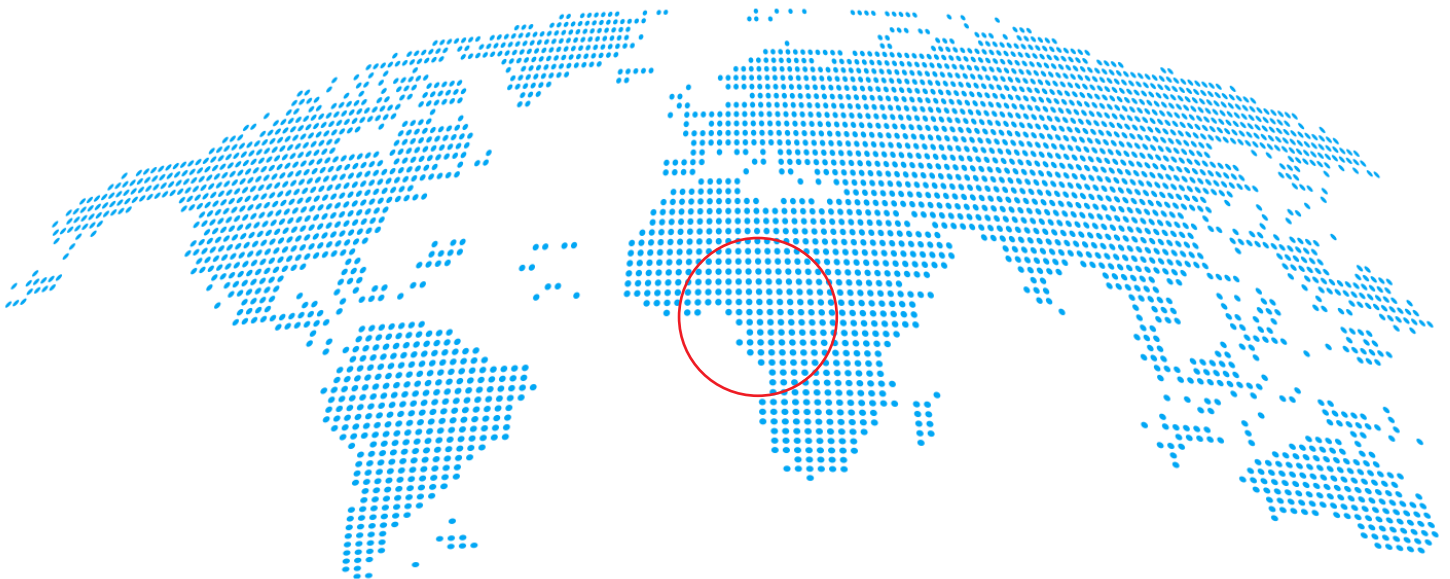


# ANKER LIVING WAGE REFERENCE VALUE 2023

## URBAN CAMEROON

**LIVING WAGE**  
CFA **169,894** PER MONTH  
(US\$ 281)





Anker Research Institute engages in and disseminates high quality research, analysis, and training related to living wage and living income (based on the Anker Methodology) to inform and influence companies, empower working people, and shape public policy, thereby helping to enhance quality of life and sustainable livelihoods for working people and their families everywhere. Social Accountability International (SAI) is the institutional host.



Anker Reference Values are endorsed by the Global Living Wage Coalition (led by Fairtrade International, Rainforest Alliance, Social Accountability International and ISEAL). Development of the methodology was initiated and supported by Fairtrade International and German Federal Ministry for Economic Cooperation and Development (BMZ). Further support was received from Rainforest Alliance, Social Accountability International, and Clif Bar & Company.

**We are grateful to Olam Agri for supporting this report.**

## ABSTRACT

# Urban Cameroon Living Wage Reference Value 2023

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**By:** Kabeer DAWANI\*, Ian PRATES\*\*, Richard ANKER\*\*\*, Martha ANKER\*\*\*

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This report provides an estimate for the Anker Living Wage Reference Value for urban Cameroon for 2023, as well as contextual background about the country's geography, demographics, economy, poverty, labor market, and standards of living. The gross Anker Living Wage Reference Value is estimated as CFA 169,894 (USD 281). The report concludes by comparing the reference value to existing wages and highlighting gaps to a living wage.

**Keywords:** Living wage; Anker Methodology; Cameroon

**JEL Classification:** I30; J30; J31; J80

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\* Independent Researcher. email: [kabeer.dawani@gmail.com](mailto:kabeer.dawani@gmail.com)

\*\* Anker Research Institute (ARI) and Brazilian Center for Analysis and Planning (CEBRAP). email: [iprates@sa-intl.org](mailto:iprates@sa-intl.org)

\*\*\* Anker Research Institute (ARI). email: [marthaandrichard@gmail.com](mailto:marthaandrichard@gmail.com)

\*\*\* Anker Research Institute (ARI). email: [marthaandrichard@gmail.com](mailto:marthaandrichard@gmail.com)

# ANKER LIVING WAGE REFERENCE VALUE

## Urban Cameroon

### 1. Anker Living Wage Reference Value for Urban Cameroon in 2022

The Anker Living Wage Reference Value for 2023 for urban Cameroon is CFA 169,894 (USD 281)<sup>1</sup> per month, with a 95% confidence interval that ranges from CFA 158,863 to CFA 181,668 (USD 263 to 301). This Reference Value consists of the Net Living Wage (or take-home pay) of CFA 149,228 (247 USD) required for workers living in urban areas to be able to afford a basic but decent living standard in a typical urban area of Cameroon, plus CFA 20,666 (USD 34) in mandatory payroll deductions which would need to be paid by law as contributions to social security (4.20%) and housing fund (1.0%) and income tax after deductions (11.0%).

Living wage is defined as:

*“A living wage is the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events”.*

**(Global Living Wage Coalition)**

### 2. Anker Reference Value Methodology

Anker Living Wage Reference Values are based on a methodology developed by Richard Anker, Martha Anker, and Ian Prates. This methodology is based on a rigorous statistical analysis of 40 internationally comparable, quality-assured Anker Methodology studies for developing countries. It was developed by the Anker Research Institute which is a founding member of the Global Living Wage Coalition.

Anker Reference Values are internationally comparable, consistent with results from existing Anker Living Wage and Living Income Benchmark studies and easy to update every year. Thus, they are of special value to countries, or areas within a country, where a full quality-assured Anker Living Wage or Living Income study has not yet been conducted.

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<sup>1</sup> Exchange rate used to convert to US dollars is CFA 604.4. This is the average exchange rate for the three-month period from May through July 2023. Note that USD values in this report are indicative only, since exchange rates are volatile.

Anker Living Wage Reference Values represent a living wage for typical families in rural or urban areas of developing countries. Since they are based on a statistical analysis, they have a margin of error for typical urban (or rural) areas of a country, which is generally around +/- 10% using a 95% confidence interval. Since Reference Values are not location-specific within countries and represent the situation in typical urban (rural) regions, the margin of error is likely to be larger for locations with atypical living costs within a country such as large cities with high living costs, or poorer (richer) areas with relatively low (high) living costs and norms.

### 3. Country Context

#### Geography and demographics

Cameroon is located at the intersection of Central and West Africa. The country shares borders in the west with Nigeria, in the north with Chad, in the east with the Central African Republic, in the south with Congo, Gabon and Equatorial Guinea, and in the south-west with a 400 km stretch of the Atlantic Ocean. With an area of 475,442 square kilometers, Cameroon is the 54<sup>th</sup> largest country in the world by area.<sup>2</sup> The country has a mixture of desert plains in the north, mountains in the central regions, and tropical rain forests in the south. Cameroon lies in the tropics and is hot throughout the year, with the coastal belt being very humid as well.

Cameroon is an extremely diverse country due to its nearly 250 different ethnic groups speaking about 270 languages and dialects. Its population was 28.7 million in 2023, making it the 53<sup>rd</sup> most populous country in the world.<sup>3</sup> The population growth rate was 2.6% in 2022, according to World Bank data.<sup>4</sup> Most of the population lived in urban areas (59%) in 2022. The urban population is also growing faster at 3.6% per year, compared to rural areas which had an annual population growth rate of 1.2% in 2022.<sup>5</sup>

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<sup>2</sup> Worldometers. 2023. "Largest Countries in the World (by area)." <https://www.worldometers.info/geography/largest-countries-in-the-world/>. Accessed on 18<sup>th</sup> August 2023

<sup>3</sup> World Population Review. 2023. "Largest Countries in the World." <https://worldpopulationreview.com/countries>. Accessed on 18<sup>th</sup> August 2023.

<sup>4</sup> World Bank. 2023. "World Development Indicators." <https://data.worldbank.org/indicator/SP.POP.GROW?locations=CM>. Accessed on 18<sup>th</sup> August 2023.

<sup>5</sup> Ibid.

Cameroon has a large youth population, with 42% of the population in 2022 between the ages of 0-14.<sup>6</sup> In comparison, the population aged 15-64 was 55%, while the old-age population (ages 65 and above) was relatively small at 3% in 2022. Therefore, primarily due to the younger age profile, the age dependency ratio – or the population aged 15 and below and 64 and above as a share of the working age population (15-64 years) – was high at 81% in 2022.<sup>7</sup>

The total fertility rate in Cameroon was 4.5 births per woman in 2021.<sup>8</sup> Although this has come down from a peak of 6.6 births per woman in 1987 and 5.2 in 2010, it is still high and is well above replacement level.<sup>9</sup> According to the 2018 Demographic and Health Survey, fertility was higher in rural areas (6 births per woman) than in urban areas (3.8 births per woman).<sup>10</sup> This suggests that the urban population has been growing faster than rural areas mainly because of migration. The average household is comprised of 5 persons.<sup>11</sup>

## Economy

Cameroon is classified as a lower-middle income country by the World Bank, with a GDP of \$44.3 billion (in current US\$) and a GDP per capita of \$1,588.5 (in current US\$) in 2022.<sup>12</sup> Cameroon had achieved middle-income status in the mid-1980s in significant part due to the discovery of oil. However, the country experienced a “deep recession” (with negative GDP growth rates from 1987-1993) in the following decade due to a decline in the terms of trade and appreciation of the real exchange rate.<sup>13</sup> Following devaluation in 1994, GDP growth resumed and accelerated reaching a peak of 7% in 2004. From 2012 to 2019, the average annual GDP growth rate was a modest 4.7%.<sup>14</sup> Following a slowdown due to the global COVID-19 pandemic in 2020 when Cameroon’s GDP growth was only 0.3%, growth picked up and was 3.6% in 2021 and 3.4% in 2022.<sup>15</sup>

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<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> National Institute of Statistics (Cameroon) and ICF. 2020. “2018 Cameroon DHS Summary Report.” Rockville, Maryland, USA: NIS and ICF.

<sup>11</sup> Ibid.

<sup>12</sup> World Bank. 2023. “World Development Indicators.”

<sup>13</sup> World Bank. 2017. “Country Partnership Framework for the Republic of Cameroon for the period FY17-FY21.” Report No. 107896-CM. Washington DC: World Bank.

<sup>14</sup> World Bank. 2023. “World Development Indicators.”

<sup>15</sup> Ibid.

Much of the growth in the past decade has been spurred by large public investment, particularly in energy and transport, indicating that Cameroon’s growth relies less on oil exports, which accounted for 4% of its GDP and 15% of its fiscal revenues in 2022.<sup>16</sup> Productivity is low – the agriculture sector, for example, had only 29% of arable land cultivated and 0.5% of agricultural equipped for irrigation in 2017.<sup>17</sup> Exports have also failed to diversify, with fuel and mining products (mainly oil) making up 47% of the total, while agricultural products contribute 44% of the total, and manufacturing only making up 9% of total exports in 2020.<sup>18</sup>

Cameroon’s economy is primarily dependent on the services sector, which contributed 50.4% of the GDP in 2022.<sup>19</sup> Since 2009, more than half of the economy has been dependent on this sector. The agriculture, forestry, and fishing sector is the next largest contributor, with a share of 17% of GDP in 2022.<sup>20</sup> This has also stayed broadly the same over the past couple of decades – it was 18.1% in 2000 and 17.3% in 2010.<sup>21</sup> Finally, the manufacturing sector contributed 13% of GDP in 2022, slightly lower than its share of 15% in 2010.<sup>22</sup>

Inflation has been largely in check in recent times, averaging at 1.9% annually from 2010-2019.<sup>23</sup> However, since late 2021, Cameroon has been experiencing high inflation, with annual inflation being 6.2% for 2022.<sup>24</sup> This has mainly driven by increased prices for staple goods (such as bread, wheat, and vegetable oil) due to the disruption of global supply chains from first the Covid-19 pandemic and then the Russian war on Ukraine.

In addition to high inflation, of concern to Cameroon’s economy is an increasing debt profile. General government gross debt as a share of GDP has increased from 14% in 2010 to 46.4% in 2022.<sup>25</sup> Joint World Bank – International Monetary Fund Debt Sustainability Analysis classified Cameroon’s risk of external debt

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<sup>16</sup> World Bank. 2017. “Country Partnership Framework for the Republic of Cameroon for the period FY17-FY21”; and World Bank. 2023. “Macro poverty outlook: Cameroon.” Washington DC: World Bank.

<https://thedocs.worldbank.org/en/doc/bae48ff2f2efc5a869546775b3f010735-0500062021/related/mpo-cmr.pdf>

<sup>17</sup> World Bank. 2017. “Country Partnership Framework for the Republic of Cameroon for the period FY17-FY21”

<sup>18</sup> World Trade Organization. 2021. “Cameroon Country Profile.”

[https://www.wto.org/english/res\\_e/statis\\_e/daily\\_update\\_e/trade\\_profiles/CM\\_e.pdf](https://www.wto.org/english/res_e/statis_e/daily_update_e/trade_profiles/CM_e.pdf)

<sup>19</sup> World Bank. 2023. “World Development Indicators.”

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> IMF. 2023. “IMF DataMapper: Cameroon.” Washington DC: International Monetary Fund (IMF).

distress as ‘high’ in 2023.<sup>26</sup> This increased debt servicing burden will therefore need to be managed carefully.

## Social Conditions

### *Poverty and Inequality*

The poverty rate according to the national poverty line was high at 37.5% in 2014.<sup>27</sup> World Bank projections for 2022 indicate that poverty has continued to be high, with the poverty rate at the international low-income poverty line (\$2.15 in 2017 PPP) being 24.5%, while the rate at the lower-middle income poverty line (\$3.65 in 2017 PPP) was 46%.<sup>28</sup> Modest growth and conflicts have meant that poverty alleviation has not been significant, especially as population growth has been high.

Poverty is also spatially concentrated, with rural-urban and regional disparities. Based on the most recent available data from 2014, poverty incidence was 56.8% in rural areas compared to 9% in urban areas.<sup>29</sup> Furthermore, poverty was much higher in the Far-North (74.3%) and North West (57%) regions than in the two main cities of Douala (4.2%) and Yaounde (5.4%).<sup>30</sup> In addition to high rates of poverty, inequality was also concerningly high in 2014, as measured by the Gini index (46.6).<sup>31</sup>

### Standard of living, Healthcare and Education

The UNDP classifies Cameroon as a country with ‘medium’ human development; in 2021, it had a score of 0.576 on the Human Development Index (HDI).<sup>32</sup> Cameroon saw a consistent increase in its HDI from 1997 (0.435) to 2019 (0.583), before falling slightly since. Life expectancy at birth in 2021 was 60.8 years, an

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<sup>26</sup> World Bank. 2023. “Cameroon – Joint World Bank-IMF Debt Sustainability Analysis.” Washington DC: World Bank.

<sup>27</sup> World Bank. 2023. “World Development Indicators.”

<sup>28</sup> World Bank. 2023. “Macro poverty outlook: Cameroon.” Washington DC: World Bank.

<sup>29</sup> World Bank. 2021. “Poverty and Equity Brief: Cameroon.” Washington DC: World Bank.

<sup>30</sup> Ibid.

<sup>31</sup> World Bank. 2023. “World Development Indicators.”

<sup>32</sup> United Nations Development Program. 2023. “Human Development Reports – Cameroon Country Profile.” <https://hdr.undp.org/data-center/specific-country-data#/countries/CMR>. Accessed on 21st August 2023.



increase from 52.9 years in 2000.<sup>33</sup> To put this into perspective, the average for lower-middle income countries was 68.6 years in 2020, while the world average was 72.3 years.<sup>34</sup>

Health indicators have seen progress over the past few decades, but there is significant room for improvement. Infant mortality rate – defined as deaths to children before their first birthday – has declined from 77 deaths per 1,000 live births in 1998 to 48 deaths per 1,000 live births in 2018.<sup>35</sup> Similarly, under-5 mortality has declined from 151 deaths per 1,000 live births in 1998 to 80 deaths per 1,000 live births in 2018.<sup>36</sup> However, as with poverty, there are regional disparities. In 2018, the under-5 mortality rate (deaths per 1,000 live births) was higher in the North (133), Far-North (102) and East (122) regions than in Douala (50) and Littoral (40).<sup>37</sup> In terms of immunizations, Cameroon performs poorly, with only 52% of children age 12-23 months receiving all basic vaccinations in 2018.<sup>38</sup> Children in urban areas had higher rates of immunization (61%), compared to rural areas (45%) in 2018.<sup>39</sup> Furthermore, although stunting (height for age) has declined from 40.7% in 2004 to 31.2% in 2018, it remains high with nearly a third of children under-5 never reaching their full potential.<sup>40</sup>

With respect to maternal health, 87% of women aged 15-49 who had a live birth in the 5 years before the Demographic and Health Survey (DHS) had received antenatal care from a skilled provider in 2018.<sup>41</sup> Moreover, two-thirds of births in Cameroon occur in a health facility – however, this was much lower in rural areas, where only 50% of the births were in a health facility, compared to 88% in urban areas in 2018.<sup>42</sup>

Education outcomes have improved in Cameroon. Adult literacy increased from 68% in 2000 to 78% in 2020.<sup>43</sup> However, there is a gender disparity, with males (83%) having higher rates than females (73%) in 2020. Gross primary school enrolment was high at 106% in 2019, but persistence to last grade of primary

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<sup>33</sup> Our World in Data. 2023. “Life Expectancy.” <https://ourworldindata.org/grapher/life-expectancy-at-birth-total-years?tab=chart&facet=none&country=Lower-middle-income+countries~Middle-income+countries~CMR>. Accessed on 24<sup>th</sup> August 2023.

<sup>34</sup> Ibid.

<sup>35</sup> National Institute of Statistics (Cameroon) and ICF. 2020. “2018 Cameroon DHS Summary Report.”

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> National Institute of Statistics (Cameroon) and ICF. 2020. “2018 Cameroon DHS Summary Report.”

<sup>39</sup> Ibid.

<sup>40</sup> World Bank. 2023. “World Development Indicators.”

<sup>41</sup> National Institute of Statistics (Cameroon) and ICF. 2020. “2018 Cameroon DHS Summary Report.”

<sup>42</sup> Ibid.

<sup>43</sup> World Bank. 2023. “World Development Indicators.”

school declined from 70% in 2011 to 64% in 2018.<sup>44</sup> The share of trained teachers in primary school has increased significantly, from 57% in 2010 to 81% in 2017.<sup>45</sup> The net secondary school enrolment, despite an upward trajectory over the years, is low at 46% in 2016 and has significant room for improvement.<sup>46</sup>

Living conditions are mixed, with Cameroon performing well on some indicators and poorly on others. A little over 60% of households had electricity in Cameroon in 2018, but with significantly more urban households (90%) having access compared to rural households (27%).<sup>47</sup> Similar urban-rural disparities exist on other indicators as well based on 2018 DHS data. Improved water is nearly universal in urban areas (96%) but only 57% of rural households had this. Further, 57% of rural households had an unimproved toilet, while for urban areas this was only an issue for 15% of households in 2018.<sup>48</sup>

## Labor market

The total labor force in Cameroon was 11.6 million in 2022.<sup>49</sup> The labor force participation rate for ages 15+ for males (76%) was higher than for females (67%). The unemployment rate is low in Cameroon, at 4% in 2022.<sup>50</sup> The majority of the labor force is in informal employment, which was nearly 90% of the labor force based on the most recent data from 2014. These are primarily low-skill jobs that lack social protection.<sup>51</sup> Informality was high in both urban areas (73%) and rural areas (93%) in 2014.<sup>52</sup> A key feature of the Cameroonian labor market is that self-employment dominates (72.5% of workers), while only 21% are in wage employment.<sup>53</sup>

The distribution of employment across sectors was as follows in 2021: 43% of total employment was in agriculture, 16% of total employment was in industry, while 42% of total employment was in the services sector<sup>54</sup>.

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<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

<sup>46</sup> Ibid.

<sup>47</sup> National Institute of Statistics (Cameroon) and ICF. 2020. "2018 Cameroon DHS Summary Report."

<sup>48</sup> Ibid.

<sup>49</sup> World Bank. 2023. "World Development Indicators."

<sup>50</sup> Ibid.

<sup>51</sup> Botea, Ioana and Mitja Del Bono. 2022. "A Tale of Two Countries: Labor Market Profiles of Youth in Urban and Rural Cameroon." World Bank, Washington, DC.

<sup>52</sup> Botea and Del Bono. 2022. ". "A Tale of Two Countries: Labor Market Profiles of Youth in Urban and Rural Cameroon."

<sup>53</sup> Ibid.

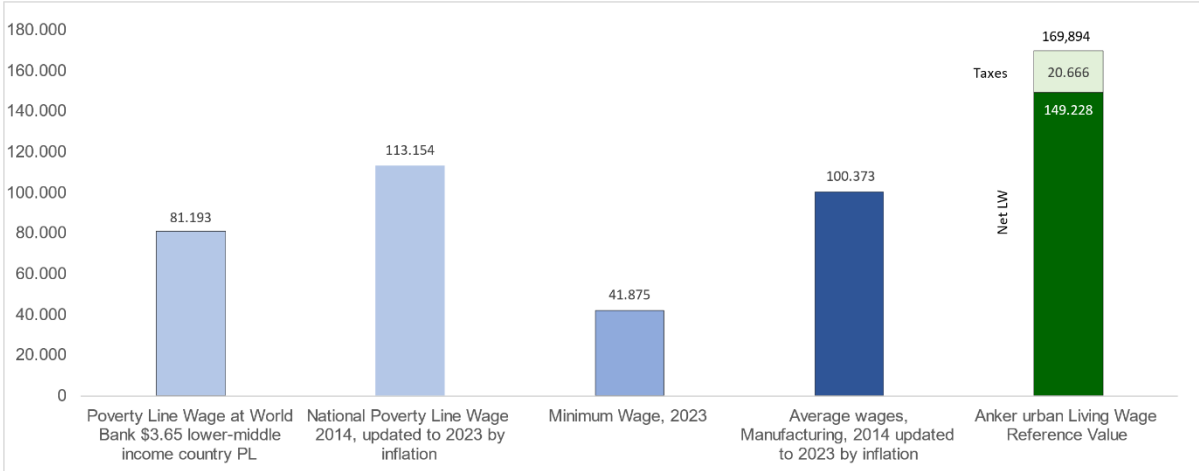
<sup>54</sup> World Bank. 2023. "World Development Indicators."

There is a significant difference between the rural and urban labor markets. Estimates are that 89.1% of rural workers earned less than the minimum wage in 2014.<sup>55</sup> In contrast, only 8% of urban workers earned less than the minimum wage. Urban employment was mostly concentrated in services (44%), commerce (26.3%), and industry (21.7%), which tend to be sectors with higher paying and more stable jobs. On the other hand, 71.8% of rural employment was in the primary sector, which are usually low-skilled and low paying jobs.<sup>56</sup>

#### 4. Wage ladder and gaps to a living wage, Cameroon 2023

Figure 1 provides a wage ladder for urban Cameroon and some gaps to a living wage. It compares the Anker Living Wage Reference Value for urban Cameroon for 2023 with four other indicators. The gross Anker Living Wage Reference Value of CFA 169,894 (USD 281) is higher than four other comparators. It is more than double the World Bank’s \$3.65 poverty line wage for a lower-middle income country like Cameroon. It is 50% higher than the national poverty line wage from 2014 updated to 2023 by inflation. It is more than four times the national minimum wage for 2023. The Anker Living Wage Reference Value is also 69.3% higher than the average wage for the manufacturing sector for 2023 (updated from 2014 by inflation).

**Figure 1. Cameroon Urban Wage Ladder (CFA per month), 2023**



**Notes:**

<sup>a</sup> Cameroon’s national poverty line is indicated in the Poverty Profile report, from the Institut National de la Statistique (2015). Last year available was for 2014, which we updated by inflation to June 2023 for expositional purposes.

<sup>b</sup> The World Bank international poverty line wage for Cameroon was estimated using the new World Bank per capita poverty line for lower-middle-income countries (\$3.65 PPP). The PPP value we used to estimate the World Bank Poverty Line Wage was 233.9, based on the World Bank PPP Private Consumption Conversion Factor.

<sup>55</sup> Botea and Del Bono.2022. “A Tale of Two Countries: Labor Market Profiles of Youth in Urban and Rural Cameroon.”

<sup>56</sup> Ibid.

<sup>c</sup> Family size of 5 (2 adults and 3 children) was used for expositional purposes to estimate the national poverty line wage and the World Bank poverty line wage. This is in keeping with an urban total fertility rate of 3.80 and a child mortality adjusted urban total fertility rate of 3.57 which implies a family size around 5.5; and an urban average household size of 5.13 when single person households (that do not include children) and of 4.57 when especially large households with more than 8 members (that probably includes more than 2 workers) are excluded.

<sup>d</sup> Number of full-time equivalent workers per family of 1.64 is used for expositional purposes to estimate poverty line wages. This was determined using male and female rates for the age range of 25-54 from ILOSTAT for labor force participation (M=90.0%; F=73.81%), unemployment (M=4.4%; F=7.5%), and part-time employment (M=37.2%; F=31.9%). Part-time employment was defined as workers who work less than 35 hours per week.

<sup>e</sup> The Anker Living Wage Reference Value is estimated directly based on statistical analysis and therefore does not have an explicit number of full-time workers per family or reference family size (although reference family size falls from 6 to 4 with development in Anker living wage benchmark studies).

<sup>f</sup> Minimum Wage is with effect from January 2023.

<sup>g</sup> Average wages are from the ILOSTAT, based on the National Labor Force Survey. Last year available (2014) was updated to 2023 by inflation for expositional purposes.

<sup>h</sup> Workers would have to pay social security tax (4.20%), housing contribution (1.0%) and income tax (at 11% after deductions) on the Anker Reference Value living wage.