

## **ANALYTICAL SUMMARY**

Carmen DÍAZ ROLDÁN

“Macroeconomics Shocks in the Latin American Countries: Implications on the Economic and Monetary Integration”

*Revista de Economía Mundial* 42, 2016, pp. 19-42

In this paper we explore the nature of the shocks hitting the Latin American countries (i.e., CAN, Mercosur and Asociados) in two different periods: Before and after the economic crisis triggered by the end of 2007. We will follow the approach of Cohen and Wyplosz (1989) to analyse the nature and timing of the shocks that have affected the GDP of these countries. Our final aim would be to determine the scope of the disturbances, their impact on the integration processes and economic development, as well as the implications for the eventual formation of a monetary union.

Paweł GAJEWSKI

“Sovereign Spreads and Financial Market Behavior before and during the Crisis”

*Revista de Economía Mundial* 42, 2016, pp. 43-66

This paper aims at shedding some light on the mechanisms of pricing the EMU countries' sovereign bonds in financial markets. Employing the Augmented Mean Group (AMG) estimator, we find that major changes have occurred in terms of variables underlying sovereign risk. Since 2009, macroeconomic and fiscal fundamentals has started to play a more important role, but only those that capture domestic demand evolution. In contrast, price competitiveness seems less important. The second conclusion lies in reversed attitude towards banking sector imbalances, as compared to the earlier period. One of the problems addressed concerns the horizon of projected macroeconomic and fiscal variables taken into account. The paper presents some evidence that financial markets have become more myopic and started to rely on short-term forecasts, whilst they had tended to encompass longer-term forecast horizon before the crisis.

José Luis GARCÍA HIDALGO, Luis PALMA MARTOS and Alfonso LÓPEZ-ESCOBAR ANGUIANO

“Multilateral Strategy for International Competition Policy. A Proposal on Hard Core Cartels”

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This paper addresses the issue of international competition policy through the prism of the multilateral solution. Since the inconsistency that results from that global markets are regulated by national institutions, and given the States' resistance to cede sovereignty in the field of competition policy, we explore how an international body could be set for the detection and investigation of the only restrictive practice for which there is inter-jurisdictional consensus about its harmful effects on the economy: Hard core cartels. Specifically, we propose the creation of an International Investigation Service and analyze how it would perform its task in practice.

Carles MANERA, Ferran NAVINÉS BADAL and Javier FRANCONETTI MANCHADO

“Income Distribution, Profit and Inequality: Their Role in U.S. Economic History, 1910-2010”

*Revista de Economía Mundial* 42, 2016, pp. 89-108

This paper analyses US business cycles from 1910 to 2010 based on changes in income distribution and in social inequalities and their influence on the rate of profit. The research uses figures from US national accounts. The key objective is to analyse changes in income distribution by looking at the rate of profit. The paper provides additional weight to the conclusions reached by Piketty, but using different sources: a reduction in the share of wages in national income and an increase in social inequality. This can be explained because the downward trend in capital productivity cannot be corrected, so labour productivity is bolstered to maintain the rate of profit.

Ignacio José MIÑAMBRES GARCÍA

“Japanese Capital Internationalization and its Regional Leadership in Southeast Asia”

*Revista de Economía Mundial* 42, 2016, pp. 109-128

After a low profile international role in the 1990s, Japan has reasserted itself since the Asian financial crisis and is projecting capital again over the rest of Asia at the same time that it tackles the emergence of a new competitor for regional leadership in China. In this paper we study the influence of government foreign policy objectives in shaping Japanese FDI and argue that Japan's political ambitions of regional leadership have played an important

role in the international investment decisions of its enterprises. This has in turn resulted in a particular structure of internationalization characterized by heavy presence of strategic-seeking FDI in developing economies, early adoption of cross-national outsourcing and horizontal production networks and a recurrence return to Southeast Asia as the natural area of internationalization for Japanese capital.

Federico STEINBERG

“International Monetary Implications of a Germanized Eurozone”

*Revista de Economía Mundial* 42, 2016, pp. 129-148

This paper explores the implications of the survival of the euro for the international monetary system (IMS). Since the outset of the euro zone (EZ) crisis, a new Berlin-Frankfurt axis is providing leadership in reforming the EZ's governance. But, in doing so, it is Germanizing EZ peripheral economies. If the process is successfully completed, the EZ would become a more powerful actor in the IMS and the euro would be more attractive for international investors. However, it is unclear if this stronger EZ would be a stabilizing or a destabilizing force for the IMS. On the one hand, a more “German” euro-zone could have a structural current account surplus, and that could be deflationary and problematic. On the other hand, this reborn EZ will be much more inclined to regulate financial markets (following the ordoliberal German tradition) and, to some extent, to manage exchange rates. Finally it is unclear to what extent the EZ would be willing to politically promote the international role of the euro.

Sergio TEZANOS VÁZQUEZ and Ainoa QUIÑONES MONTELLANO

“Progressiveness in the Financing of European Aid for Development (Or Why the European Union Should Replace the 0.7 Target)”

*Revista de Economía Mundial* 42, 2016, pp. 149-168

The European Union (EU) is the main world funder of Official Development Assistance (ODA). The financing of EU's bilateral aid is moderately progressive, but it is discretionary, it does not fulfil the 0,7% international aid target, and it is improvable in terms of “distributive justice”. This article analyses the ODA progressiveness of the 19 EU countries that are OECD donors. We conceive ODA as a tax mechanism for redistributing income on a worldwide scale and we propose a progressive scheme that will strengthen the incentives for fulfilling the international commitments on ODA financing by means of an effective “peer pressure” and a more credible and fairer “social contract” between European citizens.

Jose VILLAVERDE and Adolfo MAZA

“The Effects of the TTIP on EU Countries: An Ex-ante Evaluation”

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The EU and the US are involved currently in discussions of what is called the Transatlantic Trade and Investment Partnership (TTIP). Up to now, there have been several attempts to assess the economic impact of the TTIP, both at the EU-wide level and for some of the EU countries. None of these studies, however, pays any attention to the potential impact of the TTIP on every EU country, which is the main aim of this paper. In a nutshell, the main findings indicate that the effects of the TTIP agreement are going to be small, albeit positive, and not equally distributed. More specifically, the most developed countries tend to be those that, potentially, will undergo a higher increase in their trade with the US, so they are more likely to reap benefits from the TTIP than the less developed countries. This being so, the TTIP will (weakly) increase cross-country disparities.