

Review Form 3

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| Journal Name: | Asian Journal of Economics, Business and Accounting |
| Manuscript Number: | Ms_AJEBA_125560 |
| Title of the Manuscript: | The Future of the CFA Franc: a Game Theory Approach |
| Type of the Article | |

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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. To know the complete guidelines for the Peer Review process, reviewers are requested to visit this link:

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PART 1: Review Comments

| Compulsory REVISION comments | Reviewer's comment | Author's Feedback <i>(Please correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)</i> |
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| Please write a few sentences regarding the importance of this manuscript for the scientific community. Why do you like (or dislike) this manuscript? A minimum of 3-4 sentences may be required for this part. | The primary contribution of this paper is its approach to predicting the future of monetary cooperation regarding the CFA Franc through game theory. If one is to believe the authors' assertions, this research can be regarded as an innovative contribution to the study of CFA Franc monetary cooperation. | |
| Is the title of the article suitable? (If not please suggest an alternative title) | Yes. However, there are sections in the main text where it is unclear whether the paper is making future predictions or advocating for a normative perspective on what the future should be like, so I would like to draw attention to that issue. | |
| Is the abstract of the article comprehensive? Do you suggest the addition (or deletion) of some points in this section? Please write your suggestions here. | I have questions regarding the setup of the game model. While I encourage you to refer to the accompanying report for details, I believe it is necessary to make adjustments in the main text and rewrite the relevant sections of the abstract accordingly. | |
| Are subsections and structure of the manuscript appropriate? | Yes. | |
| Please write a few sentences regarding the scientific correctness of this manuscript. Why do you think that this manuscript is scientifically robust and technically sound? A minimum of 3-4 sentences may be required for this part. | This paper contains questions regarding the setup of the game model. However, aside from that point, it seems there are no serious issues. If the game model is set up correctly, I believe it could lead to a scientifically sound paper. | |
| Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form. : | Aoki, Masahiko, (2001), <i>Toward a Comparative Institutional Analysis</i> , The MIT Press. Feinberg, Yossi, (2021), "Games with Unawareness", <i>The B.E. Journal of Theoretical Economics</i> , 21, 433-488. Schipper, Burkhard C., (2014), "Unawareness: A Gentle Introduction to both the Literature and the Special Issue", <i>Mathematical Social Sciences</i> , 70, 1-9. Schelling, Thomas, (1960), <i>The Strategy of Conflict</i> , Harvard University Press. | |

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| <p>Minor REVISION comments</p> <p>Is the language/English quality of the article suitable for scholarly communications?</p> | | |
| <p>Optional/General comments</p> | <p>Summary</p> <p>This paper uses game theory to predict the negotiation situation between France and the African Franc Zone (AFZ) countries regarding whether to continue or withdraw from future monetary cooperation concerning the CFA Franc. The study considers two scenarios. The first scenario involves the political leaders of AFZ countries contemplating the continuation of monetary cooperation without consulting other agents. In this case, it is anticipated that the AFZ countries will decide to continue the monetary cooperation. The second scenario involves incorporating demands from the populace or the African Union into the decision-making process, wherein the political leaders of AFZ countries are expected to choose to withdraw from the monetary agreement. To assess the validity of these theoretical predictions, various external factors are examined.</p> <p>Reviewer's Assessment</p> <p>Significant revisions are necessary. The game model is somewhat disorganized, and it would be advisable to reevaluate the model's setup. In the abstract, the paper states that its objective is to predict the future framework of monetary cooperation regarding the CFA Franc. However, in the main text, there are indications of a normative perspective suggesting that "Exit" is warranted, which causes confusion for the reader. If future predictions are indeed the central theme of this paper, it is essential to clarify this point by revising the content of Sections 4 and 5, in particular.</p> <p>Major Comments</p> <ol style="list-style-type: none"> 1) The game model's setup needs to be reconsidered. First, this paper defines two players: the AFZ countries and the French government. However, cooperation among the AFZ countries should also be an important consideration. It is unclear why the paper focuses solely on the strategic situation with the French government without addressing cooperation among the AFZ countries, making the model's setup appear abrupt and difficult to understand. The selection of players needs to be confirmed first. Regarding strategies, considering the aims of this paper, it is inappropriate to define the French government's strategies as "Maintain (M)" and "Exit (E)." As discussed in Section 5, including options such as "apply pressure," "provide financial assistance," or "do nothing" to prevent the AFZ countries from exiting would make the model more persuasive. Additionally, regarding the distribution of payoffs, it is unreasonable to only consider the foreign exchange reserves of the French Treasury as the payoff. For the AFZ countries, the ability to acquire foreign exchange reserves is not the only factor; whether it contributes to economic growth is also a significant element in their decision-making. Analyzing without including these factors in the payoffs is problematic. These points should be effectively reflected in the depicted game situation. From these perspectives, it is unreasonable to conduct analysis using this game model, and therefore, the Nash equilibrium solutions derived from this model are also unsatisfactory. I believe that re-evaluating the model's setup and subsequently analyzing the equilibrium solutions would lead to a more satisfactory publication of the paper. Furthermore, when explaining the game model, it appears that the order of decision-making is involved in the game situation. In that case, relying solely on the payoff matrix could lead to misunderstandings as if it were a simultaneous move game, so I would like to see both the payoff matrix and the game tree included in the explanation. Particularly in section 5.3.1, where the discussion about switching turns occurs, it is necessary to insert diagrams or tables that compare the turn-switching in the game tree and the corresponding payoff matrix representation. 2) Regarding the theoretical issues with the game model, the structure of the game physically changes between Case 1 and Case 2. Case 1 is a 1x2 matrix game, while Case 2 is a 2x2 matrix game. There is a section that examines mixed-strategy Nash equilibria; however, since the structure of the payoff matrices is fundamentally different, the domains of probability distributions over the strategy sets for both cases cannot simply be compared. It is essential to provide a convincing rationale for why the structure of the game differs between Case 1 and Case 2. Solution 1) Set Case 1 as a 2x2 matrix game as well, proposing a payoff distribution where the Nash equilibria differ between Case 1 and Case 2. Solution 2) Refer to Aoki (2001, Chap.7, 9). Aoki incorporates the concept of "technically feasible actions," suggesting that societal constraints at the time may have influenced whether certain options were included on the list. This type of idea should be utilized to justify the 1x2 matrix in Case 1. However, it is crucial to justify why the political leaders of the AFZ countries were unaware of the option "Exit" due to social constraints. Solution 3) Incorporate the concept of "games with unawareness" (e.g., Schipper 2014, Feinberg 2021), interpreting the situation where the political leaders of the AFZ countries were unaware of "Exit" as an option. However, it is necessary to detail the settings explaining why they were unaware. 3) If the negotiation and conflict issues are addressed from a game theory perspective, the discussion by Schelling (1960) should also be referenced. In particular, the discussion in Section 5 would be more persuasive if it references Schelling's arguments. <p>Minor Comments and Future Research</p> <p>It would be prudent to investigate discussions surrounding the EU. The United Kingdom's withdrawal from the EU and Greece's response during the Eurozone crisis appear to resemble the negotiation scenarios regarding monetary cooperation for the CFA Franc. Of course, there will be similarities and differences; however, organizing these aspects will help highlight the unique issues of the CFA Franc, thereby strengthening this research. Notably, the UK's exit from the EU and Greece's response during the Euro crisis represent game-theoretic situations, and there may be</p> | |

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| | <p>literature that analyzes these scenarios from a game-theoretic perspective. Researching such literature and engaging in the modeling of the game-theoretic situation surrounding CFA Franc monetary cooperation could lead to a more persuasive paper.</p> <p>Reference Aoki, Masahiko, (2001), <i>Toward a Comparative Institutional Analysis</i>, The MIT Press. Feinberg, Yossi, (2021), "Games with Unawareness", <i>The B.E. Journal of Theoretical Economics</i>, 21, 433-488. Schipper, Burkhard C., (2014), "Unawareness: A Gentle Introduction to both the Literature and the Special Issue", <i>Mathematical Social Sciences</i>, 70, 1-9. Schelling, Thomas, (1960), <i>The Strategy of Conflict</i>, Harvard University Press.</p> <p>There are generally no competing interest issues. However, if the research on "games with unawareness," which is one of the recommended solutions outlined in the major comments is incorporated, it will be necessary to exercise caution due to the existence of competing research themes.</p> | |
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PART 2:

| | 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) |
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| Are there ethical issues in this manuscript? | <i>(If yes, Kindly please write down the ethical issues here in details)</i> | |

Reviewer Details:

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