



**SDI Review Form 1.6**

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| Journal Name:            | <b><u>British Journal of Economics, Management &amp; Trade</u></b>                          |
| Manuscript Number:       | <b>Ms_BJEMT_21723</b>                                                                       |
| Title of the Manuscript: | <b>Foreign Direct Investment and Economic Growth in Botswana. A Dynamic Causality Test.</b> |
| Type of the Article      | <b>Review Article</b>                                                                       |

**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/page.php?id=sdi-general-editorial-policy#Peer-Review-Guideline>)



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**PART 1: Review Comments**

|                                            | Reviewer's comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Author's comment (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><u>Compulsory</u></b> REVISION comments | <p>1) The article needs (very badly) an English grammar and text revision.</p> <p>2) In its current form, the article looks more like an end of semester assignment in Econometrics than a scientific paper – see, for example, section 3.3: the reader needs to know more about the data, and not only the data source ! An exception to this pattern is the fair literature revision, though.</p> <p>3) It is of very poor informative content to study the relations between two variables only: GDP growth and foreign direct investment inflow. In spite of the evident econometric character of the paper, sound economic growth theory suggests other variables be used as controls – at least investment (as % of GDP) and human capital formation. For example, equations (6) and (7) could form a VAR model containing such control variables .</p> | <ul style="list-style-type: none"> <li>Agreed. Spelling and English grammar was done for the whole article.</li> <li>Agreed. The paper deliberately addresses the concepts of econometrics.</li> <li>Agreed. The test being considered by the paper is to determine causality and not to test for any linear relationship hence the two variables only considered. However, the test for linear relationship (VAR model) and use of control variables like investment (as % of GDP) and human capital formation has been incorporated as suggestion/recommendation for further research.</li> </ul> |
| <b><u>Minor</u></b> REVISION comments      | <p>1) The main “dependent” variable is not clearly defined: is it the LEVEL or the GROWTH RATE of GDP ?</p> <p>2) Most probably it is only a problem with the text, but I didn't understand section 4.1's main result ...</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Agreed. The data used is GDP growth rate. This was factored in.</li> <li>As for “dependent” variable, the study is considering causality, hence the need not to define the “dependent” and “independent” variables.</li> </ul>                                                                                                                                                                                                                                                                                                                               |
| <b><u>Optional/General</u></b> comments    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |