



SDI Review Form 1.6

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	2013_BJEMT_6461
Title of the Manuscript:	The Role of Education and Health in Poverty Alleviation A Cross Country Analysis
Type of the Article	Research Paper

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PART 1: Review Comments

	Reviewer's comment	Author's comment <i>(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)</i>
<u>Compulsory</u> REVISION comments	The definition of poverty (line 26-28), as well as many other statements, are reported without bibliographic references. The second paragraph (line 32-43) cites reports published 10 or 20 years ago. At line 45 the acronym WDI should be fully spelled out, given that it is the first time the authors report it. Please give a reference for the statement at line 55 "Some countries experienced high rates of poverty reduction in the past few years while many countries were unable to practice a considerable decline in poverty indices. The beginning of the paragraph "Significance theory" is just a statement of "common sense", not strictly necessary to explain the theory. As well as the paragraph at line 114-120 on growth and poverty is not supported by theories or evidence. I recommend to cite relevant references in the text. The idea to use BMI as health indicator is questionable, (see Hazel H et al. Body Mass Index and Health. Family Economics & Nutrition Review; 2001, Vol. 13 Issue 2, p52: "BMI may not be the most appropriate indicator to determine health status for certain groups of people"). Moreover, the authors used low BMI (and not high BMI) as indicator of poor health. This could be true in countries with high percentage of population suffering from undernourishment that is not the case for many countries included in the study (Belarus, Brazil, Bulgaria, Indonesia, Lithuania ...). Obesity is now a major health	Latest definitions of poverty with references have been added. Various World Development Reports have been referred to highlight the shift in understanding the role of human capital to address poverty. WDI has been replaced with the source of information, i.e. the World Bank (2008) Reference of World Bank (2004) has been added at line 55 The statement "Generally, a theory is validated from empirical evidence and the empirical estimation requires theory as foundation of hypotheses" is omitted from the text. Relevant reference is added in the text (114-) We have just referred to Body Mass Index (BMI) as a possible measure of human health condition but in our study we have not use it due to its limitation. Rather we have used 'life expectancy at birth' as an indicator of health status, as suggested by the reviewer.



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	problem , even in developing countries (see Gupta N, Goel K, Shah P, Misra A Childhood obesity in developing countries: epidemiology, determinants, and prevention Endocr Rev. 2012 Feb;33(1):48-70. doi: 10.1210/er.2010-0028. Epub 2012 Jan 12). I do suggest to use other health indicators, such as life expectancy or morbidity indicators. The statement “Better health is supposed to increase working and intellectual capabilities ...” (line 203-209) is questionable. Social and “environmental” factors (such as work environment) may determine different levels of work ability, given the same health status. You can read plenty of theories about it (see Lennart Nordenfelt. The Concept of Work Ability. Peter Lang, Brussels, 2008. or Gould et al Dimension of work ability, Helsinki, 2008) The analysis model adopted is not well explained. It is not sufficient to cite DEA (with no reference) and the CCR model. The model makes use of a grow indexes, that provide only partial picture of the economic situation. Countries with higher GDP may experience a reduced economic growth. In these countries the relationship between growth, health and poverty can be completely different. The health expenditure by government is strongly affected by the type of health system adopted in the country: in countries with an health systems based mainly on private insurances the government health expenditure is low, but health services could be better than other countries. This could be the case, e.g., of Indonesia.	It is true that social and environmental factor may influence the productivity of labor with a given health status but it does not exclude the possibility that health status in itself may influence the productivity or workability of laborer (worker). For example see Knapp, David (2007); Burton, Joan (2010). The relevant references have been added in the text. The impact of economic growth on income distribution and poverty is a controversial issue. The purpose of applying DEA is to show how much and how efficient growth through public spending may contribute to reduce poverty as well as income inequality and improve education and health status. DEA explanation is improved and relevant reference is added in the text. In most of the developing countries government manage the largest part of healthcare system. In these countries the share of private sector in healthcare services through health insurance system is marginal.
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	The analysis model used to produce the figure 8, that appears crucial for the study, should be clearly described and discussed. I am not confident with the categorization of efficiency in 3 groups (100% efficiency = most efficient countries, 50% to 99.9% efficiency = less efficient countries, 0% to 49.9% efficiency = inefficient countries). This implies that a 99,9 percent of “efficiency” is so different from 100% . The conclusion about the crucial role of the investments in education is not supported by the data. It is very unlikely to observe a contextual improvement in poverty or inequality in a country where the investments in education are increasing. A lag-time of 5-10 year is expected.	We have substituted the terms “less efficient” as well as “inefficient” with “relative efficient” and “least efficient”, respectively. It is true that there is not much difference between 100% efficiency and 99.9% efficiency level. However, DEA compare all Decision Making Units (DMUs) with “the best” or “most efficient” DMU/DMUs which is/are at 100% efficiency level. Thus, the categories of most efficient, relative efficient and least efficient are justified. A number of studies (e.g. Barro, 1996; Datt and Ravallion, 1998; Easterly and Levine, 2000; Harper, Marcus, and Moore, 2003; Riddell, 2004; Berg, 2008; Janjua and Kamal, 2011) conclude that education significantly contributes to improve income and reduce poverty.
<u>Minor</u> REVISION comments	At line 200 Bio Mass Index (BMI) should be Body Mass Index. The word “scared” at line 254 should be a misprint.	The term “Bio Mass Index” is replaced with “Body Mass Index”. The term “scared” is replaced with “scarce”
<u>Optional/General</u> comments	The paper deals with an interesting issue, however the supporting theories are limited and of questionable validity, the cited bibliography is not updated and the rationale is quite simplistic. About the concepts of making people “enable” or “capable” I suggest to see authors such as J Stiglitz (The Price of Inequality, 2012) or A. Sen (Inequality Re-examined, Oxford: Clarendon Press 1992)	The paper is now enriched with additional theoretical concepts and updated references There can be many ways to make the people capable. One way of doing this is to increase and efficiently utilize public spending for the improvement in human capital which has been focused in this study.