

Review of 'Ethnic Stereotypes and Preferences on Poverty Assistance'

Summary

The article provides a theoretical model of public preferences on poverty assistance. The model is based on an assumption that socioeconomic status of aid recipient gives noisy signal on her 'deservingness'. In consequence taxpayers are more prejudiced if recipients are closer to middle-class status.

Evaluation

The result obtained in the paper is potentially important for policy design. Therefore I believe it should be supported by some empirical data. In my opinion some justification for equation (2) is needed. Furthermore the paper gives no clue why it discusses ethnic stereotypes. The line of reasoning would as well fit for example religion or obesity stereotypes.

Additionally I would suggest some minor improvements:

1. It might be helpful to state more explicitly what is the aim of the paper.
2. Paragraph 2 is in my opinion unclear. It could be described what are main objections towards given thesis. It would be helpful for the readers less familiar with the topic to be provided with information on 'strong critique' and 'mixed results'.
3. More explanation on what is r would be helpful. On page 6 it seems to describe a parameter in data generating process, while on page 7 it seems to be parameter of taxpayers' beliefs.
4. More elaboration on Proposition 2 would be helpful.
5. On page 9 Authors mention performed simulations but no details or results are attached.