Editorial

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Biographical notes: Aida Sy received her doctorate (with First Honours) from the University of the Sorbonne. She received her Bachelor degree in Economics and her Master degree in Advanced Studies in Economics from the University of Paris IX Dauphine. She held a degree of Chief Manager in Telecoms from EcoleNationaleSuperieure des Postes and Telecommunications Paris. She teaches accounting and taxation in the USA. She is a Research Fellow at the University of St. Andrews, University of Paris-Dauphine and University of Bordeaux-Montesquieu-France. She has numerous publications and edits several journals. She has participated in international conferences as a plenary speaker, presenter, chair and discussant. She is a member of the American Accounting Association, the European Accounting Association, the Critical Accounting Society and the PhD Project-KPMG/Deloitte. She is the co-organiser of the Accounting and New Labor Process and the International Conference of Critical Accounting conferences.

For quarter of a century following independence, Cameroon was one of the most prosperous countries in Africa. Cameroon's financial system is the largest in the CEMAC region. Access to financial services is limited, particularly for SMEs. There is a tradition for banks to deal with large, established companies, a deciding reason is that interest rates for loans to SMEs are limited to 15% and are heavily taxed. By 2006, bank loans to SMEs reached only 15% of all outstanding loans.

Less than 6% of Cameroonians have bank accounts. The microfinance sector has become increasingly important, but its development is impeded by poor regulatory and supervisory processes for microfinance institutions (MFIs). The banking sector dominated by foreign commercial banks. Six out of the 11 largest commercial banks are foreign and the three largest banks hold more than 50% of the aggregate financial systems assets. Foreign banks have adequate solvency ratios, but domestic banks are in higher risk ratios. They are undercapitalised and fall below the average for banks in the CEMAC region; their profits ratios are around 3% relatively to the 18%–20% of the foreign banks. This is due to the high levels of non-performing loans, which reached the government embarked upon a series of economic reform programs supported by the World Bank and International Monetary Fund (IMF) beginning in the late 1980s.

Against this background, we come to the papers in this special issue. An interesting qualitative case study of the decision-making processes is provided by Professor Guy Djongoue. This is a credible effort in that it applies a methodology adequate to the problematic. Professors Avele and Degos undertook a subtle investigation that highlights the problematic project of IFRS. The structure of start-up capital by Professors Wamba and Bengono offer an interesting test of the relative merits of financing by family owned versus outside owned firms. Finally, Professors Kadouamaï and Mamoudou review the growing quality and relevance of financial reporting by Cameroon firms as the country opens up to international capital markets.

Much of the data included at the outset of this paper was obtained from: http://en.wikipedia.org/wiki/Economy_of_Cameroon.