

Summary of articles

The Value of Living, by John Broome.

Many practical decisions, in medicine and elsewhere, alter the lengths of people's lives; many affect the number of people who are born; and many do both. Decision makers need to attach a value to changes of these sorts. In the past the value of prolonging life and the value of changes in population have generally been treated separately. This paper explains the need for an integrated treatment: a theory of the value of living. In one sense, prolonging a life and bringing into existence an extra person are alternative ways of doing the same thing: both bring it about that a period of life is lived that otherwise would not have been lived. But there is also a vital difference: in one case the extra period of life comes to someone who exists already; in the other it comes to a new person. The paper discusses a number of principles that might be used in developing an integrated theory of the value of living.

Journal of Economic Literature classification number: 024.

From the "Value of Life" to the Economics and Ethics of Population: the Path is Purely Methodological, by Jacques H. Drèze.

The paper discusses the relationship between two problems, namely: (i) assigning a value to reduction in death probabilities, i.e. defining a « value of life », and (ii) assigning a value to changes in population, i.e. defining guidelines for the ethics and economics of population. While, for Broome, "in one sense, prolonging a person's life and adding a new person to the world are alternative ways of doing the same things", this paper argues that the two problems are quite distinct, in the sense that a precise answer to the first provides no guide live at all for second, and conversely. There is no inconsistency in providing safety according to a high "value of life" while giving population growth a negative value. But there is a methodological link: both problems have a public choice dimension, and can therefore be approached along parallel methodological lines. With respect to the

economics and ethics of population, the paper offers some defense of the Pareto criterion among the living, and comments on the practice and theory of social choice.

Journal of Economic Literature classification numbers : 025, 841, 851.

Amplification des cycles: le rôle des facteurs financiers, des rigidités et des anticipations, by Patrick Artus.

It has been argued that the flexibility of prices or wages can increase the size of cyclical fluctuations. In case of a recession, the decrease in inflation might lead to an increase in real interest rates, hence a further decline in demand. This is similar to the "debt deflation" theory: during cyclical downturns, the decrease in prices causes an increase in the real value of debt, worsens the financial situation of borrowers, and contributes to the reduction of production. That theory is probably relevant in countries like France because of the reduction of rigidities on the labor market. We analyze it using a simple theoretical model which describes wage formation, and shows how nominal distortions change the effects of random disturbances.

Journal of Economic Literature classification numbers : 130.

Commodity Demands and Female Labour-Supply over the Life-Cycle, by Pedro Duarte Neves.

This paper outlines a methodology to identify the preference parameters that characterize household behaviour over the life-cycle, through the specification and estimation of a model of individual behaviour. The focus of this research is directed towards commodity demands, female labour supply and the intertemporal allocation of lifetime wealth. Empirical estimates of the parameters of interest are reported at the end of this paper.

Journal of Economic Literature classification numbers : D12, D91, J22.

Fiscalité, η de Tobin et investissement privé en Suisse, by Milad Zarin-Nejadan.

This article is an attempt to elaborate a model relating Tobin's η corrected for taxes to the rate of capital accumulation in order to evaluate the impact of fiscal incentives on corporate investment expenditure in Switzerland. The estimation of the model on the basis of post-war data reveals that taxation has so far played only a minor role in the investment process in Switzerland. Moreover, the simulation of

the model under various hypotheses of fiscal reform shows that while the traditional instruments, namely the manipulation of corporate tax rates and fiscal depreciation schemes tend to have a relatively small impact, the use of the investment tax credit, not yet implemented in Switzerland, can be a rather efficient means of influencing business investment.

Journal of Economic Literature classification numbers : 323, 522.