

Desk Rejection – JPE micro

Ref.: MS 230215

Why Not Borrow, Invest, and Escape Poverty?

Journal of Political Economy Microeconomics

Jul 25, 2023

Dear Dr. Moav,

Thank you for submitting your paper, "Why Not Borrow, Invest, and Escape Poverty?," to JPE Micro.

I have now had a chance to review your manuscript. On the one hand, I appreciate both your broader point highlighting the importance of risk aversion, and your more specific contribution on what happens if agents can invest in the probability of a project being successful rather than just the return conditional on success. If I were handling your paper at more specialized outlet, such as the Journal of Development Economics, I would be more positive. For JPE Micro, however, I worry that the paper is not the best fit, as we aim for contributions with strength and breadth at the level of "just below the JPE." As you have clearly received a lot of feedback on the paper already, I have thus decided not to send out your paper for further review. The editorial board at the JPE Micro is making a concerted effort to keep turnaround times short, and pre-screening all submissions before sending them out for review is part of this effort.

One small point of feedback from my end, in case it is helpful, is that there seem to be some related studies you do not yet cite (unless I missed it), such as Beaman et al. (2023, Econometrica) but also older works such as Gine and Yang (2009, JDE).

I know that this is not the news you were hoping to receive. I sincerely hope that making my decision quickly will allow you to send the paper off sooner to another great journal, expediting when the paper ultimately shows up in print.

While I know first hand the disappointment of having your paper returned without reports, I do believe that our policy of engaging referees for only a small share of submissions ultimately benefits both the submitting authors and the profession at large.

Sincerely,
Lint Barrage
Editor