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Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	2014_BJEMT_10378
Title of the Manuscript:	RISK AND DEVELOPMENT IN DEVELOPING COUNTRIES
Type of the Article	Original Research Article

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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.

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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)
Compulsory REVISION comments	The authors make mention in the abstract that data, from the World Bank, were obtained on a total of 78 developing countries (as a sample). The data (according to the abstract) hold relevancy to the "impact of risk management of economic development of developing countries". Logically, in order to do this effectively, the authors need to conduct a thorough literature review as lots of information exists on risk management in 78 different developing countries. The following aspects need to be covered in the section(s) that follow: ~ What is a risk? ~ Why do risks need to be managed? ~ What is risk management? ~ How are risks managed by the 78 developing countries [risk management technique(s)]? ~ What is economic development? ~ How do risk management techniques influence economic development? ~ What is the 'benchmark' against which the risk management technique(s) of the 78 developing countries will be compared? [defining optimum risk management]. In core, there are numerous citizens residing in these 78 countries and, as such, it will be extremely difficult to pinpoint exactly how countries manage their risks. There are large organisations, SMEs, informal traders, etc. that operate in an economy – as such, lots of information will	The reader is encouraged to consult the 2014 World Bank Development Report with respect to the aspects as mentioned by the reviewer. Also, economic development is already explicitly explained in the standard economic literature and does not to be further discussed in a research paper. These aspects may only be relevant to a readership who is not at all familiar with economic development as well as issues in economic development of developing countries. The reviewer basically uses a different approach when making the comments since these probably will be more appropriate for country or case studies rather than economic analysis based on statistical modelling and methods.



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	need to be gathered (literature review) to establish how these 78 countries make use of risk management. Based on the sections that follow (introduction), it is clear that only the following points (from what was highlighted) were addressed (to some extent): ~ Why is risk management important? (very marginal coverage) ~ What is risk management? (very marginal coverage) Because there is limited coverage in the introduction (in terms of a story being told – as to HOW the authors got to a certain perception), it is no surprise that the literature review provides a limited coverage on the whole topic at hand – I did not see clarity as to what risk management methodologies are utilised by all 78 countries in depth; without sound literature (embedding the study in sound theory), the remainder of the manuscript has little weighting. There is NO research design and methodology present in this paper. Also, no ethical considerations. This is the heart of any research paper. Though the statistical portion of the paper is “intense”, statistics mean very little without a solid research design and research methodology – adversely impacting the conclusions drawn.	Author disagrees with this comment. Lack of risk management was referenced in Dercon and Christiaensen (2011) while its presence was cited in Karlan et al. (2012), Hoddinott, Rosegrant, and Torero (2012), and Hallegatte (2012). Given this literature, then, the use of risk indicators indirectly introduces the role of risk management in economic development. Nevertheless, author acknowledges this comment in the form of endnote 2 inserted in the last paragraph of the literature review section. Research design and methodology are presented in the statistical model section in which a multiple linear regression model is formulated. Author does not see how ethical considerations would be critical in a research study like this one. This is standard procedure in the literature. The study is based on data available from the World Bank and no human or animal objects are involved. Is this what the reviewer meant by ethical considerations?
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<u>Minor</u> REVISION comments	Referencing, in the introduction, is not as per Harvard.	This will be addressed in the revision to this paper.
<u>Optional/General</u> comments		