

## JOURNAL OF ECONOMIC LITERATURE

MARCH 2017, VOLUME LV, NUMBER 1

Aaron Chalfin and Justin McCrary
Criminal Deterrence: A Review of the Literature

Matthew O. Jackson, Brian W. Rogers, and Yves Zenou The Economic Consequences of Social-Network Structure

Russell Golman, David Hagmann, and George Loewenstein Information Avoidance

William R. Johnson

Parties or Problem Sets: Review Article on *How College Works* and *Paying for the Party* 

E. Roy Weintraub
Game Theory and Cold War Rationality: A Review Essay

Ariel Rubinstein

Comments on Economic Models, Economics, and Economists: Remarks on *Economics Rules* by Dani Rodrik

Kenneth D. West

Hansen and Sargent's Recursive Models of Dynamic Linear Economies: A Review Essay

Susan Rose-Ackerman

A Review of Geoffrey M. Hodgson, Conceptualizing Capitalism: Institutions, Evolution, Future

Chenggang Xu

Capitalism and Socialism: A Review of Kornai's *Dynamism*, *Rivalry*, *and the Surplus Economy* 

Also BOOK REVIEWS, including reviews of

Carlos Alòs-Ferrer and Klaus Ritzberger's *The Theory of Extensive Form Games* by Andrés Perea

George F. DeMartino and Dierdre N. McCloskey's *The Oxford Handbook of Professional Economic Ethics* by Anne O. Krueger

## Journal of **Economic Literature**

#### Editor

Steven N. Durlauf, University of Wisconsin-Madison

#### **Associate Editor**

Lawrence E. Blume, Cornell University

#### **Board of Editors**

Anna Aizer Cristina Arellano Martha J. Bailey Ariel Burstein Arnaud Costinot Mariacristina De Nardi Dave Donaldson Pascaline Dupas Raquel Fernandez Price V. Fishback

Veronica Guerrieri Ann E. Harrison John Hatfield Rucker Johnson Melissa Kearney Rachel E. Kranton Ilyana Kuziemko Francesca Molinari Stephen Morris Julie Holland Mortimer Jean-Laurent Rosenthal Marzena Rostek Kareen Rozen Aldo Rustichini Ananth Seshadri Christina Shannon Holger Sieg Petra E. Todd Catherine Tucker Edward Vytlacil

**Managing Editor** Dawn Wallhausen

### **Assistant Managing Editor**

Russell Buchman



William R. Johnson

136

Number 1 **MARCH 2017** SUBSCRIBED VOLUME LV

ARTICLES		
Criminal Deterrence: A Review	of the Literature  Aaron Chalfin and Justin McCrary	5
The Economic Consequences of	f Social-Network Structure Matthew O. Jackson, Brian W. Rogers, and Yves Zenou	49
Information Avoidance	Russell Golman, David Hagmann, and George Loewenstein	96
Parties or Problem Sets: Review	Article on How College Works and Paying for the Party	

Game Theory and Cold War Rationality: A Review Essay	
E. Roy Weintraub	148
Comments on Economic Models, Economics, and Economists: Remarks on <i>Economics Rules</i> by Dani Rodrik	
Ariel Rubinstein	162
Hansen and Sargent's Recursive Models of Dynamic Linear Economies: A Review Essay Kenneth D. West	173
$\label{eq:continuous} \begin{tabular}{l} A Review of Geoffrey M. Hodgson, $Conceptualizing Capitalism: Institutions, Evolution, Future \\ Susan Rose-Ackerman \\ \end{tabular}$	182
Capitalism and Socialism: A Review of Kornai's Dynamism, Rivalry, and the Surplus	
Economy Chenggang Xu	191
BOOK REVIEWS	
ALÓS-FERRER, CARLOS AND KLAUS RITZBERGER. The Theory of Extensive	
Form Games	217
ANDERTON, CHARLES H. AND JURGEN BRAUER, EDS. Economic Aspects of Genocides, Other Mass Atrocities, and Their Prevention	225
BOUSHEY, HEATHER. Finding Time: The Economics of Work–Life Conflict Almudena Sevilla	218
Совнам, David, ед. Monetary Analysis at Central Banks Bilin Neyapti	222
DEMARTINO, GEORGE F. AND DIERDRE N. McCloskey, eds. The Oxford Handbook of Professional Economic Ethics	209
Elliott, Larry and Dan Atkinson. Europe Isn't Working	227
Komlos, John and Inas R. Kelly, eds. The Oxford Handbook of Economics and Human Biology	229
RAJAN, RAMKISHEN S. AND VENKATARAMANA YANAMANDRA. Managing the Macroeconomy: Monetary and Exchange Rate Issues in India R. K. Pattnaik	231

TAYLOR, MARK ZACHARY. The Politics of Innovation: Why Some Countries  Are Better Than Others at Science and Technology	232
USHER, DAN. The Economics of Voting: Studies of Self-Interest, Bargaining,  Duty and Rights	219
ANNOTATED LISTING OF NEW BOOKS	234
	350
IEL CLASSIFICATION SYSTEM FOR BOOKS	350

## Journal of Economic Literature

#### **Editor**

Steven N. Durlauf, University of Wisconsin-Madison

#### **Associate Editor**

Lawrence E. Blume, Cornell University

#### **Board of Editors**

Anna Aizer
Cristina Arellano
Martha J. Bailey
Ariel Burstein
Arnaud Costinot
Mariacristina De Nardi
Dave Donaldson
Pascaline Dupas
Raquel Fernandez
Price V. Fishback

Veronica Guerrieri Ann E. Harrison John Hatfield Rucker Johnson Melissa Kearney Rachel E. Kranton Ilyana Kuziemko Francesca Molinari Stephen Morris Julie Holland Mortimer

Jean-Laurent Rosenthal Marzena Rostek Kareen Rozen Aldo Rustichini Ananth Seshadri Christina Shannon Holger Sieg Petra E. Todd Catherine Tucker Edward Vytlacil

Managing Editor Dawn Wallhausen

Assistant Managing Editor Russell Buchman



VOLUME LV

**JUNE 2017** 

Number 2

#### ARTICLES

Liquidity: A New Monetarist Perspective	
Ricardo Lagos, Guillaume Rocheteau, and Randall Wright	371
School Vouchers: A Survey of the Economics Literature	
Dennis Epple, Richard E. Romano, and Miguel Urquiola	441
Sorting through Search and Matching Models in Economics	
Hector Chade, Jan Eeckhout, and Lones Smith	493

Classifying Economics: A History of the JEL Codes

Beatrice Cherrier 545

Opportunities, Welfare, and Social Justice: A Review of Fishkin's <i>Bottlenecks</i> François Maniquet	580
Isabel Sawhill's Generation Unbound: Drifting into Sex and Parenting without Marriage and Laurence Steinberg's Age of Opportunity: Lessons from the New Science of Adolescence Anna Aizer	592
Review of Climbing Mount Laurel: The Struggle for Affordable Housing and Social Mobility in an American Suburb by Douglas S. Massey et al.	
Yannis M. Ioannides	609
The Decentralized Central Bank: A Review Essay on <i>The Power and Independence of the Federal Reserve</i> by Peter Conti-Brown	
Narayana R. Kocherlakota	621
Review of <i>The Business of Slavery and the Rise of American Capitalism</i> , 1815–1860 by Calvin Schermerhorn and <i>This Half Has Never Been Told: Slavery and the Making of American Capitalism</i> by Edward E. Baptist  Stanley L. Engerman	637
BOOK REVIEWS	
Bramoullé, Yann; Andrea Galeotti, and Brian Rogers, eds.  The Oxford Handbook of the Economics of Networks	653
CAIANI, ALESSANDRO; ALBERTO RUSSO, ANTONIO PALESTRINI, AND MAURO GALLEGATI, EDS. Economics with Heterogeneous Interacting Agents: A Practical Guide to Agent-Based Modeling	644
COCHRANE, JOHN H. AND JOHN B. TAYLOR, EDS. Central Bank Governance and Oversight Reform	655
CORD, ROBERT A. AND J. DANIEL HAMMOND, EDS. Milton Friedman: Contributions to Economics and Public Policy Arthur M. Diamond Jr.	649
EZRACHI, ARIEL AND MAURICE E. STUCKE. Virtual Competition: The Promise and Perils of the Algorithm-Driven Economy	659
FARMER, ROGER E. A. Prosperity for All: How to Prevent Financial Crises Benjamin Eden	657
Fox, David and Wolfgang Ernst, eds. Money in the Western Legal  Tradition: Middle Ages to Bretton Woods	662
HARDING, DON AND ADRIAN PAGAN. The Econometric Analysis of Recurrent  Events in Macroeconomics and Finance	651

HOOFNAGLE, CHRIS JAY. Federal Trade Commission Privacy Law and Policy Kai-Lung Hui	660
NARAYANAN, ARVIND; JOSEPH BONNEAU, EDWARD FELTEN, ANDREW MILLER, AND STEVEN GOLDFEDER. Bitcoin and Cryptocurrency Technologies: A Comprehensive Introduction	647
ANNOTATED LISTING OF NEW BOOKS	664
IFI CLASSIFICATION SYSTEM FOR BOOKS	771

# Journal of Economic Literature



#### Editor

Steven N. Durlauf, University of Chicago

#### **Associate Editor**

Lawrence E. Blume, Cornell University

#### **Board of Editors**

Anna Aizer
Cristina Arellano
Martha J. Bailey
Ariel Burstein
Arnaud Costinot
Mariacristina De Nardi
Dave Donaldson
Pascaline Dupas
Raquel Fernandez
Price V. Fishback

VOLUME LV

Veronica Guerrieri Ann E. Harrison John Hatfield Rucker Johnson Melissa Kearney Rachel E. Kranton Ilyana Kuziemko Francesca Molinari Stephen Morris Julie Holland Mortimer Jean-Laurent Rosenthal Marzena Rostek Kareen Rozen Aldo Rustichini Ananth Seshadri Christina Shannon Holger Sieg Petra E. Todd Catherine Tucker Edward Vytlacil

Number 3

Geoffrey Heal

1046

#### Managing Editor Dawn Wallhausen

#### **Assistant Managing Editor**

Russell Buchman

SEPTEMBER 2017

TODEME E	
ARTICLES	
The Gender Wage Gap: Extent, Trends, and Explanations  Francine D. Blau and Lawrence M. Kahn	789
Conditional Cash Transfers: The Case of <i>Progresa/Oportunidades</i> Susan W. Parker and Petra E. Todd	866
The Political Economy of Dynamic Elections: Accountability, Commitment, and Responsiveness  John Duggan and César Martinelli	916
Static and Intertemporal Household Decisions Pierre-Andre Chiappori and Maurizio Mazzocco	985
The Economics of the Climate	

The Intellectual Legacy of Progressive Economics: A Review Essay of Thomas C. Leonard's Illiberal Reformers	
Marshall I. Steinbaum and Bernard A. Weisberger	1064
On Economic Interdependence and War  Massimo Morelli and Tommaso Sonno	1084
Massino Motent and Identification	
Law, Coercion, and Expression: A Review Essay on Frederick Schauer's <i>The Force of Law</i> and Richard McAdams's <i>The Expressive Powers of Law</i>	
Eric Rasmusen	1098
The Evolution of Value Systems: A Review Essay on Ian Morris's Foragers, Farmers, and Fossil Fuels	
Alberto Bisin	1122
BOOK REVIEWS	
ANG, YUEN YUEN. How China Escaped the Poverty Trap	
Daniel Berkowitz	1145
DAWSON, LINDA. The Politics and Perils of Space Exploration: Who Will Compete, Who Will Dominate?	
Bill Gibson	1139
FREY, BRUNO S. AND DAVID ISELIN, EDS. Economic Ideas You Should Forget	
David Colander	1136
HEAL, GEOFFREY. Endangered Economies: How the Neglect of Nature Threatens Our Prosperity	
Frank Ackerman	1146
MICHIE, RANALD C. British Banking: Continuity and Change from 1694 to the Present	
Stephen Quinn	1138
VAN BAVEL, BAS. The Invisible Hand? How Market Economies Have Emerged and Declined since AD 500	
Mauricio Drelichman	1143
ANNOTATED LISTING OF NEW BOOKS	1149
JEL CLASSIFICATION SYSTEM FOR BOOKS	1291

- Registered in the U.S. Patent and Trademark Office<sup>®</sup>.
- Copyright © 2017 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

#### Editor "

Steven N. Durlauf, University of Chicago

#### **Associate Editor**

Lawrence E. Blume, Cornell University

#### **Board of Editors**

Anna Aizer
Cristina Arellano
Martha J. Bailey
Ariel Burstein
Arnaud Costinot
Mariacristina De Nardi
Dave Donaldson
Pascaline Dupas
Raquel Fernandez

Price V. Fishback

Veronica Guerrieri Ann E. Harrison John Hatfield Rucker Johnson Melissa Kearney Rachel E. Kranton Ilyana Kuziemko Francesca Molinari Stephen Morris Julie Holland Mortimer Jean-Laurent Rosenthal Marzena Rostek Kareen Rozen Aldo Rustichini Ananth Seshadri Christina Shannon Holger Sieg Petra E. Todd Catherine Tucker Edward Vytlacil

Managing Editor Dawn Wallhausen

#### **Assistant Managing Editor**

Russell Buchman

VOLUME LV

DECEMBER 2017

Number 4

#### ARTICLES

Immigration in American Economic History

Ran Abramitzky and Leah Boustan

1311

1346

Family Economics Writ Large

Jeremy Greenwood, Nezih Guner, and Guillaume Vandenbroucke

How Successful Was the New Deal? The Microeconomic Impact of New Deal Spending and Lending Policies in the 1930s

Price Fishback

1435

		-
Assessing the Energy-Efficiency Gap  Todd G. Gerarden, Richard G. Newell, and Robert N.	Stavins	1486
Ideology, Economic Policy, and Economic History: Cohen and DeLong's Concrete Eco Alexander	nomics J. Field	1526
Public Economics and History: A Review of Fiscal Regimes and the Political Economy of		
Premodern States, Edited by Andrew Monson and Walter Scheidel Philip T. H.	Ioffman	1556
Group Selection: A Review Essay on $Does\ Altruism\ Exist$ ? by David Sloan Wilson $Arthur\ J.$	Robson	1570
The Great Recession in the Shadow of the Great Depression: A Review Essay on Hall of Mirrors: The Great Depression, the Great Recession, and the Uses and Misuses of	of History	
by Barry Eichengreen  Lee E. C	Ohanian	1583
A Review Essay on Alvin Roth's Who Gets What—and Why $ Edward\ L.$	Glaeser	1602
BOOK REVIEWS		
AUERBACH, ALAN J. AND KENT SMETTERS, EDS. The Economics of Tax Policy  Carolin	ne Weber	1624
CHERUBINI, UMBERTO; FABIO GOBBI, AND SABRINA MULINACCI. Convolution Copula		
Econometrics Brendan	K. Beare	1615
ESPELAND, WENDY NELSON AND MICHAEL SAUDER. Engines of Anxiety: Academic		
Rankings, Reputation, and Accountability  Amanda	a Griffith	1626
GEISST, CHARLES R. Loan Sharks: The Birth of Predatory Lending  John 1	P. Caskey	1623
JORGENSON, DALE W.; KYOJI FUKAO, AND MARCEL P. TIMMER, EDS. The World Economy:		
Growth or Stagnation?  Markus	s Poschke	1627
WINTER, EYAL. Feeling Smart: Why Our Emotions Are More Rational Than We Thir Alan	ak n Kirman	1619