Review of: "Exchange Rate Pass-Through and Inflation on Unemployment in Nigeria"

Zdravko Sergo[1]

1 Institut za poljoprivredu i tuizam Porec

Potential competing interests: No potential competing interests to declare.

Despite the potential weaknesses (see below) identified in the manuscript, it is worth noting some of its merits. The manuscript provides a detailed and comprehensive analysis of the relationship between inflation, exchange rates and unemployment in Nigeria. The use of various statistical models and tests, such as NARDL and SVAR, provides a robust analysis and helps to create a more nuanced understanding of the issue. Additionally, diagnostic tests have been conducted to ensure the validity and reliability of the models used.

The paper also provides valuable insights into the specific impact of trade openness on unemployment in Nigeria. The negative effects highlighted suggest the need for a more nuanced approach to trade policy in Nigeria. Moreover, the recommendation to implement protectionist policies and for the Central Bank of Nigeria to develop suitable monetary policies provides concrete suggestions for addressing the negative impacts of exchange rate fluctuations and inflation on the country's economy.

Overall, the manuscript contributes to the understanding of the Nigerian economy and provides useful recommendations for policymakers. However, the potential weaknesses identified should be addressed to strengthen the paper's arguments and ensure its relevance.

INTRODUCTION

- Lack of clarity in research objectives and research questions

- Absence of justification for the selection of Nonlinear ARDL models and SVAR techniques

- Failure to explicitly mention how the study will contribute to the existing body of knowledge and address research gaps

EMPIRICAL LITERATURE

- Lack of discussion on the relevance and applicability of previous studies to the Nigerian context

- Absence of critical analysis of previous studies and their findings compared to the current study's objectives

- Failure to highlight limitations or gaps in the existing literature and how the proposed study aims to address them

- Heavy focus on individual relationships between exchange rates, inflation, and unemployment, without exploring their interrelationships and interactions in the Nigerian context.

MATERIALS AND METHODS

- Lack of clarity and explanation of technical terms and statistical methods used

- Insufficient discussion on the advantages and limitations of the chosen models and methods

- Limited emphasis on data sources and characteristics, including potential limitations and biases

- Lack of clear explanation of how long-run and short-run effects were defined and estimated

- Lack of further interpretation and analysis of the trend analysis

- Limited discussion of the economic implications of the ARDL and NARDL model findings

- Need for a more in-depth discussion of diagnostic tests and their significance

- Lack of clarity on how stability tests were incorporated into the analysis.

CONCLUSION AND RECOMMENDATION

- Lack of further discussion and analysis of specific policies and reforms to address the highlighted issues

- No elaboration on the details, implementation, and potential challenges of recommended protectionist policies

- Absence of specific recommendations for suitable monetary policies and their implementation in response to exchange rate variations

- No exploration of potential alternative solutions or policies to balance the benefits of trade openness with the need to protect domestic industries and employment

- Need for a more thorough summary of the study's findings and their implications for future research and policy decisions.