

## Summaries

*Postponing retirement age and labor force participation:  
the role of family transfers*

Pascal Belan, Pierre-Jean Messe, François-Charles Wolff

In this paper, we examine the consequences of delaying retirement in an overlapping generations model with domestic production and parental transfers in the form of grandchild care. We show that a change in age at retirement influences the employment rates of both the young and the old. This interdependency stems from the provision of family transfers. Postponing retirement may increase time devoted to grandchild care transfers, which allows the young to work more on the labor market. We then study the conditions under which this positive family externality holds. Finally, using numerical simulations, we assess the consequences of delaying retirement on labor participation and account for public policy implications.

**Keywords:** Retirement, domestic production, family transfers.

JEL Classification: J26.

*Could environmental public policy be harmful for the environment?*

Mouez Fodha

This article analyzes the consequences of environmental public policy when private agents have access to abatement activity, financed by private contributions. The issue at stake is the interactions between private involvement in abatement activities and public intervention. The analysis of the consequences of environmental tax policy on capital and environmental quality shows that public and private abatements may or may not be substitutable, depending on abatement efficiencies and on the initial economic and environmental inefficiencies.

**Keywords:** Environmental externalities, abatement, tax policy.

JEL Classification: Q52, Q58.

*Income Risk and Children Education under Imperfect Credit Markets.  
The Case of Malawi*

Tidiane Kinda

This paper shows that households take children out of school as risk coping strategy in response to income shocks under binding credit constraints. The analysis also highlights trade-off in resource allocation for education. A higher number of children in household decreases the probability of their schooling. Instead of the resource competition among siblings, the results show an incitation effect when the schooling status of brothers and sisters is taken into account: children with brothers and sisters going to school have better chance to go to school. This result challenges the generally admitted hypothesis of resource competition among siblings in the literature. A new incitation effect, highlighting the positive effect of siblings schooling on the probability of schooling of other children in the household is thus put forward.

**Keywords:** Income Shocks, Children Education, Credit Market Imperfections, Intra-Household Income Allocation.

**JEL Classification:** D13, I21, O12.

*Public-Private Partnerships and Investments at Contract's end:  
the Case of the French Water Industry*

Eshien Chong, Freddy Huet

The efficiency of franchise bidding schemes for network industries has been challenged by many authors. One of the problems with this kind of schemes concerns the lack of investment's incentives of the incumbent at the end of the contract. The goal of this article is twofold. First, we explain why the French water industry is rather characterized by investment incentives problems of incumbents toward the end of the contract. Second, using a database collected on a sample of 5000 municipalities in France in 2001, we propose some econometric tests emphasizing that in the French water sector, private firms have less and less incentives to invest as the end of the contract arrives. More precisely, we show using our data that a solution adopted by local authorities to face this problem is to substitute for private firms for the specific investments that must be made at the end of the contract. Our results therefore confirm the proposition generally admitted by contract theory of under-investment risks of incumbents at the end of the franchise bidding agreement.

**Keywords:** Franchise bidding, under investment, water industry.

**JEL Classification:** D23, L51, L95.