

## Summary of articles

### *Wage Interdependence and Competitiveness*, by David de la Croix

We build a multi-sector model with wage bargaining and imperfect competition to analyse the links between wage interdependence and competitiveness. Quantity constraints together with union power, firm market power and wage externalities play a significant role in the determination of competitiveness and in the transmission of shocks among sectors. This is verified by an empirical study on Belgian data. We identify leading sectors in wage formation and evaluate the effect of sector-specific shocks on the competitiveness of the other sectors.

*Journal of Economic Literature* classification numbers : 432, 831.

### *Monnaie et inflation dans un modèle de cycles réels*, by Jean-Olivier Hairault and Franck Portier

We propose in this article a theoretical and empirical study of the effect of inflation on the French and American business cycle, in an intertemporal general equilibrium setting. The examination of the instantaneous and intertemporal substitution elasticities role for the existence of a *Tobin effect* is allowed by the use of a rather general utility function. The stochastic simulation of the model and its comparison with French and American data show that the model is able to mimic the real dimension of the business cycle as the RBC models. Nevertheless, the nominal dimension is not correctly reproduced with realistic values of the substitution elasticities.

*Journal of Economic Literature* classification numbers : C6, E31, E32.

### *Efficient Bargaining and Accommodation Policies*, by Henrik Jensen

We show that accommodation policies may render efficient bargaining in the labour market unsustainable as a perfect Nash equilibrium of the infinitely repeated game. In fact, in the eyes of the labour market participants, efficient bargaining may be Pareto-dominated by the monopoly-union solution when the government places sufficiently high weight on employment targets.

*Journal of Economic Literature* classification numbers : E61, E62, J51.

*Integration of Product Markets when Labour Markets are Unionized,*  
by Jan Rose Sørensen

This paper is a first attempt to analyse the consequences of establishing the internal market when taking account of labour market effects of product market integration. Our main focus is on market power, and we show that both labour unions and firms may lose market power when product markets become integrated. If this happens, it is likely that both workers and capitalists become better off. On the other hand, if the firms reestablish their market power through mergers or cooperation, capitalists gain, whereas workers lose. If neither firms nor unions lose market power, there are no effects of integration.

*Journal of Economic Literature* classification numbers : F15, J51, L19.