



# JOURNAL OF ECONOMIC LITERATURE

MARCH 2014, VOLUME LII, NUMBER 1

*Annamaria Lusardi and Olivia S. Mitchell*

The Economic Importance of Financial Literacy:  
Theory and Evidence

*Loren Brandt, Debin Ma, and Thomas G. Rawski*

From Divergence to Convergence: Reevaluating the  
History Behind China's Economic Boom

*Sophocles Mavroeidis, Mikkel Plagborg-Møller,  
and James H. Stock*

Empirical Evidence on Inflation Expectations in the New  
Keynesian Phillips Curve

*Joel Mokyr*

A Flourishing Economist: A Review Essay on Edmund  
Phelps's *Mass Flourishing: How Grassroots Innovation  
Created Jobs, Challenge, and Change*

*Roger B. Myerson*

Rethinking the Principles of Bank Regulation: A Review of  
Admati and Hellwig's *The Bankers' New Clothes*

Also BOOK REVIEWS, including reviews of  
Nolan McCarty, Keith T. Poole, and Howard Rosenthal's *Political Bubbles:  
Financial Crises and the Failure of American Democracy* by Richard Sylla

Benjamin Radcliff's *The Political Economy of Human Happiness: How Voters'  
Choices Determine the Quality of Life* by Carol Graham

# Journal of Economic Literature

Steven N. Durlauf, *Editor*

Lawrence E. Blume, *Associate Editor*

Dawn Wallhausen, *Managing Editor*

Russell Buchman, *Assistant Managing Editor*



## BOARD OF EDITORS

Victor Aguirregabiria  
Alberto Alesina  
James Andreoni  
Nicholas Bloom  
Tilman Börgers  
Ariel Burstein  
Arnaud Costinot  
Raquel Fernandez  
Price V. Fishback  
Ann E. Harrison

Justine Hastings  
Kenneth Hendricks  
Kate Ho  
Navin Kartik  
Rachel E. Kranton  
Kala M. Krishna  
Ilyana Kuziemko  
David Lam  
David McAdams  
Enrico Moretti

Stephen Morris  
Thomas J. Nechyba  
Ricardo Reis  
Jean-Laurent Rosenthal  
Aldo Rustichini  
David S. Scharfstein  
Ananth Seshadri  
Petra E. Todd  
Edward Vytlačil  
Leeat Yariv

---

VOLUME LII

MARCH 2014

NUMBER 1

---

## ARTICLES

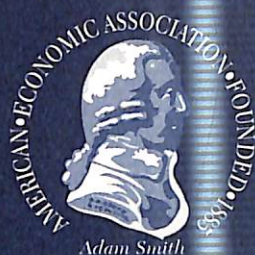
- The Economic Importance of Financial Literacy: Theory and Evidence  
*Annamaria Lusardi and Olivia S. Mitchell* 5
- From Divergence to Convergence: Reevaluating the History Behind China's Economic Boom  
*Loren Brandt, Debin Ma, and Thomas G. Rawski* 45
- Empirical Evidence on Inflation Expectations in the New Keynesian Phillips Curve  
*Sophocles Mavroeidis, Mikkel Plagborg-Møller, and James H. Stock* 124
- A Flourishing Economist: A Review Essay on Edmund Phelps's *Mass Flourishing: How Grassroots Innovation Created Jobs, Challenge, and Change*  
*Joel Mokyr* 189
- Rethinking the Principles of Bank Regulation: A Review of Admati and Hellwig's  
*The Bankers' New Clothes*  
*Roger B. Myerson* 197

## BOOK REVIEWS

ADOLPH, CHRISTOPHER. Bankers, Bureaucrats, and Central Bank Politics: The Myth of Neutrality . . . . .	<i>Donato Masciandaro</i>	223
AKTER, SONIA AND JEFF BENNETT. Valuing Climate Change Mitigation: Applying Stated Preferences in the Presence of Uncertainty . . . . .	<i>Carlo Fezzi</i>	242
CAMPBELL, AL, ED. Cuban Economists on the Cuban Economy . . . . .	<i>Roger R. Betancourt</i>	237
COHEN GOLDNER, SARIT; ZVI ECKSTEIN, AND YORAM WEISS. Immigration and Labor Market Mobility in Israel, 1990 to 2009 . . . . .	<i>Robert M. Sauer</i>	232
CONWAY, GORDON. One Billion Hungry: Can We Feed the World? . . . . .	<i>C. Peter Timmer</i>	243
GRANVILLE, BRIGITTE. Remembering Inflation . . . . .	<i>Peter N. Ireland</i>	211
HECKMAN, JAMES J. Giving Kids a Fair Chance . . . . .	<i>Katrine V. Løken</i>	217
HSU, SARA. Financial Crises, 1929 to the Present . . . . .	<i>Judit Temesvary</i>	227
JENSEN, NATHAN M. ET AL. Politics and Foreign Direct Investment . . . . .	<i>Ramkishen S. Rajan</i>	226
MCCAIN, ROGER A. Value Solutions in Cooperative Games . . . . .	<i>Omer Edhan</i>	213
MCCARTY, NOLAN; KEITH T. POOLE, AND HOWARD ROSENTHAL. Political Bubbles: Financial Crises and the Failure of American Democracy . . . . .	<i>Richard Sylla</i>	229
MESA-LAGO, CARMELO AND JORGE PÉREZ-LÓPEZ. Cuba under Raúl Castro: Assessing the Reforms . . . . .	<i>Roger R. Betancourt</i>	237
RADCLIFF, BENJAMIN. The Political Economy of Human Happiness: How Voters' Choices Determine the Quality of Life . . . . .	<i>Carol Graham</i>	231
SAMPSON, ROBERT J. Great American City: Chicago and the Enduring Neigh- borhood Effect . . . . .	<i>Daniel Hartley</i>	245
SCHULER, KURT AND ANDREW ROSENBERG, EDS. The Bretton Woods Tran- scripts . . . . .	<i>Richard N. Cooper</i>	234
SIMAR, LÉOPOLD AND PAUL W. WILSON. Estimation and Inference in Nonparametric Frontier Models: Recent Developments and Perspectives . . . . .	<i>Carlos Martins-Filho</i>	218
SIMPSON, DAVID. The Rediscovery of Classical Economics: Adaptation, Complexity and Growth . . . . .	<i>Giovanni Dosi</i>	220
SOSCIA, ISABELLA. Emotions and Consumption Behaviour . . . . .	<i>Catherine C. Eckel</i>	222

STORPER, MICHAEL. <i>Keys to the City: How Economics, Institutions, Social Interactions, and Politics Shape Development</i> . . . . .	<i>Yannis M. Ioannides</i>	246
TEMIN, PETER AND HANS-JOACHIM VOTH. <i>Prometheus Shackled: Goldsmith Banks and England's Financial Revolution after 1700</i> . . . . .	<i>Anne L. Murphy</i>	236
TOWNSEND, ROBERT M.; SOMBAT SAKUNTHASATHIEN, AND ROB JORDAN. <i>Chronicles from the Field: The Townsend Thai Project</i> . . . . .	<i>Paul Gleuwe</i>	215
<b>ANNOTATED LISTING OF NEW BOOKS</b>		250
<b>JEL CLASSIFICATION SYSTEM</b>		357





# JOURNAL OF ECONOMIC LITERATURE

JUNE 2014, VOLUME LII, NUMBER 2

*Bronwyn Hall, Christian Helmers, Mark Rogers,  
and Vania Sena*

The Choice between Formal and Informal Intellectual  
Property: A Review

*Gary D. Libecap*

Addressing Global Environmental Externalities:  
Transaction Costs Considerations

*Mark Stabile and Sarah Thomson*

The Changing Role of Government in Financing Health  
Care: An International Perspective

*Branko Milanovic*

The Return of "Patrimonial Capitalism": A Review of  
Thomas Piketty's *Capital in the Twenty-First Century*

Also BOOK REVIEWS, including reviews of

Edward D. Berkowitz and Larry DeWitt's *The Other Welfare:  
Supplemental Security Income and U.S. Social Policy* by Mary C. Daly

Barbara Wolfe, William Evans, and Teresa E. Seeman's *The Biological  
Consequences of Socioeconomic Inequalities* by Sergio Urzua

Frank Ackerman and Elizabeth A. Stanton's *Climate Economics: The State  
of the Art* by Warwick McKibben

# Journal of Economic Literature



Steven N. Durlauf, *Editor*

Lawrence E. Blume, *Associate Editor*

Dawn Wallhausen, *Managing Editor*

Russell Buchman, *Assistant Managing Editor*

## BOARD OF EDITORS

Victor Aguirregabiria  
Alberto Alesina  
James Andreoni  
Nicholas Bloom  
Tilman Börgers  
Ariel Burstein  
Arnaud Costinot  
Raquel Fernandez  
Price V. Fishback  
Ann E. Harrison

Justine Hastings  
Kenneth Hendricks  
Kate Ho  
Navin Kartik  
Rachel E. Kranton  
Kala M. Krishna  
Ilyana Kuziemko  
David Lam  
David McAdams  
Enrico Moretti

Stephen Morris  
Thomas J. Nechyba  
Ricardo Reis  
Jean-Laurent Rosenthal  
Aldo Rustichini  
David S. Scharfstein  
Ananth Seshadri  
Petra E. Todd  
Edward Vytlačil  
Leeat Yariv

---

VOLUME LII

JUNE 2014

NUMBER 2

---

## ARTICLES

- The Choice between Formal and Informal Intellectual Property: A Review  
*Bronwyn Hall, Christian Helmers, Mark Rogers, and Vania Sena* 375
- Addressing Global Environmental Externalities: Transaction Costs Considerations  
*Gary D. Libecap* 424
- The Changing Role of Government in Financing Health Care: An International Perspective  
*Mark Stabile and Sarah Thomson* 480
- The Return of "Patrimonial Capitalism": A Review of Thomas Piketty's *Capital in the Twenty-First Century*  
*Branko Milanovic* 519

## BOOK REVIEWS

- ACKERMAN, FRANK AND ELIZABETH A. STANTON. *Climate Economics: The State of the Art*. . . . . *Warwick McKibbin* 559
- ALAM, MONEER. *Paying Out-of-Pocket for Drugs, Diagnostics and Medical Services: A Study of Households in Three Indian States*. . . . . *David I. Levine* 549



ALBALA-BERTRAND, J. M. Disasters and the Networked Economy . . . . .	<i>Stephane Hallegatte</i>	562
BERKOWITZ, EDWARD D. AND LARRY DEWITT. The Other Welfare: Supplemental Security Income and U.S. Social Policy . . . . .	<i>Mary C. Daly</i>	541
BROCK, GEORGE. Out of Print: Newspapers, Journalism and the Business of News in the Digital Age . . . . .	<i>Lisa M. George</i>	552
CONLEY, HEATHER A. Arctic Economics in the 21st Century: The Benefits and Costs of Cold. . . . .	<i>Michael A. Goldstein</i>	565
CRAFTS, NICHOLAS AND PETER FEARON, EDs. The Great Depression of the 1930s: Lessons for Today. . . . .	<i>Matthew Jaremski</i>	540
DOLFSMA, WILFRED. Government Failure: Society, Markets and Rules. . . . .	<i>Ingo Vogelsang</i>	543
IRWIN, DOUGLAS A. AND STEVEN G. MEDEMA, EDs. Jacob Viner: Lectures in Economics 301. . . . .	<i>Luca Fiorito and Sebastiano Nerozzi</i>	535
KHAGRAM, SANJEEV; ARCHON FUNG, AND PAOLO DE RENZIO, EDs. Open Budgets: The Political Economy of Transparency, Participation, and Accountability. . . . .	<i>Robin Hodess</i>	545
MO, JONGRYN AND BARRY R. WEINGAST. Korean Political and Economic Development: Crisis, Security, and Institutional Rebalancing . . . . .	<i>Hilton L. Root</i>	557
RANCI, PIPPO AND GUIDO CERVIGNI, EDs. The Economics of Electricity Markets: Theory and Policy. . . . .	<i>Shaun McRae</i>	554
TOPOROWSKI, JAN. Michał Kalecki: An Intellectual Biography: Volume I, Rendezvous in Cambridge 1899–1939. . . . .	<i>Michaël Assous</i>	538
WALKER, DOUGLAS M. Casinonomics: The Socioeconomic Impacts of the Casino Industry . . . . .	<i>Earl L. Grinols</i>	555
WEISHAAR, STEFAN E. Cartels, Competition and Public Procurement: Law and Economics Approaches to Bid Rigging . . . . .	<i>Brijesh P. Pinto and Michael A. Williams</i>	548
WOLFE, BARBARA; WILLIAM EVANS, AND TERESA E. SEEMAN, EDs. The Biological Consequences of Socioeconomic Inequalities . . . . .	<i>Sergio Urzua</i>	550
<b>ANNOTATED LISTING OF NEW BOOKS</b>		568
<b>JEL CLASSIFICATION SYSTEM</b>		659

• Registered in the U.S. Patent and Trademark Office®.

• Copyright © 2014 by the American Economic Association. Permission to make digital or hard copies of part or all of this work for personal or classroom use is granted without fee provided that copies are not distributed for profit or direct commercial advantage and that copies show this notice on the first page or initial screen of a display along with the full citation, including the name of the author. Copyrights for components of this work owned by others than AEA must be honored. Abstracting with credit is permitted. The author has the right to republish, post on servers, redistribute to lists and use any component of this work in other works. For others to do so requires prior specific permission and/or a fee. Permission may be requested from the American Economic Association Business Office.

• Composed by the American Economic Association, Publications Office, Pittsburgh, Pennsylvania, U.S.A., and printed by Allen Press, Lawrence, Kansas, U.S.A.



# JOURNAL OF ECONOMIC LITERATURE

SEPTEMBER 2014, VOLUME LII, NUMBER 3

*Guido Ascari and Argia M. Sbordone*  
The Macroeconomics of Trend Inflation

*Melissa Dell, Benjamin F. Jones, and Benjamin A. Olken*  
What Do We Learn from the Weather?  
The New Climate–Economy Literature

*John Geweke*  
Review Essay on Charles F. Manski's *Public Policy  
in an Uncertain World: Analysis and Decisions*

*Jacques-François Thisse*  
*The New Science of Cities* by Michael Batty:  
The Opinion of an Economist

*John Rust*  
The Limits of Inference *with* Theory:  
A Review of Wolpin (2013)

Also BOOK REVIEWS, including reviews of

Lee Epstein, William M. Landes, and Richard A. Posner's  
*The Behavior of Federal Judges: A Theoretical and Empirical Study  
of Rational Choice* by Ian Ayers

Walter Johnson's *River of Dark Dreams: Slavery and Empire in the Cotton  
Kingdom* by Gavin Wright

G. Page West III and Robert M. Whaples's *The Economic Crisis in Retrospect:  
Explanations by Great Economists* by David Colander



# Journal of Economic Literature



Steven N. Durlauf, *Editor*

Lawrence E. Blume, *Associate Editor*

Dawn Wallhausen, *Managing Editor*

Russell Buchman, *Assistant Managing Editor*

## BOARD OF EDITORS

Victor Aguirregabiria  
Alberto Alesina  
James Andreoni  
Nicholas Bloom  
Tilman Börgers  
Ariel Burstein  
Arnaud Costinot  
Raquel Fernandez  
Price V. Fishback  
Ann E. Harrison

Justine Hastings  
Kenneth Hendricks  
Kate Ho  
Navin Kartik  
Rachel E. Kranton  
Kala M. Krishna  
Ilyana Kuziemko  
David Lam  
David McAdams  
Enrico Moretti

Stephen Morris  
Thomas J. Nechyba  
Ricardo Reis  
Jean-Laurent Rosenthal  
Aldo Rustichini  
David S. Scharfstein  
Ananth Seshadri  
Petra E. Todd  
Edward Vytlaeic  
Leeat Yariv

---

VOLUME LII

SEPTEMBER 2014

NUMBER 3

---

## ARTICLES

- The Macroeconomics of Trend Inflation  
*Guido Ascari and Argia M. Sbordone* 679
- What Do We Learn from the Weather? The New Climate–Economy Literature  
*Melissa Dell, Benjamin F. Jones, Benjamin A. Olken* 740
- Review Essay on Charles F. Manski's *Public Policy in an Uncertain World: Analysis and Decisions*  
*John Geweke* 799
- The New Science of Cities* by Michael Batty: The Opinion of an Economist  
*Jacques-François Thisse* 805
- The Limits of Inference *with* Theory: A Review of Wolpin (2013)  
*John Rust* 820

## BOOK REVIEWS

- ABERGEL, FRÉDÉRIC; HIDEAKI AOYAMA, BIKAS K. CHAKRABARTI, ANIRBAN CHAKRABORTI, AND ASIM GHOSH, EDs. *Econophysics of Agent-Based Models* . . . . . *Blake LeBaron* 855
- ALEXEEV, MICHAEL AND SHLOMO WEBER, EDs. *The Oxford Handbook of the Russian Economy* . . . . . *William Pyle* 879
- ANTEBY, MICHEL. *Manufacturing Morals: The Values of Silence in Business School Education*. . . . . *Nicolas Cornell* 851
- BARRETT, CHRISTOPHER B., ED. *Food Security and Sociopolitical Stability* . . . *Harold Alderman* 859
- BASKES, JEREMY. *Staying Afloat: Risk and Uncertainty in Spanish Atlantic World Trade, 1760–1820*. . . . . *James Thomson* 873
- EPSTEIN, LEE; WILLIAM M. LANDES, AND RICHARD A. POSNER. *The Behavior of Federal Judges: A Theoretical and Empirical Study of Rational Choice* . . . . . *Ian Ayres* 866
- GELDERBLUM, OSCAR. *Cities of Commerce: The Institutional Foundations of International Trade in the Low Countries, 1250–1650*. . . . . *Philipp Robinson Rössner* 875
- HAGENDORFF, JENS; KEVIN KEASEY, AND FRANCESCO VALLASCAS. *Size, Risk, and Governance in European Banking*. . . . . *George G. Kaufman* 861
- HARCOURT, G. C. AND PETER KRIESLER, EDs. *The Oxford Handbook of Post-Keynesian Economics. Volume 1. Theory and Origins* . . . . . *Steven Pressman* 853
- HARCOURT, G. C. AND PETER KRIESLER, EDs. *The Oxford Handbook of Post-Keynesian Economics. Volume 2. Critiques and Methodology*. . . . . *Steven Pressman* 853
- HOLMES, DOUGLAS R. *Economy of Words: Communicative Imperatives in Central Banks* . . . . . *Neil Fligstein* 858
- JOHNSON, WALTER. *River of Dark Dreams: Slavery and Empire in the Cotton Kingdom*. . . . . *Gavin Wright* 877
- KLAASSEN, FRANC AND JAN R. MAGNUS. *Analyzing Wimbledon: The Power of Statistics*. . . . . *John Wooders* 867
- PHILLIPS, DAMON J. *Shaping Jazz: Cities, Labels, and the Global Emergence of an Art Form*. . . . . *William C. Horrace* 869
- PIXLEY, JOCELYN, ED. *New Perspectives on Emotions in Finance: The Sociology of Confidence, Fear and Betrayal* . . . . . *Brit Grosskopf* 862
- ROCKERBIE, DUANE W. AND STEPHEN T. EASTON. *The Run to the Pennant: A Multiple Equilibria Approach to Professional Sports Leagues* . . . . . *John Solow* 870

SMIL, VACLAV. Made in the USA: The Rise and Retreat of American Manufacturing.....	<i>Chad Syverson</i>	872
WEST, G. Page, III AND ROBERT M. WHAPLES, EDS. The Economic Crisis in Retrospect: Explanations by Great Economists.....	<i>David Colander</i>	864
<b>ANNOTATED LISTING OF NEW BOOKS</b>		881
<b>JEL CLASSIFICATION SYSTEM</b>		974





# JOURNAL OF ECONOMIC LITERATURE

DECEMBER 2014, VOLUME LII, NUMBER 4

*Paul Beaudry and Franck Portier*  
News-Driven Business Cycles: Insights and Challenges

*Botond Kőszegi*  
Behavioral Contract Theory

*Avinash Dixit*  
Strategy in History and (versus?) in Economics:  
A Review of Lawrence Freedman's *Strategy: A History*

*William Nordhaus*  
The Ethics of Efficient Markets and Commons  
Tragedies: A Review of John Broome's  
*Climate Matters: Ethics in a Warming World*

*Ronald G. Ehrenberg*  
What's the Future of Public Higher Education?  
A Review Essay on Gary C. Fethke  
and Andrew J. Policano's  
*Public No More: A New Path to Excellence for  
America's Public Universities*

*François Velde*  
A Review of Peter Temin's *The Roman Market Economy*

Also BOOK REVIEWS, including reviews of

Rainer Böhme's *The Economics of Information Security and Privacy*  
by Shane Greenstein

Peter Z. Grossman's *U.S. Energy Policy and the Pursuit of Failure*  
by Richard S. Eckaus

Dieter Helm and Cameron Hepburn's *Nature in the Balance:  
The Economics of Biodiversity* by Martin L. Weitzman

# Journal of Economic Literature

Steven N. Durlauf, *Editor*

Lawrence E. Blume, *Associate Editor*

Dawn Wallhausen, *Managing Editor*

Russell Buchman, *Assistant Managing Editor*



## BOARD OF EDITORS

Victor Aguirregabiria

Alberto Alesina

James Andreoni

Nicholas Bloom

Tilman Börgers

Ariel Burstein

Arnaud Costinot

Raquel Fernandez

Price V. Fishback

Ann E. Harrison

Justine Hastings

Kenneth Hendricks

Kate Ho

Navin Kartik

Rachel E. Kranton

Kala M. Krishna

Ilyana Kuziemko

David Lam

David McAdams

Enrico Moretti

Stephen Morris

Thomas J. Nechyba

Ricardo Reis

Jean-Laurent Rosenthal

Aldo Rustichini

David S. Scharfstein

Ananth Seshadri

Petra E. Todd

Edward Vytlačil

Leeat Yariv

---

VOLUME LII

DECEMBER 2014

NUMBER 4

---

## ARTICLES

News-Driven Business Cycles: Insights and Challenges

*Paul Beaudry and Franck Portier* 993

Behavioral Contract Theory

*Botond Köszegi* 1075

Strategy in History and (versus?) in Economics: A Review of Lawrence Freedman's *Strategy: A History*

*Avinash Dixit* 1119

The Ethics of Efficient Markets and Commons Tragedies: A Review of John Broome's *Climate Matters: Ethics in a Warming World*

*William Nordhaus* 1135

What's the Future of Public Higher Education? A Review Essay on Gary C. Fethke and Andrew J. Policano's *Public No More: A New Path to Excellence for America's Public Universities*

*Ronald G. Ehrenberg* 1142

A Review of Peter Temin's <i>The Roman Market Economy</i>	<i>François Velde</i> 1151
 <b>BOOK REVIEWS</b>	
BÖHME, RAINER, ED. <i>The Economics of Information Security and Privacy</i> . . . . .	<i>Shane Greenstein</i> 1177
CHAO, HSIANG-KE; SZU-TING CHEN, AND ROBERTA L. MILLSTEIN, EDs. <i>Mechanism and Causality in Biology and Economics</i> . . . . .	<i>Stephen LeRoy</i> 1160
FLANNERY, KENT AND JOYCE MARCUS. <i>The Creation of Inequality: How Our Prehistoric Ancestors Set the Stage for Monarchy, Slavery, and Empire</i> . . . . .	<i>Eric Alden Smith</i> 1183
FLEURBAEY, MARC AND DIDIER BLANCHET. <i>Beyond GDP: Measuring Welfare and Assessing Sustainability</i> . . . . .	<i>Geir B. Asheim</i> 1168
GALLAMORE, ROBERT E. AND JOHN R. MEYER. <i>American Railroads: Decline and Renaissance in the Twentieth Century</i> . . . . .	<i>Anthony M. Pagano</i> 1178
GODOY, ANGELINA SNODGRASS. <i>Of Medicines and Markets: Intellectual Property and Human Rights in the Free Trade Era</i> . . . . .	<i>Brian Davern Wright</i> 1187
GROSSMAN, PETER Z. <i>U.S. Energy Policy and the Pursuit of Failure</i> . . . . .	<i>Richard S. Eckaus</i> 1192
GROW, NATHANIEL. <i>Baseball on Trial: The Origin of Baseball's Antitrust Exemption</i> . . . . .	<i>Andrew Zimbalist</i> 1180
HELM, DIETER AND CAMERON HEPBURN, EDs. <i>Nature in the Balance: The Economics of Biodiversity</i> . . . . .	<i>Martin L. Weitzman</i> 1193
KANDER, ASTRID; PAOLO MALANIMA, AND PAUL WARDE. <i>Power to the People: Energy in Europe over the Last Five Centuries</i> . . . . .	<i>Roger Fouquet</i> 1194
KATES, STEVEN. <i>Defending the History of Economic Thought</i> . . . . .	<i>Catherine Herfeld</i> 1162
LÓPEZ-MORELL, MIGUEL A. <i>The House of Rothschild in Spain, 1812-1941</i> . . . . .	<i>Alejandra Irigoin</i> 1185
LUO, GUO YING. <i>Asset Price Response to New Information: The Effects of Conservatism Bias and Representativeness Heuristic</i> . . . . .	<i>Jianfeng Yu</i> 1170
MACDOUGALL, ROBERT. <i>The People's Network: The Political Economy of the Telephone in the Gilded Age</i> . . . . .	<i>Tomas Nonnenmacher</i> 1181
MCADAMS, DAVID. <i>Game-Changer: Game Theory and the Art of Transforming Strategic Situations</i> . . . . .	<i>Ben Brooks</i> 1167
PEART, SANDRA J. AND DAVID M. LEVY, EDs. <i>F. A. Hayek and the Modern Economy: Economic Organization and Activity</i> . . . . .	<i>Steven Horwitz</i> 1165



PETERSON, PAUL E. AND DANIEL J. NADLER, EDs. The Global Debt Crisis: Haunting U. S. and European Federalism . . . . .	<i>Ugo Troiano</i>	1172
POPOV, VLADIMIR. Mixed Fortunes: An Economic History of China, Russia, and the West . . . . .	<i>Branko Milanovic</i>	1189
POSNER, RICHARD A. Reflections on Judging . . . . .	<i>Joshua C. Teitelbaum</i>	1175
SLEMROD, JOEL AND CHRISTIAN GILLITZER. Tax Systems . . . . .	<i>David Albouy</i>	1173
<b>ANNOTATED LISTING OF NEW BOOKS</b>		1197
<b>JEL CLASSIFICATION SYSTEM</b>		1293
<b>DOCTORAL DISSERTATIONS IN ECONOMICS</b>		1309

The following Statement of Ownership, Management and Circulation is provided in accordance with the requirements, as contained in 39 U.S.C. 3658. *The Journal of Economic Literature* is owned, managed and published by the American Economic Association, a nonprofit scientific organization, located at 2014 Broadway, Suite 305, Nashville, Davidson County, TN 37203-2425. The Editor is Professor Steven Durlauf, *Journal of Economic Literature*, 2403 Sidney Street, Suite 260, Pittsburgh, PA 15203. During the preceding twelve months the average number of copies printed for each issue was 6,475; the average paid circulation, 5,908; the average free distribution, 131; the average number of copies distributed 6,039. Corresponding figures for June 2014, the issue published nearest to filing date: total number of copies printed, 6,100; total paid circulation, 5,563; total free distribution, 154; total distribution, 5,717.

- Registered in the U.S. Patent and Trademark Office®.
- Copyright © 2014 by the American Economic Association. Permission to make digital or hard copies of part or all of this work for personal or classroom use is granted without fee provided that copies are not distributed for profit or direct commercial advantage and that copies show this notice on the first page or initial screen of a display along with the full citation, including the name of the author. Copyrights for components of this work owned by others than AEA must be honored. Abstracting with credit is permitted. The author has the right to republish, post on servers, redistribute to lists and use any component of this work in other works. For others to do so requires prior specific permission and/or a fee. Permission may be requested from the American Economic Association Business Office.
- Composed by the American Economic Association, Publications Office, Pittsburgh, Pennsylvania, U.S.A., and printed by Allen Press, Lawrence, Kansas, U.S.A.