

Effects of Investments on the Economic Diversification of the States of the Central African Economic and Monetary Community (CEMAC)

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Abstract

This study aims to answer the question of whether investments have an effect on the economic diversification of the countries of the Economic and Monetary Community of Central Africa (CEMAC). The panel data used cover the period 1995-2019 and are extracted from the UNCTAD, WGI and WDI databases of the World Bank. To address the research question, we used panel data econometrics. The results obtained show that private investment improves economic diversification, while public investment hinders economic diversification in the CEMAC. These results imply 1) the need to enhance the attractiveness of private investment in all sectors of the economy and 2) the importance of improving state governance through a shift from the rentier to the developmental state.

Keywords

Economic Diversification, CEMAC, DOLS, Private Investment, Public Investment

1. Introduction

The debate on economic diversification has seen renewed interest in commodity-exporting countries. This interest is justified by the volatility of oil barrel prices in recent years, which has led to a decline in oil export revenues of nearly 32 percent in CEMAC countries, IMF (2016). This situation has led several international organizations to recommend that CEMAC states diversify their exports. Indeed, the more diversified an economy is, the more diversified its ex-

ports are, the more diversified its tax base is, and the less sensitive the economy is to the vagaries of international commodity markets, [Hendrix \(2017\)](#).

The merits of the economic diversification strategy in economic development have been presented in several works. Some have shown traditional reflections on export diversification ([De Pineres and Ferrantino, 1997](#); [Botta, 2010](#)). Others have focused on the economic factors, such as investment, that determine the success of diversification. In this regard, two theories account for the role played by investment in economic diversification. On the one hand, the “eclectic” dumping theory highlights the role played by multinationals in the diversification process. The role of foreign direct investment, held by multinationals, in diversification has been the subject of several empirical studies ([Fonchamnyo, 2015](#)). On the other hand, the theory of endogenous growth shows the importance of public spending in the process of economic diversification. In empirical works, several authors have shown the positive effects of public investment on economic diversification ([Liu and Shu, 2003](#); [Ndjambou, 2011](#)).

This point on investment is of great interest to developing countries in general and to the countries of the CEMAC in particular. The latter countries, as highlighted above, are producers of raw materials and continue to be subject to fluctuations in commodity prices. Hence, reviewing the export diversification strategy in a context of declining oil revenues raises the problem of investment.

In such a situation, how could investments boost the economic diversification of the subregion?

Previous studies on this subject show that investments have a positive effect on economic diversification. Thus, we formulate the following hypothesis: investments improve the diversification of the economy.

Our work is in line with the few studies on the link between investments and economic diversification and aims to improve the understanding of this phenomenon in the CEMAC between 1995 and 2019.

Thus, between this introduction and the conclusion, the second section will clarify the theoretical and empirical links between investment and economic diversification. The third section will present the methodological framework, and the fourth section will present the results and their interpretations.

2. Brief Review of the Literature on Investment and Economic Diversification

The relationship between investment and economic diversification will first be considered on a theoretical level before being addressed empirically.

At the theoretical level, the classical theory of international trade suggests that countries should specialize in the production of goods in which they have a comparative advantage, thereby strengthening their economic growth. [Krugman \(1979\)](#) furthers this debate by taking into account increasing returns to scale in the new theory of international trade. He shows that the concentration of a country's exports is a source of gains when a country's economy is open to international trade. This theory of international trade, developed by Krugman, is

challenged by the structuralist school, which maintains that the process of structural change in an economy depends on the diversification and composition of its exports, [Botta \(2010\)](#).

In this debate, other theoretical contributions have highlighted factors likely to influence economic diversification, including investment, from perspectives including the “eclectic” theory of dumping and the theory of endogenous growth.

The “eclectic” theory of dumping states that the investment capacity of multinational firms is linked to the combination of the firm’s know-how, the opportunities offered by host countries and the advantages of internalization. Thus, multinational firms offer, through foreign direct investment, the possibility of acquiring new markets.

This underscores the fact that foreign direct investment is a relevant lever that can ultimately have a positive impact on the diversification of the host country’s economy thanks to the transfer of technology and know-how.

The impact of foreign direct investment on the diversification of the economy can be achieved through two channels. First, when a multinational company directly produces more diversified goods than national/local firms, this implies a greater diversification of the host country’s exportable supply. Second, spillover effects occur through the indirect link with multinationals.

Under these conditions, local firms acquire new or more advanced capabilities that enable them to produce and export products.

The theory of endogenous growth, on the other hand, is seen as a “facilitator” of economic diversification through public investment. This theory is based on the premise that state intervention in research and development (R&D), in the provision of infrastructure and in market regulation constitutes a lever for economic growth.

However, several empirical works have shown that public and private investments have a considerable impact on economic diversification.

Regarding private investment, [Napo and Adjande \(2019\)](#) studies the effects of economic diversification and private investment on economic growth and the influence of private investment on economic diversification.

The study applied generalized method of moments (GMM) estimation to a sample of 47 countries in sub-Saharan Africa over the 1990-2004 period and found that private investment had a positive effect on economic diversification.

[Tadesse and Shukralla \(2011\)](#) considered private investment from 131 countries over the period 1984-2004 and the number of products exported. They examined the effect of private investment on export diversification. Using parametric and semiparametric econometric methodologies, they found that an increase in private investment improves export diversification.

[Stojčić and Orlić \(2016\)](#) focused on foreign direct investment and structural transformation. With a sample of 100 countries, they found that private investment contributes to the transformation of export structures. Other studies,

sometimes using different methodologies, have shown similar results (Chunli, 2015; Fonchamnyo, 2015; Alaya, 2012; Iwamoto & Nabeshima, 2012).

Regarding public investment, Ndjambou (2011) conducted a study on the impact of investments on economic diversification in Gabon. He concluded that public investment has a positive impact on economic diversification.

Liu and Shu (2003), focusing on the role of public investment in exports, show that, following innovation, industry is considered a key factor in export performance.

Dzaka-Kikouta et al. (2019), studying Central African countries, note that the impact of public investment on the economy in general and economic diversification in particular depends on the quality of the state. For the authors, if this state is developmentalist, as is the case in Asian states, public investment will be directed towards productive sectors capable of having an impact on economic diversification.

This review of the literature shows us that the methodologies are varied enough to respond to this problem.

3. Methodology

The methodology is structured in six points: the theoretical framework and specification of the model, presentation of the model variables, stationarity, cointegration of variables, descriptive statistics and stylized facts.

3.1. Theoretical Framework and Model Specification

This model follows the practice of Iwamoto & Nabeshima (2012). The starting point of the theoretical model is the Herfindahl index.

$$\text{Herfindahl}_{it} = \left(\sum_{i=1}^N \frac{x_{it}}{X_{it}} \right) * 100 \quad (1)$$

Using this index, we calculate the export diversification index

$$(100 - \text{Herfindahl}_{it}) = \text{Export diversification (ED) index} \quad (2)$$

The weighted average GDP per capita is:

$$\text{PROD}_k = \sum_j \frac{x_{jk}/X_j}{\sum_j x_{jk}/X_j} Y_j \quad (3)$$

where Y_j is the per capita income level of country j , X_j is the total value of exports from country j , and x_{jk} is the value of good k in country j .

The productivity index of the export basket is EXP. It is written as:

$$\text{EXP}_j = \sum_k \left(\frac{x_{jk}}{x_j} \right) \text{PROD}_k \quad (4)$$

The framework of our work is:

$$\log \text{ICON} = \alpha + \beta_1 \text{INPR}_{it} + X_{it} + U_i + U_t + V_{it} \quad (5)$$

$$X_{it} = m_0 + m_1 \text{INPU}_{it} + m_2 \text{REER}_{it} + m_3 \text{TRAD}_{it} + m_4 \text{COCO}_{it} \quad (6)$$

By replacing Equation (6) in (5), our equation for estimation purposes is written as:

$$\log \text{ICON} = \alpha + \beta_1 \text{INPR}_{it} + m_1 \text{INPU}_{it} + m_2 \text{REER}_{it} + m_3 \text{TRAD}_{it} + m_4 \text{COCO}_{it} + U_i + U_t + V_{it} \quad (7)$$

3.2. Presentation of Model Variables

We distinguish, on the one hand, the explained variable and, on the other hand, the explanatory variables.

3.2.1. Explained Variable

ICON: The export diversification index is measured using the World Bank's measure, which is the Herfindahl-Hirschman concentration index.

This index was chosen because it is the most frequently used index in the export diversification literature. This indicator measures the degree of concentration of exported products.

The standardized Herfindahl-Hirschman index (HHI) below is used to obtain values between 0 and 1. An index value closer to 1 indicates that a country's exports are highly concentrated in a few products. In contrast, values closer to 0 reflect that exports are more evenly distributed among products, [MacBean and Nguyen \(1980\)](#). The index is calculated according to the following formula:

$$\text{HHI}_t = \left(\frac{\sqrt{\sum_{n=1}^{\infty} \left(\frac{x_{it}}{X_t} \right)^2} - \sqrt{\frac{1}{n}}}{1 - \sqrt{\frac{1}{n}}} \right) * 100$$

where:

x_{it} represents the value of the n th exported product, and X_t is the total value of exports.

n is the number of products exported at the three-digit level of the SITC, Rev.3.

3.2.2. Explanatory Variables

A distinction is made between the variables of interest and the control variables.

1) Variables of interest

INPR: private investment, represented by foreign direct investment as a percentage of gross domestic product. Based on the results of [Napo and Adjande \(2019\)](#), we expect a positive sign on the diversification coefficient;

INPU: public investment, represented by gross fixed capital formation as a percentage of gross domestic product. The expected sign is positive because public investment is considered by endogenous growth theory to be a diversification factor, [Kamgna \(2010\)](#).

2) Control variables

REER: The real effective exchange rate is a useful general indicator of a country's international price competitiveness. We expect a positive sign of its coeffi-

cient, as the exchange rate is a determinant of economic diversification in Africa, Hammouda et al. (2006);

TRAD: the rate of openness of the economy, approximated by the sum of exports and imports divided by gross domestic product. We expect a positive sign of the coefficient of trade openness on diversification, Hammouda et al. (2006);

COCO: corruption control. This variable reflects the quality of governance, Kaufmann et al. (2010). According to the literature, the sign of this variable is positive, Brand (2011).

3.3. Stationarity

In this section, we will check the existence or absence of a unit root in the data. To verify this, we will proceed with the verification of several econometric tests (Hurlin, 2004). The tests of Levin, Lin and Chu (2002), Im, Persian and Shin (2003) and Hadri's (2000) LM test were selected in this study. The results of these tests are shown in Table 1 below.

Table 1. Unit root.

	LICON		INPR		INPU		TRAD		REER		COCO	
	Demean	Trend	Demean	Trend	Demean	Trend	Demean	Trend	Demean	Trend	Demean	Trend
	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat
Variable in level												
LLC	-3.08**	-3.32**	-8.38**	-5.61**	-2.51**	-2.68**	-1.93*	-1.62	-0.91**	-0.99**	-3.54**	-2.40**
IPS	-2.67*	-2.26*	-3.76**	-5.09**	-1.73*	-2.39**	-1.88*	-2.81**	-0.77**	-1.82*	-1.75*	-1.59
HADRI	8.84**	15.38**	14.16**	4.92**	3.79**	7.24**	11.17	12.10**	29.34	9.26**	10.18**	6.48**
Variable in first difference												
LLC	-5.68**	-3.47**	-5.61**	-4.01**	-6.44**	-5.44**	-6.87**	-5.29**	-6.15**	-5.18**	-5.34**	-3.78**
IPS	-6.26**	-6.11**	-8.04**	-7.28**	-5.64**	-5.57**	-6.56**	-6.74**	-5.96**	-5.72**	-5.02**	-5.14**
HADRI	-0.53	-0.65	-1.99	-2.70	-1.25	-0.97	-1.71	-1.92	-0.82	-0.01	-1.10	0.27

**significant at the 1% level; *significant at the 5% level. Source: Author based on WGI and WDI data.

The results of the tests presented in Table 1 show in the execution of the Levin, Lin and Chu (2002) test that the variables concentration index, private investment, public investment, commercial openness and political stability accept the alternative hypothesis of level stationarity. For the exchange rate, the hypothesis of the presence of the unit root is retained. This first-generation test has limitations and allows us to conclude that the six variables are not stationary in level, which is why we use the test of Im, Pesaran and Shin (2003) and Hadri (2000).

In the first difference, the results obtained show that the six variables are integrated of order one I(1). The other stationarity tests allow us to retain the hypothesis of the absence of the unit root. This conclusion leads us to question whether the six variables are cointegrated.

3.4. Cointegration Test

Because the panel of CEMAC countries is partially heterogeneous, we use two tests: the Pedroni test and the Kao test. The Pedroni test partially considers heterogeneity through parameters that may differ from one country to another. The Kao test considers the particular case where cointegration vectors are assumed to be homogeneous between countries. The results of the tests are shown in **Table 2** and **Table 3** below.

Table 2. Kao test.

	Statistic
Modified Dickey-Fuller t	-2.89***
Dickey-Fuller t	-2.4258***
Augmented Dickey-Fuller t	-0.6887
unadjusted modified Dickey-Fuller	-4.6186***
unadjusted Dickey-Fuller t	-2.963***

***significant at the 1% level. Source: Authors' calculations.

Table 3. Pedroni test.

Alternative hypothesis: common AR coefs. (within-dimension)		
	Statistic	Statistic
Panel V-statistic	-0.552891	-0.593429
Panel Rho-statistic	0.283904	0.440299
Panel PP-statistic	-2.077425**	-1.783202**
Panel ADF-statistic	-2.055214**	-1.760068**
Alternative hypothesis: individual AR coefs. (between-dimension)		
Group Rho-Statistic	1.302237	
Group PP-Statistic	-1.403047*	
Group ADF-statistic	-1.415764*	

*significant at the 10% level; **significant at the 5% level; Source: Authors' calculations.

These results (**Table 2** and **Table 3**) show that the variables in the model have a long-term relationship, especially since the statistics are significant at the 5% threshold.

3.5. Descriptive Statistics

Table 4 below presents the statistics for the variables in our model.

These statistics show that the concentration of CEMAC countries averaged 0.6689041 during the period under review. This average of 0.6689041 is closer to 1 than to 0, indicating that the CEMAC economies are highly concentrated on a few products. Indeed, the vast majority of these countries are exporters of raw materials, such as oil, wood, manganese and gold, *Cadot et al. (2011)*.

Table 4. Descriptive statistics.

	Variable	Mean	Std. Dev.	Min	Max	Observations
	overall		0.1718893	0.2987195	0.9226978	N = 125
ICON	between	6689041	0.164222	0.3822586	0.8002372	n = 5
	within		0.0882997	0.3842097	0.8594728	T = 25
	overall		20.17453	-8.70307	161.8237	N = 125
INPR	between	9.142147	8.590646	1.511973	22.83796	n = 5
	within		18.60533	-17.71544	148.1279	T = 25
	overall		7.741494	13.24212	59.72307	N = 125
INPU	between	26.14072	3.250394	22.26037	31.25414	n = 5
	within		7.170113	8.128706	59.90003	T = 25
	overall		34.77531	40.36685	165.6459	N = 125
TRAD	between	93.66831	36.05521	49.56121	140.355	n = 5
	within		12.55736	66.26175	146.0025	T = 25
	overall		10.3599	59.32544	116.11.	N = 125
REER	between	97.60218	6.333678	86.99602	103.4848	n = 5
	within		8.585428	69.9316	116.7418	T = 25

Source: Authors' calculations.

However, there is a minimum of 0.2987195, which shows that at least one country within CEMAC has homogeneous exports, in this case Cameroon. One country, Equatorial Guinea, seems to have the highest concentration, with a concentration index of 0.9226978. This country is mainly an oil exporter.

The share of private investment in the CEMAC averaged 9.142147 of GDP. The minimum share received in a year was -0.870307 by Cameroon, making it the country that received the least private investment. The maximum was 161.8237 of GDP for Equatorial Guinea, the country that received the largest share of private investment. This high share of private investment in Equatorial Guinea is due to the foreign direct investment directed towards primary commodities, particularly the oil sector.

With regard to the share of public investment in gross domestic product, it averaged 26.14072 within the CEMAC. The minimum share of 13.24212 was observed in Equatorial Guinea, while the maximum share of public investment in GDP was 59.72307, observed in Chad.

In terms of trade openness, the average for the CEMAC was 93.66831. The most open economy was Congo with 165.6459, and the least open economy was Cameroon with 40.36685. Finally, the exchange rate had a stable distribution over time.

3.6. Stylized Facts

Figure 1 below shows the evolution of concentration indices within the countries of the CEMAC from 1995 to 2019.

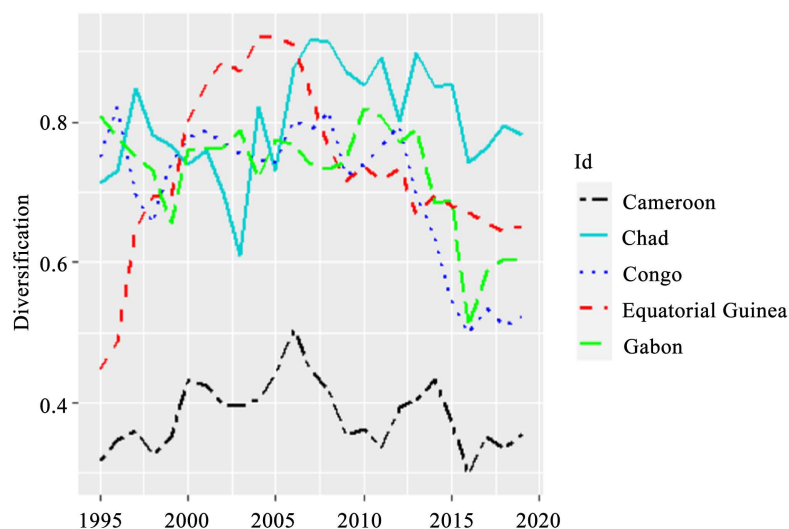


Figure 1. Evolution of the export concentration index. Source: Author based on UNCTAD data.

The evolution of the concentration index can be analyzed in two periods. The first period (1995-2014) is characterized by an upward trend in the concentration index in all countries. This trend is explained by the rise in the price of oil per barrel. This rise in raw material prices further strengthened the concentration of CEMAC economies. The second period (2014-2019), on the other hand, is marked by a downward trend in the concentration index in all CEMAC countries. This decline can be explained by the collapse of commodity prices. We also note that Cameroon's economy has the lowest concentration of those in the subregion, with an index ranging between 0.15 and 0.50.

This observation leads us to wonder whether investments can accentuate this downward trend, a sign of improved diversification.

4. Presentation and Interpretation of Results

The presentation will be followed by the interpretation of the results.

4.1. Presentation and Analysis of Results

Estimation of this model by the OLS technique leads to nonconvergent estimators due to the asymptotically biased distribution associated with the presence of serial autocorrelation in the data (Kao and Chen, 1995; Pedroni, 2000 and Kao and Chiang, 2001). These problems affect models specified in the form of time series as well as panel models, particularly in the presence of heterogeneity (Kao and Chen, 1995), such as that found in the case of the CEMAC, which is a heterogeneous monetary union (Mbou Likibi, 2015). Therefore, other methods can be used to correct the different biases, such as the FM-OLS (fully modified ordinary least squares) method proposed by Phillips and Hansen (1990) and the dynamic ordinary least squares (DOLS) method of Saikkonen (1991) and Stock and Watson (1993). Kao and Chiang (2001) show that OLS estimators are biased

and that FM-OLS estimators do not provide substantial improvements, thus concluding that the DOLS estimator performs better than the other two. This justifies the use of this approach in this study. Indeed, the DOLS approach is appropriate in the case of the CEMAC because our case involves a small number of individuals (5 countries) and a small number of observations (25 years). Hence, the DOLS approach was estimated to detect the crucial factors of economic diversification. The individual correlation matrix (see **Table 5**) for the countries studied made it possible to summarize the dependent variables related to economic diversification between 1995 and 2019. The estimation of the model by this technique gives the following results (**Table 6**).

The results obtained suggest that the variation in exogenous variables explains 75% of the variation in the diversification of the economy. This R^2 value is supported by a significant result of the Wald test, suggesting that our model is of

Table 5. Correlation.

	ICON	INPR	INPU	TRAD	REER	COCO
ICON	1.00					
INPR	-0.0665	1.00				
INPU	0.2015	0.3312	1.0000			
TRAD	0.4449	0.3522	0.3605	1.0000		
REER	-0.0215	-0.5090	-0.2120	-0.2955	1.0000	
COCO	-0.1391	-0.0958	-0.0563	-0.1455	0.0748	1.0000

Source: Authors' calculations.

Table 6. Estimation results.

	LICON1	LICON2	LICON3
INPR		-0.004 (4.66)**	-0.007 (8.02)**
INPU	0.009 (3.09)**		0.01 (4.31)**
TRAD	0.004 (2.50)*	0.005 (4.14)**	0.005 (3.60)**
REER	0.003 -1.07	0.002 -0.91	0.002 0.8
COCO	-0.005 0.03	-0.037 0.33	-0.01 0.08
R ² (%)	60%	42%	75%
N	105	105	105
Wald-chi2	39.81 (0.0000)	38.27 (0.000)	119.93 (0.0)
	i = 5	t = 25	

*significant at the 5% level, **significant at the 1% level. Source: Authors' calculations.

good quality. Our analysis will focus on the impact of private and public investments on economic diversification.

The above results suggest that investments made in CEMAC countries are likely to have effects on the structure of these economies and, therefore, to have repercussions on diversification. Private investment has a negative and statistically significant coefficient at the 1% threshold. This shows that a 1% increase in private investment will lead to a 0.007% drop in the export concentration index and therefore a corresponding increase in diversification. These results obtained for CEMAC countries are consistent with the “eclectic” theory of dumping, which shows that private investment has a positive influence on economic diversification. These results are similar to those of [Fonchamnyo \(2015\)](#), who explored the effect of private investment on export diversification in CEMAC countries and showed, using a generalized linear model, that investment improves economic diversification. Similar results were also found by [Jayaweera \(2009\)](#) for a panel of 29 low-income countries using the Melitz trade model.

Public investment, on the other hand, has a positive and significant coefficient at the 1% level. A 1% increase in public investment leads to a 0.01% increase in the concentration index and therefore to a decrease in diversification. These results are contrary to the theory of endogenous growth, which stipulates that public financing has a positive impact on growth and therefore on the diversification of the economy. These results are also contrary to those obtained by [Ndjambou \(2011\)](#), who applied the ordinary least squares method to explore investment and economic diversification in Gabon and concluded that public investment is positive for export diversification.

Two findings emerge from this analysis: in the case of the CEMAC, private investment improves economic diversification, while public investment reduces economic diversification.

4.2. Interpretation of Results

The interpretation of the results will focus on the two main lessons learned in the analysis presented above. The first is that private investment enhances economic diversification, and the second is that public investment is a hindrance to economic diversification.

4.2.1. Private Investment Improves Economic Diversification

Figure 2 below shows the evolution of private investment in the CEMAC between 1995 and 2019.

This figure shows a continuous decline in private investment in the CEMAC. This decline, as noted above, coincides with the fall in oil prices (2016). This leads us to believe that private investment is directed towards the natural resource sectors. For example, between 2008 and 2014, Congo received nearly US\$17 billion in private investment, of which more than 70% was concentrated in the oil sector, while the rest was spread across different sectors of the economy. This situation is beginning to change as five emerging countries (Brazil,

China, India, South Africa and, most visibly, Malaysia) are gradually establishing themselves as a major source of private investment in the CEMAC, to the detriment of traditional sources of investment from OECD countries. These emerging countries invest in sectors such as services, construction and manufacturing, UNCTAD (2014). This investment orientation diversifies the CEMAC economy.

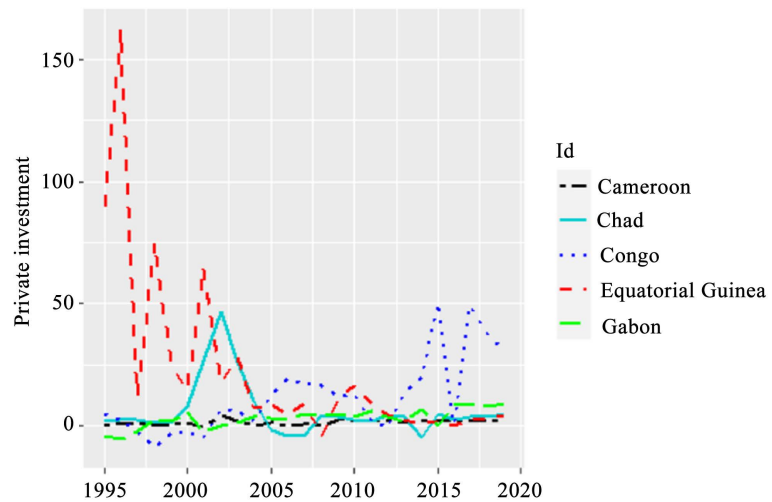


Figure 2. Evolution of private investment. Source: Author based on WDI data.

4.2.2. Public Investment, a Brake on Economic Diversification

Figure 3 below shows the evolution of public investment in the CEMAC between 1995 and 2019.

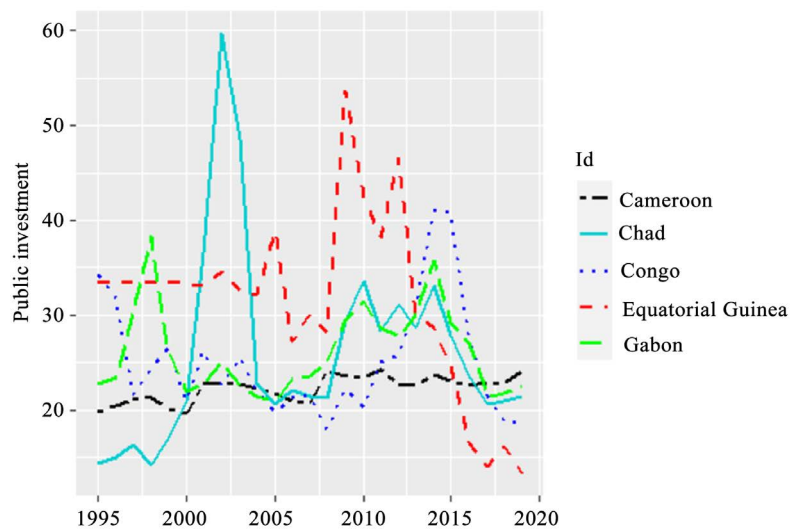


Figure 3. Evolution of public investment. Source: Author based on WDI data.

An analysis of public funding shows that its evolution is quite volatile for countries such as Congo, Chad, Equatorial Guinea and Gabon. This fluctuation in public investment can be explained by the variation in raw material prices. The revenues generated by these raw materials are primarily invested in the de-

velopment of infrastructure through emergence programs in most countries of the community. These programs were suspended or slowed down following the economic downturn in 2015, thus slowing down the diversification of the economy.

There are two reasons for the underperformance of CEMAC countries in terms of economic diversification:

- The first is the need to move from a rentier state to a developmental state. The CEMAC economies are based on revenues from raw materials, which makes them rentier states. Moreover, the rentier state makes all other forms of production take a back seat, even paralyzing the workings of economic, social and political life. This paralysis hinders the diversification of the economy. This is why the transition from a rentier state to a developmental state is necessary to boost economic diversification in the subregion. In a developmental state, political and economic institutions are allied in a more inclusive and integrated manner, which can ensure economic diversification.
- The second reason is the poor quality of institutions. This translates into poor governance practices, i.e., corruption, lack of transparency in the management of public funds, political instability, noncompliance with regulations and other abuses of power. Improving the quality of institutions and governance will enable public financing to improve the diversification of the economy. Increased government accountability and transparency and strengthened public sector institutions will improve governance and thus diversification.

5. Conclusion and Recommendations

The issue of investment in economic diversification is a concern for both researchers and governments. Thus, in the context of the CEMAC, the objective of this paper was to analyze the effects of investment on economic diversification using an econometric methodology. The results obtained show that private investment has a positive effect on export diversification, thus improving economic diversification. On the other hand, public investment hinders economic diversification.

Two recommendations can be made to ensure that investments improve the diversification of the CEMAC economies:

- CEMAC states can move from a rentier state to a developing state. They should: 1) abandon the model of the rentier state, which is unable to diversify the economy because it is dependent on revenues from raw materials and clientelism predominates, and 2) adopt the model of the developmental state, which is capable of having a strategic vision of development to drive economic diversification;
- CEMAC states can strengthen the policy of attracting private investment so that it is directed towards all sectors of the economy. To this end, they should 1) improve the governance framework by making public life more ethical and streamlining public management and 2) improve the quality and level of

training in all sectors of the economy. Indeed, the public authorities must improve governance to reassure potential investors and establish advantageous measures.

One question remains, at the end of our study, as an avenue of research. The question is whether the transition from a rentier state to a developing state is a credible objective for CEMAC countries?

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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