Summaries

Oil Prices and Stock Markets in Europe: A Sector Perspective

Mohamed El Hedi Arouri, Philippe Foulquier, Julien Fouquau

Although previous work shows strong relationships between oil prices and economic activity, the empirical evidence on the impact of oil prices on stock market returns has been mixed. This article investigates the existence of long-term relationships between oil prices and stock market indices in Europe using both aggregate and sector indices and linear and asymmetric cointegration. Our findings show that the response of stock prices to oil price depends greatly on the sector of activity and that oil prices affect stock returns in an asymmetric fashion.

Keywords: European sectoral analysis, oil prices, stock markets, asymmetric cointegration

JEL classifications: G12, F3, Q43.

R&D Organization: Cooperation or Cross-Licensing?

Marie-Laure Cabon-Dhersin, Rim Lahmandi-Ayed

Under the Cross-Licensing system (CL), firms are allowed to trade non cooperatively the results of R&D efforts, and compete in the innovation and production stages. First, the paper proposes a simple modeling of this system. Second, a relevant comparison is made with the Cartelized Research Joint Venture (RJV), the form of R&D cooperation recognized to be the best one.

We prove that the Cross-Licensing system may be socially better than the Cartelized RJV. In terms of antitrust policy, for firms, the most favorable collusion mode is Joint Exploitation. We prove that firms are equally tempted by this mode, whether they are under CL or under Cartelized RJV.

Keywords: Cross-Licensing, R&D cooperation, Cartelized Research Joint Venture, R&D spillovers, Efficiency, Antitrust policy.

JEL Classification : C72, L24, D23.

Does Firms Selection Policy Matter ?

Raies Asma

The aim of this paper is to show that - on the contrary to the existing theoretical literature- market selection mechanism can slow down the aggregate productivity growth. This literature always presumes that firms differ only by their productivity levels and have the same fixed cost. The two basic ideas in this paper are that both firms' productivity levels and fixed costs are heterogeneous. Moreover, exit of firms leads to a partial loss of knowledge which causes a further loss in productivity. Consequently, we show that exit of firms reduces the aggregate productivity growth both in the short and the long run. As a result, a decease in public subsidies which stimulates exit can be harmful for productivity growth.

Keywords: Market selection, research and development, productivity growth.

JEL: L1, O3, O4.

A Competitive Duopoly where Information Spillovers can be Mutually Advantageous

Thierry Lafay

This paper studies the production strategies of firms in a duopoly market of homogenous products characterized by quantity competition. Demand is partially unknown and firms are free to produce once, whenever they want before the existence of demand. We show that the nature of the equilibrium in such a game depends on the importance of the information spillovers between a leader and a follower. A Pareto-optimal sequential entry may happen. Therefore, the existence of information spillovers can be sufficient to bypass the leader's rent dissipation result in a duopoly quantity competition framework.

Keywords: Cournot, Stackelberg, preemption, information spillovers.

JEL Classification: D43, D83, L13.