Summaries of Articles

Low-skilled unemployment, capital-skill complementarity and embodied technical progress, by E. Moreno-Galbis and H.R. Sneessens

Models developed by recent economic literature do not manage to account simultaneously for the three main stylized facts observed in many EU countries since the mid-seventies: (i) the increase in the overall unemployment rate; (ii) the difference between high-skilled and low-skilled unemployment; (iii) the stability of relative wages. This paper focuses on these issues. We construct an intertemporal general equilibrium model seeking to reproduce these facts. We consider two types of jobs and two types of workers. We allow for job competition between high- and low-skilled workers on the low-skilled segment of the labor market and for on-the-job search. Matching processes are represented by matching functions *à la* Pissarides. Low-skilled search intensities are endogenous and high-skilled workers decide on the amount of effort they devote to search in each labor market segment. Biased technological change is introduced via embodied technical progress and capital-skill complementarity. The model is calibrated and simulated to evaluate the impact of various types of shocks. The model reproduces quite well the unemployment rate changes and the relative wage stability observed over the past two decades.

Intertemporal choice and Keynes "Fundamental psychological law", by Nicolas Drouhin

This article examines the intellectual links between Keynes "fundamental psychological law" and the theory of intertemporal choice. Within a two periods model of intertemporal choice, we demonstrate that the "fundamental psychological law" is a general property of the model. We then discuss the precise reasoning of Keynes in the General Theory and its intellectual

341

background to stress the importance of the intertemporal framework in the Keynesian theory of consumption. We then discuss the point of view of Keynes concerning the emerging methodology of comparative static we used to establish the fundamental psychological law within the intertemporal model of choice.

Keywords: consumption, saving, Keynes, intertemporal choice.
JEL Classification: B22, D91.

Real convergence in some emerging countries: a fractionally integrated approach, by J. Cunadoa, L.A. Gil-Alana and F. Pérez de Gracia

This article examines the real convergence hypothesis in eleven emerging countries by means of fractionally integrated techniques. For this purpose, we examine the order of integration of the real GDP per capita series in Argentina, Brazil, Chile, Colombia, Mexico, Peru, Venezuela, India, Indonesia, Taiwan and South Korea as well as their differences with respect to the US and Japan. We find evidence of smaller degrees of integration in the differenced series only for some of the Latin American countries with respect to the US, and for all the Asian countries with respect to both the US and Japan. However, we only find evidence of real convergence for the cases of Argentina and Chile with respect to the US, and Taiwan with respect to Japan, suggesting thus the possibility of different convergence clubs among both Latin American and Asian countries.

Keywords: Real convergence, Fractional integration, Long memory.
JEL Classification: C32, O41.

Tools for the economic simulation: Jan Tinbergen and the emergence of the structural models (1935-1940), by Éric Chancellier

Our aim is to study the first tools of simulation in economy with the works of Tinbergen between 1935 and 1940 within the League of Nations. Precisely, Tinbergen developed the use of the structural models intended for the economic simulation. First, we notice the will of Tinbergen to simulate the economic movement by testing statistically the economic cycles theories. Second, Tinbergen developed an 'experimental machine' in order to simulate the scenarios of economic policies. Precisely, the experimental machine allowed to analyse at the same time the scenarios of cyclical and structural policies.

Keywords: Business cycles, economic simulation, history of models.
JEL Classification: B22, B23.