

Summaries of Articles

How growth and location are sensitive to transport and telecommunication infrastructures ?, by Stéphane Riou

This paper is an extension of the new economic geography and growth model of Martin (1999) which proposes an interesting framework to analyze the effects of the European regional policy. We introduce imperfect inter-regional knowledge spillovers in this framework which are diffused by two infrastructures: transport and telecommunication infrastructures. If an investment in transport infrastructures may be at the origin of a centrifugal effect through non market interactions, we show that only a policy improving telecommunication can reduce regional inequalities and attain higher aggregate growth rate.

Keywords : growth, geography, public policies.

Journal of Economic Literature classification numbers : R58, O40, R12.

Policy-mix : is the need to coordinate fiscal policies between countries increased in a monetary union ?, by Daniel Laskar

In a two-country model where the response of the policy-mix to shocks is considered, we examine the issue of whether the gain resulting from the coordination of fiscal policies between countries is higher in a monetary union than in a flexible exchange rate system. It is first shown that asymmetric shocks can contribute to make such a gain higher in a monetary union than under a flexible exchange rate. It is also shown that the weight given by the central bank to stabilizing inflation relatively to output may play a role. A large weight can contribute to make this gain higher in a monetary union.

Keywords : monetary union, coordination of fiscal policies, policy-mix.

Journal of Economic Literature classification numbers : F42, F33, F41.

Cible d'inflation ou de niveau de prix : quelle option retenir pour la banque centrale dans un environnement « Nouveau Keynésien » ?, by Ludovic Aubert and Stéphane Adjemian

Following Svensson (1999), this article examines the central bank's choice between two alternatives, an inflation targeting or a price-level targeting strategy, under a new Keynesian Phillips curve. Our results tend to favour the adoption of a price-level targeting strategy by the central bank. By comparing discretionary policies under the two targets, and the optimal rule under commitment (as defined by Clarida, Gertler and Gali (2000)), we show the price-level targeting strategy is preferable as it allows for a better management of the credibility problem of the monetary policy.

Keywords : Monetary policy, price-level targeting, inflation targeting, credibility.

Journal of Economic Literature classification numbers : E52, E58.

Access charge and imperfect competition, by François Boldron and Cyril Hariton

A benevolent social planner, which faces a cost of public funds because of distortive taxation, wants to finance an upstream monopoly. This monopoly produces a necessary input for a downstream competitive sector which competes *à la Cournot* (with either a fixed number of firms or free entry in the downstream sector). We show that in both cases an ad valorem access charge is a better regulatory tool than a per unit access charge if the access charges are restrained to be positive. The reverse holds when access charges are used to subsidize the downstream market. We then analyze the incidence of the imperfect competition on final prices.

Keywords : Commodity Taxes, Essential Facility, Regulation, Vertical Relation.

Journal of Economic Literature classification numbers : H22, L13, L51.