

**WEIGHT OF OIL RENT ON LABOR MOBILITY AND DEMAND OF
CAMEROONIAN FOOD PRODUCTS IN CEMAC ZONE: AN
APPLICATION OF A GRAVITY MODEL**

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Abstract

The objective of this article is to analyze the impacts of oil rent on labor mobility and the demand for Cameroonian food products. By specifically examining the impact of oil rent on the demand for Cameroonian food products and using panel data for the period 2010-2017, we use a gravity model and use the Fixed Effect Vector Decomposition estimator (FEVD) that identifies the effect of invariant explanatory factors over time and controls the unobserved heterogeneity through fixed effects. Our main results reveal that there is a strong correlation between the mobility of workers, the demand for Cameroonian food products and the oil rent. Income inequalities, linguistic and geographical proximity and the effects of income increase determine the mobility of workers and the high demand for Cameroonian food products. The immediate consequence is that Cameroonian food products are becoming luxury goods. As a result, trade between Cameroon and other CEMAC countries reduces the surplus of the Cameroonian consumer although they are considered as a catalyst for unity and regional integration. In terms of recommendations, we propose the strengthening of the diversification of economies and bilateral exchanges through a strong intra-country trade opening as essential levers on which the States must act to improve the competitiveness and the substantial well-being of the populations.

Keywords: Demand, economic integration, labor mobility, oil rent

JEL Codes: O13, P28, Q10.

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