Summary of articles

Optimal Growth and Transfers between Generations,
by Marc Fleurbaey et B. Philippe Michel

Given the difficulties of utilitarian and egalitarian social welfare functions in the context of intergenerational equity, an analysis directly based on the potential transfers that can be made between generations is proposed. A consumption path may be rejected if some transfers with infinite returns can be made. It is shown that such potential transfers are unlikely in the short run in ordinary growth models, but that the returns to sacrifice are often unbounded when distant dates are considered, except in some particular cases. These concepts help select acceptable growth paths, and give some insight into the dilemmas of intergenerational justice.

Journal of Economic Literature classification numbers : D63, D90.

CES Transaction Functions in Macroeconomic Rationing Models,
by Eskil Heinesen

In recent years a large number of macroeconomic rationing models with smooth CES transaction functions have been estimated. The widely used CES transaction functions with three arguments are often claimed to be derivable (as approximate relationships) from an assumption of lognormally distributed demands and supplies. One objective of this paper is to point out that the reasoning offered in the literature for this claim is not very clear or rigorous. Another, and more constructive, objective is to analyse and discuss in detail the derivation and properties of the CES transaction functions. Basic assumptions underlying the CES transaction functions are illuminated on the basis of a rather general description of the aggregation problem in models with both goods and labour markets, and general properties of transaction functions based on "multiplicative distributional assumptions" are analysed. Several new results concerning the exact derivation of the CES transaction functions on the basis of the Weibull distribution are shown. The quality of the CES transaction functions as approximate relationships given lognormally distributed demands and supplies is discussed. Finally it is shown that the CES transaction functions have reasonable properties.

Journal of Economic Literature classification numbers : C51, E12.

Contrats imbriqués, hétérogénéité et complémentarité stratégique,
by Hubert Kempf

Recently, the new Keynesian macroeconomics has emphasized the concepts of strategic complementarity and of coordination failure. In particular, heterogeneity between "responders" and "non-responders" has been seen in models exhibiting strategic complementarity as giving "disproportionate importance" to "non-responders". The aim of this paper is to prove than this claim is less robust than commonly thought.This paper offers a criterion allowing evaluate disproportionate importance in dynamic models. Then, using a variant of Taylor's staggered wage contract hypothesis as an example of a macro model with strategic complementarity, it is shown that according to this criterion, responders may have disproportionate importance on the evolution of output.

Journal of Economic Literature classification numbers: E30, E32, E24.

Fil du rasoir et chocs sur les rendements d'échelle,
by Jérôme Glachant

In endogenous growth model, the balanced growth path can be seen as a new *razor edge*. Its existence requires that returns to scale with respect to accumulated factors equal exactly one. We propose to extend this result by studying an economy in which returns to scale —unitary on average— are disturbed by stochastic shocks. Growth is not robust: the stochastic process describing capital dynamics is stationary in a strong sense. However, the asymptotic distribution is singular, it does not admit first and second-order moments.

Journal of Economic Literature classification numbers: O40, C22.

L'inflation pourrait-elle repartir en Europe? Expliquer les taux d'intérêt réels et les déficits, by Patrick Artus

We use a two period theoretical model to try to understand why european contries have chosen in the recent period to implement expansionnary fiscal policies and tight monetary policies. We analyse the possibility that the implied increase in public debt will eventually lead to a surge in inflation, in contradiction with the low inflation objective wich is currently assumed.

Numéros de classification du *Journal of Economic Literature*: 311, 321.