

# Guidelines to Write a Referee Report<sup>1</sup>

## 1 Structure

The most useful structure for a referee report is to order information from most important to least important, as is the case with most technical writing. The aim is not to build to a conclusion, but to start with the conclusion, and then justify it with increasing granularity. In other words, give the recommendation, signpost your reasoning in the introduction, justify each individual argument in the main analysis, keep the minor suggestions to the end. Given that, the structure of the Referee Report should be the following:

- Recommendation
- Critical review of the paper
- Analysis - Main Body of the Comments
- Minor Comments

### 1.1 Recommendation (10 words):

Start with the conclusion. Are you recommending a revise and resubmit, rejection or acceptance? To help with context, there are around 6-7 times as many papers that will be recommended “revise and resubmit” as those which are “accepted”. In the context of an assignment, it’s probably better to say “revise and resubmit”, since it’s going to be very hard to hit 1200 words of dotting praise upon the author.

### 1.2 Critical review of the paper (300-500 words):

Make an argument for whether the *paper’s contribution to this literature is significant, in your opinion*. The point is not to just summarize the paper - summarizing is easy, and well below the expertise of the referee. The editor spent ten minutes skimming the paper before they sent it to you, so they already have a fairly good idea of what the author aims to do and how they executed this aim. It’s your job to determine what they did which is of additional worth to the literature which already exists. You can start by summarize the outline of the paper in *your own words*. This will help you to understand the nature of the author’s contribution better. In the process you may discover whether you agree or not with the author’s view about specific aspect of the paper and want to recommend highlighting the significance of a particular assumption or providing a different interpretation of the findings. Again, the goal is not merely summarize the paper but highlight the main contribution of it. This is critical to eventually judge whether the paper makes important contributions in the field and thus it is worth publishing it. Is their contribution a theoretical model that is useful for understanding, a modelling toolkit that will be useful to other authors, a new empirical strategy, a new dataset, a clever identification, or is it establishing its own literature? In discussing the contribution, you will invariably end up providing some summary, but the aim should always be to elucidate the contribution, not to retell.

If you were asked to be a referee in the field, it is because you are an expert in the literature as it stands, and well placed to evaluate exactly what the contribution of the paper has been. Unless you get very lucky, this probably won’t be true this time. You don’t have to try to become one - just take what the author wrote in the literature review as a fair representation of the status quo, and write it on that basis.

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<sup>1</sup>These notes are inspired by material taught in EC2727 Empirical Methods in Financial Economics

For the sake of clarity, you can repeat specific equations or results - refer to the key intermediate equations or results of the theoretical model by restating them, write out the regression equation and which parameters were important to estimate, mention the most important table/empirical result.

Towards the end of this section you can signpost what you will discuss in your analysis - what particular contribution you find novel, or what you consider to be a key limitation and how it could be improved.

### 1.3 Analysis (700-1000 words)

Be specific about the strengths and weaknesses in the paper's execution. This is the point to go into great detail with your concerns and comments. Since the author has spent a great deal more time than you thinking about the topic, they will probably only be convinced by a very incisive point.

If it is a theory paper, start by listing all the assumptions (implied and otherwise) that you believe were necessary for the key results, and evaluate their plausibility and their importance. Does violating or generalizing the assumptions reverse their key result completely, or simply make the math more unwieldy?

If it is an empirical paper, think carefully about the implied assumptions that lie behind every regression being a valid test of causality, for the data sample itself (*internal validity*). Then think about whether this regression over the dataset itself answers the question for the world at large (*external validity*). You should be biased to giving comments that contain a suggestion for improvement, which in general means you'll speak more about internal validity than external validity. You should think about the techniques used. Are the results correct as stated? Could they be strengthened?

Notwithstanding, do not succumb to the temptation to ask for additional extensions or robustness checks merely because you can. You should justify any extension or robustness check with at least a paragraph explaining why you would expect the results to change, the direction in which you believe they would change, and what this would mean for the paper at large if it did. It is much better to ask for one or two robustness checks or extensions which are well justified than to ask for six or seven with glib reasons.

You may want to divide your requests for revisions into two parts.

- Some requests for changes are nonnegotiable: the model should be coherent; there should be no errors in the proof; proper credit should be given to previous contributors. The structure of the paper should be clear and its language should be free of unnecessary technical jargon.
- Other suggestions for change are simply ideas for the author to think about. You leave them to the discretion of the author. You believe that they would improve the paper, but you also see why the author may disagree - they may give a different flavor to the results. Moreover certain features of the paper may not be to your taste and yet be quite legitimate. In these cases you can only suggest changes and try to convince the author of your reasons for wanting them. You cannot insist on them. These may include the style in which the paper is written - but you cannot force your own style on the author

### 1.4 Minor Comments (0-200 words)

Obvious mistakes the author made which they haven't spotted. Have they used the wrong notation in some section, or have they explained a point in a way which does not make sense? Is there an error in a proof that doesn't invalidate the paper, but needs correcting? Should a graph be presented in a different way for clarity (e.g. a panel barplot switched to a time series line plot)?

## 2 Simple FAQs

- Suggested length: 1200-1500 words
- You do not need to include a cover sheet, or any of the formalities that would ordinarily accompany a referee report being sent to the journal.

## 3 Benefits to You of Your Refereeing Work

Take your refereeing jobs seriously. It helps you to keep up with the literature. Next to presenting a paper in a class, there is nothing like refereeing it to become really familiar with it. This in-depth work will be very useful to your own research.

## References

Ec2727 guidelines to write a referee report. 2017.

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