



ISSN NO. 2320-5407

ISSN(O): 2320-5407 | ISSN(P): 3107-4928

International Journal of Advanced Research

Publisher's Name: Jana Publication and Research LLP

www.journalijar.com

REVIEWER'S REPORT

Manuscript No.: IJAR-57811

Title: Macroeconomic Instability and Living Standards in Nigeria: The Impact of Inflation and Unemployment (1990-2024))

Recommendation:
Accept after minor revision

Rating	Excel.	Good	Fair	Poor
Originality		✓,		
Techn. Quality		✓,		
Clarity	✓,			
Significance	✓,			

Reviewer Name: Abdul Haseeb Mir

Detailed Reviewer's Report

The manuscript titled "**Macroeconomic Instability and Living Standards in Nigeria: The Impact of Inflation and Unemployment (1990-2024)**" addresses a critical dilemma in developing economies: how persistent macroeconomic instability shapes human well-being. Despite its status as one of Africa's largest economies, Nigeria faces deep structural vulnerabilities marked by severe labor market distortions, volatile inflation rates, and declining real household incomes.

The scope of this empirical paper spans 34 years of economic history, covering multiple political transitions, oil price booms, and structural adjustment corrections. By evaluating this timeline, the work models how inflation and unemployment act together as drivers of living standards, providing an empirical perspective on the structural bottlenecks hindering sustainable development in Sub-Saharan Africa.

The study uses a quantitative econometric design, utilizing annual secondary time-series data from 1990 to 2024. The methodology centers on the **Autoregressive Distributed Lag (ARDL) bounds testing framework**, which allows for the simultaneous evaluation of both short-run and long-run relationships among variables with mixed integration orders. The baseline model evaluates real GDP per capita as a proxy for living standards, while controlling for systemic financial factors such as nominal interest rates and exchange rate fluctuations.

Key empirical findings detailed in the manuscript include:

- **Long-Run Structural Insignificance:** The ARDL bounds test confirms the presence of a long-run equilibrium relationship among the variables. However, the estimated long-run coefficients



REVIEWER'S REPORT

for inflation, unemployment, interest rates, and exchange rates are statistically insignificant. This indicates that long-term living standards are governed by structural institutional factors rather than short-term monetary fluctuations.

- **Mixed Short-Run Unemployment Dynamics:** In the short run, unemployment exhibits a mixed dynamic effect on living standards. The contemporaneous effect is statistically insignificant, but the lagged short-run coefficient shows a significant positive correlation. The author interprets this as evidence of delayed labor market adjustments, where workers eventually shift into low-productivity informal sectors to sustain household consumption.
- **Exchange Rate Transmission:** Exchange rate movements display a positive and statistically significant relationship with real GDP per capita in the short run. This underscores how closely Nigeria's domestic living standards are tied to currency valuation, import costs, and foreign trade transmission channels.

The paper provides strong analytical depth by looking beyond basic correlations to explore the structural reasons behind Nigeria's macroeconomic problems. By integrating Amartya Sen's Capability Approach alongside traditional macroeconomic frameworks like the Phillips curve and Prebisch-Singer thesis, the paper connects economic metrics directly to human development outcomes.

The primary contribution of this research is its empirical challenge to conventional assumptions regarding long-run monetary policy in resource-dependent economies. By demonstrating that inflation and interest rates lack stable, long-run predictive power over living standards, the work highlights the limitations of treating structural poverty through monetary adjustments alone. This makes the manuscript a valuable resource for policymakers, development economists, and researchers focused on West African fiscal policy.

Suggestions for Improvement

- **Structure the Main Text with Standard Section Breaks:** The current layout presents large portions of text as continuous commentary. Reorganize the manuscript using formal academic headings, such as "**Introduction**," "**Literature Review and Theoretical Framework**," "**Methodology and Data Sources**," "**Empirical Results and Discussion**," and "**Conclusion and Policy Options**."
- **Incorporate a Visual ARDL Path and Variables Flowchart:** Add a conceptual diagram illustrating the structural architecture of the econometric model. Visually mapping the independent core variables (Inflation and Unemployment) alongside the control metrics (Interest



REVIEWER'S REPORT

and Exchange Rates) through the ARDL framework to the final dependent variable (Real GDP per capita) will make the methodology easier to follow.

- **Include the Complete Econometric Results Tables:** The main text discusses the short-run and long-run ARDL coefficients, but lacks the formal statistical output tables. Insert comprehensive tables displaying the Augmented Dickey-Fuller (ADF) unit root tests, the F -statistic bounds test results, and the specific short-run error correction mechanism (ECM) coefficients.
- **Elaborate on the Informal Sector's Role in Lagged Adjustments:** The manuscript highlights a positive lagged short-run relationship between unemployment and living standards. Expand this analysis to explicitly discuss how the informal economy absorbs displaced labor, explaining how underemployment masks true labor market distress.
- **Incorporate Diagnostic and Stability Tests:** To verify the reliability of the ARDL framework, add a subsection detailing the standard post-estimation diagnostic tests. Include the cumulative sum (CUSUM) and cumulative sum of squares (CUSUMSQ) charts to prove the parameter stability of the model over the 1990-2024 timeline.
- **Deepen the Discussion on Exchange Rate Transmission Channels:** Expand the section analyzing short-run exchange rate dynamics. Detail how currency depreciation impacts the domestic cost of living through imported inflation, given Nigeria's reliance on imported consumer goods and refined petroleum products.
- **Expand and Modernize the Literature Review:** While the theoretical foundation relies on foundational texts by Sen and Prebisch, the literature review would benefit from more recent empirical studies. Integrate peer-reviewed articles from the past three to five years analyzing inflation and unemployment dynamics within the Economic Community of West African States (ECOWAS).
- **Develop Actionable, Sector-Specific Policy Prescriptions:** Move beyond general conclusions to offer specific, practical policy recommendations based on the findings. Address how Nigerian fiscal authorities can target structural unemployment through technical and vocational education training (TVET) and local supply chain integration, rather than relying solely on monetary policy.
- **Conduct a Complete Proofreading and Spacing Pass:** Review the document to ensure consistent spacing after punctuation marks, correct any lingering line-break fragments, and ensure that all specialized economic terminology is presented uniformly.
- **Standardize and Complete the Bibliographic References:** Ensure the entire reference list is formatted under a single standard, such as APA 7th edition. Verify that entries include all



ISSN NO. 2320-5407

ISSN(O): 2320-5407 | ISSN(P): 3107-4928

International Journal of Advanced Research

Publisher's Name: Jana Publication and Research LLP

www.journalijar.com

REVIEWER'S REPORT

necessary metadata, such as volume numbers, issue numbers, complete page ranges, and active DOIs where available.

Recommendation for Publication

I recommend this manuscript for **publication with minor revision**. The author provides a timely and methodologically sound empirical analysis of Nigeria's macroeconomic landscape, effectively using the ARDL framework to explore short- and long-run dynamics. The findings regarding long-run coefficients provide a useful critique of conventional monetary policy in resource-exporting nations. Once the author introduces the missing statistical tables, maps out the conceptual framework visually, and refines the structural formatting and literature references, this paper will be a strong and insightful addition to journals focusing on African development, applied macroeconomics, and public policy.