

## Summary of articles

*Développements récents de la littérature sur l'incohérence temporelle et la crédibilité de la politique économique*, by Bertrand Crettez and Anne Lavigne

This paper surveys recent advances in the time-consistency literature. We first show how standard credibility problems, when plunged in intergenerational games, might be solve in a subgame perfect Nash equilibrium between generations. Then we review a quite different approach according to which, time consistency problems are solved a kind of cooperative equilibrium between Governments and private agents. We close the paper with a presentation of the Cohen and Michel's definition of politically credible policies, namely rules which are the outcome of a political debate in a democracy.

*Journal of Economic Literature* classification numbers : 311, 321.

*L'hypothèse de marchés financiers complets et l'évaluation des options*, by Catherine Rouzaud

This paper tries to make explicit the meaning and the role of the hypothesis of complete financial markets in the options pricing models. Its purpose is to show the strength and importance of the assumptions made about the price process of the underlying asset in these models.

*Journal of Economic Literature* classification numbers : 026, 313.

*Trade Liberalization and Oligopolistic Industries: A Welfare Appraisal*, by Tito Cordella

If intra-industry trade liberalisation increases "world" welfare, it is nevertheless true that one country should be better off in autarky. The crucial parameters for evaluating the convenience of liberalizing intra-industry trade are the relative dimensions of domestic and foreign market and industry. The prescription of free trade as a unilateral option is valid only if foreign competition is very strong, and only in this case consumers' gains offset producers' losses. If policy makers play a non-cooperative game in trade policies, free trade cannot be a Nash equilibrium of the game.

*Journal of Economic Literature* classification numbers : F12, F13.

*A One-Point Solution Concept for the Provision of a Public Good*, by Ping-Yuan Yen

The paper intends first to develop a solution mechanism which associates with each economy with a public good a feasible allocation; then, to set up a set of axioms that can make a solution mechanism *acceptable* in some sense for each agent sharing the cost. It is found finally in the paper that a solution concept, called the *Chander dynamic process* in which costs are instantaneously shared proportionally to individual marginal rates of substitution, satisfies almost all the required axioms.

*Journal of Economic Literature* classification number: 022.

*Dispersion des prix et expériences. Une étude de l'équilibre d'un marché à générations de clients en information imparfaite*, by Antoine Billot and Frédéric Gavrel

First, we propose to base the price dispersion upon the deviation between the experiments of several clients generations. The principle is such that we assume the old generation to endow a *market knowledge* and thus, to be more demanding than the young one who does not possess any knowledge. Second, we define our framework inside of an overlapped generations model. Hence, assuming both populations to be constant, the associated market equilibrium is characterised. Third, and last, assuming both populations to be variable, we evaluate the influence of their growth rate on the price distribution.

*Journal of Economic Literature* classification numbers: 022, 026.