

Foreign Direct Investment (FDI) and the Cameroon Economy from 1970-2011

Abdulrazag Etelawi

Research Question

Why doesn't the current Cameroon economy encourage more FDI?

Hypothesis

The Cameroon government does not encourage foreign direct investment (FDI) as much as other African nations because it has comparatively fewer foreigners living within its borders, a more corrupt government, a less developed economy, and more domestic investment.

Methods

My methods are based on deductive methods and economic logic (economic theory) by using the following model:-

$$FDI_t = \beta_0 + \beta_1 \text{ Foreign AID}_t + \beta_2 \text{ Domestic Investment}_t + \beta_3 \text{ Education}_t + \beta_4 \text{ No. of Foreign people}_t + \beta_5 \text{ Gov. Corruption}_t + \beta_6 \text{ No. of phones}_t + \varepsilon_t$$

Data

There are various sources of data, such as:

(www.unctad.org/sections/dite_fdistat/docs/wid_cp_cm_en.pdf)

(<http://data.worldbank.org/>), (wolframalpha.org), (<http://comtrade.un.org/db/>)

(<https://www.cia.gov/library/publications/the-world-factbook/geos/cm.html>)



Conclusion

The expected results, to be tested in my empirical model, are that foreign aid, human capital (education), number of foreign people living in Cameroon, and infrastructural (phone users) positively affect FDI, while government corruption and domestic investment negatively affect FDI.

Implications

This research can be applied to 40% poverty rate / 87% rural area/weak growth per capita. Unemployment rate 30%.