

Summary of articles

De l'optimalité des systèmes d'assurance-chômage: quelques réflexions,
by H.R. Sneessens and B. Van der Linden

In many countries (especially in Belgium) persistent unemployment and budget deficits have motivated a reconsideration of the advantages and disadvantages of existing unemployment insurance schemes. Many aspects have to be taken into account. An efficient allocation of unemployment and wage risks is made difficult by factors such as asymmetric information, undiversifiable macroeconomic risks, labour market segmentation, firms or unions market power, tax distortions, etc. This paper surveys the available literature on these issues, so as to offer guidelines for this debate. If anything, existing results show that simplistic views are to be avoided. A correct appraisal of the merits of a given unemployment insurance scheme necessitates a global approach that takes into account not only the level of unemployment benefits and the conditions under which they are paid, but also the way social security is financed and the labour market functions.

Journal of Economic Literature classification numbers : 821, 822, 915.

Réglementation des négociations collectives, chômage et croissance, by
Pierre Cahuc

In this paper are studied the consequences of different wage bargaining rules on employment and growth in an overlapping generations model with imperfect competition. The rules are defined by two characteristics: the type of variable that must be negotiated (wage, employment, profit-share, investment), and the possibility or the impossibility to renegotiate the contracts at any date. Renegotiations raise the unemployment rate and decrease the growth rate. An increase in the number of variables that must be negotiated always increases the unemployment rate, but may have positive effects on the growth rate.

Journal of Economic Literature classification numbers : 820, 830, 832.

VERs as Strategic Trade Policies, by Jean-Marc Siroën

Literature about strategic trade policy (Brender, Krugman, ...) has been concerned only with implicit *internal* strategic trade policies. We define them as policy tools targeting exclusively the behavior of national firms. In duopolistic terms, the goal is to move the reaction function of the domestic firm and to locate it in a better position than previously. The home country government must credibly commit itself to pursue a particular trade policy before firms make decisions about prices or production. On the contrary, *external* strategic trade policies influence the behaviour of foreign firms and force them to act in the way desired by the home government. *Mixed* strategies associate both actions and may lead to a collusive agreement. We show that if subsidy is an attractive policy tool for internal strategic trade policy with Cournot-Nash competition, Voluntary Export Restraints agreements are an equivalent and alternative strategic trade policy for governments having more preference for fiscal restraints than for the surplus of consumers and the general welfare. It is acceptable by foreign firms because they are less predatory than alternative measures. Retaliations by foreign countries are avoided by the agreement; VERs allow to impose a co-operative framework.

Journal of Economic Literature classification numbers : F12, F13.

Économétrie du portefeuille: l'approche de l'information, by Jean-Michel Courtault

Summary: In this paper Theil's [1975] information approach is applied to the problem of portfolio selection. The fundamental matrix equation of portfolio theory is solved and the properties of asset demands are studied. In particular emphasis is put on the study of the specific and substitution effects as well as the wealth effects. A model of portfolio selection similar to the "Rotterdam model" of consumption is put forward. Finally we study the implications of our results for Parkin's [1970] model.

Journal of Economic Literature classification numbers : G11, C50.

The Firm as an Institution: Recent Evolution in the Contractual Perspective, by Liliana Basile and Paola Casavola

The aim of this paper is to clarify the connection between types of firms and types of assumptions about the information structure. Building on the role of information structure, notions of the firm as an organisation have been put forward which suggest that the firm can assume

an alternative (to the market) coordinating role in conditions of contractual incompleteness. A comparison (and opposition) between two recent approaches to the theory of the firm as an organisation seems to suggest that different notions of incomplete contracts imply substantial differences in terms of the meaning of a Pareto-efficiency improvement, of the role to assign to vertical integration, and of the determinants of the dimension of the firm.

Journal of Economic Literature classification numbers : D23.