Summary of articles

Forecasts with production expectations integrated into a macroeconomic model, par Jakob B. Madsen

This paper suggests that forecasts of changes in production from production expectations can be improved by using the information contained in a reduced form macroeconomic model. The model is estimated using quarterly data for 14 OECD countries. The estimation results indicate that the forecasts of changes in production from survey production expectations can be improved by embedding the macroeconomic model into the forecast equations.

Journal of Economic Literature classification numbers: C52, C53.

The consequences of a shorter working time : Some lessons from a general equilibrium analysis, by Pierre Cahuc and Pierre Granier

The aim of this paper is to examine, both at partial and general equilibrium, the consequences of work sharing policies, when the wages, the length of the working time and the participation rates are endogenous, in an economy where workers get utility from leisure. It is shown that the effects of a shorter working time are very different at the firm level and at the aggregate level. At a steady state, a decrease in working-time is likely to increase employment at the firm level, but reduces employment and welfare at the aggregate level.

Journal of Economic Literature classification numbers: D5, J2, J5, J6.

Critères d'endettement public et vieillissement démographique : une approche par l'équilibre général calculable, by Francis Bismans et Frédéric Docquier

At the time of an increasing movement toward european integration, several countries experience a worrying public debt situation. One of the main challenges for policymakers is then to reduce the budget deficit and public debt, especially when the Treaty of Maastricht fixes the desirable Deficit/GNP and Debt/GNP ratios to 3 and 60 percents respectively. It has also been argued that the expected effect of ageing on the level of social expenditures calls for an immediate action. In this paper, we investigate these questions in a computable overlapping generations model of the Belgian economy. We first show that the respect of the deficit criterion does not imply the realization of the debt criterion.

It also appears that long run but moderated policies, minimizing welfare changes and deadweight losses, are preferable to violent tax shocks.

Journal of Economic Literature classification numbers : E62, H62.

Systèmes de retraite et redistribution intragénérationnelle, by Pascal Belan

We consider an overlapping generations model of closed economy with skilled and unskilled workers. There exists a mandatory public pension system with two components : a pay-as-you-go system with uniform benefits and a fully funded system with earnings-related benefits. We study the optimal steady state path that maximises an utilitarist social welfare function. We show that, if the economy without public pension is under-capitalized but not too distant from Golden-Rule or over-capitalized, it is optimal to introduce the two systems.

Journal of Economic Literature classification numbers : H55, O41.

Common trends and common cycles in Belgian sectoral GDP, by Carolina Gervaz

The aim of this paper is to examine common trends and common cycles in Belgian sectoral output series. A multivariate technique proposed by Engle and Issler [1995] allows to deal with series which simultaneously contain common trends and common cycles. An application of their methodology for eigth sectors of the Belgian per capita real GDP is presented in this article : it has been found that four independent common trends and four independent common cycles characterize the variables.

Journal of Economic Literature classification numbers : E32, C32.