Summary of articles

Dynamique transitoire et non-superneutralité de la monnaie dans un modèle de croissance endogène à deux secteurs, by Taoufik Rajhi and Patrick Villieu

This article examines the relationship between the rate of growth of tmoney and the accumulation of physical capital during the transitory dynamics of a two-sectors (human and physical capital) endogenous growth model as Lucas (1988). Using a CES utility function, we show that, for an initial physical/human capital rate smaller than its stationary value, the adjustment of investments in response to an increase in the rate of growth of money has the sign $(S - 1)(S - \sigma)$, where S is the intertemporal elasticity of substitution, and σ the instantaneous elasticity of substitution between consumption and money.

Journal of Economic Literature classification numbers : E13, E52. E63.

Le taux de change du dollar contre le mark suit-il une dynamique non-lineaire ? Une evaluation empirique sur donnees infra-journalieres, by Jérôme Drunat, Gilles Dufrénot and Laurent Mathieu

This paper presents an empirical study of non-linear dynamics in high frequency data. We use quotations of the Dollar/Mark exchange rates on the London market during the year 1994. We show that leptokurtic and asymmetric distributions in several rates of return are due to the presence of stochastic nonlinearities in either the conditional variance or the conditional mean. Tests such as the KPSS for stationarity and the bispectrum for linearity perform well to our data. Two kinds of models are proposed to model both the volatility and the instability of exchange rates. We first estimate IGARCH processes with Student distributions for the residuals. We also build bilinear models to exhibit non-linear patterns in the conditional mean of the series.

Journal of Economic Literature classification numbers : C22, C32, C51.

Élasticité de substitution et balance des opérations courantes dans un modèle à deux pays, by Delphine Béraud

We analyse the interdependence of countries, in a two-country model, when the capital is perfectly mobile and the intertemporal elasticity

of substitution differs across the two countries. It follows that the higher the elasticity of substitution, the higher the growth rate of consumption. Moreover, firstly, it is shown that the world economy is dependent of the sharing of wealth between countries. Secondly, we study trade and financial exchanges. The current account and the trade balance of countries are determined by dynamics of consumption of each countries.

Journal of Economic Literature classification numbers: F21, F32, F4.

Linear bonds valuation with interest rate models : Does it work ?, by Rudy De Winne

This paper compares the implications of different interest rate models for valuing the so-called OLOs (Belgian coupon bonds). The prices of these bonds implied by some well-known one-factor models are compared to the actual prices observed on the market. Our finding suggest that these interest rate models are unsatisfactory, especially in valuing longer term bonds.

Journal of Economic Literature classification numbers: E4, G1.

A note on the impact of procedures in strike models. The case of bargaining structure, by Laszlo Goerke

For a two-period screening model of strikes it is shown that joint bargaining instead of enterprise negotiations lowers wages and implies more strikes. These results hold irrespective of the party possessing private information. The sensitivity of strike models to procedural assumptions thus seems less problematic than it may be conjectured.

Journal of Economic Literature classification numbers: C78, D82, J52.