Summary of articles

The multiproduct monopolist under vertical differentiation: An inductive approach, by Luca Lambertini

An inductive procedure is adopted to evaluate the behaviour of a multiproduct profit seeking monopolist vis à vis that of a social planner, in a model where there is a continuum of consumers characterized by different marginal willingness to pay for quality. When the market is completely covered, the monopolist undersupplies all qualities as long as their number is finite. When quality becomes continuous, the richest consumer is provided with the socially optimal quality. Under the alternative assumption of partial market coverage, the monopolist supplies the same qualities as the social planner, restricting though total output. Finally, it turns out that, for a given number of varieties, under partial market coverage the monopolist can make at least as good as under full market coverage, so that she prefers to distort quantity rather than quality.

Journal of Economic Literature classification number: L12.

On capital, increasing returns and long-run growth in a model of overlapping generations , by Jean-Pierre Drugeon

This contribution illustrates the role of an imperfectly competitive process of capital accumulation in the growth process. It emphasizes the central role of investment in long-run outcomes. Whereas the final good sector is characterized by perfect competition, temporary monopolies take place in the capital goods ones. These monopolies rest on an increasing returns property in the production technology that in turn results from *dynamic intrasectoral externalities*. The model is characterized by a sustained long-run growth path at a constant rate. This solution departs from the ones that have emerged in the recent literature because the growth rate of the capital stock and the growth rate of knowledge are not identical.

Journal of Economic Literature classification number: O41.

Systèmes de retraite et accumulation du capital : un modèle à générations imbriquées avec durée de vie incertaine, by Nicolas Drouhin

We introduce uncertainty of lifetime in an overlapping generation model with capital accumulation"à la Diamond". Comparing the dynamics of an economy without social security with those of an economy with fully funded social security, we show that fully funded social security improves welfare at the cost of diminishing capital accumulation. We then discuss optimal social security, proving that the (realistic) assumption of uncertain lifetime induces different results than Samuelson [1975].

Journal of Economic Literature classification numbers : D9, H55, J26.

Structure des taux d'intérêt et consommation, by Frédéric Aprahamian, Georges Fiori et Philippe Michel

This paper analyse the consumption choice of an infinitely lived individual with perfect forsight and income consisting of earnings and returns on bonds. Consumption may be financed by loans even though the individual holds bonds the returns of which is lower than the consumption loan interest. It is also shown that the consumption loan interest rate has a positive income effect on the level of consumption whereas the bond interest rate has a negative effect. Then, these findings are successfully tested on the basis of French quaterly data.

Journal of Economic Literature classification numbers : D91, E21, E43.

Trigger values for (non-)residential structures and equipment investment, by Marga Peeters

Trigger values are derived for investment projects that are affected by uncertainty and construction periods. The importance of both aspects on the decision to invest is shown by simulation results and empirically corroborated by estimation results obtained with national (non-)residential structures and equipment data. The main conclusion is that time-to-build projects faced with uncertainty, like non-residential structures, are disproportionally more affected than projects that do not have either of these aspects.

Numéros de classification du *Journal of Economic Literature* : E22, G31, C32.