

## Summaries

### *The resistible decline of European science*

Luc Bauwens, Giordano Mion and Jacques-François Thisse

Using a new data set that allows us to analyze precisely the research output in all fields of science, we show that the gap in scientific performance between Europe, especially continental Europe, and Anglo-Saxon countries, especially the USA, is large. We measure research quality by the number of highly cited researchers in nineteen selected scientific fields. After controlling for different variables, such as par capita GDP and outlays in R&D, the differences in productivity between Anglo-Saxon countries and other countries are explained, not surprisingly, by the importance of English proficiency, but also by the quality of institutions and of governance of the countries in the studied sample, the latter being in all likelihood highly correlated with the governance quality of research institutions.

**Keywords:** research performance, citations, knowledge economics, university governance.

JEL Classification : I23, C25.

### *Is Selling Immigration Rights Politically Sustainable?*

Bertrand Crettez

This paper relies on Benhabib (1996)'s immigration model to analyze the political sustainability of selling immigration permits, an idea proposed by Gary Becker. To simplify the analysis, we focus on the effects of immigration flows on input prices. We find that immigration quotas almost always generate the highest capital-labor ratio (and thus the highest wage rate). We also provide an example in which immigration permits generate the lowest value of the capital-labor ratio when permits sales are wasted. Under this last assumption, we show that if the wealth of the median voter is low enough, immigration quotas will be chosen over immigration permits. If the median voter's wealth is high, then the issue of majority voting will be the system which delivers the lowest capital-labor ratio.

**Keywords:** Immigration quotas, immigration permits, rights to immigrate.

JEL Classification : F22, J18.

*Hicks and the Economics of Depression*

Goulven Rubin

During the 1930s, Hicks tried to understand the crisis to which capitalist systems were confronted. But unlike most economists of his time, he attempted to apply a Walrasian general equilibrium framework to the situation. The present paper studies how Hicks developed this approach in the last chapters of *Value and Capital* (1939). Hicks came to argue that the fluctuations of the capitalist system endangered its existence and imagined a theory of the trade cycle giving a major role to expectations and showing the possibility of an economic collapse. The paper analyses the problems raised by this research program in order to explain why Hicks abandoned it while he wrote *A Contribution to the Theory of the Trade Cycle* (1950).

**Keywords:** Hicks, instability, depression.

JEL Classification : B22, E32, B21.

*Remittances, Countercyclical, Openness and Government Size*

Christian Hubert Ebeke

This paper investigates whether remittance inflows reduce the elasticity of government size with respect to trade openness. Put differently, the paper tests the hypothesis that there is a partial substitution between public insurance through government spending and a private insurance through remittances in more open countries. The insurance role of remittances is evaluated by computing annual panel data coefficients of remittance cyclical with respect to the real GDP cycle. It appears that remittances have become more countercyclical during the end 1990s. Moreover, the trade openness, natural disasters, inflation and the shallowness nature of the financial system are among the main determinants of the countercyclical of remittance inflows. From a simple theoretical model close to Rodrik (1998) and on the basis of econometric estimations using a large sample of developing countries (66), it appears that the positive impact of trade openness on government spending decreases with the level of remittances received. Moreover, it is when remittances are effectively countercyclical that the mechanism described here works.

**Keywords:** Remittances, countercyclical, openness, government consumption.

JEL Classification : F24 E62 O12.