

Brief Review

The paper, What Determines Firms' Credit to Access in the Absence of Effective Economic Institutions: Evidence from China is an empirical study based upon cross sectional data. By adopting the Probit and IV method, it shows that the government intervention enables firms' to get better access to credits and therefore makes them achieve higher profit.

From overall, this article is well organised and polished with understandable logic. However, it suffers a lack of interesting result as government intervention must more or less have had positive effect on the firm's better access to credit and profit. Otherwise, it is meaningless to do so.

As for the data, an insight on the interplay between and firms' access to credit and government intervention is based on over 12,000 observations from the World Bank survey data in 2005. The reason to choose the data in this year is fine but not good enough to cut the doubt on whether this specific year can represent the recent period. Moreover, the cities described are in less developed regions in China, which enhances the uncertainty for predicting the whole Chinese Market.

The control variables do cover a broad sense but the R squares shown in the outcomes seem to be comparatively low. Although this may be a characteristic of Probit method, somehow it should have optimized the regression to avoid missing the important omitted variables.

In sum, there are two points if this paper needs to be better improved. Namely, the unpersuasive cross sectional data and the less sparkling idea. Therefore, a major revision is in need according to the opinions above.