"Production Constraints and the NAIRU" by Ciaran Driver and S.G.Hall

AE remarks to the authors

The referees did an outstanding job and are in remarkable agreement in their main suggestions for improvement of the paper. R2 is explicit about an additional test that Driver and Hall should run.

They both think that this is a good paper that with the suggested improvements deserves publication. I would encourage Driver and Hall to take to heart their suggestions. I would also add that the paper would benefit if Driver and Hall made an effort at reaching out to potential readers who are not experts on this particular topic in macro and the techniques that they use to address its empirical aspects. This would simply require that they add a few remarks about why this issue is of interest to the general reader. The paper now takes for granted familiarity with the concept of NAIRU and its importance. My bet is that most people outside of the authors’ immediate reference group in the profession would have difficulty recognizing immediately why they should care about it.

In summary, my recommendation at this stage is to accept the paper for publication in the Article Series conditional on Driver and Hall carrying out the test proposed by R2. I understand that the final decision will be made after we see the open-market reactions over the next two weeks. I’m fairly optimistic, however, that we will not have surprises, e.g., someone finding a fatal mistake, because the referees were very careful.