

# Referee Reports

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# Referee Reports - Administrative Issues

- First report due in week 6, 17th of February, 3.30pm.
- Submit electronically.
- Maximum length: 1,000 words (please provide a word count).

# Paper Choice

- Choose one out of two NBER working papers that will be published on my personal website:  
<http://www.fabianwaldinger.com/#!topics-in-applied-microeconomics/en1ow>
- Do not choose the paper that you like most but the one where you can criticize as much as possible.

# How to Write a Referee Report

- ① Very short summary of the paper (not more than a paragraph).  
Do not just copy and paste the abstract ideally you should summarize the paper better than the abstract.
- ② Discuss main methodological problems.  
This is the main part of the report. Focus most of your brain power on this part.
- ③ Very briefly summarize other minor comments.

# Methodological Problems

- Highlight problems with the particular identification strategy.
- Which assumptions are problematic and could lead the authors to obtain biased results of the causal effect they want to estimate?
- Be as specific to the potential flaws of the refereed paper as possible; do not just talk generally about potential problems of particular methodologies.
- Ideally suggest some ways of how to improve the paper:
  - Suggest ways of improving the methodology.
  - Suggest robustness checks that the authors could carry out to show that your concerns are in fact not problematic.

# Example of Good (and Real) Referee Reports

Parey and Waldinger (2011)

- In that paper we investigate the effect of studying abroad on the probability of working abroad later in life.
- Estimating the causal effect of studying abroad is difficult:
  - Individuals who like to go abroad are more likely to study abroad and work abroad.
- We use differences in the timing of the introduction of the ERASMUS student exchange programme to identify the causal effect of studying abroad.
- Use data on 4 cohorts of university graduates (graduating in 1989, 1993, 1997, and 2001)

- Our main regression equation is:

$$\begin{aligned} \text{Work Abroad} = & \beta_1 + \beta_2 \text{Study Abroad} + \beta_3 X \\ & + \beta_4 \text{Cohort FE} + \beta_5 \text{Year Abroad FE} \\ & + \beta_6 \text{Subject FE} + \beta_7 \text{University FE} + u \end{aligned}$$

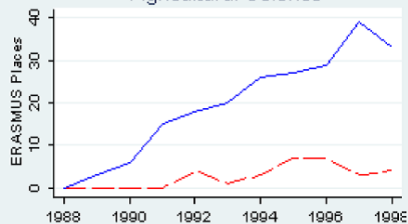
- As studying abroad is endogenous we instrument for studying abroad with the availability of the ERASMUS exchange programme in a student's department.

$$\begin{aligned} \text{Study Abroad} = & \gamma_1 + \gamma_2 \text{ERASMUS} + \gamma_3 X \\ & + \gamma_4 \text{Cohort FE} + \gamma_5 \text{Year Abroad FE} \\ & + \gamma_6 \text{Subject FE} + \gamma_7 \text{University FE} + u \end{aligned}$$

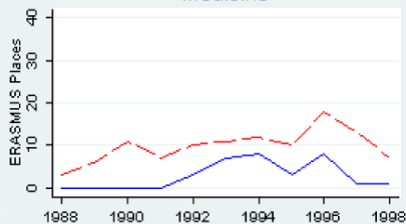
# Variation in the availability of ERASMUS

## ERASMUS Places Munich

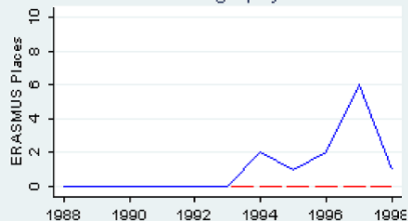
Agricultural Science



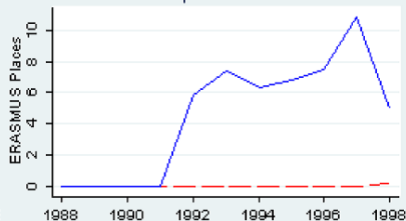
Medicine



Geography



Computer Science



dashed line: LMU      solid line: TU



# Two Instruments

- We use two instruments based on the availability of ERASMUS:
  - ① ERASMUS dummy: 0-1 variable indicating whether the department has any ERASMUS places
  - ② ERASMUS ratio:  $\frac{\text{Number of ERASMUS places}}{\text{Cohort Size}}$
- We also interact the two instruments with subject indicators (that allows the strength of the IV to vary by subject).

# Main Results

Dependent Variable: Working Abroad

	(1)	(2)	(3)	(4)	(5)
Estimation Method	OLS	IV	IV	IV	IV
Study Abroad	0.0611 (0.0092)***	0.2386 (0.1416)*	0.1444 (0.0582)**	0.2342 (0.2556)	0.1890 (0.0820)**
Female	0.0060 (0.0024)**	0.0064 (0.0025)***	0.0062 (0.0024)***	0.0064 (0.0025)***	0.0063 (0.0024)***
Apprenticeship	-0.0065 (0.0023)***	-0.0042 (0.0029)	-0.0054 (0.0024)**	-0.0043 (0.0039)	-0.0048 (0.0026)*
Experience	0.0047 (0.0014)***	0.0051 (0.0014)***	0.0049 (0.0014)***	0.0051 (0.0015)***	0.0050 (0.0014)***
Follow Up Survey (Dummy)	-0.0038 (0.0052)	-0.0053 (0.0054)	-0.0045 (0.0052)	-0.0052 (0.0057)	-0.0049 (0.0053)
Graduate Cohort FE	YES	YES	YES	YES	YES
Year Abroad FE	YES	YES	YES	YES	YES
Subject FE	YES	YES	YES	YES	YES
University FE	YES	YES	YES	YES	YES
<b>Instruments:</b>					
ERASMUS		Ratio	Ratio	Indicator	Indicator
Interactions with subject			YES		YES

# What Would You Criticize?