

Referee Report on “Exchange-rate regime and economic growth: A review of the theoretical and empirical literature”

This paper surveys the literature on exchange rate regimes and economic growth. Its main conclusion is that both the theoretical and empirical literatures find ambiguous relationships between the exchange rate regime and growth.

Since this is a survey paper, good exposition is key since the paper itself makes no additional novel contributions to the existing literature. In this aspect, I found the paper severely wanting. Stylistic issues made reading the paper difficult and, at times, confusing, even though overall, the content of the paper appeared to be comprehensive (with one caveat that I will address below). I provide now, some examples of what I mean by expositional issues. These are just some illustrative examples; I strongly suggest that the author proofread the paper thoroughly.

1. The abstract is far too long for a standard journal article. Perhaps the author may consider cutting it down to 100 words.
2. There is wholesale repetition in the text. As an example, the very first paragraph on page 1 from “The natural rate....exhibits on growth” is virtually repeated verbatim on paragraph 1 of page 2!
3. The author insists on repeatedly using words such as “blurred” although more appropriate ways of expressing what he means; e.g., “ambiguous”, are available.
4. Some sentences are simply downright awkward. For example, he says things like “Very few studies disgracedly [sic] pay small attention to the capital controls...” and “Overall, the empirical evidence is condemned because of the growth framework...” Such language is simply too strong and emotive for the purposes at hand.
5. The author italicizes terms; e.g., “policy uncertainty” on page 2, but then does not follow up with an explanation of these terms. It is not enough to just italicize a phrase to emphasize its importance. It is still incumbent on the author to explain why this is so.
6. The author also puts out acronyms, such as “ERT” on page 2, without defining them first (does so only later).

All of the above render the paper very difficult to read. But, a survey paper should be made very readable. I strongly suggest that the author polish the writing in this piece.

Substantively, I have less to say about the paper. I think the content is adequate. The only comment I have to make is with regards to the author’s dim view of using growth regressions to uncover the relationship between exchange rate regimes and growth. Many of the author’s concerns are not new, and have been discussed extensively in papers such as Durlauf, Johnson, and Temple’s chapter in the Handbook of Economic Growth. I think the author should refer to this and similar work in the broader empirical growth literature.