

Referee's report on

"Human Capital and the Adoption of Information and Communications Technologies: Evidence from Investment Climate Survey of Pakistan"

I have carefully read the paper. The topic of the paper is interesting. The paper aims to estimate the impacts of human capital in the use of Information and Communications Technologies (ICT's) by the Pakistani firms. In the study, human capital is measured by the (main independent) variables such as the top manager's highest qualification level, the average education level of the workers, the number of skilled workers and the on-the-job training while ICT use is proxied by the (dependent) variables including the use of email by workers, the use of websites by firms, the percentage of workforce using computers, and the percentage of the computer-controlled production machines. The probit, simple ordinary least squares and random effects estimations partially verify the hypothesised positive effects of education attainment of both the top manager and the workforce on the adoption of ICTs. Another partial verification is obtained for the positive effect of firms' sales on the adoption of ICTs. In the paper, a serious weakness of the econometric specifications seems to be the endogeneity problem (that the education of the workforce is endogeneously determined by the firms' adoption of ICTs). The authors acknowledge this problem which, they also argue, is inevitable due to the limitations of the data set.

The paper is well written. Below, I list some minor typographical suggestions which the authors may find helpful.

- Title page, title:  
adoption -----> Adoption
- Page 2:  
The paragraph between H2. and H3. needs indentation.
- Page 5, Equation 1 and Line 4:  
EDUCATION -----> EDUCATION\_t (time index is missing)
- Page 5, Line 5:  
t refers -----> (t should be italic)
- Page 5, Paragraphs 3 and 4:  
Need indentation.
- Page 6, Line 1:  
less than Secondary School -----> Less Than Secondary School
- Page 7, Table 3, Dependent variables:  
Workers using computers -----> Workers using computers (%)
- Page 7, Table 3, Independent variables: other controls, Machinery and equipment:  
if firm is in the machinery and equipment -----> if firm is in the machinery and equipment industry
- Page 9, Section 4.1., Line 2:  
Table 3 and 6 -----> Tables 4 and 6
- Page 10, Paragraph 3:  
Must be reformatted as the continuation of paragraph 2.

-References, Page 16, Reference 1, Line 1:

Arvanitis, S., -----> Arvanitis, S.

-References, Page 16, Reference 3, Line 1:

(2007) -----> (2007),

-References, Page 16, Reference 5, Line 1:

L.M., -----> L.M.

-References, Page 17, Reference 3, Line 1:

M., (2010). -----> M. (2010),

-References, Page 17, Reference 4, Line 1:

T. Dunne and K. Troske -----> Dunne, T. and Troske, K.

-References, Page 17, Reference 8, Line 1:

Hollenstein -----> Hollenstein,