Reviewer #1: "Tea Leaf Elections" is a well-written, well-executed paper examining authoritarian responses to unexpected defeats. The paper smartly identifies a contradiction in the literature, which it could highlight better, in which some suggest that autocrats use information from poor performances to provide additional spending to placate the opposition (e.g. Miller), while others predict a punishment regime (eg Magaloni). The paper should be commended for its clarity and attention to detail and its contribution to this important literature. I also appreciate the contextual evidence provided throughout the paper from interviews to bolster the plausibility of the empirical results. If the paper can sharpen its theoretical contribution, bolster the existing findings with additional evidence from previous elections and allay concerns that the results are not artifacts of a revised 2015 Budget Law, it should definitely be published in a top-tier journal.     
  
Framing and theory: I would change the informational framing. The paper spends a great deal of time talking about the informational tradeoffs between manipulation and information, which is discussed elsewhere in the literature (Malesky and Schuler 2011, Miller 2013, Rozenas 2015). However, this paper does not seem to be about the informational tradeoff, but rather about the response to the information the regime thinks it is getting through the elections. It seems that despite manipulation in Vietnam, which arguably renders the information about the results unclear, the regime must decide to either disregard the information, use it to punish behavior, or use it to placate a nascent opposition movement. To the extent to which information should impact this story we should see no effect of the election on transfers. If the election is so electioneered that the results cannot be interpreted, we would expect the regime to simply ignore the results given that the results provide  
little information on the relative popularity of the regime. Indeed, given the Rozenas story, wouldn't we expect high levels of manipulation (in the form of electioneering) to lead to unusable results?  
  
Related to this, I did not find footnote 17 on the explanation for the potential difference between Mexico's punishment regime and Vietnam very convincing. Indeed, this is the heart of the paper, which should be fleshed out more. The paper suggests "The difference in context is that no organized opposition exists in Vietnam, which means that central candidate defeats reflect only dissatisfaction towards the CPV and not affinity to any particular opposition party." Of course, in the hybrid contexts of Egypt, Singapore, and Mexico one may not know if votes for the opposition are votes against the incumbent or for the opponent. However, it is not immediately clear why it matters if voters are rebelling against the incumbent or supporting the opponent with regards to the punishment regime vs. placation strategy. Could it have something to do with the fact that the regime does not feel as threatened by the losses in these areas, because the party still retains control in a  
single-party context? Therefore, the regime does not need to threaten the districts that go to the opposition in the same way? The paper could make a stronger theoretical contribution if it cuts back on the information story and develops this theory of hybrid vs. single-party regimes further.  It might then be able to generalize the theory and argument outside of Vietnam and make a contribution to the broader authoritarian institutions literature.  
  
Budget Process: Another important concern is that the paper needs a more thorough description of the provincial budget negotiation process. Of concern is that a revised Budget Law was passed in 2015 that went into effect in 2016, which was the same time as the election. The paper needs to demonstrate that the budget law did not allow richer provinces, which also tend to have higher numbers of central candidate losses, to retain more revenues as part of the law thus leading to a spurious relationship between the election and the shift in transfers.  
  
Additionally, I am willing to be proven wrong on this, but my understanding of the Vietnamese budgets is that the transfer shares are negotiated in cycles (see page 6 on <https://www.adb.org/sites/default/files/publication/210671/adbi-wp613.pdf>). That is, transfer shares are set for 3-5 year periods. Therefore, in the analysis it would make sense that there should be no shift in the long term, given that the transfer shares are fixed for several years at a time.  
  
Empirics: One way to allay the above concerns would be to demonstrate that the results hold for previous elections. I know that vote percentage data is not available for losing candidates in previous elections, so the paper would have to rely on cruder analyses for those periods. However, the paper could still use win-loss data and transfers from the 2011 and 2007 election. If the findings are robust to those elections, the results would be much more convincing and also show that the results are not an artifact of the revised budget law. The paper could make space by moving some of the existing robustness checks to appendices.  
  
An additional point on the empirics is more conceptual. The paper suggests that poor performances drive fiscal transfers. The paper operationalizes this through wins and losses. I wonder if wins and losses are all the matters, or if a surprisingly poor result (even if the candidate wins) should also drive transfers? Would perhaps the difference in performance from previous elections for central candidates provide a better measure of "surprise" and hence the need for transfers?  
  
Once again, this paper is very well done. While I have several important concerns, I believe this paper deserves to be in print in a top journal.