

Summary of articles

The US “Twin Deficits”: A Reappraisal, by Thepthida Sopraseuth

Since the mid-1980s, an extensive empirical literature has investigated the relationship between the US fiscal and trade deficits without reaching any consensus. Two elements may account for these conflicting results. First, considering data in levels versus stationarized data has an impact on conclusions. Moreover, the link between the US net exports and government balance, whether stationarized or not, is unsteady. This lack of robustness may stem from changes in the relative contribution of demand and supply shocks in the US economy: demand shocks generate a positive correlation between trade and fiscal deficits while supply shocks imply a negative relationship between both series. In order to check the empirical relevance of this intuition, I use a standard Real Business Cycle model. With varying estimated volatility ratios of supply and demand shocks, the model succeeds in matching the switching magnitude of the correlation between the US balance of trade and fiscal deficits over each sub-sample except the 1990s.

Journal of Economic Literature classification numbers: F32, F41.

Temps psychologique, oubli et intérêt chez Maurice Allais, by Georges Prat

Allais' approach is based on new hypotheses and concepts dealing with (i) the concept of psychological time, (ii) the link between the memory of the past and the expectation of the future, (iii) the analogy between the memory of the past and the discounting of the future, (iv) the concept of psychological rate of interest and its relation with market rates of interest, and (v) the appraisalment of the conjuncture by the economic agents. These hypotheses are structured inside the Hereditary and Relativistic theory. Empirical applications conducted in the field of the demand for money and interest rates show how these different ideas may be operative. But the HR theory has a general character. Specially, some phenomena which appear as time varying ones when they are observed in the physical time referential remain constant when they are considered in the psychological time referential.

Journal of Economic Literature classification numbers: B4, D84, E41, E43.

Mobilité interrégionale, réallocation de l'emploi et dynamique du chômage, by Arnaud Chéron

This paper aims to analyze the impact of workers' migrations on dynamics of regional unemployment. We consider a two-region model where, in each labor market, the law of motion for employment is governed by a matching process. In this context, the influence of the mobility of workers on unemployment depend on the hirings and migrations delays. We simulate the model in the France-Germany case and show that migrations imply a positive relation between unemployment and real wage in each region.

Journal of Economic Literature classification numbers : J51, J61, R23.

Modifications de comportement précédant la défaillance d'entreprise : l'impact des cessions d'actifs sur la relation de crédit, by Régis Blazy

Priority rules, prevailing under liquidation, affect the corporate bankruptcy process, especially when this process is due to a decrease of economic performances. In case of lasting difficulties, there are incentives for the firm to liquidate its own assets in order to preserve creditors' confidence. This modification of behaviour, which postpones financial distress, may deepen the gap between liabilities and assets, and reduce the recovery rate. Nevertheless, in case of temporary difficulties, this strategy may avoid credit rationing. Results from a survey conducted between 1993 and 1995 (Tribunal de Commerce de Paris, 1991 data), confirm the existence of such liquidations of assets. By postponing the initiation of bankruptcy, they are impediments to firms' reorganization.

Journal of Economic Literature classification numbers : G33, D82, D21.