportion of family members below 25 years of age have low per capita expenditure and higher levels of poverty as oppose to those with large proportion of family members above 25years of age. This result is statically significant at 1% two tailed test as all the t-calculated values are greater than the t-table value.

Regionally, the result shows that household per capita expenditure varies from one region to another in 2007. The coefficient for the regions East, Extreme North and North West all have a negative sign. This shows that households residence in this regions were worst off as compare to those in the other regions and the Centre region. This means that households in these regions had lower levels of per capita expenditure and higher levels of poverty as compare to those in the Centre region. On the other hand, only the South West region has a positive signs. This means that households residence in these regions were better off than those residence in the Centre region and in other regions. The result is statistically significant at 5% level of significance only for regions such as the East, Extreme North, North West and South West. Therefore policy implications to reduce poverty in Cameroon should take into consider these regions.

Number of migrants in the household has a coefficient whose sign is positive. This means that there is a positive relationship between the number of migrants and household per capita expenditure. An increase in one more migrant in the household will lead to a 0.025 increase in household per capita income and a reduction in the level of poverty. When one household individual travels abroad, he sends financial and materials resources in the form of remittances back home to their families. The number of migrants a household has, the greater the amount of remittance that comes to the household and the lower the level of poverty in that household.

The distance from a household to the nearest tarred road has a coefficient which has a negative sign. An increase in distance from a household to the nearest tarred road will lead to a reduction in per capita expenditure while poverty increases and a reduction in distance from a household to the nearest tarred road will increase household per capita expenditure while reducing the level of poverty.

The calculated $R^2 = 0.5978$, meaning that the results have a good fit. That is the results shows that more than 59.8% variation in household per capita expenditure is accountable for by the above examine explanatory variables with less than 40.2% accountable for by the stochastic error term

The overall test of significance shows that our calculated F-ratio is 103.26 which is statistically significant at 1% level of significance. This means that the result is more than 99% reliable. The implication of this is that any policy recommendation from this result is going to be more than 99% reliable. As such, it serves the purpose for this research.

5. Policy Suggestions and Conclusion

Poverty is essentially a rural phenomenon, with the possibility of migrating to urban areas constituting a possibility to come out of poverty in Cameroon. However, given the already high pressure exerted on urban infrastructure, and in freeze of its construction during the crisis period, the government of Cameroon needs to reverse the rural exodus observed in the country by developing rural infrastructural settings. Similarly, government should create channels that augment the income earning powers of local residences by constructing

adequate networks between rural communities. Policy recommendation entails, government should fine-tune its regional development plans to bridge disparities between urban and rural regions which tend to likely accentuate poverty and retard developmental efforts. Stakeholders and donors should reverse their method of issuing financial and material resources and try the trickle up method that is giving assistance and resources to local governments and organizations at the grassroots level. This will go a long way to reducing poverty in rural areas. There is therefore a need to re-examine (and possibly reform) the mechanisms governing the allocation of public resources (e.g. investment in infrastructure, health and education) designed to support individuals' efforts to improve their standard of living.

From the above discussions, we realized that poverty is worst in rural areas as compare to urban areas in Cameroon. However, the main determinants of poverty in Cameroon today still remains the lack of jobs, the shortfall in basic economic infrastructure facilities (in particular roads), and the poor access to land for agro-pastoral activities, widespread corruption and the bad management of public resources. Moreover, certain individual characteristics such as living in a rural area, a low level of education, working in the informal sector, or collective ones such as a high number of dependents in a household, are aggravating factors of poverty. This is a situation which needs immediate reactions by policy makers in order to address the situation before it becomes devastating in some few years to come.

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