

# THE REVIEW OF ECONOMIC STUDIES

The *Review* was started in 1933 by a group of young British and American Economists. It is published by The Review of Economic Studies Ltd, whose object is to encourage research in theoretical and applied economics, especially by young economists, and to publish the results in *The Review of Economic Studies*.

## EDITORIAL COMMITTEE

### Joint Managing Editors

MAITREESH GHATAK, *London School of Economics*    BERNARD SALANIÉ, *CREST-LEI and CNRS*

JUUSO VÄLIMÄKI, *Helsinki School of Economics and University of Southampton*

FABRIZIO ZILIBOTTI, *IIES, Stockholm University and University College London*

### Secretary and Business Manager

CHRISTOPHER WALLACE, *Trinity College, Oxford*

### Foreign Editors

ABHIJIT BANERJEE, *Massachusetts Institute of Technology*

KIMINORI MATSUYAMA, *Northwestern University*

MARTIN CRIPPS, *Washington University*

STEPHEN MORRIS, *Yale University*

GARY B. GORTON, *University of Pennsylvania*

JOSÉ-VICTOR RÍOS-RULL,

PINELOPI KOUJIANOU GOLDBERG, *Yale University*

*University of Pennsylvania*

GEORGE MAILATH, *University of Pennsylvania*

### Editorial Board

MARK ARMSTRONG (*Chairman*), *University College London*

JEROME ADDA, *University College London*

ABHINAV MUTHOO, *University of Essex*

MANUEL ARELLANO, *CEMFI*

DAVID MYATT, *St. Catherine's College, Oxford*

ORAZIO ATTANASIO, *University College London*

BENT NIELSEN, *Nuffield College, Oxford*

TIMOTHY BESLEY, *London School of Economics*

MARCO OTTAVIANI, *London Business School*

BRUNO BIAIS, *University of Toulouse*

MARTIN PESENDORFER, *London School of Economics*

XIAOHONG CHEN, *New York University*

ANDREA PRAT, *London School of Economics*

ANTONIO CICCONE, *Universitat Pompeu Fabra*

SVEN RADY, *University of Munich*

MELVYN COLES, *University of Essex*

ROHIT RAHI, *London School of Economics*

FRANCESCA CORNELLI, *London Business School*

ENRIQUE SENTANA, *CEMFI*

ERIK EYSTER, *London School of Economics*

NEIL SHEPHARD, *Nuffield College, Oxford*

RACHEL GRIFFITH, *Institute for Fiscal Studies and University College London*

HYUN SONG SHIN, *London School of Economics*

DENIS GROMB, *London Business School*

RAN SPIEGLER, *Tel Aviv University*

JOHN HASSLER, *IIES, Stockholm University*

KJETIL STORESLETTEN, *University of Oslo, IIES, Stockholm University and CEPR*

PHILIPPE JEHIEL, *CERAS, Paris and University College London*

HARALD UHLIG, *Humboldt University of Berlin*

GILAT LEVY, *London School of Economics*

JAUME VENTURA, *CREI, Universitat Pompeu Fabra*

OLIVER B. LINTON, *London School of Economics*

GIANLUCA VIOLANTE, *New York University and University College London*

THOMAS MARIOTTI, *London School of Economics*

Please see inside the back cover of this issue for information on the *Review* website ([www.restud.com](http://www.restud.com)), subscription rates and submission of articles.