



**SDI Review Form 1.6**

Journal Name:	<a href="#">Journal of Economics, Management and Trade</a>
Manuscript Number:	Ms_JEMT_60080
Title of the Manuscript:	THE EFFECT OF PRIVATE INVESTMENT ON PUBLIC FINANCES IN THE CFA FRANC ZONE
Type of the Article	

**General guideline for Peer Review process:**

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound. To know the complete guideline for Peer Review process, reviewers are requested to visit this link:

(<http://www.sciencedomain.org/journal/10/editorial-policy> )



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**PART 1: Review Comments**

	<b>Reviewer's comment</b>	<b>Author's comment</b> (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<b>Compulsory</b> REVISION comments	<ol style="list-style-type: none"> <li>1. Let the topic reflect public expenditure proper, instead of this broad public finance.</li> <li>2. This comment, it would be essential for the African countries of the franc zone to do more to establish a real environment conducive to the development of the private sector" in lines 5-7, is vague. Be specific.</li> <li>3. What does this "actuality" in line 1 of the introduction? Explain.</li> <li>4. What is this in paragraph one of the introduction? "The evolution of public expenditure as a percentage of GDP has in fact been remarkable during the 20<sup>th</sup> century, but it has relatively stalled for several decades (Picciau, 2007). Please clarify. What is its link with the study? Check line 4-7 of the introduction.</li> <li>5. In paragraph two of introduction, the first sentence is too long. Please, rephrase for easy understanding.</li> <li>6. The first sentence in paragraph three of the introduction is just mere repetition. Is this different from what is written in the last sentence in paragraph two? if yes, align them</li> <li>7. In the same paragraph three, the sentence "it seems interesting to us to assess the effect of private investment on public finances in the CFA franc zone". You have not introduced this or said anything on it from the beginning, why jump into it? If this is what you want to do, please, define the concept so that you can be understood.</li> <li>8. In paragraph four, the sentence "While public spending in certain sectors (for example the infrastructure sector) is beneficial for the development of private sector activities, the latter, through its investments, generates significant revenues and can make available to the public sector significant resources that can enable it to increase the volume of productive public expenditure intended to improve the living conditions of the populations", is too long. It seems to be lifted from somewhere, proper referencing is needed. Besides, more points are needed, not just this to buttress the significance of private investment in public finance.</li> <li>9. The entire literature in paragraph five is muddled up. Define your line of study from the beginning, are you working on public expenditure side of public finance or revenue side? Choose one and review your literature in line with your choice, so that you can easily identify the gap to fill. There is also just one paper on panel study here, Review more works on panel studies, especially in economies with similar characteristics, this will help you in the interpretation of your panel study result. You can still work on both public expenditure and revenue, but your literature must reflect what you are doing.</li> <li>10. Specifically, I ask, is this "Guajardo and pagan (2003), Sobhee (2004) and Narayan (2005) evaluate the link between tax revenue and public expenditure. They find that tax revenues cause public spending" in 4-6, part of your work? If yes, enlighten us.</li> <li>11. In line 7-9,"Blanchard and Perotti (2002) assess the shock of public spending on the US economy. They find that a positive reaction from private consumption and US GDP". Is private consumption the same thing as private investment and tax revenue? If yes, how did it affect public finance here?</li> <li>12. Does this sentence "Islam (2001) finds a unidirectional causality going from economic growth to public spending" in lines 18 and 19 of this same paragraph, relate to the work? How? Clarify.</li> <li>13. Check also, "Tang and Tuck Cheong (2001) also found a unidirectional causality going from national revenue to public spending for the case of Malaysia. Aregbeyen (2008) finds also a unidirectional causality from national revenue to public spending for the case of Nigeria and this result has been confirmed by Chimobi (2009)". How does this relate to the issue of private investment in public finance?</li> <li>14. Paragraph 6 which has "The rest of the paper is structured as follows: the second section is devoted to the methodology and description of data, the third section to the results and discussions and the fourth section concludes the paper", should come before literature review.</li> </ol>	



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	<p>15. In the Description of variables, what do you mean by <math>t_i</math>, Openness of country <math>i</math> at period <math>t</math>. Openness is measured by the ratio exports plus imports as a percentage of GDP? Is it the ratio of export plus import to GDP, or export plus import as a percentage of GDP?</p> <p>16. Your method of estimation is Generalized Method of Moments (GMM), Having chosen the GMM over VAR, the only method identified in your literature, I expected a justification to show why the GMM is preferable to the VAR mentioned in the literature.</p> <p>17. You conclude that African countries of the franc zone vigorously pursue the establishment of conditions favorable to the development of the private sector. Be specific. You captured about the deleterious effects of taxes in the literature, the reduction of direct taxes and other specific policies like positive interest rate and can encourage private investment. What about the political environment, fight against terrorism ravaging part of African, including Mali, if properly addressed can be a boost to private investment.</p>	
<b>Minor</b> REVISION comments		
<b>Optional/General</b> comments		

**PART 2:**

	<b>Reviewer's comment</b>	<b>Author's comment</b> (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<b>Are there ethical issues in this manuscript?</b>	<i>(If yes, Kindly please write down the ethical issues here in details)</i>	

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