

Review of: "State-led Development and Youth Unemployment in the Arab and non-Arab Countries"

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Potential competing interests: No potential competing interests to declare.

The paper examines a highly topical issue that still requires further debate and analysis. It is an original work and one of only a few studies that have investigated the impact of state-led development on youth unemployment in both Arab and non-Arab countries.

However, in its current form, the paper does not meet the standards required for publication in the Qeios journal. In order to be considered for publication, the author should revise certain parts of the work and address the following comments.

Here are the main reasons why I believe the paper falls short of publication standards:

1. The introduction of the paper has some limitations that need improvement. Firstly, the problem statement and main concept of the work are not clearly defined, which can leave the reader confused about the purpose of the research. Secondly, the contribution of this work to the existing literature is not well-explained, making it unclear how it builds upon previous research. Additionally, the bibliography is brief, with only two authors cited, and one of them being heavily referenced (Salhi-Isfahani, 2012). This may suggest to the reader that the author relied heavily on one source without conducting further research or discussion. To address these limitations, the introduction should be reorganized. The author should start by clearly presenting his contribution and main results, and place them in their appropriate context within the introduction. The problem statement and main concept of the research should be explicitly defined and clearly articulated, so that the reader can easily understand the focus of the work. Additionally, the author should expand the bibliography and cite more relevant sources, providing a more thorough and comprehensive understanding of the existing literature.
2. In Section 3, the author states that he will only focus on recent studies when discussing the determinants of unemployment. However, the reader requires a clear synthesis of the main theoretical trends presented in recent and previous studies. Furthermore, the synthesis provided by the author is at times disorganized and lacking in coherence. Therefore, it would be beneficial for the author to adopt a coherent and logical structure, following a "common thread" to develop a cumulative synthesis on the determinants of unemployment. This will help the reader better understand the author's main argument concerning the importance of state-led development.
3. In Section 4, there is room for improvement in the following aspects: Firstly, the author should clarify to the reader why they use public expenditures (G) as an indicator of state-led development, as G is only one factor contributing to growth and it may not be a reliable indicator of development. In addition, G is comprised of three components

(management expenditures, development expenditures, and debt payments), with only the second component having a real effect on development, and this component is often smaller than the others. Thus, the use of total public expenditures as an indicator of state-led development may overestimate the state's contribution to development. Furthermore, the author does not present or discuss their empirical methodology, which only tests for correlation among explanatory variables in Arab countries. The author should instead test the correlation for each panel of variables. Secondly, the model equation is not well-proven and requires further explanation. The reader requires a simple demonstration or mathematical model that shows the relationship between state-led development and unemployment. By providing such a model, the author can help the reader better understand their argument and how it relates to the broader literature on development and unemployment.

4. In Table 5, which focuses on middle-income countries, the reported results indicate that the number of observations (58) does not match the expected data for the time period (10 years) and the number of countries (7) ($7 \times 10 = 70$). This raises the question of why there are fewer observations than expected
5. The author estimates the model using variables in level, which may lead to a stationary problem and consequently a possibility of bias due to differences in measures and high values of some variables (leading to high coefficients). As the model is not log-linear, the estimators are not the elasticities. However, the author interprets the coefficients as elasticities despite this not being the case.
6. Several tests, including the endogeneity test, are necessary. As demonstrated by growth theory and recent studies, there is a possibility of bidirectional causality between public expenditures and growth (or employment/unemployment) (Jouini, 2015.). Therefore, the author should test for the endogeneity of the explanatory variables, for which the GMM method is recommended to obtain the most robust and accurate estimators.
7. The interpretation of the results needs improvement, particularly with regards to the positive relationship found between public expenditures and unemployment, which is inconsistent with prevailing economic theory. The author should provide a more detailed analysis of this unexpected finding and clarify the underlying mechanisms that explain it.
8. The bibliography should be placed after the main text, rather than being included after the appendices. Haut du formulaire