

Review of: "The Shortage of Professionals/Skilled Workers: Its Impact on the Inflation Rate in the Eurozone"

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Potential competing interests: No potential competing interests to declare.

The paper discusses a relevant issue: labor shortages among professionals and skilled workers in industrialized nations, focusing on the Eurozone. The authors introduce the concept of the vacancy ratio, presenting three alternative definitions and explaining its utility as a measure of labor market tightness and a proxy for the scarcity of professionals and skilled workers.

The theoretical model, a fusion of the Phillips and Beveridge curves, yields a "modified output gap" proposed to explain the inflation rate in Eurozone member countries. The model successfully undergoes testing for approximately 70% of Eurozone member countries from 2006 to 2021.

The paper concludes by proposing economic policy suggestions to sensibly reduce the vacancy ratio, providing a summary of findings and suggesting potential avenues for future research. Overall, the paper contributes to understanding labor market dynamics, particularly in the Eurozone, and offers a theoretical framework aligned with empirical evidence. The inclusion of policy recommendations enhances the research's practical relevance, making it a valuable addition to the field. However, the effectiveness of the proposed policies would benefit from further scrutiny and real-world testing, and the paper needs a major revision to meet journal publication standards.

Unfortunately, there are a few issues with the paper. Some of them are more aesthetic than anything and should be fairly easy to fix. Others concern the substance of the paper and require more work.

Specific Comments:

1. General formatting of the paper needs to be reviewed.
2. Clarify the sample period of the study, as discrepancies exist between the abstract and page 6. I am not sure about the period you are analyzing.
3. Translate the provided German quote to English. Not everyone understands German, and understanding should be immediate.
4. Your writing style should be more concise. At times, you get lost in long sentences, and it is hard to keep following.
5. Provide further explanation of the empirical methodology, including the estimation technique, and conduct tests on the error term, such as serial correlation and heteroscedasticity. Your Data and Methodology section and your Results section are too short, especially compared to how long the beginning of the paper is. Those sections should be the longest and most important, since you discuss your contribution to the field there.

6. Explain the motivation behind selecting Eurozone countries.
7. Correct "see Appendix" instead of "see annex."
8. Provide the complete names of countries in Table 1 and add notes for acronym definitions.
9. Clarify the data source for expected inflation.
10. Justify the ranking of countries based on vacancy ratio weights and cite any published articles using a similar procedure.
11. Use consistent notations for vacancy ratios in both the main text and the Appendix.
12. Discuss the rationale for presenting results in Table 1 and compare with common procedures for a comprehensive understanding.
13. Consider proofreading by a native English speaker.
14. Replace "Literature" with "References" and adhere to APA style for formatting.
15. Suggest additional readings such as Barnow et al. (1998), Richardson (2007), and Wiedner (2021).
16. Eliminate redundancies and use simpler expressions, such as replacing "In the next, second section" with "In the second section."
17. Your results do not include countries like France and Italy (2nd and 3rd economies in Europe, and very populous countries). This is a serious issue that I believe you should really try to solve. I find it weird to see in your analysis countries like Malta, Estonia, and Luxembourg, instead of Italy and France.
18. In your "Scope for future research," you do not mention the importance of including countries like Italy and France in future iterations of your paper. As mentioned in the previous comment, this should be one of your main goals.