The American Economic Review

ARTICLES

IAN W. R. MARTIN AND DIMITRIS PAPADIMITRIOU

Sentiment and Speculation in a Market with Heterogeneous Beliefs

TESSA BOLD, SELENE GHISOLFI, FRANCES NSONZI, AND JAKOB SVENSSON Market Access and Quality Upgrading: Evidence from Four Field Experiments

YANN ALGAN, ELIZABETH BEASLEY, SYLVANA CÔTÉ, JUNGWEE PARK, RICHARD E. TREMBLAY, AND FRANK VITARO

The Impact of Childhood Social Skills and Self-Control Training on Economic and Noneconomic Outcomes: Evidence from a Randomized Experiment Using Administrative Data

JACK MOUNTJOY

Community Colleges and Upward Mobility

NATALIA GARBIRAS-DÍAZ AND MATEO MONTENEGRO

All Eyes on Them: A Field Experiment on Citizen Oversight and Electoral Integrity

TERRY S. MOON

Capital Gains Taxes and Real Corporate Investment: Evidence from Korea

MATTHEW ELLIOTT, BENJAMIN GOLUB, AND MATTHEW V. LEDUC Supply Network Formation and Fragility

LITTERIO MIRENDA, SAURO MOCETTI, AND LUCIA RIZZICA

The Economic Effects of Mafia: Firm Level Evidence

TOMMASO PORZIO, FEDERICO ROSSI, AND GABRIELLA SANTANGELO

The Human Side of Structural Transformation

OLIVIER WANG AND IVÁN WERNING

Dynamic Oligopoly and Price Stickiness

AUGUST 2022

THE AMERICAN ECONOMIC ASSOCIATION

Founded in 1885

• Typeset by American Economic Association Publications, Pittsburgh, Pennsylvania, USA

- Printed at Lakeside Book Company, Owensville, Missouri, USA
- Registered in the US Patent and Trademark Office®
- Copyright© 2022 by the American Economic Association. Permission to make digital or hard copies of part or all of American Economic Association publications 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. Permissions may be requested from the American Economic Association, 2014 Broadway, Suite 305, Nashville, TN 37203.
- No responsibility for the views expressed by authors in this *Review* is assumed by the editors or the publishers, The American Economic Association.

Correspondence relating to advertising, business matters, permissions to quote, back issues, subscriptions, and changes of address, should be sent to the American Economic Association, 2014 Broadway, Suite 305, Nashville, TN 37203. Change of address notice must be received at least six (6) weeks prior to the publication month. A membership or subscription paid twice is automatically extended for an additional year unless otherwise requested.

THE AMERICAN ECONOMIC REVIEW (ISSN 0002-8282), August 2022, Vol. 112, No. 8. The AER is published 12 times a year by the American Economic Association, 2014 Broadway, Suite 305, Nashville, TN 37203. Annual fees for regular membership are: \$24.00, \$34.00, or \$44.00, depending on income; for an additional fee, you can receive this journal, or any of the Association's journals, in print. Further information on subscriptions and the American Economic Association can be found at www.vanderbilt.edu/AEA/. Periodical postage paid at Nashville, TN and at additional mailing offices. POSTMASTER: Send address changes to The American Economic Review, 2014 Broadway, Suite 305, Nashville, TN 37203. Printed in the USA.



EXECUTIVE COMMITTEE

Elected Officers and Members

President

CHRISTINA D. ROMER, University of California, Berkeley

President-elect

SUSAN C. ATHEY, Stanford University

Vice Presidents

DAVID H. AUTOR, Massachusetts Institute of Technology

CAROLINE H. HOXBY, Stanford University

Members

AMANDA BAYER, Swarthmore College

SANDRA E. BLACK, Columbia University

LISA D. COOK, Michigan State University

MELISSA S. KEARNEY, University of Maryland

EMI NAKAMURA, University of California, Berkeley

MELVIN STEPHENS, JR., University of Michigan

Ex Officio Members

DAVID CARD, University of California, Berkeley

Appointed Members

Editor, The American Economic Review

ESTHER DUFLO, Massachusetts Institute of Technology

Editor, The American Economic Review: Insights

AMY FINKELSTEIN, Massachusetts Institute of Technology

Editor, The Journal of Economic Literature

DAVID H. ROMER, University of California, Berkeley

Editor, The Journal of Economic Perspectives

HEIDI WILLIAMS, Stanford University

Editor, American Economic Journal: Applied Economics

BENJAMIN OLKEN, Massachusetts Institute of Technology

Editor, American Economic Journal: Economic Policy

ERZO F.P. LUTTMER, Dartmouth College

Editor, American Economic Journal: Macroeconomics

SIMON GILCHRIST, New York University

Editor, American Economic Journal: Microeconomics

LEEAT YARIV, Princeton University

Secretary-Treasurer

PETER L. ROUSSEAU, Vanderbilt University

OTHER OFFICERS

Director of AEA Publication Services

ELIZABETH R. BRAUNSTEIN

Counsel

LAUREN M. GAFFNEY, Bass, Berry & Sims PLC Nashville, TN

ADMINISTRATORS

Director of Finance and Administration

BARBARA H. FISER

Convention Manager

GWYN LOFTIS

THE AMERICAN ECONOMIC REVIEW

August 2022

VOLUME 112, NUMBER 8

Articles

Sentiment and Speculation in a Market with Heterogeneous Beliefs Ian W. R. Martin and Dimitris Papadimitriou	2465
Market Access and Quality Upgrading: Evidence from Four Field Experiments Tessa Bold, Selene Ghisolfi, Frances Nsonzi, and Jakob Svensson	2518
The Impact of Childhood Social Skills and Self-Control Training on Economic and Noneconomic Outcomes: Evidence from a Randomized Experiment Using Administrative Data Yann Algan, Elizabeth Beasley, Sylvana Côté, Jungwee Park,	2552
Richard E. Tremblay, and Frank Vitaro Community Colleges and Upward Mobility	2553
Jack Mountjoy	2580
All Eyes on Them: A Field Experiment on Citizen Oversight and Electoral Integrity Natalia Garbiras-Díaz and Mateo Montenegro	2631
Capital Gains Taxes and Real Corporate Investment: Evidence from Korea Terry S. Moon	2669
Supply Network Formation and Fragility Matthew Elliott, Benjamin Golub, and Matthew V. Leduc	2701
The Economic Effects of Mafia: Firm Level Evidence Litterio Mirenda, Sauro Mocetti, and Lucia Rizzica	2748
The Human Side of Structural Transformation Tommaso Porzio, Federico Rossi, and Gabriella Santangelo	2774
Dynamic Oligopoly and Price Stickiness Olivier Wang and Iván Werning	2815

Information on how to submit a manuscript is available online: https://www.aeaweb.org/aer/submissions.php

It is the policy of the *American Economic Review* to publish papers only if the data used in the analysis are clearly and precisely documented and are readily available to any researcher for purposes of replication. Details of the computations sufficient to permit replication must be provided. The Editor should be notified at the time of submission if the data used in a paper are proprietary or if, for some other reason, the requirements above cannot be met.

ANNE CATHERINE CASE

DISTINGUISHED FELLOW

2021

Anne Catherine Case is the Alexander Stewart 1886 Professor of Economics and Public Affairs at Princeton University. Trained as a labor economist, Case has made seminal contributions in the fields of health, development, and labor economics, with scholarship that has garnered wide recognition across sciences and social sciences alike and sparked public conversation around the negative impacts of rising socioeconomic inequality in the United States.

Although several of Case's early contributions were in the fields of political economy and public finance, her work has continuously sought to understand the social origins of economic inequality. For instance, one early paper with Kristin Butcher—"The Effect of Sibling Sex Composition on Women's Education and Earnings" (*Quarterly Journal of Economics*)—documented the role of sibling sex composition on adult female labor market outcomes, providing novel evidence on social barriers to female advancement in the workforce. Over time her focus turned to understanding the links between economic status and health status in childhood. Over the past two decades, Case has written extensively on health over the life course among vulnerable populations, uncovering numerous aspects of the origins of the socioeconomic gradient in health in developed and developing countries.

One seminal paper coauthored with Christina Paxson—"Economic Status and Health in Childhood: The Origins of the Gradient" (*American Economic Review*)—shows that the correlation between socioeconomic status and health that is so strong in adulthood actually appears very early on in life, and grows steadily throughout childhood. They provide novel evidence that parents' income has a strong causal effect on health status of children, which contributes to the intergenerational transmission of poverty. In recognition of this work, in 2003 Case was awarded the Kenneth J. Arrow Prize in Health Economics from the International Health Economics Association. A follow-up paper from 2007—"Stature and Status: Height, Ability, and Labor Market Outcomes" (*Journal of Political Economy*)—demonstrates that the well-known association between adult height and earnings reflects a positive association between height and cognitive ability, likely reflective of health inputs in early childhood that ultimately produce long-run differences in earnings ability.

More recently, Case has produced groundbreaking research with Angus Deaton documenting dramatic reversals in mortality trends among the poor in the United States. The pair sought to understand why US life expectancy suddenly began to fall in 2015–2017 while it continued to rise in other developed countries. These papers led to the discovery that working-age white men and women without college degrees were dying of suicide, drug overdoses, and alcohol-related liver disease at unprecedented rates—what Case and Deaton termed "deaths of despair." In 2017, Case was awarded the Cozzarelli Prize from the *Proceedings of the National Academy of Sciences* for her research on midlife morbidity and mortality, which has sparked a national conversation around socioeconomic inequality and health.

Case is a Fellow of the Econometric Society, and a member of the American Academy of Arts and Sciences, the American Philosophical Society, the National Academy of Medicine, and the National Academy of Sciences.



ANNE CATHERINE CASE

THE AMERICAN ECONOMIC REVIEW

Editor

Esther Duflo

Coeditors

Isaiah Andrews
Sylvain Chassang
Arnaud Costinot
Stefano DellaVigna
Jeffery Ely
John Friedman
Mikhail Golosov
Rema Hanna
Chinhui Juhn
Emi Nakamura
Pietro Ortoleva
Katja Seim

Board of Editors

Nageeb Ali Manuel Amador David Atkin Ned Augenblick Eduardo Azevedo Martha Bailey Heski Bar-Isaac Daniel Benjamin Aislinn Bohren Leah Boustan Yann Bramoulle Gabriel Carroll Alessandra Casella Arun Chandrasekhar Aimee Chin Gordon Dahl Geoffroy De Clippel Mark Dean Matthias Doepke Georgy Egorov Ying Fan Patrick Francois Simone Galperti Daniel Gottlieb

Eric Gould Paul Grieco Michael Grubb Marina Halac Joshua Hausman Jean-Francois Houde Nagore Iriberri Oleg Itskhoki Kelsey Jack Sebnem Kalemli-Ozcan Loukas Karabarbounis Fuhito Kojima Botond Köszegi Oingmin Liu Guido Lorenzoni Jens Ludwig Filip Matejka Ellen McGrattan Alisdair McKay Karel Mertens Moritz Meyer-Ter-Vehn Ryan Oprea

James Roberts Esteban Rossi-Hansberg Emmanuel Saez Vasiliki Skreta Kathryn Spier Johannes Spinnewijn Charles Sprenger Jakub Steiner Bruno Strulovici Tomasz Strzalecki Justin Sydnor Alireza Tahbaz-Selehi Olivier Tercieux Jusso Toikka Francesco Trebbi Aleh Tsyvinski John Van Reenen Nico Voigtlander Jeff Wooldridge

Pierre Yared

Antonio Penta

Ronny Razin

Eduardo Perez-Richet

Managing Editor

Juan Ortner

Amanda Pallais

Steven M. Stelling

Assistant Managing Editor

Ariana Mapua

Editorial Offices

2403 Sidney Street, Suite 260, Pittsburgh, PA 15203 Phone: 412-432-2300, Fax: 412-431-3014 email: aerinfo@aeapubs.org

http://www.aeaweb.org/aer/

$+r_{t}^{d} \mathbf{GOOD}_{E}, \phi_{E}) \qquad F(K_{t}, N_{t}) \qquad 1 + r_{t}^{d} = \frac{u_{c}(c_{t}, h_{t})}{\beta u_{c}(c_{t+1}, h_{t+1})} \qquad (k_{E}, \phi_{E}) \in \operatorname{arg}_{h_{t}}$ $+ \sum_{i=1}^{t} \mathbf{CONOMICS}_{h_{t}} \qquad (k_{E}, \phi_{E}) \in \operatorname{arg}_{h_{t}}$ $+ \sum_{i=1}^{t} \mathbf{CONOMICS}_{h_{t}} \qquad (k_{E}, \phi_{E}) \in \operatorname{arg}_{h_{t}}$ $+ \sum_{i=1}^{t} \mathbf{CHANGES}_{h_{t}} \qquad (k_{E}, \phi_{E}) \in \operatorname{arg}_{h_{t}}$ $+ \sum_{i=1}^{t} \mathbf{CHANGES}_{$

EconLit provides the coverage most needed by scholars to make new discoveries, develop important insights, and contribute valuable research to the economics community.

- Peer-Reviewed Journal Articles
 - Working Papers
 - PhD Dissertations
 - Books and Book Reviews
 - Collective Volume Articles (x, t, s)

Professionally classified, updated weekly, and including over 1.6 million records, EconLit covers economics literature published over the last 130 years from leading institutions in 74 countries.



Find more information at www.econlit.org or contact your economics professor or university librarian about gaining access to EconLit.