

Suggestions on how to write a referee report:

The two purposes of the report is to *summarize* a given paper, and offer comments or suggestions to help an author *improve* the paper. Each report should have around 3 pages.

Overall, don't be afraid to have strong opinions (and perhaps be wrong), but *be precise* throughout. Nobody can tell whether you are right or wrong unless you are precise.

1. Summary.

First you summarize the main accomplishments/contributions of the paper. Be objective and do not offer your opinion here. If it is convenient, just list the accomplishments of the paper in outline form. Possible things to describe are:

- The question and goals of the paper
- The theoretical model
- The empirical methodology
- The data being used
- Main results

Be precise: don't just say "the author considers a discrete-choice model of drug choice," but describe the model: "the author considers a nested-logit model where beta-blockers are nested apart from cholesterol-lowering drugs," *et cetera*.

For each point, you must state how the author's approach compares to approaches taken in the existing literature.

The purpose of this section is to help you gain experience in (1) describing economic papers in a concise but precise manner; (2) using economic and econometric terminology; and (3) being familiar with the existing literature.

2. Comments / Criticisms / Suggestions.

In this section you should provide at least five suggestions to the author. These suggestions can be about:

- The general question addressed in the paper: is it the most interesting question given the data? Is it precise enough? How well do the results answer the question?
- The model: are assumptions reasonable or realistic? (too restrictive, too flexible?)
- The empirical methodology: are the econometric assumptions reasonable or realistic?
- The results: do they answer the stated question? Are the author's interpretation of the results correct?
- What other results would you like to see?

Again, *be precise*: do not say things like “this assumption is not realistic,” “I don’t believe this result,” or “this variable is endogenous” without being specific as to *why*.

Furthermore, for every problem you raise, *suggest a remedy*. For example, if you think a right-hand variable in the regression is endogenous, suggest a possible instrument, or an alternative empirical model.

The purpose of this section is to get you to think critically about any paper: in order to find a research question, you need to know what other *have not yet done*.

3. Alternatives

Finally, I want you to answer the following two questions:

- Using the author’s dataset, what other interesting economic questions can be answered?
- Describe an alternative way to answer the same question (perhaps using another dataset, or exploring a different economic setting). For example, if the question concerns whether stock analysts give truthful recommendations, an alternative way to address a related question might be to consider whether the “feedback” mechanism for on-line retailing leads to truthful descriptions of a seller’s quality or reliability.

Again, be precise. The purpose of this part is to get you thinking about *feasible* research questions.

4. Recommendation

Include a final paragraph with your recommendation. You advise me (the editor of the paper) to reject, revise and resubmit, or accept the paper. I guess that by now you know what I want: *be precise*. Argue why you favor your chosen option for publication (or not) at say, RAND.

Just a final note. Do not ever ask the author search for more data unless you know exactly what data source can be used to improve the paper.