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Aurelia Kihla Bamwai (PhD)



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Aurelia Kihla Bamwai (PhD)

The University of Yaounde 1, Department of History

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Abstract

Purpose: During the Post-colonial period, the Western Powers intervened in African economies in different ways as strategies were put up to guarantee continues influence in Africa. Amongst such policies was the introduction of the Structural Adjustment Programs by the World Bank through the Bretton Woods Institutions which placed privatization as a precondition for giving out loans to developing countries. Following the economic crises that plagued Cameroon in the late 1980s and 1990s, she was pressurised by the Bretton Woods Institutions to privatise State Corporations as a precondition to benefit from loans. As a consequence, the Tea Estates of the CDC (Cameroon Development Corporation) was sold to a South African Consortium called Brobon Finex PTY Limited, which ran the tea sector under the name Cameroon Tea Estate (CTE) in 2002. This action bred negative consequences on the workers and the inhabitants of the surrounding areas who had benefitted significantly from the Corporation. The need to ascertain the degree of consequences of privatisation of the Tea Estates to the workers and its environs stimulated this research. All in all, this paper examines why privatisation that was meant to disengage state corporations from public to private ownership with the hope of enforcing efficiency ended up bringing misery and suffering to the people.

Methodology: Using information from oral and written sources, and adopting both qualitative and quantitative research methodology,

Findings: This paper came out with the findings that privatisation of the Tea Estates ushered in negative consequences on the people.

Unique Contribution to Theory, Practice and Policy: The paper makes some recommendations that could be considered in future, when privatising state corporations especially those with direct contact on the population like guideline policies on buyers, creation of monitoring strategies to control the activities of buyers as well as the provision of support facilities to the new beneficiaries.

Keywords: *Privatisation, Tea Estate, CDC, State Corporations, Impact, Cameroon*

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INTRODUCTION

The Plantation economy in Cameroon was created to meet the needs of the capitalist economy in Europe. The demand for tropical plantations was necessitated by the trade depression of the late 19th century. This culminated in the creation of German plantations in the territory that was seized by Britain and France after post-war hostilities in 1916. The territory was partitioned by Britain and France and each power managed the plantations that were set up in its zone of occupation. During and after the end of the Second World War, a new thought developed amongst the colonial masters who aimed at preventing any German return to their plantations and who intended to constitute these properties into a public corporation that would be developed for the general benefit of the inhabitants of the territory. This idea was geared towards making right the wrongs that the Germans had committed to the natives earlier on through the seizure of their lands for which no compensation was paid to the land owners.¹ Before these thoughts, the Nigerian Legislature passed two ordinances in December 1946.

The First was the Ex-Enemy Lands (Cameroons) Ordinance, No. 38 which provided for the acquisition of the lands formerly owned by German aliens in the British Mandate of the Cameroons and which had been vested in the Custodian of Enemy Property for the duration of World War II. The ordinance stipulated that the Governor upon acquisition of the land was to declare them native lands and they were to be held by him for the use and common benefit of all the inhabitants of the territory.² The second Ordinance No.39 of 1946 created the Cameroon Development Corporation whose purpose was to acquire from the Custodian of Enemy Property, the ex-German plantations which the new corporation was to administer and develop for the benefit of the people of the territory.³ The Corporation was however created and it became operational from the 1st of January 1947. The Governor of Nigeria then paid a total of £850.000 for the ex-German plantation lands and quickly leased them to the CDC.⁴

The Cameroon Development Corporation (CDC) was and remains a huge agro-industrial income generating parastatal located in the former British territory of Cameroon. The CDC produced a variety of products which ranged from rubber, tea, oil palms, bananas, pepper and coconut. With regards to the government announcement of July 1994, the tea sector of the CDC was privatised in October 2002 and sold to a South African Consortium called Brobon Finex PTY Limited, which ran the tea sector under the name Cameroon Tea Estate (CTE).⁵ The CDC Tea Estate was made up of the Tole Tea Estate in Buea, Ndu Tea Estate situated between Donga Mantung and Bui Divisions precisely in between Ndu and Nkum Sub Divisions, and the third Tea Estate was in the Western Region in between Bamboutos and Menoua Divisions.⁶ The Tea sector was one of the strongest products of the CDC and its privatisation seriously affected the Corporation and its workers.⁷

Privatisation which is generally defined as the transfer of a business, industry or service from public to private ownership and control was the basis for good governance-structural adjustment plans formulated by Western donors and creditors and imposed upon African States with the mind of setting free, State enterprises from politics.⁸ The essence of this privatization was the fact that the private sector was considered more efficient in profit motives than the state with regard to businesses. The economic crises that plagued Cameroon in the late 1980s left the World Bank disappointed with the administration of state enterprises and thereby prompted the Bretton Woods institutions to pressurise the Cameroon government to embark on Structural Adjustment Programs which placed Privatisation as a precondition for giving out loans.⁹ The Cameroon government was equally compelled to liberalise the political sector to

an extent during which multi-party politics was to be reinstated and political freedom granted to the press and associations.¹⁰

Since 2002 that the Tea Estates of the CDC was privatized, there have been a lot of discontent and manifestations from the workers and the population of the region where the Estates are located against the new owners. This situation provoked the following question that guide and supplement analyses in this research. Why is it that privatisation that was aimed at disengaging state corporations from public to private ownership with the hope of enforcing efficiency and output ended up bringing misery and suffering to the people? In an attempt to provide answers to this problem, the following research questions were formulated:

- What was privatization and why was it implemented on developing countries and Cameroon in particular?
- What has been the extent and dimension of impact of privatization of the CDC Tea Estates in Cameroon on the workers and the population at large?

To make this work captivating, evidenced based and interesting to readers, the study argues from the viewpoint that privatisation brought negative consequences on the workers and the general population as compared to its initial intensions.

The study focused on the impact of privatisation of the Tea Estates of the CDC to its workers and the population at large and bestowed interest in the literature put up by others concerning privatisation. Fanso¹¹, in his write up on Cameroon History makes mention of privatisation of the CDC but runs short of examining its impact on the workers and the population. Grey and Mwambo¹², in their article during the commemoration of 50 years of the CDC, analysis the history of the creation of the CDC but fail to examine privatisation and its impact on the population. Konings¹³, on his part, makes an exclusive study of privatisation and ethno-regional sentiments but concentrates on its impact on the Bakweri lands. Mbile¹⁴, on another study of the history of the CDC also dwells on the generalities of the CDC from creation.

From the above review of the related literature on the subject matter of our study, our work came to the conclusion that scholars who wrote on the CDC and privatisation did not lay emphasis on the impact of privatisation on the workers and the general public. Our work therefore wishes to bridge this gap by examining these aspects.

Judging from our literature review, it is evident that the impact of privatisation of the Tea sector of the CDC has not been thoroughly examined. It is therefore hoped that this work maybe significant as it might expand the development of the historiography of privatisation in developing countries at large and Cameroon in particular. The work could also go a long way to assist the governments of developing countries to design policies of privatisation in the near future. Nevertheless, the plight of the common man in the history of privatisation can also be made known in the world and ensure precautions in future actions.

Motives behind Privatisation

The *raison d'être* behind privatisation was the desire to liberate state enterprises from politics particularly the government as it was seen as the basic cause of their malfunctioning. It was also aimed at introducing transparency, accountability and the rule of law in policy making and implementation needed for the efficient operation of market forces as well as to redirect the state away from being an entrepreneur to being a promoter of market private enterprise.¹⁵ To that effect, vices like corruption, political interference and appointments, weak control and

overstaffing were going to be checked. The argument on this was the fact that the governments make poor economic managers and are motivated by political pressures rather than sound economic and business wisdom which guide their policies and contribute largely to inefficiency in business.¹⁶

This observation is also supported by the fact that state owned enterprises turn to employ more workers than necessary for the simple reason of curbing unemployment, which only leads to inefficiency. Most often, these workers are hardly laid off even when their services are no longer needed for fear of negative publicity. To a larger extent, the government becomes more concerned with projects that give it benefits before elections and in the general essence most of these projects are abandoned after elections while long term projects are not even thought of. However, privatisation became a key instrument in the Structural Adjustment Programs (SAPs) and the good governance agenda imposed on Africa by the Bretton Woods's Institutions and bilateral donors. By so doing, African governments were under considerable pressure from international donors to sell off state enterprises to domestic and foreign private investors.¹⁷

Equally, the desire to enforce privatisation was precipitated by the need to promote the private sector. The Cameroon private sector was badly affected by the over centralization of state affairs which hindered its growth. Policy making and execution in this sector were tied to the state's policies which sometimes did not consider the impact on the functioning of the enterprises. There was however the need to liberalise the private sector with the hope of attracting foreign investors who would bring in the badly needed foreign capital that the state pursued. The private sector in itself would attract competition which is the cornerstone for development. This is so because privatisation attracts more firms to enter the industry and increase competitiveness of the market.¹⁸ In the process, efficiency is ensured, not waving the fact that the multiplicity of private enterprises would employ a good number of youths thereby raising the living standard which is one of the aspirations of the United Nation's Development goals.

The Bretton Woods Institutions also emphasised on Privatisation because they saw it as a solution to curb rising budgetary deficits and, in the process, generate revenue to settle government debts. They also realized that to a greater extent, state owned companies were operating at a loss due to vices like corruption and mismanagement, not leaving out politics. For instance, between 1989 and 1994, state owned companies accumulated additional debts of FCFA 352 billion, bringing the total as from the previous to FCFA 750 billion.¹⁹ The situation became burdensome to foreign lenders who had to derive new strategies of issuing loans especially to African states. In this regard, privatisation of state-owned companies was seen as a solution because it guaranteed the assurance that private ownership would entail efficiency and thus boost output thereby attracting revenue for the government to settle its debts.

Concerning the above pressure and consideration, the Cameroon government announced amongst others the privatisation of the CDC on July 1st 1994.²⁰ This decision took into action the privatization of the tea sector of the CDC in October 2002. Tea was one of the major crops of the enterprise and was doing exceedingly well under the CDC. Its Estates were located at Tole, Ndu and Bamboutos. The announced privatization of this part of the CDC aroused negative sentiments from the Bakweri people on whose lands the Tole Tea Estate was established without the proper purchase of the land and payment of ground rents. The workers of the Estate who had enjoyed fringe benefits from the CDC also took on rampage as these

benefits were to be removed following the handing over of the enterprise to its new owners. Some of the environmental benefits to surrounding areas were also removed thereby causing a drastic drop in their standard of living and ushering in hardship on the people. However, the privatization of the Tea Estates of the CDC bred consequences on the workers and the inhabitants of the surrounding areas.

Impact of Privatisation

The announcement of the privatisation of the CDC in 1994, met with strong resentment and opposition from the Anglophones particularly the Bakweri people on whose lands the greatest part of the CDC plantations were established. Besides that, the CDC had made a major contribution to regional development in Anglophone Cameroon. It created employment for both men and women, constructed numerous roads, supplied water and electricity, built and staffed schools, awarded a substantial number of scholarships to its workers, provided medical care for a large proportion of the local population and stimulated the supply of goods and services to itself and its workers.²¹ Due to its activities, it became the life line of Anglophone Cameroon and explains why the announcement of its privatisation drew criticisms from the population. Capturing the Anglophone sentiments to privatisation, Konings asserts that; “The CDC is unlike any other corporation. It means native lands, especially those of the Bakweri. It means jobs for Cameroonians, especially the Anglophones. It is a symbol of Anglophone Survival against all odds....”²².

These criticisms came up because the colonial masters as well as the Cameroon government did not draw the line between the fact that the tea estate like that of Tole was found in the Bakweri land and happened to occupy parts of the lands that were forcefully taken by the Germans without compensation to the native land owners. The people had hoped for the government to visit the archives and investigate about the land and its owners before making a step at privatisation. On the contrary, no such action was considered and the implication was that the land owners were going to forfeit the ground rents which went contrary to the agreement upon the creation of the CDC by the British. This became the basis for which, the Anglophones particularly the Bakweri people never succumbed to privatisation moves by the government.

The people were so attached to this colonial legacy as their livelihood depended highly on it. To that, any move by the government to dismantle or relinquish the Corporation was not going to receive an easy reaction from the people. The privatisation of the CDC was, however, a move that crippled the Anglophone territory economically and deprived the region of the benefits that the Corporation generated. This can be justified with the manner by which the tea sector was sold. Many claim that it was poorly done. For instance, it is alleged that the value of the tea estate that was sold was estimated at 3.2 billion CFA francs, but it was sold at 1.5 billion CFA francs and in less than 3 months after the deal was concluded, the Cameroon Tea Estate (CTE) that bought the Corporation sold tea worth 4.6 billion CFA francs.²³ The figures alone raised a lot of questions because the CTE making such huge profits in such short notice was doubtful. This however, has been the roots of the criticisms put up by many as to the privatisation of the tea sector.

Many people hold that the privatisation in itself was poorly done because the CDC was supposed to pay off the workers and the new owners signed a new contract with them but that was never the case as the workers’ rights have never been paid.²⁴ This has been the basis for which, many tea workers especially those of Tole and Ndu have over the years put up acts of

disgruntlement against the government and the new tea owners through strikes, boycott of work, criticisms and others. The situation has been the source of constant protests and uprisings by Tole Tea workers, who cry out for amelioration in their situation and for the government to see into their plight. The workers spent more than 4 months sleeping in the cold at the CDC head office in Bota with the hope that they could receive their money to no avail.²⁵ Many children of workers were forced to quit schooling because of this action and in the limelight many Anglophones wished that privatisation had not taken place.

Since 2002, many who made a living by working with the Tea Estate were laid off. The former CDC workers since the day of privatisation went for years without receiving their salaries and many people lost their pension. Some hoped for payment and ended up dying without receiving their benefits. Many of their fringe benefits like free housing, free medical care, free water amongst others were removed, while workers paid before using the clinics that were initially offered to them by the CDC for free.²⁶ Workers had to work extremely hard and for longer hours before receiving a meaningful salary. Many tea workers reacted negatively to this ill as they recounted their frustrations which ranged from poor living standards to general hardship. They preferred the tea sector remained with the CDC and was never privatised. Many opined that the hardship caused by privatisation made their children to drop out from schools and do menial jobs just to survive.

Recreational facilities that were a characteristic of Tole dwindled due to privatization. Tole was a hot spot for relaxation as it harboured clubs and Bars with good musical sets that were the center of attraction to workers from Buea and Sasse who visited it constantly for leisure. These bars and clubs not only united workers from the neighboring towns but equally opened up opportunities for members to save money through their njangi activities and savings schemes. At the end of the year, food items were bought with the savings and shared with members to celebrate Christmas with their families. The privatization of the Estate and unfriendly policies that followed crippled these activities and the benefits that members had from them were cut off.

However, Privatisation in it's totally was not bad as some positive outcomes were equally witnessed. It curbed laziness as payment was now done in relation to the hours put in. Efficiency was equally ensured and the result was an increase in output.²⁷ The negative effects of privatisation made many people resort to individual farm holdings and many of them became entrepreneurs thereby reducing dependency.

Conclusion

This article has examined privatization as a pre-condition to granting loans that was introduced in Cameroon and African states at large by the Western donors and creditors aimed at transferring State enterprises from public to private ownership. It has presented how the Tea Estate of the CDC was sold to the South African Consortium called Brobon Finex PTY in 2002, following the economic crises that hit Cameroon in the late 1980s and 90s. The article also examines the reasons for this privatization of State enterprises in Cameroon as well as the consequences brought to the Corporation, its workers and the inhabitants of its surroundings. The devastating effects of this action made many Anglophones to wish that the Corporation was never privatised. However, this study comes up with some recommendations which it believes could ameliorate the situation and maybe set a conducive groundwork for privatization to be carried out in the future with other enterprises in order to minimise negative effects that may surface during and after the process.

Following the *raison d'être* behind privatization and the devastating impact on the workers and immediate environment as we find in our analyses, we came to the conclusion that certain considerations could be made when privatizing a State Corporation especially one which has a direct link with the population like the CDC. Firstly, the Government should emphasise on guideline policies on buyers that can go a long way to protect the interest of the workers and consumers of the products. Such policies if strictly respected can curb excesses from buyers and of course workers and consumer rights will be respected. Secondly, the government can create monitoring policies to control the new buyers accompanied by strict sanctions if the agreement is bridged. This can go a long way to curtail unruly behaviours and actions. Thirdly, the government can make sure that support facilities are provided to the beneficiaries of the Corporation especially the lay workers so that their working condition can be conducive and their lives comfortable. This could range from basics like medical care, housing, allowances amongst others. Nevertheless, there is hope that considering these measures before privatizing state corporations could go a long way to minimize the tribulations that could arise from such actions.

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Group interview with Tole Tea Workers

Endnotes

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