

Summary of articles

The two-handed growth strategy for Europe : Autonomy through flexible cooperation, par J. Drèze, C. Wyplosz, C. Bean, F. Giavazzi, H. Giersch.

This article develops the international aspects of the two-handed growth strategy. Both the supply and demand side measures are reviewed. The need to work on both sides simultaneously is stressed, even if the specific topic of cooperation privileges the demand side. The report argues that inflation, while always a risk, should not be currently seen as a major issue. Accordingly, it concentrates on the fiscal and external constraints. These two constraints are strongly interrelated. Openness makes fiscal policy significantly less cost-efficient: the case for cooperative action stems from the possibility of internalizing the income flow leakages which may deter governments from working on the demand side of the economy as they make progress on the supply side.

The benefits from cooperation are directly related to openness. In practice, this means that Europe can act autonomously, as it is relatively closed: the two-handed strategy does not need to be made contingent on cooperation with the US and Japan. On the contrary, cooperation within Europe is crucial. Yet cooperation is not synonymous with synchronisation and, in particular, different conditions across countries (inflation, public and external debts) warrant different policies. Flexible cooperation must rely on Germany, France and the UK taking the lead in staging a fiscal expansion to match advances on the supply side.

Journal of Economic Literature Classification Numbers : 121, 133, 423.

Equilibre général et concurrence imparfaite : un tour d'horizon, par R. Gary-Bobo.

This paper surveys the literature devoted to the problems of general equilibrium in imperfectly competitive economies. The achievements and shortcomings of the theory are emphasized, in particular with the prospect of providing «microeconomic foundations of macroeconomics» explicitly resting on the imperfectly competitive behaviour of economic agents.

Journal of Economic Literature Classification Number : 021.

Echanges internationaux et stratégies collusives, par A. Jacquemin.

Much of the work recently carried out casts doubt on the capacity of traditional models, linked to the Walrasian paradigm, to provide a valid explanation of international trade. Instead, increasing use is being made of industrial organisation analyses, imperfect competition theories and the theory of games.

It is against this background that this paper sets out a number of simple illustrations of this new research. The first section highlights certain aspects of international strategic relations, including the role played by the public authorities. The second illustrates private and public collusive strategies in international trade.

Journal of Economic Literature Classification Numbers : 410, 610.

Technological flexibility, financial fragility and the recent revival of Schumpeterian entrepreneurship, par A. Vercelli.

The technological stagnation of large bureaucratic organizations in the seventies led to a revival of "Schumpeterian" entrepreneurship. This is explained as a consequence of the search for flexibility induced by an increase of structural uncertainty. The role of credit in promoting technological flexibility is also considered. Its basic function today is seen to consist not so much in a rapid redistribution of productive resources, as Schumpeter maintained, but rather in a proper reallocation of technological risk.

Journal of Economic Literature Classification Numbers : 131, 311, 621.