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Impact of Globalization on the Evolution of Unemployment Rate In The Cemac And Waemu Zones

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ABSTRACT
This paper aims to highlight the impact of globalization on the evolution of the unemployment rate in the CEMAC and WAEMU zones. The econometric analysis is based on panel data for the period 1991 to 2019. To analyze our data, we opted for the GMM estimator in Blundel and Bond's (1998) system, as it combines the first difference equations with the level equations. Overall, our results show that the level of unemployment in the past year [Z(-1)] has a positive and significant impact at the 1% level on the current year's unemployment rate. This means that the level of past unemployment contributes to the increase in unemployment in the current year. These results are identical in the CEMAC and WAEMU zones. We found that globalization through investment via FDI and globalization through trade openness have a negative and significant impact on the unemployment rate in the CEMAC and WAEMU zones; while globalization through debt has no effect on the unemployment rate in these two zones, but has a positive impact in the CEMAC and a negative impact in the WAEMU. However, globalization through portfolio investment has a positive impact on the unemployment rate in both economic areas. Thus, globalization has a mixed impact on the unemployment rate in the CEMAC and WAEMU zones.

KEYWORDS: *Globalization, unemployment rate, panel data, CEMAC, WAEMU*

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I. INTRODUCTION

The history of humanity was marked on November 9, 1989 by the fall of the Berlin Wall, which eliminated the barrier that divided the world into two blocs. It leads to the opening of borders and markets which will cause the spread of market instruments throughout the world. Such a situation of the world economy encourages and increases the phenomenon of globalization thanks to the faster and easier circulation of information and especially with the expansion of new information and communication technologies. According to the IMF, the share of trade in goods and services in world GDP has increased by about 51% and the number of people living outside their native country has increased by 25%. But globalization is neither uniform nor homogeneous. It must be seen as a geographically uneven and temporally progressive process (Milani, 2000).

Globalization in the broad sense integrates all aspects of the life of a nation or a people and thus leads to economic, financial, cultural and social mixing. In this momentum, after independence, African countries became free in a world already very advanced thanks to the phenomenon of globalization that had already taken shape. In spite of this delay in integration, this continent of incredible wealth remained almost closed until the economic crisis of the 1980s, which led African countries to external support from donors with structural adjustment plans and economic and financial liberalization. This led to the creation of economic and monetary zones, economic sub-regions and increasingly to the promotion of economic integration with agreements on the free movement of goods, services and people. It is therefore time to train human capital in order to have a qualified workforce. The movement of capital, goods and people will increase the level of investment in the economic, financial and social fields. However, according to Treillet (2002), the globalization-growth-human

development relationship seems less one-sided than a simplistic typology might suggest. For this author, some societies may suffer from growth achieved through very rapid or poorly controlled integration into globalization, when the latter's modalities prove to generate violent crises (Argentina) or instability (Mexico, Thailand, etc.), or when they contribute by their very nature to impeding the transformation of additional income into social development. Other countries, on the other hand, which seem to have been forgotten by globalization, and whose failures in terms of social development seem to be the price of low or zero growth (sub-Saharan Africa), actually suffer from asymmetrical integration into globalization.

In this research, we will assess the evolution of the level of unemployment in the CEMAC (Central Africa Economic and Monetary Community) and WAEMU (West African Economic and Monetary Union) zones. Indeed, the financial independence (financial autonomy) of the human being makes it possible to determine his level of social satisfaction. Thus, this work aims to answer the question of knowing: What is the impact of globalization on the evolution of the unemployment rate in the CEMAC and WAEMU countries? The objective of this paper is to evaluate the impact of globalization on the evolution of the unemployment rate in the CEMAC and WAEMU countries. To conduct this study, we will first review the literature, then we will describe the methodology used to conduct this research, then we will present and discuss the results obtained and finally we will conclude this work.

II. REVIEW OF THE LITERATURE

2.1 - Review of theoretical works

According to the World Bank, social development focuses on the need to place people at the forefront of development processes. For it, this has two main implications, namely: on the one hand, improving the well-being and quality of life of individuals; and on the other hand, bringing about social changes in norms and institutions, making development more equitable and inclusive for all members of society (Davis, 2004). But, according to Treillet (2002), globalization has winners and losers among developing countries: The former, having shown dynamic integration in the globalization process (trade in goods and capital flows), would experience a process of catching up in terms of growth and per capita income, which would translate into encouraging performance in terms of social development; the latter would find themselves in a situation of marginalization in relation to globalization, having in some way "missed the boat", and would see the gap widen in terms of growth, monetary income and therefore social development.

Economic theory recognizes that the skills of a country's workforce represent one of its most important competitive assets and has made the labor market a vast field of study of its impact on the economy. In the literature, at least three theories of unemployment are confronted: the classical theory, the Marxist theory of unemployment and the Keynesian theory of unemployment.

For the neoclassical theory, the wage is seen as a cost for firms, which decide to hire only if the cost of labor, which is composed of social contributions and the net wage, is lower than the marginal productivity of labor. Thus, mass unemployment results from institutions such as the union and minimum wage legislation that impede downward wage flexibility (Rueff, 1931). For the proponents of Keynesianism, the unemployment rate will increase if firms are pessimistic about their market opportunities, which will lead to a decline in household consumption. In this way, the unemployed will reduce their spending, because their income has fallen; while the population still in action with a job will increase their savings, because they think they may also lose their jobs. In the further development of the theory of involuntary unemployment, Mankiw (1985) justifies the existence of involuntary unemployment by the rigidity of prices in the economy through the concept of "menu costs". For the Marxist school, the wage tends towards its minimum, not because of demographic laws, but because there is a growing latent unemployment. This unemployment comes from the fact that the capitalist, seeking to increase his profit, substitutes more and more capital for labor. Unemployment is an indispensable tool for the accumulation of capital. "If supply is greater than demand, some of the workers fall into begging or starvation.

The convergence of income levels is one of the objectives sought by the phenomena of sub-regional, regional and international integration and thus of globalization in the broad sense. However, instead of the decline in transport costs and the process of absolute convergence predicted by orthodox international trade theory and the new theories of international trade since the 1960s, there is, on the contrary, a movement of conditional convergence that reflects a deepening of inequalities (Petitjean, 2000). This is why the consequences of technical progress on employment led to the development of the theory of the efficiency wage by Keynesians such as Joseph Stiglitz. On the basis of technical progress, he believes that innovations tend to reduce the demand for low-skilled labour, while eventually increasing the demand for skilled labour. As the wages of low-skilled workers are pushed down, while the wages of skilled workers are pushed up, income inequality is then likely to increase (Stiglitz, 2014).

Moreover, according to Krugman, technical progress will first impact on less skilled jobs with the consequence of increasing inequality; secondly, the accelerated development of technical progress is likely to negatively impact skilled jobs because of the ability of machines, especially computers, to perform complex

tasks and could thus substitute managers in companies. He believes that technical progress, the engine of the spread and popularization of globalization, is an advantageous element for skilled workers, because it considerably increases the productivity of skilled workers at the expense of unskilled workers. He denounces the idea that globalization leads to an increase in inequality. For him, "globalization is not the culprit" insofar as he shows that globalization should not be seen as the cause of mass unemployment. Unemployment depends on growth, which is directly influenced by interest rates and innovation (Krugman, 1998).

2.2- Evolution of empirical work on globalization and unemployment

According to Hugon (1999), the principles of the "Washington Consensus" endorsed by developed countries and international economic organizations are not likely to promote the growth of developing countries; And yet this has allowed the world to move from a system of political and economic dependence, based on an international division of labor and an ideological confrontation between East and West, to another today more grouped around the United States, after the fall of the Berlin Wall and the collapse of the Soviet Empire; in this dynamic, the African continent itself has not escaped the conflagration, with struggles, some for democracy, others for the control of fabulous resources (Sow, 2011) But for Cahuc and Zybelberg (2004), immigration does not lead to unemployment or lower wages if the economic system is sufficiently responsive to make available very quickly the capital needed to develop the productive capacities of the newcomer. However, opening up too suddenly to international trade and investment can be risky for countries that do not have a sufficiently developed economic fabric. The question of the future of the African state arises because, according to Sow (2011), we can see the effects of this with the transformation of growth policies into poverty reduction programs, despite the various plans proposed by the African authorities, including the old Lagos Plan of the 1990s, which was intended to serve as an alternative to the SAPs imposed by the Bretton Woods institutions; even NEPAD, which was brought forward by Senegalese President Wade at the meeting on financing for development held in March 2002 in Monterrey, is another more recent alternative.

For the African countries of the Maghreb, a study conducted by Kartchevsky and Touil on the "Problem of trade liberalization: a comparative empirical study of labor markets" allowed them to show that the economies of the Maghreb are undergoing different developments as a result of trade openness and the lowering of customs barriers. The Tunisian and Moroccan economies are maintaining their respective productive structures, while allowing for employment growth. However, the Algerian economy is experiencing a complete reversal of its structures, as the industrial and agricultural sectors are declining; the total contribution of these two sectors to GDP does not exceed 15 percent (Kartchevsky and Touil, 2007). This divergence in impact, according to the latter, is explained by the fact that, while Algeria may have a serious problem with monetary reserves that only lead to spiraling imports without job creation, Morocco and Tunisia have a better labor productivity that would allow them to increase or maintain certain activities.

Van Huffel (2001), in his study on the impact of FDI on growth, shows that the expected positive effects of MNCs on the economies of host countries take into account the policies and strategies adopted by the latter. For him, the benefits of FDI relate to job creation, domestic supply growth, technology transfer and balance of payments improvement. This conditioning of the positive effects of FDI and of the economy as a whole to comply with the required measures has allowed Stiglitz (2002) to show in his research that what is serious in the promotion of economic openness is not only to have required measures that led to the crisis; It is to have demanded them when there was practically no evidence that they promoted growth and multiple evidence that they put countries at enormous risk; it is then that there was less and less creation of jobs that allow people to live properly. It was necessary to increase the number of working hours to satisfy the basic needs of the population when such work was available. Unemployment reached an "intolerable" level, leaving men without jobs or income (Sow, 2011).

Borensztein et al (1998) and Feldstein (2000) show in their studies that the gains provided by FDI to developing countries lie in the transfer of technology in the form of new types of fixed capital inputs and contribute to human resource development. Thus, as cited by the World Bank, FDI helps to create jobs in all sectors and allows the host country to reduce the unemployment rate (Klein et al., 2001).

III. RESEARCH METHODOLOGY

3.1- Data collection method

The data used in this work are from secondary sources. They are collected in the World Bank (WB) database. Because the data used come from the databases of countries in the CEMAC and WAEMU zones, and whose realities or economic situation at the structural level is not identical from one country to another, we recommend the application of a panel data analysis in this research.

3.2 - Presentation of the model: choice of variables

Our study will be made using a panel data analysis by using the GMM method on dynamic panel. Indeed, panel data have a two-dimensional character: a spatial dimension because the population studied is not in the same

geographical space (or individual dimension), and a temporal dimension because the observations are made over time. The model uses a set of 7 exogenous variables that allow us to assess the evolution of the unemployment rate (Z or UR) which is the dependent variable in this work. The exogenous variables are: foreign direct investment (FDI), portfolio investment (PI), external debt (ED) and the trade balance (TB) which are the globalization variables; the money supply (MS), the investment rate (IR), the consumer price index (CPI) which are the control variables.

3.3 - Choice and specification of the model

The study will be done using the GMM method on dynamic panel. There are two variants of the GMM estimator on a dynamic panel: the GMM estimator in first differences and the GMM estimator in system. The first difference GMM estimator of Arellano and Bond (1991) consists in taking for each period the first difference of the equation to be estimated in order to eliminate the individual specific effects. It is a matter of estimating a first difference model, which by construction also makes it possible to eliminate individual effects. In this model, we will try to test the highlighted variables. Thus, the equation is written:

$$\Delta Z_{it} = \alpha \Delta Z_{i,t-1} + \beta_1 \Delta ED_{it} + \beta_2 \Delta FDI_{it} + \beta_3 \Delta PI_{it} + \beta_4 \Delta TB_{it} + \beta_5 \Delta IR_{it} + \beta_6 \Delta MS_{it} + \beta_7 \Delta CPI_{it} + \Delta v_t + \Delta \varepsilon_{i,t}$$

Nevertheless, this transformation does not remove the endogeneity of the transformed lagged dependent variable $\Delta Zi,t\text{-}1$ with respect to the transformed idiosyncratic error $\Delta \varepsilon it$, because $Zi,t\text{-}_1$ in $\Delta Zi,t$ is correlated with $\varepsilon i,t\text{-}_1$ in $\Delta \varepsilon i,t$.

However, this method does not identify the effect of time-invariant factors. In addition, Blundel and Bond (1998) showed using Monte Carlo simulations that the system GMM estimator performs better than the first-difference estimator, the latter gives biased results in finite samples when the instruments are small. The system GMM estimator of Blundel and Bond (1998) combines the first difference equations with the level equations. The instruments in the first difference equation are expressed in level, and vice versa. By eliminating the noleveleq option, the GMM estimation results are obtained in a two-step system. They present consistent tests in terms of autoregressive processes and instrument validation. The instruments in the first difference equation are expressed in level, and vice versa as follows:

$$\begin{cases} \Delta UR_{it} = \alpha \Delta UR_{i,t-1} + \beta_1 \Delta ED_{it} + \beta_2 \Delta FDI_{it} + \beta_3 \Delta PI_{it} + \beta_4 \Delta BT_{it} + \beta_5 \Delta IR_{it} + \beta_6 \Delta MS_{it} + \beta_7 \Delta CPI_{it} + \Delta v_t + \Delta \varepsilon_{i,t} \quad \text{(E2)} \\ UR_{it} = \alpha UR_{i,t-1} + \beta_1 ED_{it} + \beta_2 PI_{it} + \beta_3 FDI_{it} + \beta_4 TB_{it} + \beta_5 MS_{it} + \beta_6 IR_{it} + \beta_7 CPI_{it} + v_t + \varepsilon it \quad \text{(E3)} \end{cases}$$

Then the model of globalization and unemployment rate to be estimated is as follows:

$$\Delta Z_{it} = \alpha_0 + \delta Z_{i,t-1} + \beta Y_{it} + \beta' X_{it} + \mu_i + \lambda_t + \varepsilon_{it} \quad \text{(E4)}$$

Where $\Delta Zit = Zit - Zit\text{-}_1$ is the unemployment rate (TC) in log difference,

$Zit\text{-}_1$, the one-period lagged logarithm unemployment rate.

Yit, the matrix of globalization variables (PI, FDI, ED, BT),

Xit, the matrix of control variables (MS, IR, CPI),

α_0 is a constant; ε_t, the time-specific effect; μ_i, the country-specific effect and λit is the error term. The subscripts i denote countries (i =1, 2...N) and t denotes time (t = 1, 2...T).

3.3.1 - Statistical tests: the Im-Pesaran-Shin and Levin-Lin-Chu stationarity tests

As a general rule, classical statistical methods in econometrics have been designed for stationary series whose statistical properties do not change over time. In order to avoid problems of spurious regressions, we performed tests of stationarity of panel data through the Im-Pesaran-Shin (IPS) test, as it is more robust than many other tests. The most common unit root tests in panel data are the Im, Pesaran and Shin (IPS) and Levin-Lin-Chu (LLC) tests. Hurlin and Mignon (2004) point out that the application of first generation tests such as those of Levin and Chu have limitations: they assume inter-individual independence of the residuals. Second generation tests such as that of Im, Pesaran and Shin correct this shortcoming. This test is used because it is not only efficient but also stable. The null hypothesis of this test assumes that all the series are non-stationary against the alternative hypothesis that only fractions of the series are stationary.

IV. PRESENTATION OF THE RESULTS

4.1 - Results of the stationarity test

Table 1: Results of the stationarity test for variables in the CEMAC zone

	LLC test				**IPS test**		
	A level	Difference 1st	Order of integration		A Niveau	Difference 1st	Order of integration
Variables	Stat (p-value)	Stat (p-value)			T-bar (p-value)	T-bar (p-value)	
Z	0.6501 (0.2578)	-2.9491 (0.0000)	I(1)		-2.4230 (0.0183)	-	I(0)
ED	0.5933 (0.7235)	-4.3229 (0.0000)	I(1)		-1.1457 (0.8360)	-5.0716 (0.0000)	I(1)
FDI	-2.0347 (0.0000)	-	I(0)		-3.0326 (0.0000)	-	I(0)
PI	3.0523 (0.9989)	-4.4586 (0.0000)	I(1)		-1.5445 (0.8051)	-6.1851 (0.0000)	I(1)
TB	-0.8949 (0.1854)	-7.5577 (0.0000)	I(1)		-2.0782 (0.0913)	-5.4414 (0.0000)	I(1)
CPI	-1.9943 (0.0231)	-	I(0)		-0.7845 (0.9798)	-5.2641 (0.0000)	I(1)
IR	-0.8316 (0.2028)	-7.5123 (0.0000)	I(1)		-1.8762 (0.2079)	-5.6438 (0.0000)	I(1)
MS	0.2958 (0.6163)	-4.9162 (0.0000)	I(1)		-1.3472 (0.6423)	-5.1118 (0.0009)	I(1)

Source: calculated by the author (....) represent P-values or probabilities

Table 2: Results of the stationarity test for variables in the WAEMU zone

	LLC test				**IPS test**		
	A level	Difference 1st	Order of integration		A level	Difference 1st	Order of integration
Variables	Stat (p-value)	Stat (p-value)			T-bar (p-value)	T-bar (p-value)	
Z	-0.9430 (0.1728)	-4.3422 (0.0000)	I(1)		-3.1163 (0.0000)	-	I(0)
ED	-0.0875 (0.4651)	-6.1456 (0.0000)	I(1)		-0.9499 (0.9600)	-5.3404 (0.0000)	I(1)
FDI	-2.6001 (0.0047)	-	I(0)		-2.9035 (0.0001)	-	I(0)
PI	-	-	-		-3.0255 (0.0005)	-	I(0)
TB	-1.3066 (0.0957)	-8.9272 (0.0000)	I(1)		-2.1191 (0.0330)	-	I(0)
CPI	-5.8417 (0.0000)	-	I(0)		-2.1307 (0.0568)	-5.6422 (0.0000)	I(1)
IR	-1.5019 (0.0666)	-8.9445 (0.0000)	I(1)		-2.2488 (0.0132)	-	I(0)
MS	4.4475 (1.0000)	-2.8608 (0.0021)	I(1)		-0.8986 (0.9986)	-5.9578 (0.0000)	I(1)

Source: calculated by the author (....) represent P-values or probabilities

We note that some variables are stationary at level while others are stationary in first difference.

4.2 - Results of the model estimation

The results of the selected model are presented below.

Table 3: Estimation results of the dynamic model obtained by the GMM method

Variables	**Dependent variable: Unemployment rate (UR) or (Z)**	
	CEMAC	WAEMU
Z(-1)	0.9747^{***} (0.0295)	0.9907^{***} (0.0145)
ED	0.0009 (0.0013)	-0.0006 (0.0007)
FDI	-0.0104^{*} (0.0060)	-0.0219^{*} (0.0120)
PI	$2.99.10^{-10***}$ ($5.14.10^{-10}$)	$8.79.10^{-10***}$ ($4.17.10^{-10}$)
TB	-0.0179^{**} (0.0078)	-0.1405 (0.1210)
CPI	0.1485^{***} (0.0189)	0.0225^{***} (0.0431)

IR	-0.3532*** (0.0424)	-0.2275*** (0.0426)
MS	-0.8168*** (0.2347)	0.0119*** (0.0038)
Sargan overidentification test	0.6164 [0.9923]	2.7665 [0.9992]
Autocorrelation of order 1 (AR(1))	[0.8584]	[0.3303]
Autocorrelation of order 2 (AR(2))	[0.3598]	[0.7717]
Period	29	29
Number of countries	06	08
Number of observations	174	232

(....) represent standard deviations; [....] represent P-values or probabilities
*,**,*** represent significance at 10%, 5% and 1% respectively.
Source: Author's estimate

4.3 - Economic interpretation of variables and discussions

Our results show that the level of unemployment in the past year [Z(-1)] has a positive and significant impact at the 1% level on the unemployment rate in the current year. This means that the level of past unemployment contributes to the increase in unemployment in the current year. These results are identical in the CEMAC and WAEMU zones. This significance of the lagged variable in all estimates reveals the relevance of the dynamic modeling used. The over-identification, AR(1) and AR(2) self-correction tests indicate that our instruments used are valid.

- **External debt and unemployment rate**

External debt has a different influence on the level of unemployment in the CEMAC zone and in the WAEMU zone. Its influence is positive and insignificant in the CEMAC zone, but it is negative and insignificant in the WAEMU zone. This tendency for external debt to increase the unemployment rate leads us to conclude that countries in the WAEMU and CEMAC zones do not seem to optimize their external debt by investing in productive sectors that truly stimulate employment; thus, the use of these debts does not seem to have an impact on economic activity (Barro, 1988). According to Froot (1989), the accumulation of debt and its servicing constitute a tax on future production and discourage investment through the crowding-out effect. We can thus understand why several researchers, including Krugman (1988) and Sachs (1989), agree that excessive indebtedness can be detrimental to economic development.

- **Trade balance and unemployment rate**

The result of our work shows that the trade balance has a negative and significant effect on the unemployment rate in the CEMAC zone; but in the WAEMU zone, this variable has no effect. This reflects the fact that foreign trade contributes to the reduction of the unemployment rate in the CEMAC zone on the one hand, and has no impact in the WAEMU zone on the other.

When the labor supply does not adapt sufficiently, this results in misalignments between the skills offered and demanded, and thus in an increase in the structural unemployment rate (Cortes and Jean, 1997). Thus, it is certain that the globalization of economies through trade openness is not without consequences for employment. Indeed, trade can raise or lower unemployment rates in the long run, depending on whether a country has a comparative advantage in sectors where there is much or little friction (Helpman et al., 2010). But the impact may be different in a static or dynamic model. This is why Boughzala (1997) shows that if trade openness leads to an increase in the rate of capital accumulation or technical progress that favours highly skilled labour, its impact on employment and the incomes of different categories of workers could be different from the result obtained with the static model.

Thanks to globalization, which advocates an increase in cross-border flows, Marouani (2008) argues in his work that tariff dismantling leads to an increase in capital accumulation because of the decrease in its acquisition cost and the increase in the profitability of exporting industries. This increase in accumulation leads to an increase in the demand for labor, which reduces unemployment. In the same sense, research by Dutt et al, (2009), Felbermayr et al, (2011) show that if tariffs decrease by 1%, the unemployment rate decreases by about 0.35%, while a 10% increase in trade openness reduces the overall unemployment rate by about 3/4%.

- **Foreign direct investment, portfolio investment and the unemployment rate**

The results of our work show that foreign direct investment (FDI) has a negative and significant effect on the unemployment rate at the 10% threshold in both the CEMAC and WAEMU zones. A one-unit increase in FDI leads to a decrease in the unemployment rate of 0.0104 times in the CEMAC zone and 0.0219 times in the WAEMU zone. This result can be explained by the attractiveness of FDI for developing countries, as investment opportunities are numerous. Thus, FDI is a factor at the heart of the global economy with the mobility of capital;

it is a means of external financing that promotes the circulation of foreign capital through direct investment in the economy of host countries. FDI is at the same time the catalyst and the vector of technology, wealth and knowledge transfers (education and training) from one country to another. As a catalyst and a vector of transmission of a certain number of factors, FDI contributes to encourage growth in the beneficiary countries, with as a consequence the increase of the level of development of the countries concerned and thus the improvement of the social conditions of the populations. Thus, it appears that FDI has a leverage effect on the social performance of the host country. Our results coincide with the majority of results found in the literature, which show a negative and generally significant link between FDI and unemployment reduction.

The majority of research on FDI, including Klein et al. (2001) and Julilian and Weiss (2002) find that FDI has a positive impact on economic growth and growth has a positive impact on poverty reduction. Mainguy (2004) finds the same result when he shows that in Asia, it seems that rapid growth has been associated with a decrease in poverty thanks to the increase in the level of employment and thus the reduction of unemployment and the development of social infrastructure (education, health, etc.). It shows that in Vietnam, poverty fell from 58% to 37% between 1993 and 1998.

FDI through portfolio investments (PI) through the acquisition of 10% of the share capital does not seem to create many jobs insofar as these operations do not aim to establish a company in the host country. They are sometimes a source of technology transfer or technological innovation, and therefore of the promotion of skilled labor at the expense of less skilled labor. The innovation process pushes inequality and unemployment beyond their socially optimal levels (Stiglitz, 2014). For the latter, in an economy where information search is costly, the adoption of labor innovations generates externalities on other market participants, including the unemployed who must now search longer before finding a job. Our results show that portfolio investment has a positive and significant effect in the CEMAC and WAEMU zones, and can thus follow this development of Stiglitz. But, in any case, for Bouoiyour et al (2009), large investment flows create many employment opportunities in countries where unemployment is endemic. They bring "fresh" capital to this region where national savings are insufficient. They strengthen growth, which is structurally weak. But private financial flows have remained heavily concentrated in emerging markets.

or the control variables, our results show effects that are certainly significant in the CEMAC and WAEMU zones, but they are divergent. These divergences highlight the specificity of each economic zone. These results for the control variables call on the authorities in the different zones to review their monetary policy, as it does not seem to favor economic and social policy as a whole.

V. CONCLUSION

In this paper we seek to analyze the effects of globalization on the evolution of the unemployment rate in the CEMAC and WAEMU zones. If it is agreed that globalization favors the exchange of goods and services, capital flows and the movement of people, then thanks to economic and financial liberalization, technological progress and, above all, the easing of the movement of people have contributed to an explosion of several facts on social indicators. According to the International Labor Organization (ILO), the current situation of the world economy is unfavorable and unstable, as the world of work is suffering serious setbacks. Unemployment is high in developed economies and the number of workers in chronically vulnerable situations in many emerging and developing economies.

The econometric analysis is based on the panel data technique that is used to estimate our model. To analyze our data, we opted for the GMM estimator in Blundel and Bond (1998) system, as it combines the first difference equations with the level equations. The results obtained show that foreign direct investment (FDI) has a negative and significant effect on the unemployment rate at the 10% threshold in both the CEMAC and WAEMU zones. These results indicate that FDI contributes to lowering the unemployment rate in these areas. On the other hand, FDI in the form of portfolio investment (PI) has a positive and significant effect in the CEMAC zone and the WAEMU zone. As for external debt, our results show that it has a positive and insignificant influence on the level of unemployment in the CEMAC zone; but in the WAEMU zone, the influence is negative and insignificant. This divergence of results raises the issue of debt policy in these countries, the orientation of these debts and their economic and social impact. Regarding the trade balance, our results show that the trade balance has a negative and significant effect on the unemployment rate in the CEMAC zone; but in the WAEMU zone, this variable has no effect but has a negative sign. This suggests that a well-conducted trade policy at the international level contributes to reducing the unemployment rate.

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