



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_19249
Title of the Manuscript:	Factors influencing income inequality in Namibia
Type of the Article	Original Research Article

General guideline for Peer Review process:

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	This is a long-standing important issue debated heavily among economists and policy makers. Theoretically, the consensus among academics is that the assessment of economic performance should not focus on overall economic/income growth but also take into account income distribution. A key question is whether relevant structural changes or reforms are having positive or negative effects on income inequality. This is because redistribution strategies and income growth policies might be complementary or substitutes in that there could be a trade off between the two objectives. I am concerned that the effect cannot be identified using the strategy in this paper. It is hard to argue for the exogeneity of the income distribution from the income per capita regression. This is because at the aggregate level, both income and income variance might be the result of the economy and are simultaneously determined. Furthermore, the marked income variation is also likely due to differences in policies and institutions. Thus, the effect on income inequality cannot be identified by simply regressing household income on a set of factors. Alternative approaches/information are needed to get a consistent estimate, for example, instrumental variables; or structural models with valid exclusion restrictions. This paper adds to the huge existing literature on	1. My point of view here differ with the reviewer, I am not trying to examine the impact of structural change (which require time series data) in the policy; just I am trying to look at factors influencing in terms of income per person using cross sectional data; as a result with type of information or data I have this comment is not possible to be addressed 2. . The reviewer missed that the information or data I have here is entire population is not sampled; as a result it look each and every active age population in the study; it is not aggregated 3. In terms of literature I agree with the reviewer comment ; as a result more



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	household income, this time using cross-sectional data from Namibia. The paper does not contribute anything novel, neither theoretically or methodologically. Moreover, it is poorly written and the research it is based on is not sufficiently well executed. Furthermore, equation (2) is not the log-transformation of equation (1). No description is given to data measurement and how these were treated in the regression for all variables. The reader is not provided with any information on heteroscedasticity which is likely to be encountered in such cross-sectional studies. Further information is needed on what the components in Table 9 are referring to.	previous studies are included now 4. Log transformation is done well now 5. Heteroscedasticity are tested and already discussed in the paper
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<u>Minor</u> REVISION comments	From Section 2 we learn the demographic and economic characteristics in Namibia. No comparative assessment is made between other African countries or with countries with similar GDP per capita or Gini coefficient. Also, neither discussion nor a mere mention on income inequality indicators is provided the paper. Thus, it is very difficult for the reader to grasp how the regression relates to inequality. In Section 2, there are too many tables with unnecessary information, while omitting other vital information, such as employment rate, activity rate, unemployment rate, early-school leaving rate, average years in schooling, Gini coefficient, S80/S20 income quintile ratio, etc.	6. Comparative analysis table is added that compare with Southern countries in terms of HDI & GINI coefficient
<u>Optional/General</u> comments	In general the paper lacks a motivation for why the reader should read it, or put in another way, what new one learn from an analysis of data from Namibia. Referencing is very poor cited mainly from Kaasa (2003). There are several thorough surveys of the income inequality studies and summing up that literature would be better than merely referring to Kassa (2003). The factors assumed to influence income are not well discussed and not linked to income inequality. In this regard, the title is misleading.	7. Motivation of the paper is also added