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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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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 <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>
Compulsory REVISION comments	The goal of this paper is to examine how health and education can impact on poverty magnitude. The author(s) found that countries that spend more on education and health are more efficient in fighting against poverty. Although this is an important goal, this paper does not represent a relevant contribution to the copious literature on social spending and poverty. In particular, I found five main problems with this manuscript. (1) The structure of the paper is not easy to follow. To begin with, poverty is not defined in a precise way. Later in the paper, the author(s) explicitly says that s/he is concern with the idea of absolute poverty. However, that concept is never clearly defined or operationalized. For example, what is the measure of poverty that the authors are considering? Why should we be interested in absolute and not in relative poverty? How can the levels of absolute poverty be compared at a cross-national level? In order to be more compelling, the paper needs to address those basic questions. (2) The literature review needs more work. There are several studies that examine similar problems but that are not considered in this manuscript. See for example: O'Neill, 1995 (Journal of Political Economy); Baldacci et al, 2003 (World Development); Bloom, Canning and Sevilla, 2003 (World Development); Teulings and Van Rens, 2008 (The review of economics	1) Poverty is now defined precisely. The study concerns with both of absolute and relative poverty. The measures of absolute poverty (i.e. poverty headcounts in context of international poverty line) and relative poverty (i.e. Gini coefficient) are explained. 2) The works of most of the suggested authors are adequately incorporated and referred in the paper.



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	and statistics); Tsai, 2006 (Canadian Journal of Development Studies); Li et al, 1998 (Economic Journal); De Gregorio et al, 2002 (The Review of Income and Wealth); Hannum and Buchmann, 2005 (World Development). (3) The method of estimation also needs further development. The author(s) needs to justify why a data envelopment analysis is the best method to estimate his/her hypotheses. For example, the author(s) should explain why s/he does not include any of the control variables that frequently appear in the literature (i.e. inflation, unemployment, import/export, political and demographic variables, etc). How can we know that these other variables do not have more explanatory power than the ones used in this paper? (4) The author analyzes data for 40 selected countries at aggregate level during the period of 1999-2007. S/he needs to provide further explanation of the dataset that is used in the paper. For example, a table with descriptive statistics would be really helpful in order to understand the data that the author analyzes in the paper. (5) More importantly, the author must explain why a statistical analysis of such a short period of time is enough for capturing the effect that public spending on health and education can have on absolute poverty. That is a very important point that is not fully explained in the paper.	3) Factors, such as level of public spending, inflation, unemployment, trade, political and institutional instability and demographic characteristics etc., may influence outcomes, such as human development, poverty and inequality. However, we applied DEA in order to assess, HOW EFFICIENTLY the relevant countries are utilizing public spending to improve human capital and reduce poverty. 4) The selection of variables, sample size, data collection procedures as well as sources, are explained in the paper. Moreover, a descriptive analysis is added in the paper for better understanding of data used in the study. 5) We share the view of reviewer that for statistical analysis a relatively longer period is more reasonable to capture the effect of public spending on education and health status, poverty and inequality. However, as mentioned in the paper, missing values of relevant variables have restricted us to use data from 1999 to 2007 of 40 countries. Moreover, our analysis covers both theoretical and empirical evidence in favour of research hypothesis.
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<u>Minor</u> REVISION comments		
<u>Optional/General</u> comments		