

Referee Report  
Berkeley ARE 261  
Due date: November 30, 2021 (by email).

Suppose you are reviewing this paper for publication in the American Economic Review. Please prepare a report of up to four double-spaced pages (1 inch margins, 11 point Times new Roman, or equivalent in LaTeX). Please also provide a short letter to the editor of up to a half page which explains your recommendation. Your recommendation can be “Publish as is,” “Revise and resubmit,” or “Reject.”

You are not allowed to collaborate on this assignment or discuss the paper or assignment with others in the class. This should be entirely your own work and ideas.

The referee report should justify your recommendation. What are the paper’s main contributions, and how different are they from existing research? This is critically important and not always obvious. How important are the results—do they change your priors? How careful and convincing are any empirical findings—do you believe them? How tightly is it linked to any relevant theory? Although all referee reports include suggestions, the best include ideas that would substantially improve the paper.

A typical report format is to have a short paragraph (maybe a half a page) summarizing the paper’s main idea, method, and findings. This should not copy-paste the abstract or intro; it should be your own words and synopsis. Assume the editor is not a specialist in the area or has not read the paper carefully, and distill what the paper does and where it fits in the big picture. After this, you may also include a short assessment of the general strengths and weaknesses of the paper (a minority of reports do this, though it can be useful). The intro and short assessment should take less than a page. A typical report then highlights a few issues (typically one to four) which are major concerns, i.e., the sort of issues that decide whether the paper is rejected (a.k.a. “rejectable offenses”). A typical report also then lists other issues that are important but less so. Please number your comments.

The purpose of the letter to the editor is to succinctly explain your reasoning. Less is more. You want the letter to say, as briefly as possible, what your recommendation is and what the few key reasons are for it. You do NOT want to go on and on about why the paper is interesting, novel, should be on a graduate syllabus, etc. I try to take the perspective of an editor and ask, “To what extent would suggestions in this report substantially improve the paper or recognize first-order contributions of or problems with the paper that are important to the field?” Put another way, “Does this report reveal important strengths or weakness of the paper that a cursory read might miss?” Editors are busy and handle many papers. I try to have 1-3 few sentences stating my recommendation and how confident I am in it, then 2-3 bullet points with 1-2 sentences each about my main concerns or strengths (elaborated on in the report), then maybe a sentence suggesting where you think it should eventually be published (if you are suggesting rejection).

My advice:

- Focus your report on substantive or methodological comments rather than presentational or stylistic points. It is fine but unnecessary to list some typos in a single point at the end.
- The most useful few comments substantially improve the quality of the paper. These are rare.
- Think hard about major comments that would substantially improve the paper. If you gave a 30-second synopsis of the paper to someone, would your comments change that synopsis? Sensitivity analyses are generally not major comments. Deep ideas about what the paper is or is not doing are useful here. If you taught this paper in a graduate course, what would you highlight?
- No paper is perfect. Some papers have a deep problem that makes them unfit for the journal where they are under consideration. No paper can undertake every conceivable sensitivity

analysis or approach, and one useful purpose of reviews can be to highlight a small number of extensions that the reviewer believes are important. But in general try to have a balanced consideration of the strengths and weaknesses of what the paper does and doesn't do.

- Be concrete and specific. You are guiding the authors and editor through exactly how the paper needs improvement before publication. Saying "X should be fixed" is less useful than guiding them through exactly what you see as the best approach to fix X, though sometimes all you can do is flag a problem and leave it up to the authors to find a fix.
- Focus on the few points that make the paper substantively strong or weak. A good report often has only 1-4 really substantive points but they are explained clearly. It's better to have a few points explained well than a list of assertions. Why is this a good idea? Why does it change your priors? If you were in a seminar, what questions would make you doubt the paper's conclusions? These are the types of points you want to emphasize.
- Don't waste people's time, including yours. If a paper is invited for a revise-and-resubmit, the authors will typically spend great effort to address every single comment you give. So, think about whether your comments have a good chance of being important to and improving the paper. A comment that will take the authors months and is likely to be uninformative is unwise to recommend. By contrast, comments that are important for the paper to be up to community standards, or that seem important to understand or believe the results, are worthwhile.
- Only request changes that are feasible. Comments like "this paper is partial equilibrium but I suggest they make it general equilibrium" may be brief and important criticisms for an "assessment" section near the top or reason in letter to editor to reject, but are not usually comments a paper can address, so do not frame them as such. Similarly for "this paper is reduced form but should be structural." If the authors need to write a completely different paper then you should reject the paper and explain why the broad existing approach is wrong. At the same time, giving concrete guidance for a paper to add a final section which does something like this (e.g., ties reduced-form estimates more closely to a model) is a more feasible request.
- If you mention the literature ("other papers have already done this"; "this is not the frontier methodology"), cite the papers you have in mind (last names, year, and journal abbreviation suffices).
- Put your publish/R&R/reject advice in the letter to the editor, not in the body of the report.
- Be considerate and professional. Comments like "lame" or "dumb" do not belong in a referee report. The editor knows you, you should assume the authors could also, even if technically they do not. Put yourself in the author's shoes and imagine reading your report after spending months or years or a decade on a paper. It sometimes helps to phrase things as "doing X would improve the paper because Y." If you write a report which comes across as angry, frustrated, or irritated, revisit that report on a different occasion and rewrite before submitting so it sounds more like a calm and impartial assessment with recommendations to strengthen the paper.
- Many papers acknowledge weaknesses. It is fine to mention these weaknesses in a report and evaluate how important they are.

Additional advice you may find useful for writing referee reports includes the following:

**Most recommended:** Jonathan B. Berk, Campbell R. Harvey, and David Hirshleifer. 2017. "How to Write an Effective Referee Report and Improve the Scientific Review Process." Journal of Economic Perspectives 31(1): 231-244.

Daniel Hamermesh, "The Young Economist's Guide to Professional Etiquette," Journal of Economic Perspectives 6 (1992): 169-179.

William Thompson, "Guidelines on Writing Referee Reports," mimeo 1998

<https://aiccm.org.au/sites/default/files/docs/AICCMBusinessDocs/RCER451.pdf>

<https://are.berkeley.edu/courses/ARE251/2004/assignments/RRGuidelines.pdf>

[http://people.bu.edu/rking/JME\\_files/guide\\_for\\_referees.htm](http://people.bu.edu/rking/JME_files/guide_for_referees.htm)

General useful advice for writing/presenting:

[https://faculty.chicagobooth.edu/john.cochrane/research/papers/phd\\_paper\\_writing.pdf](https://faculty.chicagobooth.edu/john.cochrane/research/papers/phd_paper_writing.pdf)