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# AN ANALYSIS OF MANUFACTURING EXPORT FIRMS' SPECIFIC CHARACTERISTICS FOR INDUSTRIAL EMERGENCE IN CAMEROON BY 2035

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**ABSTRACT:** *The Asian Tigers form a new niche of Developed Economies in the world today. In the phase of globalisation export led growth is cardinal, especially with a high level of industrial specialisation. The question is what specific industrial characteristics account for the emergence of Asian Tiger's that developing economies like Cameroon can emulate? With a survey of 116 firms and using the Tobit analysis, Manufacturing Firm's Specific Characteristics of (size, age and Ownership) are important for rapid economic growth in Cameroon. In synthesis with the Asian miracle Firm Specific Characteristics of size, age and ownership are accentuated to boost Export led growth today. This emphasises the fact that Cameroonian firms must have an elite class of entrepreneurs who are innovative and can establish large firm which can thrive in a liberalised market or establish business procedures that are less clumsy and for business partnership.*

**KEYWORDS:** Firm's Specific Characteristics, Innovation, Schumpeterian Entrepreneur, Economic Growth and Emergence, Export Led Growth

## INTRODUCTION

Emergence although perceived by some scholars to have been excluded from the development definition, is used to describe an economic surge. This implies a surge of rapid and equitable economic growth greater than 8 percent which is steady and continuous - sustainable. Economic surge is not an outcome of chance but of economic growth planning. In the world, Economic Miracles are associated with a time and economic condition dimensions. The time dimension of the economic surge highlights the speed of the economic recovery or growth. The economic situation dimension of the economic surge refers to the economic performance or state of the economy – recovery from slump. Classic examples of Economic Miracles include the Economic Miracles after the Second World War of Germany, Japan and East Asian Economies. This work is aimed at establishing the conditions necessary for economic emergence with a synthesis of the economic evolution of the Asian Tigers. To better understand the contribution of this work, it is very necessary to delimit the factors of economic emergence to industrial characteristics and exportation. Exportation here refers to production of products for a wider market beyond national boundaries. This perception has been the result of win-win trade of the classical economists. This has pushed entrepreneurs to produce high quality goods with a wider bundle of utilities for a wider market. The pitching of exportation to entrepreneurs is base on the Schumpeterian conception of an entrepreneur as an economic agent that is innovative to explore market opportunities. With this and looking at the global market mechanism after the 1990 trade and market liberalisation has been the core concept of globalisation making trade gain analysis more complex. This gives room for the testing of the



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Export – Led Growth hypothesis. Consequently in reviewing the occurrence of economic emergence in European and East Asian, the following pictures can be painted.

The European development model was idealised in a Laissez-Faire or capitalist economy with democracy. Democracy per se was an exogenous factor to the European growth model. However, this exogenous factor determined heavily the role of government in creating an enabling economic environment for economic activities to thrive - the role of government for the capitalist. The foundation was the creation of a democratic government with national and international policies such as those of the International Monetary Fund loan policy amongst others to promote this development paradigm. This development paradigm guided development until the advent of the Asian miracle in the early 90s. This raised questions with regards to the sufficiency of this neoclassical development paradigm conditions. This is to explain economic growth and development on the basis of democracy. It is not the interest of this study to dare into this debate as several studies have been done to support or contradict the arguments. However, the East Asian emergence can be a model or development paradigm for developing economies in Africa. This is on the grounds that, the most of Asian economies have very similar characteristics to the African economies such as the population size, level of education of the labour force, level of economic activities and cultures. This takes care of the exogenous factors and gives room to highlight the major endogenous factors that can explain the Asian Miracle or success. This goes back to the exogenous and endogenous growth and development debate. Thus, explaining the Asian Miracle from an endogenous point gives room to two major schools of thoughts - (fundamentalists and the mystics). These schools of thoughts explain the Asian Miracle as such: The fundamentalists stressed that the main factor of the Asian emergence is the dominant contribution of the factor accumulation meanwhile the mystics while acknowledging the importance of factor accumulation, stressed more on the role of the acquisition and mastery of technology (Page, 1994). The mystics view is applauded with evidence of high rates of Total Factor Productivity (TFP) growth established in leading Asian economies Japan, Korea and Taiwan (Amsden, 1989 & 1993). However, it is worth noting that despite the difference in the main factor responsible for the Asian Miracle all of it is centred on the nature and level of industrialisation. The nature of industrialisation refers to the sectorial strengthen of the leading industry while the level of the industrialisation refers to the level of the Total Factor Productivity of the industries and level of production. This carefully directs this study to the bone of contention in the Asian development model for African developing economies like Cameroon.

Economic growth has always been premised on the exportation or foreign trade. This has been the under pin of many economic growth conceptualisation. This dates back as far as the concept of the Mercantilist-Bullionism, to the Ricardian Comparative advantage and the Specialisation of Heckscher and Ohlin. Dixon and Thirlwall in their formulation of the export-led growth only clarified the argument that export expansion was the key for industrialization and the engine for sustained growth. This hypothesis is crucial in the growth model because trade in the 21$^{st}$ century is practiced with minimal restriction and high competition within a liberalised market. As such, the poor economic performance or growth of African economies has been blamed on low level of manufacturing export expansion especially as manufacture export growth rate of 30 percent in 2010 but Africa accounted for less than 2% of world trade with her share of global manufactured exports almost zero (Niringiye and Tuyiragize, 2010). This makes Africa the lowest contributor to world trade while East Asia, South Asia and Latin America contributed 92%, 56% and 54.5% respectively as share of manufactured export between 2000 and 2006 (United Nations Report, 2008). This picture is not very different for Cameroon especially as



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manufacturing exports expressed as a percentage of merchandise stood at 8.5, 3.3 and 7.5 percent for the years 1990, 2000 and 2010 respectively (World bank Report, 2012). This problem of low manufacturing export and low economic growth and development is made apparent by the fact that African economies especially those of the Sub Sahara have failed to emergence like the Asian economies even as the celebrate 50 years of independence since the year 2010. The problem here is not the outcome of poor or low economic performance but the poor level of the nature of the Cameroonian level of industrialisation to fuel economic emergence by 2035. This implies it will take Cameroon about 75 years to emergence when it took less than 35 years for the Asian Tigers. This problem would have been made more complex if this study was considered under the European development model especially as democracy is the bedrock. However, since the Asian development model is a more realistic model for developing African economies to relate to, the problem is not greatly on leadership but on the economic planning of national industrialisation to exploit trade opportunities in a liberalised international market through manufactured exports. This becomes new dimension to argument as the objective is not in advocacy for manufacturing exports but for specialisation in manufacturing export that can compete at the international market level. This is because if the argument remains at the Balance of Payment level then Total Factor Productivity's (TFP) contribution to economic emergence will be neglect and the problem continues.

**Study Area**

The study area for this work is the manufacturing industry in Cameroon. Cameroon as an economy is located in the Central African Sub region and can be sited geographically at a Latitude = 3.87º N (3º52'11" N) and Longitude = 11.51º E from the equator. She has 5 sub geographical zones which are: the Sahel region in the Far North, the Steppe and Savannah in the North, the Tropics in the West and North West, the Equatorial Rain forest in the centre and East and the Coastal region in the South West and Littoral. The geographical zoning of the Cameroon gives a picture of some of the possible economic activities that provide base for dominant manufacturing firms and the manufacturing industry. This therefore gives an insight into the nature Cameroonian export and the major route which is the economic capital of Cameroon Douala the major port city. Douala has a Seaport and an Airport. Thus, a majority of her export are moved by sea indicating that most of her manufactured exports are bulky. Economic growth in Cameroon since independence has always been centre around export. This was because after independence Cameroon inherited most of the colonial agro-firms such as the Cameroon Development Corporation (CDC) with enterprises of Bananas, Rubber and Palms serving as a supplier of food and raw materials. This drove the economy export as a percent of Gross Domestic Product (GDP) progressive from 20.1 percent in 1966 to a peak 26.2 percent in 1970. From there was a drop to 22.6 percent in 1975 rose back to 27.8 percent with the discovery of petroleum (World Bank Database, 2012). This left the Cameroonian very vulnerable as she had a narrow export base on which her economy's growth was highly dependent. This petroleum export boom drove the economy to an export growth as a percent of GDP to a 33.4 percent which fell drastically with the fall in world prices. At this point, the Cameroon government had to rethink her growth strategy. Following the Structural Adjustment Plan (SAP) the government had to improve efficiency of state corporations by privatisation. This saw the privatisation of many state corporation but by 1990 the government had to enact the Investment Code Law with the Industrial Free Trade Ordinance creating 5 main industry zone as to meet up with the import substitution strategy to revamp Cameroon's economic growth through exportation. This saw the creation of many manufacturing firms such as the Chococam, ALUCAM, STEELCAM, MICHELIN, ELF Petroleum alongside most of state


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corporations that were privatised like HEVECAM, SONEL to AES Sonel, SNEC to CAMWATER. This marked the beginning of the organisation manufacturing Industry in Cameroon as a strategy to plan for growth.

To encourage manufacture export in Cameroon, the government devaluated the Franc CFA by 50 percent with the aim of making imports expensive and export cheaper so that it could compete at the international market. The government later enacted an Investment Charter in the 2002 to further boost the developing of manufacturing firm's competitiveness and attain rapid economic growth.

The Charter established three bodies to facilitate investments and exports: the regulation and competitiveness board; the investment promotion agency; and the export promotion agency. l'Agence de Promotion des Investissements du Cameroun (API) was created in 2005 and became functional in February 2010, although full operation is still limited (FAO, 2012). All of these laws were only good in paper as implementation was very slow enabling Cameroon the following ranks in certain Ease of Doing Business indicators

**Table 1: World Bank Ease of Doing Business indicator for Cameroon pertaining to Manufacturing Firm Establishment**

| Topic of Rankings/Indicators | 2010 Rank | 2011 Rank | Change in Rank |
|---|---|---|---|
| Starting a Business | 165 | 131 | + 34 |
| Registering Property | 145 | 149 | -4 |
| Getting Credit | 135 | 138 | -3 |
| Trading across Borders | 149 | 155 | -6 |
| Protecting investors | 119 | 120 | -1 |

Source: Extract for World Bank, Doing Business:

http://www.doingbusiness.org/data/exploreeconomies/cameroon

For the past decade export growth as percentage of GDP has been between the 20 – 30 percent (World Bank Database, 2012). From Independence Cameroon's GDP annual growth reached its peak in 1975 with a growth rate of 11.25 percent, 1977 with a growth rate of 13.74 percent and 22.00 percent in 1978. By 1981 it dropped down to 17.08 percent and further to 8.06 percent in 1986. It continued to drop to 5.00 percent in 1997 to 2.07 in 2007. It started rising again in 2010 with a growth rate of 3.34 percent to 4.58 in 2012 (World Bank Database, 2012). This gives a background to better understand the structure of the Cameroonian industrial sector and manufacture exports. With this the government of Cameroon have revised the Investment Code of 1990 with a new investment code in 2013 supported by the Finance Law of 2010.

Cameroon has an estimated population of 20,129,878 inhabitants with an estimated working population or workforce of about 11,070,427 composing of 5,564,570 males and 5,505,857 females. This represents about 56.2 percent of Cameroon's estimated population. From this estimated workforce subtracting about 4,000,000 employed in the Public Service, Military and the Cameroon Development Corporation (CDC) the country still has about 7,070,427 inhabitants for its labour force. Firstly, this is cheap labour that can be exploited by the manufacturing industries in Cameroon for the production of goods for exportation. Secondly, it forms a major part of the domestic market of these same firms. Looking at the manufacturing sector in Cameroon it is made up of just about 167 manufacturing firms of a total of 363 firms.



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However, 247 of these firms are in the service sector. These manufacturing firms in Cameroon constitute just about 46 percent with only 33 percent of manufacturing firms effectively exporting to the world market as compared against 34 percent in Ghana, 57 percent in from Kenya and 60 percent in Cote d'Ivoire (Niringiye and Tuyiragize, 2010). This 33 percent is divided as 19 firms in the food and brewery industry with STE INDUS CAM DES CACAOS being the leading exporter, exporting 12,792.3 quantities of food products in 2011 and 2012 financial year (Cameroon Customs Information Centre (CCIC), 2013). It is closely followed by the wood-furniture industry with 10 exporting firms dominated by STE ALPICAM INDUSTRIES exporting 18,922.7 quantity of wood-furniture products 2011 and 2012 (CCIC, 2013).

CCIC (2013), places the cement industry in Cameroon in third place with 8 exporting firms dominated by CIMENTERIE DU CAMEROUN (CIMENCAM) exporting over 12,792.3 quantity of cement in 2011 and 2012 (Njikam and Cockburn, 2007).

The chemical and pharmaceutical industry follows with 11 exporting firms with PARF GANDOUR CAMEROUN being the leading exporter. In 2011 and 2012, this firm exported 4,203.6 quantities of pharmaceutical products (Klynved Pleat Marwick Goerdeler [KPMG], 2012). The aluminium industry is made up of 7 exporting firms with STE CAM DE TRANSF ALU (SOCATRAL) being the leading exporter. She exported 5,741.1 quantity of manufactured aluminium in 2011 and 2012 (CCIC, 2013). Also, metal-working and iron and steel constitute a main industry group in Cameroon, has 2 exporting firms with METAFRIQUE CAMEROUN SARL being the leading exporter. This firm exported 3,490.8 quantities of manufactured metal products in 2011 and 2012 (CCIC, 2013). Together, they accounted for nearly 78.8% of manufacturing value-added (Njikam and Cockburn, 2007). With this background on the manufacturing industry in Cameroon looking at the firm's specific characteristics of Age and firm's ownership the following figures below describe the situation as such

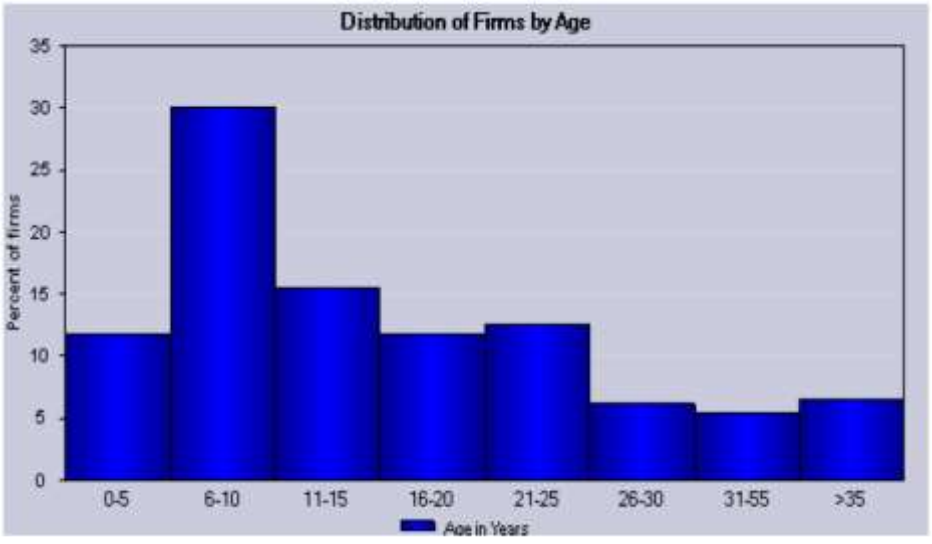


**Figure 1: Distribution of manufacturing firms in Cameroon by age**

*Source:* Extract for World Bank, Doing Business:

http://www.doingbusiness.org/data/exploreeconomies/cameroon



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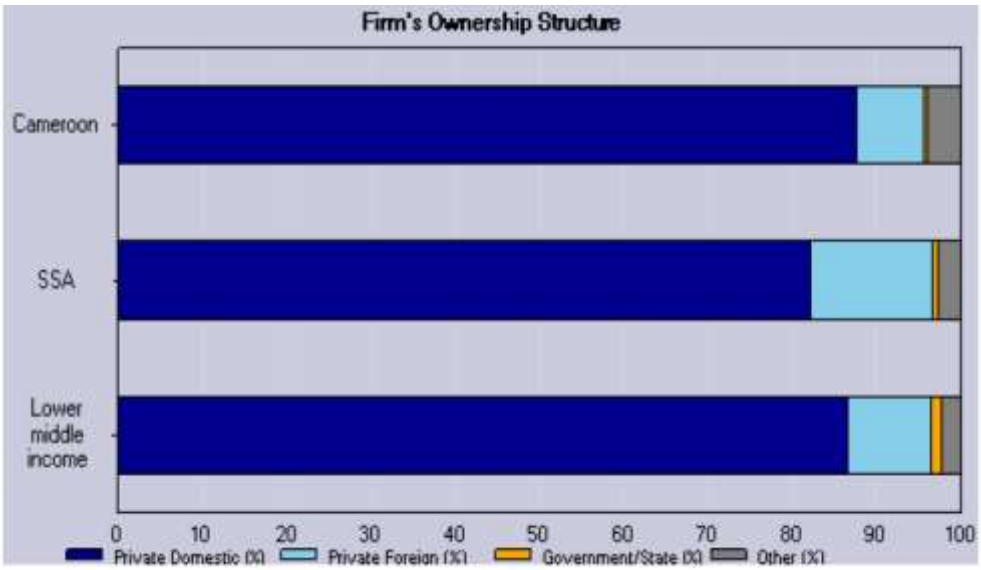


**Figure 2: Distribution of Firms by ownership Structure**

*Source:* Extract for World Bank, Doing Business:

http://www.doingbusiness.org/data/exploreeconomies/cameroon

**Analytical Method**

In analysing Manufacture Firm's Specific Characteristics the Tobit method of data analysis is chosen on the grounds that the data used are truncated or censored. This is because only the growth rate below the prescription of emergence 8 percent GDP growth can be observed. Thus the left truncated or censored. Furthermore, just those firms that export manufactured products are sampled despite the dynamic nature of the manufacturing sector in Cameroon. Generically, export is expressed as in (1.1) below

$$EXP/SALES_i = \beta_0 + \beta_1 SIZE_i + \beta_2 AGE_i + \beta_3 OWNER_i + \beta_4 CITY2_i + \beta_5 CITY3_i + \beta_6 POWEROUT_i + \beta_7 CREDOBT_i + \beta_8 LEGAL_i + \beta_9 EDU_i + \beta_{10} EXP + \beta_{11} CAP\text{-}INT_i + \mu_i \quad (1.1)$$

Export is econometrically, expressed as such on the theoretical backing of the Schumpeterian theory and the Export- Led Growth Hypothesis. These theories inspire the inclusion of the variables for Manufacturing Firms' Specific Characteristics alongside other necessary variables. The apriori expectations of the included variables are theoretically backed by the above mentioned theories. These theories are generalisations that guide the general logic or economic thinking with regards the phenomenon under study. As such the Manufacturing Firms' Specific Characteristics included in this model includes: Firm Size, Age of the Firm, and Ownership. These variables are presented as below.

Ownership of Manufacturing Firm is backed by a hybrid theoretical reasoning of the Neoclassical theory which focuses on capital accumulation, whereas the product-variety and Schumpeterian theories which focuses on innovations that raise productivity. This is because ownership is not just a matter of the ownership structure such as a sole proprietorship or Corporation but the business characteristics of the ownership. This firm ownership



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characteristic tries to capture, the innovative nature of domestic as against foreign manufacturing firm entrepreneurs. It is on this theoretical backing that Firm Age becomes important. The use of Capital Accumulation to explain growth is from longevity in the business venture. That is, over the life of the manufacturing export venture, how much capital deepening has occurred? Capital accumulation is very necessary in the explanation of manufacturing firm's contribution to rapid economic growth. This is important especially stand point that, productivity is not just limited to Labour productivity explained by capital but on the Total Factor Productivity of the economy in terms of her capital accumulation which explains the causation in a long run. This implies that the apriori expectation between ownership and economic growth is positive. That is, ($\beta_3 > 0$)

The choice of the Schumpeterian theoretical backing also gives room for a clear understanding of the role of technological transfer and/or Experience. This is premised on Gerschenkron (1962) which observed that a country far from the world technology frontier have a certain "advantage of backwardness," as it can grow rapidly simply by adopting technologies that have already been developed in more advanced countries. This explains the outcome of the Asian Miracle which in the long run should result in a club convergence as the gap between the rich and the poor countries is greatly reduced. This "Advantage of backwardness" is central to this work on the base of manufacturing firms building their experience from the practices of successful innovative firms through that knowledge transfer. This implies, building on already existing technology increases the probability for manufacturing firms to growth rapidly and result in rapid economic growth. This implies that the apriori expectation between Experience and economic growth is positive. That is ($\beta_9 > 0$)

The variable size is refers to the market size of the manufacturing industry and this is estimated using the volume of exportation from the firms. Most innovation-based growth theories argue the technical changes (innovation) are directed more to the large sector than the smaller sectors. By virtue of the Market Size, manufacturing firms should attract more technical changes with cost effective implications. This argument is based on Acemoglu (1998, 2002) that improvement in an intermediate good (manufactured good) will earn more profit with an increasing market (exportation). On the base of wage equality and improve welfare, technological changes (innovation) will reduce wage inequality by improving or raising marginal product. All of these arguments go to strengthen the case for the manufacturing firm's characteristics of Innovation and the impact of the Schumpeterian entrepreneur. This therefore implies that the apriori expectation of $\beta_1$ should be a positive relationship. That is ($\beta_1 > 0$). This is very important as it related growth to redistribution in terms of wage differentials.

Given the theoretical base for the inclusion of certain key Manufacturing Firm's Specific characteristics and the nature of the truncated data, the Tobit method of estimation was the best choice for the estimation of model (1.1). The operation of the Tobit method of data analysis is

$$y_i^* = X_i \beta + \varepsilon_i \quad \text{.....} \quad (1.2)$$

*where*

$$\varepsilon_i \sim N(0, \sigma^2)$$

$y_i^*$ is a Latent Variable that is observable for values less than 8 percent and censored otherwise. This observed $y$ (GDP growth rate) is defined by the following



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$$y_i = \begin{cases} y* & if\ y* < 8 \\ 0 & if\ y* \geq 8 \end{cases} \quad \text{..... (1.2.1)}$$

Estimating equation with latent variables $EXP/SALES_i^* = X_i \beta_i + \varepsilon_i$

Where $X$ is the various Firms' Specific Characteristics explicitly presented in equation (1.2.2).

$$EXP/SALES_i^* = \beta_0 + \beta_1 SIZE_i + \beta_2 AGE_i + \beta_3 OWNER_i + \beta_4 CITY2_i + \beta_5 CITY3_i + \beta_6 POWEROUT_i + \beta_7 CREDOBT_i + \beta_8 LEGAL_i + \beta_9 EDU_i + \beta_{10} EXP + \beta_{11} CAP\text{-}INT_i + \mu_i \quad \text{..... (1.2.2)}$$

Estimating the Latent Variable $EXP/SALES_i^*$ and deducing economic sense from the estimated parameters $\beta_i$, the marginal effects estimated using the conditional Expectation given as $E(y|y \leq \delta|\boldsymbol{x})$, and the unconditional Expectation $E(y|\boldsymbol{x})$, as presented in Table 1.1 below. This unconditional and conditional Expectations helps express clearly the marginal effects of Manufacturing Firms' Specific characteristics on industry emergence.

## DISCUSSION OF RESULTS

**Table 1.1: Marginal Effects at Observed Censoring Rate**

| Variables | Unconditional Expected Value | Conditional on being Uncensored | Probability Uncensored |
|---|---|---|---|
| SIZE | 0.00006166*** | 0.00005582 | 0.00017972 |
| AGE | 0.00053603*** | 0.00048526 | 0.00156229 |
| OWNER | 0.00206956*** | 0.00187353 | 0.00603184 |
| POWEROUT | -0.00039684*** | -0.00036168 | -0.00107353 |
| CREDOBT | 0.06797126 | 0.06153281 | 0.1981055 |
| EDU | 0.00440167** | 0.00398473 | 0.01282888 |

***Source:*** Computed by Author

Note *** 1% level of significance, ** 5% level of significance and *10% level of significance.

With the estimated parameters here above presented as marginal effects of the Conditional and unconditional expectations for the specified Tobit model for Manufacturing Firms' Specific Characteristics, the following inferences can be deduced

Given firm's size based on volume of full time employees for a the observed censored data shows that for every additional 100,000 employees there will be 5.58 percent for the observed and 6.16 percent increase in economic growth for the conditional and unconditional expectation respectively. This implies that most of the manufacturing firms in Cameroon are still producing below capacity. This underemployment of labour resources in terms of skilled industrial labour limits the Economic growth and development of the economy of Cameroon. This based on the Heckscher and Ohlin Trade theory, countries are encouraged to make use of their relative abundance resources not only because of the cost effectiveness of production but also for the efficient use of her relatively abundance resources. With base should guide policies of man-power training in Cameroon. That is man-power should not just be trained for the need to increase literacy rate but for the purpose of industry absorption. This lacuna has resulted in


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huge underutilisation of man-power capacity in Cameroon at the industry level which as translated in the hiring of skilled expatriate at very high cost for those firms that can afford. For the firms that cannot afford skilled expatriate operate at labour intensive skills with lower productivity and low quality which cannot compete in the international market but flood national market at relative high prices. This may explain why most of the manufacture products in Cameroon cannot withstand international competition and result in high importation of foreign products especially in the Packaged Food sector in Cameroon. If men must be rational consumers or economic agents then restricting them consume low quality nationally manufactured goods for purpose of survival maybe an irrational economic policy. In other words, manufacturing industry in dire of employing the abundant semi-skilled and skilled Labour in Cameroon must be able to take leadership in the determining the training indicators for middle level top level skilled labour in the various training institutions. This estimated marginal effect is statistically significant at 1 percent error margin. This implies that the estimated parameter therefore has a 99 confidence level to explain the change in the export led growth in Cameroon. The argument for firm size is supported by Rankin et al. (2005) as they assert that the relationship between firm size and export is traditionally considered to be positive, which indicates that larger plants have more resources with which to enter foreign markets. Rungnapa, (2007) further argues that large firms would have more advantages in exporting than small firms, as large amount of cost is incurred during the export activities. Pradhan et al., (2012) compliment by arguing that big firms are generally allowed preferential access to capital, and they usually possess collateral, skills and raw materials and other assets which give them an advantage in export activities

It is argued by most learning theories that learning of skills is exponential. This most often is captured by the length of time spending doing the same activity. This is usually called routine and considered a measured for the impact of experience. On this base firms age is consider as one of the Firm's Specific Characteristics. Given that over 70 percent of the manufacturing firms in Cameroon are Agro firms and given the high growth rate of Packaged Food Industry most of the manufacturing firm are supposed to be on the one hand moving from Cash Cows to Rising Stars on the bases of innovation. On the other hand there should be moving from Problem Children to Rising Star base on the introduction of new and innovative products by virtue of their age. Hence from the estimated marginal effect of age of manufacturing firm for the unobserved and the observed, show that firms that have been in existence in Cameroon for 10years will increase the rate of economic growth by 0.0054 and 0.0049 percent for the unconditional and the conditional expectations respectively. Furthermore, firms must have been operational for 100years to be able to increase economic growth rate by 0.054 and 0.049 percent for the unconditional and the conditional expectations respectively. This result has huge implication on the Organisational goals of manufacturing firms in Cameroon. This implies that there is a lack of connectivity between the activities of individual trading periods for the achievement of organisational goals. This is like inferring that firms that learn from their mistakes and may not even have long time operational goals. This point is very crucial in export led growth because in the long run firm in a perfectly competitive market established by globalisation and minimum trade restriction consolidate their market to their brand or Leadership common known as premium. Premium firms are built on a culture with could be quality, timely services, fineness, or trade mark. Most manufacturing firm lack such structure and goals thus their age in the business will contribute little or nothing to the economy growth. It is for this reason that it has been easy for most Cameroonian manufacturing firm to be privatised or taken-over which has still not yield fruits in contributing significantly to economic growth or economic emergence. This implies that taken-overs as a policy to revamp industrial


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development and export-led growth has failed to emergence the Cameroonian economy and therefore needs serious reconsideration. This argument is strongly supported by the argument below on ownership. Looking at the Leader Firms in most developed countries like the FORD, TOYOTA they are not leader centre but they have a culture that every new General Management who come to office has to maintain. It is this culture or goal that makes the firm a leader firm. On the contrary Cameroonian firms are leadership centre which has made the less consistent over time. As such it is necessary to encourage firms to develop long term goals or cultures on which the firm will survive and contribute tremendously to economic emergence or growth. This argument is supported by Pradhan et al., (2012) on the ground that older firms given their long-term business experience, networks and linkages are expected to do better in international markets than newly established firms. In addition, older firms may have accumulated considerable knowledge and stocks (Baldwin, 1988).

Business ownership is cardinal in the development of business culture and value. This is the reason why despite privatisation there is still need for dominant indigenous ownership. The weakness of exclusive ownership has been hugely experience in Cameroon with firms like Okay Food Ltd and a Lebanese owned rubbing oil production firm in the Bonaberi Industrial Free Trade Zone. Exclusive Foreign ownership is detrimental for the following reasons: exploitation of workers, low quality products, and huge profit repatriation. In America most entrepreneurs who had huge firms outside the American economy were accused of the helping the economy as they avoided taxes and never created employment opportunities for Americans back in the United States of America. All of these and many more highlight the salient importance of nature of Firm Ownership. Looking at the Investment Code of 1990 and the revised Investment Code of 2013, this element has not been properly addressed. From the estimated marginal effect for ownership premised on Ramstetter (1999) which hypothesised that the extent to which multinationals respond to export is higher for those multinationals with higher foreign share. As a strategy to boost export the Investment Code of 1990 was made to attract foreign investors but with very limited avenues to take their contribution to economic growth. This is because most of the foreign owned firms had Tax Free Holidays that spanned over 5 years. This was enough time to operate freely and leave with little or no capital investment and even corporate social responsibility. Today these privileges and more have been more equal for both foreign and indigenous firm ownership. Looking in Cameroon most of the manufacturing multi-nationals, their top management is made up expatriates not necessary because Cameroon lacks top cream managements. To a greater extent this implies that the economic interest of the Cameroonian economy is not significantly represented. Thus considering a estimated a marginal effect a 100 foreign ownership will result in a 0.19 and 0.21 percent growth in exports and sales for conditional and unconditional expectations respectively. This also reflects that Ramstetter's hypothesis does not really hold true for the Cameroon economy in the sense that these foreign owned business on come to compete nationally and does not seek to make use of the abundance resources in Cameroon. This implies that the Ramstetter's hypothesis hold true only when foreign owned firms are a search for abundance and cheap necessary resources such as labour or some weight losing raw material. If the foreign firm are not in search for such then their response to exportation will be low like it is the case in Cameroon now. As such their objective is market expansion and not necessary improvement in trade. Most this may be done to overcome trade taxes with the aim of market expansion. With these results it is therefore necessary for the economic interest the economy of Cameroon to be reflected in the investment code both foreign and indigenous ownership. That is every manufacturing firm most export 40 – 70 percent of her products and in addition to this clause in the investment code and charter joint ownership should be highly


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recommended. This policy has helped most developed economies to build a top class of indigenous entrepreneurs whose objectives have been to compete in the international market.

It is worth noting that the Manufacturing Firm's Specific Characteristics are salient indicators of the innovativeness, creativity and market opportunity exploitation skill of top entrepreneurs. This goes a long way to emphasis the role play by entrepreneurs in the development process. Putting forward the market oriented opportunity exploitation characteristics of entrepreneurs the export led growth hypothesis has it base to achieve its objective of attaining rapid growth and emergence. It is for this reason that emphasis is on Manufacturing Firm's Specific Characteristics which are influence or determined by the nature of the entrepreneurial class of an economy. Although to some extent government invention is needed, it is just for the purpose of given direction and creating an enabling environment through policies such as the Investment Code, Investment Charter and the Financial Laws. In this light major findings and policy shall be aimed at building quality manufacturing Firms Characteristics from the stand point of a strong entrepreneurial class with support policies to enhance their contribution to emergence or sustainable rapid growth.

**Policy Recommendation and Conclusion.**

The major findings of this works sets the based for policy options or recommendation. It is usually necessary to outline the major findings on which policy options will be prescribed. For this work, the major findings highlight very important elements that make up a strong entrepreneurial class on which export-led growth can be build. Entrepreneurs through their established firms have changed the business landscape of most developed and emerging economies. Most of these firms manufacture products that utilise the abundant resources based of the economy. In this worked the first major finding is that, the unobserved large manufacturing firm size have a marginal productive of 0.58 percent for every 100,000employers. This implies manufacturing firm in Cameroon have an increasing marginal productivity in skilled labour employment. The policy implication here is that manufacturing firm can increase that export by increasing the recruitment of skilled labour. It is crucial for firms to prescribe the nature and quality of skilled labour that she needs if not the situation of high literacy and little job market absorption continues. This implication is corroborated by the estimated parameter for education. Education here is not equal to literacy but the harnessing of talents and the development of useful skills to be absorbed by the labour market.

The second important finding is that firm's age operation builds experience and knowledge of the industry to make older firms perform better than newer firms in the industry. Firm the analysed data even present firms are 100years old their marginal contribution to export growth will be less than 0.005 percent showing very slow export growth rate. This implies that most of the manufacturing firms in Cameroon are sick dogs (low market position with low marketing growth rate). This is because manufacturing firms in Cameroon don't have a culture of growth their products and services into premium brand. So every business year is independent of the other with no long term business goals. With this experience not the foundation of innovation but the mastery of routines. Consequently, the policy implication here is that, manufacturing firms should have long term goals of premium products that can compete in the world market. With this long term goal they will be able to be innovative by challenging their knowledge in new and better products rather than mastery production routines.

The third important finding in this work is that firm ownership plays in huge role in the attainment of growth or emergence host economy. A 100 percent foreign ownership of



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manufacturing firms even though argued to respond more to export growth will contribute just 0.02 percent growth in Export-led growth. The policy implication here is that manufacturing firms upon establishment and registration should show proof of having a greater market share or possibility of a greater market share on the international market. This will be a better indicator of the manufacturing firm's productivity and marketability. This will give the host economy a high probability to growth rapidly or emerge from her export growth.

Conclusively, a combination of high absorption of the abundant skilled labour, innovative product evolution and a top indigenous entrepreneurial class in Cameroon will result in emergence like that of the Asian Tigers with equitable income distribution. On the following findings, this study wishes to make the following policy recommendation as:

Firstly, manufacturing firm should increase their hiring of the abundant skilled labour because skilled labour still has an increasing marginal productivity. This will go a long way to reduce unemployment especially when the skilled labour is absorbable by the manufacturing Industry. To ensure that there is no mismatch between skilled labour training and hiring, manufacturing firms must be an integral part of the design and implementation of the curriculum of Institutions charged with the training of the necessary skilled labour. This includes the professional school such as ENSAI Ngoundere, National Polytechniqué Yaoundé, State Universities and the many private institutions training such required skilled labour. Being an integral part will not only imply stating what their expectation are of the trained labour but should establish strong research partnership with these institution providing sponsorship for innovative research to attract top class skilled labour. This corroborates the argument of the Fundamentalist on explain the Asian Miracle for the perspective of Capital Accumulation. By very of the estimated coefficients University-Industrial Partnership is crucial because the rate of return with scholarship abroad has fallen drastically. This is because most of the students upon completion get better job offers abroad and preferred that over returning home.

Secondly, manufacturing firms should be made to adopt the brand upgrade strategy in developing premium products. With this product development culture, manufacturing firms will develop products that better satisfy the needs of a wider international market with top quality. The Brand Upgrade strategy has since car firms like the TOYOTA move from less safe cars to more safe cars making every years of the firms existence useful in build knowledge to develop her product into a premium product. Same with the APPLE Phones the Iphones, Computer Firms too such as the APPLE, MICROSOFT just to name a few. If manufacturing firms in Cameroon adopt the strategy of Brand Upgrade, then every year of their existence will be useful in accumulating knowledge to make her products better.

Thirdly, manufacturing firm ownership must not be 100 percent foreign. Secondly, all manufacturing firms upon registration and establishment most potential to compete in the international market with the possibility of huge exports of their products. This is evidence in cases like the Former AES Sonel. 100 percent foreign is solely foreign market expansion and mixed ownership will lead to a better representation of Cameroonian economic interest and the production of a new generation of entrepreneurs who understand the business world. This will lead to the formation of a top class of entrepreneurs from the Kuznet principle of imitation. This style of ownership tried the new brand of entrepreneurs who have championed the Asian Miracle with their business ventures. This is also supported by the Advantage of Backwardness by Gerschenkron. This is also supported heavily by the argument of the Mystics on Knowledge transfers. However, the knowledge transfer is at the level of ownership as well as human capital development.



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