

Summaries of Articles

La consommation de ressources environnementales en incertitude, by Alain Ayong Le Kama

Our intention is to present a model in which a representative agent consumes a single environmental resource which we assume to have its own regeneration process. We also assume that there exists stochastic natural phenomena that affect the available resource stock. In the context of this model, we go further on the analyze of the implications on consumption behaviors in the presence of uncertainty on future values of an environmental resource stock.

It is shown that the presence of physical constraints significantly affects the consumer behavior, relative to the life cycle hypothesis, in the sense of a greater preservation of the resource. It is also shown how the successive introduction of both constraints in the consumer's program modifies his behavior and how omitting them, as generally the case in the literature, may drive to erroneous conclusions.

Keywords: Consumption, environment, uncertainty

Journal of Economic Literature classification numbers: D81, D91, Q2.

Which way for the financing of basic income? Van Parijs' strategy (1995) in question, by Claude Gamel

In his book (1995), Van Parijs is concerned with the philosophical and economic foundations of the project of basic income and the problem of its "sustainable" financing is treated in Chapter IV. Beyond people's "external" and "internal" endowments, "employment rents" are considered as a third type of resources, which may enlarge the fiscal establishment of the financing. As these rents would not be easily exploited, we present in this paper another strategy, which is based on the "Walrasian" flexibility

of wages. Moreover this strategy is able to reduce a relative contradiction between Van Parijs' choice in favour of employment rents and his later ambition of making capitalism "optimal" (Chapter VI). By the way, the actual difference between basic income and negative income tax is also re-examined.

Keywords : Basic income, employment rents, negative income tax.

Journal of Economic Literature classification numbers : D63, H55, I38.

The effectiveness of european merger control : An event study approach, by Béatrice Dumont

Following the recent rulings by the European Court of First Instance to quash the European Commission vetoes on three mergers, we investigate whether mergers prohibited by the European Commission or withdrawn by the parties following a detailed investigation would have resulted, if not challenged, in higher product prices to consumers. To do so, we apply and extend the Eckbo-Stillman (1983) event study methodology and examine the stock market reaction among rival (i.e. non-merging) firms following the announcement of a merger or merger challenge in 14 horizontal mergers attempted between 1991 and 2001. The tested hypothesis is that if the merger is anti-competitive (efficiency-enhancing), rival firms should experience a positive (negative) stock price reaction because they could be expected to share in the future higher post-merger price (not to share in the future the lower post-merger costs of the merged firms). We found that, in general, European antitrust enforcers challenged mergers that the capital market regarded as efficient rather than anti-competitive.

Keywords : Horizontal concentration, event study methodology, efficiency.

Journal of Economic Literature classification numbers : L4, G14.

Les externalités de diffusion du savoir-faire permettent-elles de rattraper le retard dans les courses à l'innovation ?, by Christine Halmenschlager

In this paper, we introduce spillovers in a simplified version of the Fudenberg, Gilbert, Stiglitz and Tirole patent race model with memory : in any period, a proportion of a firm's R&D activity leaks to its rival, decreasing, without effort, the rival's lag. Do spillovers increase the laggard's catching-up capacities or do they rule them out ? In a first scenario, the proportion of R&D activity that spills over is decreasing with the R&D effort of the source firm. We show how these spillovers change race dynamics by increasing the lags between competitors and preventing the follower from catching up with the leader. In a second scenario, we use a constant spillover rate. We show that the catching-up possibilities remain, although they are reduced by spillovers. We conclude that in this dynamic setting, spillovers have the counter-intuitive effect of increasing the effective pace of innovation, starting from identical levels of know-how. Furthermore,

different ways of modelling spillovers yield different results about catching-up possibilities.

Keywords : patent race, spillovers, catching-up.

Journal of Economic Literature classification numbers : C72, O31.

Characteristics of good and competitive equilibrium, by Damien Gaumont and Philippe Michel

We analyse the consequences of a change of the characteristics of goods due to new information on the equilibrium of a pure exchange economy with n goods and m agents. Some changes of the characteristics of goods *à la* Lancaster have a positive effect on utility. In the general competitive equilibrium, some agents gain but others may lose. Nevertheless there is an increase of a linear combination of the utilities of the agents. The different possibilities of gains and losses are explicitly analysed in an example with two goods and two agents.

Keywords : Pure exchange economy, characteristic of goods, price determination, pareto efficiency.

Journal of Economic Literature classification numbers : D50.

Basic income, unemployment and job scarcity, by Loek Groot

The main claim of this paper is that in a world of equal entitlements to work rights the justification for a basic income is stronger, and that its level should be higher, the higher the level of unemployment or job scarcity. Point of departure is an economy with job scarcity. A fair way to deal with job scarcity is to grant everybody an equal right to work, where these rights can be freely traded. It turns out that such a Labour Rights scheme and a basic income scheme are equivalent. The equivalence is that the price of Labour Rights and the unemployment benefit corresponds to the income tax rate and basic income respectively. The tax rate can thus be considered as what workers have to pay to appropriate scarce job assets. Both schemes allow that some people voluntarily abstain from doing paid work, in return for a financial compensation. Therefore, the advantages in terms of equity and efficiency of a Labour Rights scheme equally apply to the basic income proposal. This analysis provides an argument against cutting unemployment and social assistance benefits during economic downturns and it offers new insights to evaluate the parasitism and exploitation objection raised against basic income.

Keywords : unemployment, right to work, basic income, social policy, exploitation.

Journal of Economic Literature classification numbers : D63, H53, I38, J21-23, J31, J64.