

Summaries of Articles

International Transmission of Fiscal Policies and Imperfect Mobility of the Capital, by Delphine Béraud

In a two-country model where indebted country has a limited access to world capital market, a dynamic analysis of the international transmission of government expenditure is presented. More specifically, we study and compare the impacts of an increase in government expenditure in the creditor country. Alternative methods of finance are presented : a tax on labour income and a tax on capital income (source based or residence based). When capital tax are source based or when income labour is taxed, an increase in domestic government expenditure yields a recession in both the short-run and the long-run levels of domestic activity. Activity abroad expands in the short run. When capital tax are residence based, activity declines in the two countries. The welfare implications of these policies are also examined.

Keywords : Budgetary policy, capital mobility, capital taxation.

Journal of Economic Literature classification numbers : F43, F42, F34.

Continuité dans la pensée hayekienne. Une résistance planifiée contre l'interventionnisme, by Sandye Gloria-Palermo

Contrary to the interpretations that emphasise the ruptures and transformations in the Hayekian thought, our objective is to stress one central element of continuity in the economic analyses of Hayek. The constancy of his normative anti-interventionist position finds a translation in the domain of positive economics : all his analyses rests upon the existence of a tendency of the market process to converge toward an equilibrium position. We examine how this proposition expresses itself into different positive assumptions in the cycle theory, the planning debate and the theory of cultural evolution.

Keywords : Hayek, cycles, planification, institutions.

Journal of Economic Literature classification numbers : B31.

Les politiques de transferts sont-elles favorables à la croissance des économies ?, by Yves Croissant and Philippe Jean-Pierre

Most of development policies takes the form of transfers sent to developing economies. If these aids seem to be welfare improving, their impacts on the long run growth are ambiguous or sometimes disappointing. The aim of this paper is to investigate the dynamic consequences of an exogenous transfer policy on the growth of an economy. In order to achieve this goal, we use an overlapping generation economy in which the young generation inherits human capital and standard-living aspirations from previous generations. The numerical analysis of the model shows that, depending on the level of transfers and the preference of the agent for leisure, the aid policy can be favourable or unfavourable to the growth of the economy.

Keywords : Growth, development, transfers.

Journal of Economic Literature classification numbers : E2, O4, O2.

The Balance of Power between Producers and Retailers : a Differentiation Model, by Marie-Laure Allain

This paper argues that the balance of power between producers and retailers depends on the relative degrees of differentiation at the two levels of the vertical structure. We propose an extension of Hotelling's model in which two producers, competing in prices with horizontally differentiated products, face two horizontally differentiated retailers also competing in prices. We study the setting of producers' and retailers' margins. We show that when retailers are more differentiated than producers, they dominate the relationship and their margin is higher than producers'.

Keywords : Vertical relationships, differentiation.

Journal of Economic Literature classification numbers : L13, L22.

Crédit interentreprises et risque de système, by Alexis Direr

An incentive to grant trade credit is shown in two simple frameworks in which the amount lent by a supplier may be alternatively invested in a riskless asset. In the first one, productive risks of the buyer and the supplier are independent. A systemic risk emerges, as a risky account receivable increases the default risk of the supplier. This mechanism is however absent in the second framework in which the productions of the buyer and the supplier are positively correlated. In this case, trade credit entails no systemic risk.

Keywords : asymmetric information, trade credit, corporate finance.

Journal of Economic Literature classification numbers : D82, G30, G11.

The Price Index Effect and Macroeconomic Inefficiency, by Corrado Benassi, Alessandra Chirco and Caterina Colombo

In the Dixit-Stiglitz model of monopolistic competition the effects of individual pricing decisions on the aggregate price index are neglected. This paper studies the implications of this approximation in terms of the efficiency of macroeconomic equilibria. We show that allowing for the price-index effect, makes the degree of inefficiency positively correlated with the number of agents; it also reduces the scope for New Keynesian outcomes, such as price rigidity and multiple equilibria.

Keywords: New Keynesian economics, aggregate demand externalities, nominal rigidity.

Journal of Economic Literature classification numbers : E12, D62.