Summaries of Articles

Investment-Saving Correlations and International Capital Mobility, by Jean-Pierre Berdot, Gérard Kébabdjian and Jacques Léonard

According to conventional wisdom, international capital mobility has increased at an accelerating rate due to financial globalization for the last twenty years. Surprisingly, the Feldstein-Horioka work and most of subsequent research fail to confirm this increase in capital mobility. However, when econometric results are reconsidered, new evidence appears and challenges usual empirical findings. On the one hand, Feldstein-Horioka related regressions suggest that international mobility has actually increased in the long run; on the other hand, the early 1980s exhibit an acceleration in this upward trend. It is the case for all of industrialized countries, whatever their size. Nevertheless, for emerging countries saving and investment rates are still highly correlated. Taken as a whole, a lower investment-saving correlation is related to higher independence of international capital flows with respect to domestic savings. We find that the linear relationship between investment and saving rates turns around a "pivotal point" defined as the world saving rate. This criterion allows us to classify countries according to their respective situations. So, it appears that countries have not equally benefited from financial markets liberalization.

Keywords: **globalisation, capital flows, financial integration.**

Journal of Economic Literature **classification numbers: E44, F3, F4, F21.**

Comment fixer les cours de change ? Annonces et correspondances maastrichtiennes, by Jean-Sébastien Pentecote and Marc-Alexandre Senegas

This analysis questions the distinction between two exchange rate fixing rules: a "time-dependent" rule under which the exchange rate is fixed at an arbitrarily given date; a "state-dependent" rule under which the irrevocable switch to a peg occurs when the fundamentals reach a given thre-

shold value. By replacing them in a common analytical framework, we underline the strict equivalence between the two rules if the fundamentals follow a purely deterministic process during the transition. In a broader stochastic context, a correspondence in probabilistic terms prevails between these strategies. This unified approach allows a new assessment of the Maastricht way to EMU as regards exchange rates. In particular, we emphasize some properties of the scenario which was finally adopted by the European monetary authorities.

Keywords : EMU, state- and time-dependent rules, switch to fixed exchange rates.
Journal of Economic Literature classification numbers : E4, E5, F3.

Insurance Mechanisms against Asymmetric Shocks in a Monetary Union : a Proposal with an Application to EMU, by Oscar Bajo-Rubio and Carmen Díaz-Roldán

In this paper we propose a simple, automatic insurance mechanism designed to cope with asymmetric shocks in a monetary union, which could be used as starting point of a more elaborated policy instrument. The mechanism would use as indicator of the occurrence of a shock the changes in the unemployment rate of the countries belonging to the union, and would be financed through a fund built from contributions of these countries as a percentage of their tax receipts. The fund would be distributed among the countries affected by a negative asymmetric shock according to the proportion in which every one of them would have been affected by the shock. Our proposal is illustrated by means of an empirical application to the case of EMU.

Keywords : Monetary union, asymmetric shocks, insurance function.
Journal of Economic Literature classification numbers : E62, E63.

Enrichissement de la croissance en emploi et productivité, by Nicolas Carnot and Alain Quinet

The decline in labour productivity gains since the late 80s in Europe, especially in France, may have several origins. It may reflect a slowdown in the rate of technical progress, the incidence of work sharing schemes or a rebalancing of factor productivities. This article highlights the importance of this rebalancing process, in response to the fall in the relative cost of labour, particularly unskilled labour.

The decline in labour productivity gains cannot be considered as an unfavourable development as long as it reflects a labour deepening process, in the context of falling unemployment. We illustrate the role of factor costs using a standard labour market model including labour heterogeneity. A dynamic version of the model is calibrated to provide an idea of the response of GDP, employment and factor productivities to cost shocks.

Keywords : employment, growth, productivity.
Journal of Economic Literature classification numbers : E24, J30, 040.