

## **Decomposition of CO<sub>2</sub> Emissions over 1980–2003 in Turkey**

Wietze Lise

NOTA DI LAVORO 24.2005

**FEBRUARY 2005**

IEM – International Energy Markets

Wietze Lise, *Institute for Environmental Studies, Faculty of Earth and Life Sciences,  
Vrije Universiteit*

This paper can be downloaded without charge at:

The Fondazione Eni Enrico Mattei Note di Lavoro Series Index:  
<http://www.feem.it/Feem/Pub/Publications/WPapers/default.htm>

Social Science Research Network Electronic Paper Collection:  
<http://ssrn.com/abstract=670085>

The opinions expressed in this paper do not necessarily reflect the position of  
Fondazione Eni Enrico Mattei  
Corso Magenta, 63, 20123 Milano (I), web site: [www.feem.it](http://www.feem.it), e-mail: [working.papers@feem.it](mailto:working.papers@feem.it)

# Decomposition of CO<sub>2</sub> emissions over 1980–2003 in Turkey

## Summary

There is a multi-dimensional need for studying the energy situation in Turkey and to obtain insight into the development of CO<sub>2</sub> emissions. On the one hand, recent projections of the OECD show that Turkey has a yearly GDP growth potential of over 7%. On the other hand, recent projections of UNDP and World Bank indicate that the level of CO<sub>2</sub> emission is going to rise six-fold by 2025 with respect to the level of emissions in 1990. It is a great challenge to both meet the growth target and keep the CO<sub>2</sub> under control. Thereupon, this paper tries to unfold factors that explain CO<sub>2</sub> emissions by undertaking a complete decomposition analysis for Turkey over the period 1980–2003. The analysis shows, as is common to relatively fast growing economies, that the biggest contributor to the rise in CO<sub>2</sub> emissions is the expansion of the economy (scale effect). The carbon intensity and the change in composition of the economy, which nearly move in tandem, also contribute to the rise in CO<sub>2</sub> emissions, albeit at a slower rate. The energy intensity of the economy, which is decreasing, is responsible for a modest reduction in CO<sub>2</sub> emissions. Hence, in congruence with the scale effect, we do not find a decoupling of carbon emissions and economic growth in Turkey over the period 1980–2003.

**Keywords:** Decomposition analysis, Turkey, Energy, CO<sub>2</sub> emissions, Economic growth

**JEL Classification:** Q4, Q54

*I am grateful to ECN for funding this project. I appreciate comments and discussions with Onno Kuik, Jos Sijm and Xander Olsthoorn; he undertook the carbon inventory.*

*Address for correspondence*

Wietze LISE  
Institute for Environmental Studies Faculty of Earth and Life Sciences  
Vrije Universiteit  
De Boelelaan 1087  
1081 HV Amsterdam  
The Netherlands  
Phone: +31-20-4449503  
Fax: +31-20-4449553  
E-mail: wietze.lise@ivm.falw.vu.nl

## 1. Introduction

There is a multi-dimensional need for studying the energy situation in Turkey and to obtain insight into the development of CO<sub>2</sub> emissions. First, Turkey is a candidate for becoming an EU member in the near future and Turkey can strengthen her strategic position as a gas and oil transportation country (see also: Van der Linde, 2004). Second, Turkey is listed as an Annex 1 country of the UNFCCC framework, but not as an Annex B country and has not yet set a greenhouse gas emissions reduction target. Once such a reduction target is negotiated, Turkey could become a partner for Joint Implementation projects. Turkey does not qualify for projects under the Clean Development Mechanism. Finally, the Turkish economy has a boom-bust structure and it is interesting to study her development performance. A recent survey of the OECD shows that Turkey has a long-term yearly growth potential of above 7% (OECD, 2004).

UNDP and WB (2003) provide a broad policy overview of Turkey's energy situation and energy related environmental issues until 2025. They project a six-fold increase in greenhouse gas emissions by 2025 in the baseline with respect to 1990 levels (ibid. page 56). Over the period 2000–2025 an annual increase of 5.7% is foreseen, while in the same period final energy consumption is projected to increase at 5.9% (ibid. page 25). In the baseline there is already accounted for an unrestricted increase of gas imports into the energy mix, namely from 14 million tonnes of oil equivalent (mtoe) in 2000 to 73 mtoe in 2015 and 155 mtoe in 2025, almost 50% of the total energy demand (ibid.).

Yet, the level of greenhouse gas emissions in 1990 was particularly low and the energy supply has grown with 4.4% per year in the last decade. Compare this, for instance, with the situation in transition economies in Eastern European countries where the level of greenhouse gas emissions in 1990 was particularly high and emissions declined considerably with 32% in the period 1990–2000 (using CO<sub>2</sub> emissions with reference approach from IEA database for economies in transition).

In order to find possibilities for slowing down the expected growth in carbon emissions, Karaata and Ekmekçi (2002) and Oğulata (2003) focus on the prospects of Turkey to install wind power as a renewable energy source of the future. They conclude that there is indeed quite some potential in Turkey. Around a similar line of thought, Birol (2002) gives a national energy outlook for Turkey and a forecast of future CO<sub>2</sub> emissions and discusses the prospects for introducing nuclear energy into the energy mix. In relation to a possible reduction in CO<sub>2</sub> emissions, Şahin and Pralong (2003) discuss the consequences for Turkey for introducing a tradable emission permit scheme.

Sari and Soytaş (2004) apply a so-called generalized forecast error variance decomposition technique, which they use to shed light on the link between energy consumption and economic growth. They conclude that energy consumption is almost as important as employment in explaining the variance in the growth of national income in Turkey. This decomposition technique differs from the decomposition analysis as presented in Section 2 in the sense that it decomposes the variance in a variable, rather than decomposing the level of a variable. That is also the reason why they did not explain the variation in CO<sub>2</sub> emissions; we have done this in Section 3.4.

Altınay and Karagöl (forthcoming) apply a series of so-called unit root and causality tests to verify whether there is a causality between GDP and energy consumption for the period 1950–2000. Establishing that energy consumption causes GDP has important policy implications, because then a reduction in energy consumption will translate into a break on economic growth. While they show that energy consumption and GDP in Turkey do have a unit root, they also find a structural break in the data. They conclude that there is no causality between energy and GDP.

Yeldan (2002, 2004) and Voyvoda and Yeldan (2003) discuss the typical boom-bust structure of the Turkish economy. In contrary to the popular believe that bad governance caused the Turkish economic crisis in 2001, they argue that the crisis emerged due to too tight control of the IMF, which disempowered the Turkish central bank. This made an already fragile economy even more fragile to a point that short-term foreign capital fled the country with a first shock in November 2000 and a second shock in February 2001. The presence of short-term capital in the Turkish economy is sometimes ironically referred to as ‘casino’ capitalism (Yeldan 2002), which, once it is withdrawn overnight, can quickly destabilize the economy, with disastrous effects, as the 2001 crisis has shown.

Furthermore, Yeldan (2002, 2004) argues that due to unsustainable so-called Ponzi-schemes (a process where extra money has to be borrowed for paying the national debt service) important indicators of the Turkish economy have weakened. Moreover, the wave of growth in 2003/2004 is generated by an inflow of foreign capital to keep the Turkish lira strong. This short-term foreign capital is very volatile and this can change overnight, as the two crises in 2000 and 2001 have shown. In addition, unemployment is still high (around 10% in 2003) and there has been no growth in real wages. There is also room for optimism, however, as the diversion from hyperinflation in the 80s and 90s to the present single digit rate (in 2004). Still, for a sustainable situation to emerge, private long-term commitment in the form of fixed capital, via foreign direct investment, is needed, which goes beyond the so-called 20%–40% unsustainable arbitrage margin.<sup>2</sup>

Understanding long-term ‘energy transitions’ and ‘development trajectories’ is a great challenge in the move towards sustainable development in a globalising world. Energy transitions are defined as investments in possibly cleaner technologies to replace and expand the depreciating capital stock. When considered over a longer time horizon, but also across countries, significant changes in energy technologies and consumption can be observed. Development trajectories can be characterized by sectoral changes in the economy, which transform the society from traditional (agricultural/industrial sector) to modern (service/ITC sector).

Thereupon, we study the following question in this paper, using a complete decomposition analysis: Which factors –i.e. scale, composition, energy and carbon intensity– ex-

---

<sup>2</sup> The arbitrage margin can be calculated as the end result of an operation that initially converts the foreign exchange rate into Turkish liras at the rate  $ER$ , and after earning the interest rate  $R$  offered in the domestic markets, is converted back to the foreign currency at the prevailing exchange rate. This can be expressed by the formula  $(1+R)/(1+ER)-1$  (Yeldan 2002, page 7). With a somewhat negative arbitrage rate no profits can be made by this conversion and is, therefore, more sustainable.

plain changes in CO<sub>2</sub> emissions? In addition, the following questions are addressed: How has the sectoral composition of the economy changed over time? Which technologies are present in the energy mix over time? How has the energy and carbon intensity changed over time and per sector? What is the link between national income and carbon emissions in Turkey?

The outline of this paper is as follows. Section 2 present the method used in this paper and reviews important work on decomposition analyses. Section 3 presents and discusses the changes in the energy situation in Turkey and undertakes a complete decomposition analysis. Based on data availability, the time period 1980–2003 is considered. The final section concludes.

## 2. Decomposition analysis: method and literature

In studies at the country level it is customary to decompose the changes in CO<sub>2</sub> emissions (or energy consumption). Grossman and Krueger (1991) were about the first to decompose the change in emissions into a scale, composition and technique effect in explaining the environmental impacts of the North American free trade agreement.

Initially, it was customary to undertake a partial decomposition analysis, which led to a residual term, which could be of a considerable size. To illustrate this, let us consider a simple example. For instance, CO<sub>2</sub> emissions (Em) can be decomposed into CO<sub>2</sub> emissions per GDP and GDP. We can summarise this into the following so-called Kaya identity:

$$Em = \frac{Em}{GDP} \cdot GDP \quad (1)$$

A change in CO<sub>2</sub> emissions can then be decomposed into a change in CO<sub>2</sub> emissions per GDP weighed with GDP and a change in GDP weighed with CO<sub>2</sub> emissions per GDP. The following formula shows this, where ‘Δ’ is used to denote change:

$$\Delta Em = GDP \Delta \frac{Em}{GDP} + \frac{Em}{GDP} \Delta GDP \quad (2)$$

In equation (2) CO<sub>2</sub> emission are decomposed into two effects, namely the scale effect (growth in GDP) and emission intensity effect (change in emissions per GDP). This decomposition is, however, not complete, as there is a residual term, namely:

$\Delta \frac{Em}{GDP} \times \Delta GDP$ . To eliminate this residual term, Sun (1998) proposed a complete decomposition analysis where the residual term is distributed among the considered effects. Zhang and Ang (2001) refer to this as the *refined Laspeyres method*, which has been widely adopted due to ease of both calculation and understanding. In this paper we follow the same route as in Sun (1998), namely by equally assigning the residual term to both effects. This leads to the following extension of equation (2):

$$\Delta Em = \underbrace{GDP \Delta \frac{Em}{GDP} + \frac{1}{2} \Delta \frac{Em}{GDP} \Delta GDP}_{\text{emission intensity effect}} + \underbrace{\frac{Em}{GDP} \Delta GDP + \frac{1}{2} \Delta \frac{Em}{GDP} \Delta GDP}_{\text{scale effect}} \quad (3)$$

The principle in the example of equations (1)–(3) can also be used to decompose the level of CO<sub>2</sub> emissions into more effects. In this paper we have sufficient data to derive four effects. Setting up the Kaya identity as shown in equation (4) can do this:

$$\begin{aligned} \frac{\text{CO}_2 \text{ emissions}}{\text{POPulation}} &= \underbrace{\frac{GDP}{\text{POP}}}_{\text{scale effect}} \cdot \sum_i \underbrace{\frac{\text{Added value}_i}{GDP}}_{\text{composition effect}} \cdot \underbrace{\frac{\text{Energy use}_i}{\text{Added value}_i}}_{\text{energy intensity effect}} \cdot \underbrace{\frac{\text{CO}_2 \text{ emissions}_i}{\text{Energy use}_i}}_{\text{carbon intensity effect}} \\ &= P \cdot \sum_i G_i \cdot I_i \cdot E_i \end{aligned} \quad (4)$$

The total (per capita) CO<sub>2</sub> emissions are fully equal to the product of total (per capita) GDP ( $P$ ), and the sum of the sectoral products of the added value per GDP ( $G_i$ ), energy consumption per added value ( $I_i$ ) and the CO<sub>2</sub> emissions per energy consumption ( $E_i$ ).

To explain the changes in CO<sub>2</sub> emissions, let us define the differences ( $\Delta P$ ,  $\Delta G_i$ ,  $\Delta I_i$ ,  $\Delta E_i$ ) with respect to the base-year 1990, which is the reference year of the Kyoto protocol, for instance  $\Delta P_{\text{current}} = P_{\text{current}} - P_{1990}$ , and so on. Then by using the four factors from the Kaya identity in Equation (4), it is possible to decompose the change in the level of emissions into four effects, namely a scale, composition, energy intensity and emission intensity effect. Equation (5) presents the required formulas. A programme in MATLAB is developed to do the calculations.

$$\begin{aligned}
 \text{scale effect} &= \Delta P \sum_i \{G_i \cdot I_i \cdot E_i + \frac{1}{2}(\Delta G_i \cdot I_i \cdot E_i + G_i \cdot \Delta I_i \cdot E_i + G_i \cdot I_i \cdot \Delta E_i)\} \\
 &+ \Delta P \sum_i \{\frac{1}{3}(\Delta G_i \cdot \Delta I_i \cdot E_i + \Delta G_i \cdot I_i \cdot \Delta E_i + G_i \cdot \Delta I_i \cdot \Delta E_i) + \frac{1}{4} \cdot \Delta G_i \cdot \Delta I_i \cdot \Delta E_i\} \\
 \text{composition effect} &= \sum_i \Delta G_i \{P \cdot I_i \cdot E_i + \frac{1}{2}(\Delta P \cdot I_i \cdot E_i + P \cdot \Delta I_i \cdot E_i + P \cdot I_i \cdot \Delta E_i)\} \\
 &+ \sum_i \Delta G_i \{\frac{1}{3}(\Delta P \cdot \Delta I_i \cdot E_i + \Delta P \cdot I_i \cdot \Delta E_i + P \cdot \Delta I_i \cdot \Delta E_i) + \frac{1}{4} \cdot \Delta P \cdot \Delta I_i \cdot \Delta E_i\} \\
 \text{energy intensity effect} &= \sum_i \Delta I_i \{P \cdot G_i \cdot E_i + \frac{1}{2}(\Delta P \cdot G_i \cdot E_i + P \cdot \Delta G_i \cdot E_i + P \cdot G_i \cdot \Delta E_i)\} \\
 &+ \sum_i \Delta I_i \{\frac{1}{3}(\Delta P \cdot \Delta G_i \cdot E_i + \Delta P \cdot G_i \cdot \Delta E_i + P \cdot \Delta G_i \cdot \Delta E_i) + \frac{1}{4} \cdot \Delta P \cdot \Delta G_i \cdot \Delta E_i\} \\
 \text{carbon intensity effect} &= \sum_i \Delta E_i \{P \cdot G_i \cdot I_i + \frac{1}{2}(\Delta P \cdot G_i \cdot I_i + P \cdot \Delta G_i \cdot I_i + P \cdot G_i \cdot \Delta I_i)\} \\
 &+ \sum_i \Delta E_i \{\frac{1}{3}(\Delta P \cdot \Delta G_i \cdot I_i + \Delta P \cdot G_i \cdot \Delta I_i + P \cdot \Delta G_i \cdot \Delta I_i) + \frac{1}{4} \cdot \Delta P \cdot \Delta G_i \cdot \Delta I_i\}
 \end{aligned} \tag{5}$$

Equation (5) shows that in order to calculate, for instance, the scale effect we need to consider the difference in  $P$  weighed with the other three factors of the Kaya identity. This first term leaves, however, a residual. The residual is then distributed on the ‘jointly created and equally distributed’ principle (Zhang and Ang, 2001). This explains the halves, thirds and quarters in the formula, which has terms with respectively two, three and four deltas. All these terms are added up to obtain the scale effect. The other effects are derived in a similar way. The change in CO<sub>2</sub> emissions with respect to base year 1990 is the sum of the scale, composition, energy intensity and carbon intensity effect. There is no residual. This method is used to decompose the changes in the level of CO<sub>2</sub> emissions in Turkey over the period 1980–2003 in Section 3.4.

Another way to eliminate the residual term is suggested by Ang and Choi (1997), namely the *logarithmic mean weight Divisia method*, which can also deal with zero values in the data set. Ang (2004) extends the refined Laspeyres method and the logarithmic mean weight Divisia method to multiplicative methods. Hoekstra and Van den Bergh (2002, 2003) make a comparison between structural and index (sectoral) decomposition analyses.

In the literature a number of applications of the decomposition analysis can be found. Liaskas et al (2000) undertake a partial decomposition analysis (where a so-called residual term remains) on all European countries except Ireland and Luxembourg. They show that the decline of CO<sub>2</sub> emissions during the 1970s is mainly caused by measures to promote energy efficiency, as a response to the oil crisis. Kaivo-oja and Luukkanen (2004) broaden this analysis by studying energy transitions in all European countries plus Norway and they instead use a complete decomposition analysis. They show that there are large differences among the individual countries. These differences are explained by decomposing energy intensity and CO<sub>2</sub> intensity. Changes in energy intensity can be largely explained by structural changes in the economy (composition effect), while changes in CO<sub>2</sub> intensity can be explained by changes in energy intensity and fuel switching.

Bhattacharyya and Ussanarassemee (forthcoming) employ the log-mean Divisia index (Ang and Choi 1997) to decompose the changes in aggregate energy and CO<sub>2</sub> intensities in the industrial sector in Thailand. The transport, agricultural and services sectors are excluded from their analysis. They conclude that both the energy intensity and CO<sub>2</sub> intensity have declined to some extent over the period 1981–2000. The changes in energy and carbon intensities are of a cyclical type: increasing in some periods and decreasing in others.

Paul and Bhattacharya (2004) apply a complete decomposition analysis on India, as originally developed by Sun (1998). They split the data up into four sectors, namely agricultural, industrial, transport, and other sectors. With such a sectoral specification, it is necessary to apply an index decomposition analysis (Hoekstra and Van den Berg 2002, 2003). While they do find some differences among the agricultural, industrial, transport and other sectors, their main overall conclusion is that economic growth (scale effect) is the main contributor to the increase in CO<sub>2</sub> emissions in India. In Section 3.4 we undertake a complete index decomposition analysis of the CO<sub>2</sub> emissions in Turkey.



### 3. Results and discussion

Let us now turn to a quantitative analysis of development trajectories and energy transitions in Turkey. Energy transitions can be studied from various perspectives. This section uses a graphical presentation of this process. For this purpose, it is useful to characterize energy use by two categories, namely technologies and sectors. Technologies can be divided into fossil (coal, lignite, oil, gas) and renewable (wind, solar, hydro and bio energy). Main energy using sectors are power (and heat) generation, transport, and industry, but the agricultural and services sectors also consume energy.

#### 3.1 Data

For Turkey, data have been collected from various sources. These data comprise yearly observations over the years 1980–2003, namely:

- Total population in millions,
- Gross domestic product in trillion 1987 TL (quarterly from 1987 onwards),
- Total primary energy supply per technology in btoe,
- Total primary energy consumption per sector per technology in btoe, and
- Total CO<sub>2</sub> emissions per sector in mega tonnes derived with the sectoral approach.

Energy data are collected from the Ministry of Energy as published by Altaş *et al* (2003), completed with the updated table for 2002 and 2003 (Altaş 2004, personal communication). The added value per sector and the quarterly GDP data are taken from the National Accounts as prepared by the State Institute of Statistics (Korkmaz 2004, personal communication). These data have been crosschecked with data from official sources (WDI cd-rom and IEA database). In addition, Zaim (1996) provides a sectoral overview of various emissions in Turkey over the period 1970–1991, including CO<sub>2</sub> emissions.

To prepare the data for undertaking a (sectoral) complete decomposition analysis, the Turkish economy has been divided into four distinct sectors, namely the primary agricultural sector, the secondary industrial sector, while the tertiary sector is subdivided into transport and services. The value added has been derived from the national accounts as provided by the State Statistical Institute (Korkmaz 2004, personal communication). In these national accounts the value added for agriculture and industry are separately specified and can be used straightaway. However, the value added for transport is only available in combination with communication. By lack of better information, we use the value added of transport and communication as a proxy for the transport sector in this paper. The remaining value added is assigned to the services sector in the economy. To obtain an as close as possible agreement with data from other sources, i.e. World Bank WDI cd-rom and IEA data, it was necessary to distribute “imputed bank services” over the four sectors, which we have done according to the sectoral shares without “imputed bank services”.

The same sectoral division as for the value added is also possible for energy consumption. This is achieved simply by taking the numbers in billions tonnes of oil equivalents (btoe) as published in Altaş *et al* (2003), completed with the updated table for 2002 and

2003 (Altaş 2004, personal communication). It is also possible to derive the composition of fuel types in primary energy supply from these energy balances as shown in Figure 4.

To complete the data set, energy balances as published by Altaş *et al* (2003), completed with the updated table for 2002 and 2003 (Altaş 2004, personal communication) have been extended with emission factors using the IPCC guidelines II (chapter I.6) for emission inventorying (see Table 1). This extension is needed, because the UNFCCC has not published a national communication on the emissions inventory of Turkey on their web page (<http://www.unfccc.int>).

*Table 1 Emission factors (in tonne carbon per TJ).*

Coal	Secondary Coal	Lignite	Petro cokes	Asphalt	Oil	Natural gas	Coke oven gas
26.8	27.5	27.6	27.5	22.0	19.5	15.3	13.0

Source: IPCC (2000)

Table 1 shows the emission factors (in tonne carbon per TJ) per used fuel type. The carbon content of lignite is the highest with 27.6 tonne carbon per TJ, while the carbon content is lowest for coke oven gas with 13.0 tonne carbon per TJ. There are no emissions for energy generated with wood, animal waste, hydro, geothermal, wind power and traded electricity.

There are two ways to estimate CO<sub>2</sub> emissions. The first one is called the reference method. This method is based on making a carbon flow account (inputs and outputs of carbon fuels) and correcting for carbon in fuels that are not emitted. The other method is called the sectoral method. This method is based on consumption figures for different sectors. The outcomes of both methods are usually different, for various reasons (e.g. different sources of statistics). The difference is on average 5%. Here we use the level of emissions based on the generally more precise sectoral method.

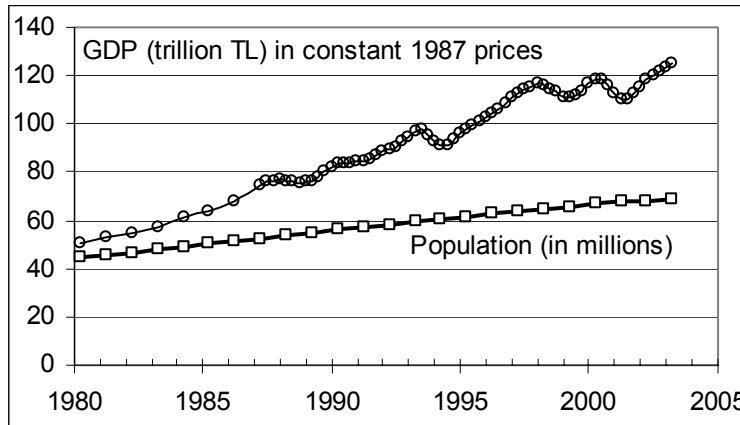
In addition to the agricultural, industrial, transport and services sector, there is a fifth sector, namely power generation. This conversion sector has a very low value added in the national accounts and a separate consideration would probably yield a distorted image of the economy. Following the study by Paul and Bhattacharya (2004), the CO<sub>2</sub> emissions from power generation are assigned to four sectors in the economy proportional to their consumption of electricity as given in the energy balances.

### 3.2 GDP and population growth in 1980–2003

In order to obtain an insight into the Turkish economy, Figure 1 plots the development of GDP and population over the period 1980–2003. The economy has been growing at an average yearly per capita growth rate of 2.1%, which compares well with the expected

average long-term growth rate at the world level in the B1<sup>3</sup> IPCC scenario (IPCC 2000; Nakicenovic *et al.* 2003; Castles and Henderson 2003). The variation in economic growth per capita is large, varying from a +7.1% boom in 1987 to a -8.4% bust in 2001.

Figure 1 Development of GDP in real terms and population in Turkey.



In order to obtain some feeling about an economy like Turkey, Table 2 compares the situation in Turkey in 1980 and 2003 with other countries in 2003. Based on the sectoral division of the economy and the per capita exchange rates base GDP in US\$ 2003 prices, the situation of Turkey in 1980 is somewhere near to the situation in Albania and Guatemala in 2003. Twenty-three years later, the situation of Turkey is somewhere between Uruguay and Argentina. This shows that the Turkish economy has made a considerable advance in the previous decades in spite of its so-called boom-bust structure.

<sup>3</sup> The B1 IPCC scenario envisages a globalised world with an accent on the community and conservation. The B1 storyline and scenario family describes a convergent world where the global population peaks in mid-century and declines thereafter, but with rapid changes in economic structures toward a service and information economy, with reductions in material intensity, and the introduction of clean and resource-efficient technologies. The emphasis is on global solutions to economic, social, and environmental sustainability, including improved equity, but without additional climate initiatives (for further information on the IPCC scenarios refer to IPCC (2000) or <http://www.grida.no/climate/ipcc/emission/003.htm>).

Table 2 The stage of development in Turkey in 1980 and 2003 linked to a comparable development stage of other countries in 2003.

	GDPPC in current prices	Agricultural sector	Industrial sector	Services sector	Population (millions)
Albania in 2003	1933	25.33*	18.94*	55.72*	3.2
Guatemala in 2003	2009	22.25	19.26	58.49	12.3
<b>Turkey in 1980</b>	<b>2158**</b>	<b>24.25</b>	<b>21.49</b>	<b>54.26</b>	<b>44.4</b>
Uruguay in 2003	3308	9.50	26.97	63.53	9.9
<b>Turkey in 2003</b>	<b>3365</b>	<b>12.20</b>	<b>28.86</b>	<b>58.94</b>	<b>70.7</b>
Argentina in 2003	3381	11.06	34.81	54.14	38.4

\* Sectoral shares for the year 2002

\*\* GDP in US\$ 2003 constant prices

### 3.3 Energy consumption by sector and by fuel

Before presenting the results of the complete decomposition analysis, the nature of the data is presented graphically. Figure 2 shows the development of the share of GDP in constant prices of four sectors over time.

Figure 2 Share in the Turkish economy of four considered sectors.

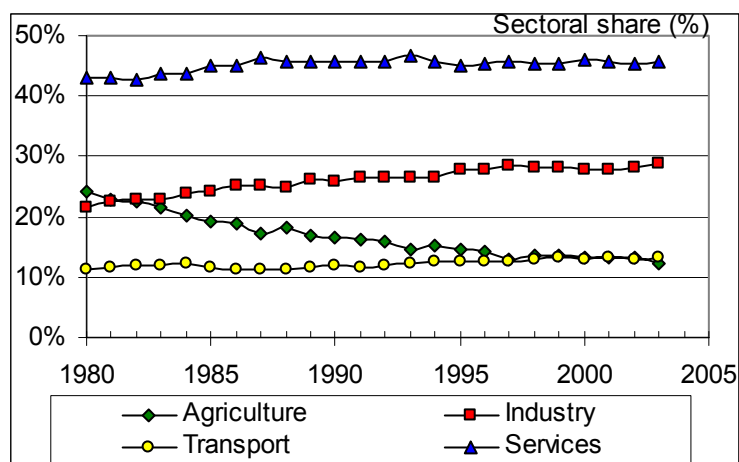


Figure 2 shows that the services (from 43% in 1980 to 46% in 2003) and transport sector (from 11% in 1980 to 13% in 2003) increase slightly in the period 1980–2003. There is a substitution between an increasing share of the industrial sector (from 22% in 1980 to 29% in 2003) and a decreasing share of the agricultural sector (from 24% in 1980 to 12% in 2003).

Based on traditional views on development trajectories (see for instance Kuik and Gupta (2003) for an overview), an economy tends to move from a traditional agricultural-based economy to an economy with an industrial dominance and finally moves towards a modern services-based economy. From that point of view, Turkey has not yet fully reached

its industrialization peak, and we may expect to find growing levels of CO<sub>2</sub> emissions in the near future (see also UNDP and WB, 2003).

The development over time of the sectoral energy consumption per value added (energy intensity) is presented in Figure 3. The graph shows the changes of energy intensity over time, with respect to the level in the base-year 1990, which is also the reference year in the Kyoto protocol, to which has been assigned the value of 100. Table 3 presents the per cent changes over the period 1980–1990, 1990–2003 and 1980–2003.

Figure 3 Sectoral development of energy intensity (per value added) in Turkey.

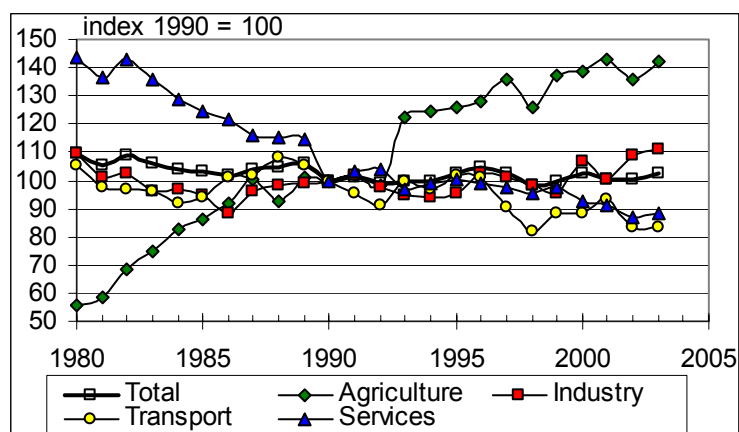


Table 3 Per cent changes in energy intensity (per value added) in Turkey.

	Total	Agriculture	Industry	Transport	Services
1980-1990	-9.0%	79.7%	-8.9%	-5.3%	-30.4%
1990-2003	2.5%	42.1%	10.8%	-16.6%	-11.7%
1980-2003	-6.7%	155.4%	1.0%	-21.0%	-38.5%

Table 3 shows that the overall energy intensity decreased with 9.0% between 1980 and 1990 and it increased again with 2.5% between 1990 and 2003. The net decrease over the period 1980–2003 is 6.7%.

For the four considered sectors in Turkey we obtain two extreme results for the development in energy intensity. Figure 3 clearly shows that the agricultural sector has become much more energy intensive over the period 1980–2003; to be precise there has been a change of +155.4% (Table 3). At the same time there has been a change in the energy intensity in the services sector of –38.5% over the 1980–2003 period. The largest decrease in the services sector took place in the 80s, it stabilized in the 90s and it is decreasing again since 2000. There is also a substantial decrease in energy intensity in the transport sector, namely an overall change of –21.0% over the period 1980–2003. The energy intensity in the industrial sector is, however, nearly constant at +1.0%.

In interpreting the result of the changes in energy intensity, we see a sharp increase in the agricultural sector. An explanation can be found by focusing on the sectoral level. Özkan *et al* (2004) give an in-depth analysis of energy use in the agricultural sector. Due to mechanisation the energy intensity has increased over the past two decades and has shifted from animal power (halving) to tractor power (doubling). This shows that there

has been a transition in the agricultural sector in the form of mechanization in the past two decades. The services sector, which is an addition of all other sectors (excluding agriculture, industry and transport) has also gone through a transition, namely from an energy intensive composition towards a more energy extensive composition. It is interesting to see a decrease in the energy intensity in the transport sector. A possible explanation for this energy efficiency improvement is that the value-added of communications, which is added to the value-added of the transport sector, has grown considerably over the period 1980–2003. The energy intensity in the industrial sector fluctuates somewhat, but the level in 2003 is back at the level in 1980.

Let us now consider the composition of fuel types in primary energy supply in Turkey. Figure 4 presents this. Table 4 summarizes the shares in 1980 and 2003

Figure 4 Shares of fuel type in primary energy supply in Turkey.

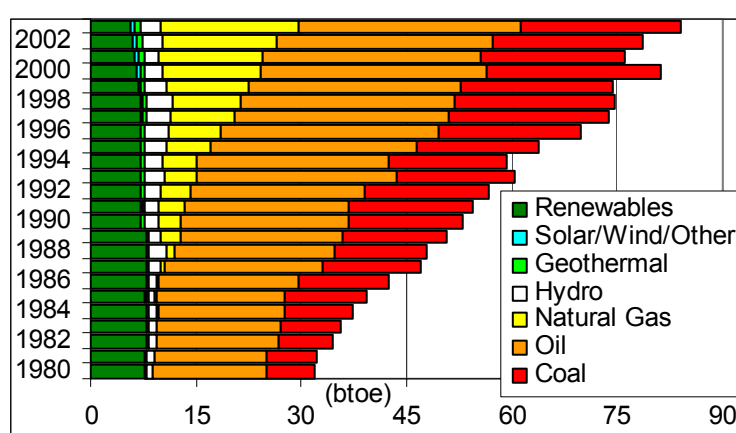


Table 4 Shares of fuel type in primary energy supply in Turkey in 1980 and 2003.

	Coal	Oil	Natural Gas	Hydro	Geothermal	Solar/Wind/Other	Renewables	Total
1980	21.3%	51.0%	0.1%	3.1%	0.2%	0.4%	24.0%	31.97
2003	27.0%	37.9%	23.2%	3.6%	1.0%	0.5%	6.8%	84.01

Figure 4 shows that the share of renewable carbon-free energy types (including hydro) is fairly constant in tonnes of oil equivalents over time. The fast growing demand for energy in Turkey is primarily met with an increase in oil and coal production and imports (not shown in Figure 4). Since 1987 natural gas started to acquire a share in the energy mix. In 1980, coal contributed 21.3%, oil 51.0%, and renewables 27.7% to the primary energy supply in Turkey (Table 4). In 2003, coal contributes 27.0%, oil 37.9%, natural gas 23.2% and renewables 11.9% to the primary energy supply in Turkey. Furthermore, the import as percentage of the total primary energy supply has increased from 47% in 1980 to 78% in 2003 (Altaş *et al* 2003; Altaş 2004, personal communication).

The development over time of the sectoral CO<sub>2</sub> emissions per unit of energy consumed (carbon intensity) is presented in Figure 5. Following the presentation in Figure 3, the carbon intensity is shown with respect to the level in 1990 to which has been assigned the value of 100. Table 5 shows the per cent changes over the period 1980–1990, 1990–2003 and 1980–2003.

Figure 5 Sectoral development of carbon intensity (per energy consumption) in Turkey.

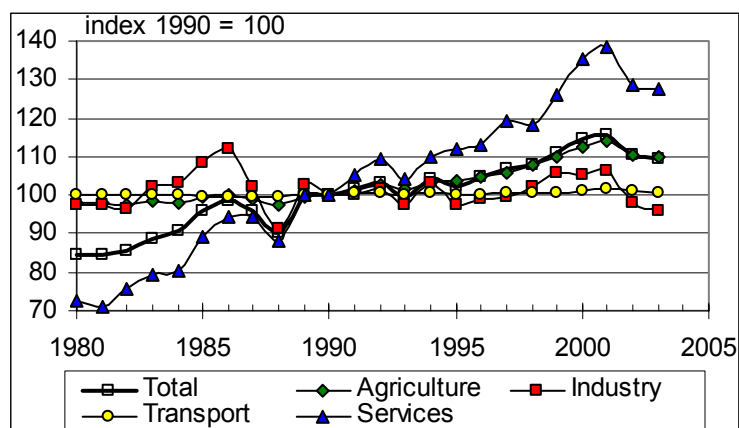


Table 5 Per cent change in carbon intensity (per energy consumption) in Turkey.

	Total	Agriculture	Industry	Transport	Services
1980-1990	18.2%	2.1%	2.8%	-0.2%	37.8%
1990-2003	9.2%	10.0%	-3.9%	0.8%	27.4%
1980-2003	29.1%	12.2%	-1.3%	0.6%	75.7%

Table 5 shows that there has been a gradual increase in the carbon intensity over time. Over the period 1980–2003, the carbon intensity increased with +29%, or +1.07% per year. The increase in carbon intensity has been most extreme in the services sector, which shows an increase of +76% over the period 1980–2003. The carbon intensity in the agricultural sector also increased with +12%, albeit at a lower than average rate. Figure 5 shows that the carbon intensity in the industrial sector is quite variable over time. The development of carbon intensity in the transport sector is very gradual over time and seems to be independent of the boom-bust structure of the economy. The overall change in carbon intensity is nearly constant in the industrial sector (−1.3%) and the transport sector (+0.6%).

Interpretation of the result in Figure 5 indicates that the services sector, which had a substantial decrease in energy intensity, has become much more carbon intensive. The ‘profit’ of a reduction in energy intensity is slightly more than offset by the ‘loss’ in an increased carbon intensity in the services sector. The aggregate effect of energy efficiency gain and the increase in carbon intensity is a gradual increase of CO<sub>2</sub> emissions with 10%, which is still below the average of the total economy.

There is a huge increase of carbon emissions in the agricultural sector: on top of the energy intensity increase by 155% there is another carbon intensity increase by 12%. The main conclusion is that no significant reduction in CO<sub>2</sub> emissions can be observed in any of the considered sectors in the Turkish economy.

### 3.4 Decomposition analysis

Let us now undertake a complete decomposition analysis, as originally proposed by Sun (1998). Given the data availability, changes in CO<sub>2</sub> emissions (per capita) over time with

respect to the (non-binding) Kyoto base-year 1990 can be decomposed into a number of factors.

Figure 6 and Figure 7 present the results of the decomposition analysis for Turkey. Figure 6 decomposes the total level of CO<sub>2</sub> emissions at the national level, while Figure 7 looks at the per capita level of CO<sub>2</sub> emissions to exclude the effect of population growth. Following the presentation in Figure 3, the difference in CO<sub>2</sub> emissions with respect to the amount of CO<sub>2</sub> emissions in 1990 is given to facilitate a graphical presentation. For example, the increase of 30 million tonnes CO<sub>2</sub> emissions in 1995 with respect to 1990 is the sum of 23 + 5 – 1 + 3 million tonnes of CO<sub>2</sub> emissions, respectively, due to the scale, composition, energy intensity and carbon intensity effects. Table 6 and Table 7 show the per cent changes over the period 1980–1990, 1990–2003 and 1980–2003.

Figure 6 Decomposition of the difference in CO<sub>2</sub> emissions with respect to the level of emissions in 1990.

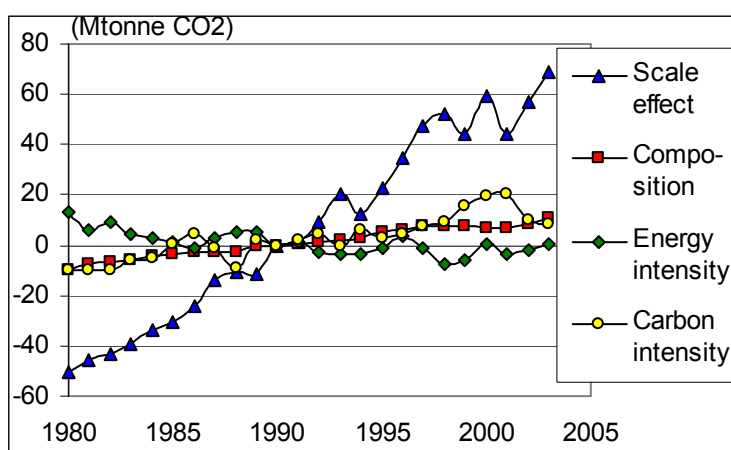


Table 6 Decomposition of the change in CO<sub>2</sub> emissions.

	1980-1990	1990-2003	1980-2003
Scale effect	50.21 (+87.9%)	69.05 (+78.3%)	119.26 (+82.0%)
Composition effect	10.01 (+17.5%)	10.52 (+11.9%)	20.54 (+14.1%)
Energy intensity effect	-13.12 (-23.0%)	0.27 (+0.3%)	-12.86 (-8.8%)
Carbon intensity effect	10.04 (+17.6%)	8.39 (+9.5%)	18.43 (+12.7%)



Figure 7 Decomposition of the difference in the per capita CO<sub>2</sub> emissions with respect to the level of emissions in 1990.

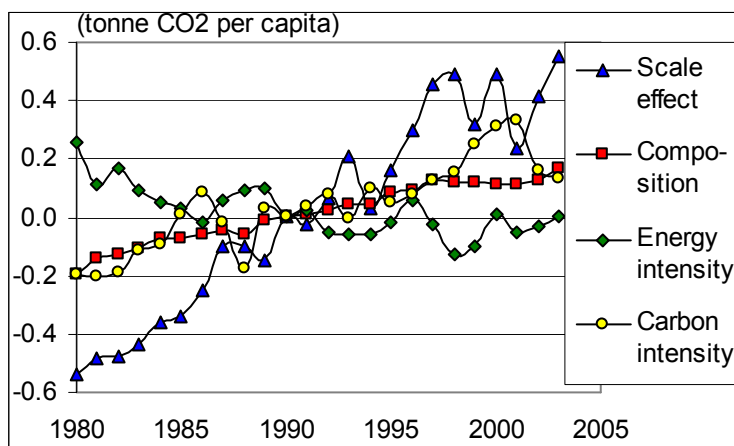


Table 7 Decomposition of the change in per capita CO<sub>2</sub> emissions.

	1980-1990	1990-2003	1980-2003
Scale effect	0.536 (+79.4%)	0.551 (+64.4%)	1.087 (+71.0%)
Composition effect	0.196 (+29.1%)	0.167 (+19.5%)	0.363 (+23.7%)
Energy intensity effect	-0.255 (-37.7%)	0.005 (+0.6%)	-0.250 (-16.3%)
Carbon intensity effect	0.197 (+29.2%)	0.133 (+15.6%)	0.331 (+21.6%)

From Figure 6 we can see that the scale effect (growth in the economy in real terms) is the main explaining factor for the increase in CO<sub>2</sub> emissions in the Turkish economy. More specifically, Table 6 shows that the scale effect accounts for +82.0% of change in CO<sub>2</sub> emissions over the period 1980–2003. The composition effect (+14.1%) and carbon intensity effect (+12.7%) nearly move in tandem. However, the variation in the carbon intensity effect is much larger, than the gradual increasing composition effect. This means that the composition of the Turkish economy has become somewhat dirtier over time and the CO<sub>2</sub> emissions have increased over time, due to the carbon intensity effect. The opposite is true for the energy intensity effect, according to that effect the CO<sub>2</sub> emissions would be decreasing during the first five years. After that the change in CO<sub>2</sub> emissions with respect to the level in 1990 varies cyclically according to the energy intensity effect. In 2003 there is no increase in CO<sub>2</sub> emissions with respect to the 1990 level of emissions according to the energy intensity effect. Over the period 1980–2003 the energy intensity effect accounts for a change of -8.8% in CO<sub>2</sub> emissions (Table 6).

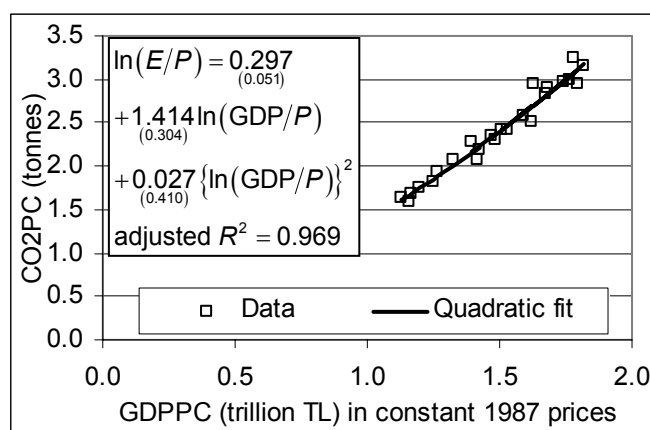
The result in Figure 7 is qualitatively the same; only the relative differences between the effects are now more accentuated. The overall scale effect is lower and accounts for an increase of +71.0% in CO<sub>2</sub> emissions over the period 1980–2003 (Table 7). Overall the conclusions that we derived for Figure 6 also hold for Figure 7. Furthermore, during economic crises (characterized by a negative economic growth) the scale effect works in the opposite direction, which is clearly demonstrated by the downward jumps in 1993, 1999 and 2001 in Figure 6 and Figure 7. However, an important difference between Figure 6 and Figure 7 is that the scale effect is less dominating once the growth in population is excluded from the analysis. Figure 7 shows for the years 1988 and 2001 that the

carbon intensity effect is even higher than the scale effect. This difference eliminated as soon as the economy continues to grow.

### 3.5 Link CO<sub>2</sub> emissions and GDP

To verify the link between CO<sub>2</sub> emissions and GDP, it is also possible to test whether Turkey has a so-called environmental Kuznets curve (EKC) with respect to the greenhouse effect as measured by CO<sub>2</sub> emissions. Figure 8 presents a graphical plot of the data and an estimation result together with the fitted curve.<sup>4</sup>

Figure 8 The link between GDP and CO<sub>2</sub> emissions in Turkey.



While the goodness of fit (adj  $R^2$ ) is good, we do not find an EKC for Turkey, as the estimate of the quadratic term is not significant (error term in the brackets is much larger than the estimated coefficient, which is then not statistically different from zero) and does not have the right sign. This means that based on the yearly data over the period 1980–2003, the CO<sub>2</sub> emissions per capita have been linearly increasing in the level of GDP per capita and there is no EKC in CO<sub>2</sub> emissions for Turkey. Hence, so far there is no decoupling of carbon emissions and economic growth in Turkey. This result is in line with the conclusion from the decomposition analysis that GDP growth (scale effect) is the main determinant of increase in CO<sub>2</sub> emissions in Turkey over the period 1980–2003. Moreover, the carbon intensity per GDP has increased with 20.5% over the period 1980–2003, which is equivalent a yearly increase in carbonisation of 0.78%. That there is no decarbonisation in Turkey can also be seen from Figure 8, which shows a convex function. Hence, in order to reach a rate of decarbonisation of 2%, key to meeting long term climate change targets, an improvement of at least 2.78% is required in the future.

<sup>4</sup> A more advanced way to do the EKC test is to verify whether the variables GDP and  $E$  are integrated (Stern, 2004) or to consider efficient frontier models (Zaim and Taskin 2000a,b; Zaim 2004). This interesting line of research is not further explored here. The scatter plot is sufficient to support our argument.

## 4. Conclusions

This paper undertook a quantitative analysis of development trajectories and energy transitions for the energy situation in Turkey. A decomposition analysis was undertaken to answer the following question: Which factors –i.e. scale, composition, energy and carbon intensity– explain changes in CO<sub>2</sub> emissions? In addition, the following questions were addressed: How has the sectoral composition of the economy changed over time? Which technologies are present in the energy mix over time? How has the energy and carbon intensity changed over time and per sector? What is the link between national income and carbon emissions in Turkey?

In order to demonstrate the progress within the Turkish economy a comparison is made with levels of development and sectoral shares in other countries. I concluded that Turkey has undergone a transition from 1980, which is comparable to the situation in Albania and Guatemala in 2003, to a situation in 2003, which is comparable to the economy in Uruguay and Argentina in 2003. From that perspective, there has been a considerable progress in the Turkish economy in spite of its boom-bust structure. In addition, a per capita yearly growth rate in GDP in constant prices of 2.1 per cent has been realized over the period 1980–2003, which is comparable to the long-term growth level of the world economy in the B1 IPCC scenario.

The share of the agricultural sector halved, but the share in 2003 is still considerable, while the industrial and services sectors have grown over the period 1980–2003. Furthermore, the overall energy intensity dropped somewhat over the period 1980–2003. There has been a considerable increase of energy use in the agricultural sector, representing a mechanization process in the past two decades. On the contrary, the services sector had a considerable reduction in energy intensity. Finally, there has been a reduction of energy intensity in the transport sector, indicating an introduction of more efficient transport technologies.

In contrary to the changes in energy intensity over time, the amount of CO<sub>2</sub> emissions per unit of energy consumed increased in the past two decades. The highest increase is found in the services sector (total GDP minus added value of agricultural, industrial and transport sector) offsetting the gain achieved by the reduction in energy intensity. The main conclusion is that no significant reduction in carbon emissions is observed in any of the considered sectors in the Turkish economy.

The decomposition analysis indicates that the largest increase in CO<sub>2</sub> emissions is caused by the expansion of the economy (scale effect). In per capita terms, the scale effect is more dominant in the 80s than in the 90s in explaining the increase in CO<sub>2</sub> emissions. The composition of the economy and the carbon intensity has also contributed to the increase in CO<sub>2</sub> emissions. The energy intensity of the economy is decreasing and is responsible for a modest reduction in CO<sub>2</sub> emissions.

The link between energy and carbon emissions is a monotonic increasing one. Hence, in the absence of carbon policies, no significant reduction in CO<sub>2</sub> emissions can be observed in the Turkish economy.

This study has shed light on possible development trajectories and energy transitions in a country with a high potential for growth. Turkey is still in the middle of her transition towards a modern society. This speed of transition also differs regionally within Turkey. On the one hand, The Western region is highly industrialized and developed quite comparable to other European countries, on the other hand, the Eastern region, but also Central Anatolia, is still largely based on traditional agriculture and livestock rearing. To complete the transition into a modern society, a path with a particularly high level of carbon emissions is foreseen. Future policy research is needed to find ways for Turkey to ‘leapfrog’ these emissions.

## Reference List

- Altaş, M., Özkan, H. F., and Çelebi, E. 2003. 2002 Enerji İstatistikleri. World Energy Council, Turkish National Committee, 24-27 September, İstanbul. Türkiye 9. enerji kongresi.
- Altaş, M., 2004. Energy tables for 2002 and 2003. Ministry of Energy and Natural Resources, Ankara. Personal communication.
- Altınay, G. and Karagöl, E. Structural break, unit root, and the causality between energy consumption and GDP in Turkey. *Energy Economics*. forthcoming.
- Ang, B. W. and Choi, K. -H. 1997. Decomposition of Aggregate Energy and Gas Emission Intensities for Industry: A Refined Divisia Index Method. *The Energy Journal* **18(3)**:59-73.
- Ang, B. W. 2004. Decomposition analysis for policymaking in energy: which is the preferred method? *Energy Policy* **32(9)**:1131-1139.
- Bhattacharyya, S. C. and Ussanarassamee, A. Decomposition of energy and CO2 intensities of Thai industry between 1981 and 2000. *Energy Economics*. forthcoming.
- Birol, E. 2002. National energy outlook of Turkey and expectations from nuclear technology. World Nuclear Association Annual Symposium, 4-6 September, London. <http://www.world-nuclear.org/sym/2002/pdf/birol.pdf>.
- Castles, I. and Henderson, D. 2003. The IPCC emission scenarios: an economic-statistical critique. *Energy & Environment* **14(2 & 3)**:159-185.
- Grossman, G. M. and Krueger, A. B. 1991. Environmental impacts of a North American free trade agreement. National Bureau of Economic Research, Cambridge. Working paper no. 3914.
- Hoekstra, R. and Van den Bergh, J. C. J. M., 2002. Structural decomposition analysis of physical flows in the economy. *Environmental and Resource Economics* **23**:357-378.
- Hoekstra, R. and Van den Bergh, J. C. J. M., 2003. Comparing structural and index decomposition analysis. *Energy Economics* **25**:39-64.
- IPCC, 2000. Special Report on Emissions Scenarios. Cambridge University Press, Cambridge. pp. 599.
- Kaivo-oja, J. and Luukkanen, J. 2004. The European Union balancing between CO2 reduction commitments and growth policies: decomposition analyses. *Energy Policy* **32(13)**:1511-1530.
- Karaata, S. and Ekmekçi, U. 2002. Wind energy and technological diffusion process in Turkey. European Association of Development and Training Institute EADI, İstanbul. <http://www.econturk.org/Turkisheconomy/eadiselcuk.pdf>.
- Korkmaz, B. 2004. National accounts 1980–2003. Turkish Republic, Prime Ministry, State Institute of Statistics, Ankara. Personal communication.
- Kuik, O. and Gupta, J., 2003, Development dialectics: an overview of theoretical approaches to development and implications for climate change. Report W-03/33. Institute for Environmental Studies, Amsterdam.
- Liaskas, K., Mavrotas, G., Mandaraka, M., and Diakoulaki, D. 2000. Decomposition of industrial CO<sub>2</sub> emissions: The case of the European Union. *Energy Economics* **22**:383-394.
- Nakicenovic, N., Gruebler, A., Gaffin, S., Jung, T. T., Kram, T., Morita, T., Pitcher, H., Riahi, K., Schlesinger, M., Shukla, P. R., Van Vuuren, D., Davis, G., Michaelis, L., Swart, R., and Victor, N. 2003. IPCC SRES revisited: a response. *Energy & Environment* **14(2 & 3)**:187-214.

- OECD, 2004, Economic survey of Turkey, 2004, Organisation of Economic Cooperation and Development. <http://www.oecd.org/dataoecd/42/47/33821199.pdf>
- Oğulata, R. T. 2003. Energy sector and wind energy potential in Turkey. *Renewable and Sustainable Energy Reviews* 7:469-484.
- Özkan, B., Akçaöz, H., and Fert, C. 2004. Energy input-output analysis in Turkish agriculture. *Renewable Energy* 29:39-51.
- Paul, A. and Bhattacharya, R. N. 2004. CO2 emissions from energy use in India: a decomposition analysis. *Energy Policy* 32:585-593.
- Sahin, S. and Pratloug, F. 2003. Alternative options in the design of tradable CO2 emission permits scheme in Turkey. EUREQua and ERASME, University Paris I Panthéon-Sorbonne, Paris. [http://www.ecomod.net/conferences/ecomod2003/ecomod2003\\_papers/Sahin.pdf](http://www.ecomod.net/conferences/ecomod2003/ecomod2003_papers/Sahin.pdf).
- Sari, R. and Soytas, U. 2004. Disaggregate energy consumption, employment and income in Turkey. *Energy Economics* 26:335-344.
- Stern, D. I. 2004. The rise and fall of the Environmental Kuznets Curve. *World Development* 32(8):1419-1439.
- Sun, J. W. 1998. Changes in energy consumption and energy intensity: a complete decomposition model. *Energy Economics* 20:85-100.
- UNDP and WB. 2003. Energy and environment review: Synthesis report Turkey. United Nations Development Programme, the World Bank, Washington. ESM273, 273/03, Energy Sector Management Assistance Programme (ESMAP).
- Van der Linde, C., 2004. Turkije: schakel of obstakel in energievoorziening. *Energie Nederland* 7(13):9.
- Voyvoda, E. and Yeldan, E. 2003. Managing Turkish debt: an OLG investigation of the IMF fiscal programming model for Turkey. Bilkent University, Ankara. [http://www.bilkent.edu.tr/~yeldane/V&Y\\_JPM2003-3.pdf](http://www.bilkent.edu.tr/~yeldane/V&Y_JPM2003-3.pdf).
- Yeldan, E. 2002. Behind the 2000/2001 Turkish crisis: stability, credibility, and governance, for Whom? Bilkent University, Ankara. [http://www.bilkent.edu.tr/~yeldane/Chennai\\_Yeldan2002.pdf](http://www.bilkent.edu.tr/~yeldane/Chennai_Yeldan2002.pdf).
- Yeldan, E. 2004. Macroeconomic developments in Turkey, 2003. Bilkent University, Ankara. <http://www.gpn.org/data/turkey/turkey-analysis.pdf>.
- Zaim, K. K. 1996. Emissions due to fossil-fuel consumption and cement production in Turkey (1970-1991). *Energy* 21(4):325-331.
- Zaim, O. and Taskin, F. 2000. A Kuznets Curve in environmental efficiency: an application on OECD countries. *Environmental and Resource Economics* 17:21-36.
- Zaim, O. and Taskin, F. 2000. Environmental efficiency in carbon dioxide emissions in the OECD: a non-parametric approach. *Journal of Environmental Management* 58:95-107.
- Zaim, O. 2004. Measuring environmental performance of state manufacturing through changes in pollution intensities: a DEA framework. *Ecological Economics* 48(1):37-47.
- Zhang, F. Q. and Ang, B. W. 2001. Methodological issues in cross-country / region decomposition of energy and environmental indicators. *Energy Economics* 23:179-190.

## NOTE DI LAVORO DELLA FONDAZIONE ENI ENRICO MATTEI

### Fondazione Eni Enrico Mattei Working Paper Series

Our Note di Lavoro are available on the Internet at the following addresses:

<http://www.feem.it/Feem/Pub/Publications/WPapers/default.html>

<http://www.ssrn.com/link/feem.html>

### NOTE DI LAVORO PUBLISHED IN 2004

IEM	1.2004	<i>Anil MARKANDYA, Suzette PEDROSO and Alexander GOLUB: <u>Empirical Analysis of National Income and So2 Emissions in Selected European Countries</u></i>
ETA	2.2004	<i>Masahisa FUJITA and Shlomo WEBER: <u>Strategic Immigration Policies and Welfare in Heterogeneous Countries</u></i>
PRA	3.2004	<i>Adolfo DI CARLUCCIO, Giovanni FERRI, Cecilia FRALE and Ottavio RICCHI: <u>Do Privatizations Boost Household Shareholding? Evidence from Italy</u></i>
ETA	4.2004	<i>Victor GINSBURGH and Shlomo WEBER: <u>Languages Disenfranchisement in the European Union</u></i>
ETA	5.2004	<i>Romano PIRAS: <u>Growth, Congestion of Public Goods, and Second-Best Optimal Policy</u></i>
CCMP	6.2004	<i>Herman R.J. VOLLEBERGH: <u>Lessons from the Polder: Is Dutch CO2-Taxation Optimal</u></i>
PRA	7.2004	<i>Sandro BRUSCO, Giuseppe LOPOMO and S. VISWANATHAN (lxv): <u>Merger Mechanisms</u></i>
PRA	8.2004	<i>Wolfgang AUSENNEGG, Pegaret PICHLER and Alex STOMPER (lxv): <u>IPO Pricing with Bookbuilding, and a When-Issued Market</u></i>
PRA	9.2004	<i>Pegaret PICHLER and Alex STOMPER (lxv): <u>Primary Market Design: Direct Mechanisms and Markets</u></i>
PRA	10.2004	<i>Florian ENGLMAIER, Pablo GUILLEN, Loreto LLORENTE, Sander ONDERSTAL and Rupert SAUSGRUBER (lxv): <u>The Chopstick Auction: A Study of the Exposure Problem in Multi-Unit Auctions</u></i>
PRA	11.2004	<i>Bjarne BRENDSTRUP and Harry J. PAARSCH (lxv): <u>Nonparametric Identification and Estimation of Multi-Unit, Sequential, Oral, Ascending-Price Auctions With Asymmetric Bidders</u></i>
PRA	12.2004	<i>Ohad KADAN (lxv): <u>Equilibrium in the Two Player, k-Double Auction with Affiliated Private Values</u></i>
PRA	13.2004	<i>Maarten C.W. JANSSEN (lxv): <u>Auctions as Coordination Devices</u></i>
PRA	14.2004	<i>Gadi FIBICH, Arieh GAVIOUS and Aner SELA (lxv): <u>All-Pay Auctions with Weakly Risk-Averse Buyers</u></i>
PRA	15.2004	<i>Orly SADE, Charles SCHNITZLEIN and Jaime F. ZENDER (lxv): <u>Competition and Cooperation in Divisible Good Auctions: An Experimental Examination</u></i>
PRA	16.2004	<i>Marta STRYSZOWSKA (lxv): <u>Late and Multiple Bidding in Competing Second Price Internet Auctions</u></i>
CCMP	17.2004	<i>Slim Ben YOUSSEF: <u>R&amp;D in Cleaner Technology and International Trade</u></i>
NRM	18.2004	<i>Angelo ANTOCI, Simone BORGHESI and Paolo RUSSU (lxvi): <u>Biodiversity and Economic Growth: Stabilization Versus Preservation of the Ecological Dynamics</u></i>
SIEV	19.2004	<i>Anna ALBERINI, Paolo ROSATO, Alberto LONGO and Valentina ZANATTA: <u>Information and Willingness to Pay in a Contingent Valuation Study: The Value of S. Erasmo in the Lagoon of Venice</u></i>
NRM	20.2004	<i>Guido CANDELA and Roberto CELLINI (lxvii): <u>Investment in Tourism Market: A Dynamic Model of Differentiated Oligopoly</u></i>
NRM	21.2004	<i>Jacqueline M. HAMILTON (lxvii): <u>Climate and the Destination Choice of German Tourists</u></i>
NRM	22.2004	<i>Javier Rey-MAQUIEIRA PALMER, Javier LOZANO IBÁÑEZ and Carlos Mario GÓMEZ GÓMEZ (lxvii): <u>Land, Environmental Externalities and Tourism Development</u></i>
NRM	23.2004	<i>Pius ODUNGA and Henk FOLMER (lxvii): <u>Profiling Tourists for Balanced Utilization of Tourism-Based Resources in Kenya</u></i>
NRM	24.2004	<i>Jean-Jacques NOWAK, Mondher SAHLI and Pasquale M. SGRO (lxvii): <u>Tourism, Trade and Domestic Welfare</u></i>
NRM	25.2004	<i>Riaz SHAREEF (lxvii): <u>Country Risk Ratings of Small Island Tourism Economies</u></i>
NRM	26.2004	<i>Juan Luis EUGENIO-MARTÍN, Noelia MARTÍN MORALES and Riccardo SCARPA (lxvii): <u>Tourism and Economic Growth in Latin American Countries: A Panel Data Approach</u></i>
NRM	27.2004	<i>Raúl Hernández MARTÍN (lxvii): <u>Impact of Tourism Consumption on GDP. The Role of Imports</u></i>
CSRM	28.2004	<i>Nicoletta FERRO: <u>Cross-Country Ethical Dilemmas in Business: A Descriptive Framework</u></i>
NRM	29.2004	<i>Marian WEBER (lxvi): <u>Assessing the Effectiveness of Tradable Landuse Rights for Biodiversity Conservation: an Application to Canada's Boreal Mixedwood Forest</u></i>
NRM	30.2004	<i>Trond BJORN DAL, Phoebe KOUNDOURI and Sean PASCOE (lxvi): <u>Output Substitution in Multi-Species Trawl Fisheries: Implications for Quota Setting</u></i>
CCMP	31.2004	<i>Marzio GALEOTTI, Alessandra GORIA, Paolo MOMBRINI and Evi SPANTIDAKI: <u>Weather Impacts on Natural, Social and Economic Systems (WISE) Part I: Sectoral Analysis of Climate Impacts in Italy</u></i>
CCMP	32.2004	<i>Marzio GALEOTTI, Alessandra GORIA, Paolo MOMBRINI and Evi SPANTIDAKI: <u>Weather Impacts on Natural, Social and Economic Systems (WISE) Part II: Individual Perception of Climate Extremes in Italy</u></i>
CTN	33.2004	<i>Wilson PEREZ: <u>Divide and Conquer: Noisy Communication in Networks, Power, and Wealth Distribution</u></i>
KTHC	34.2004	<i>Gianmarco I.P. OTTAVIANO and Giovanni PERI (lxviii): <u>The Economic Value of Cultural Diversity: Evidence from US Cities</u></i>
KTHC	35.2004	<i>Linda CHAIB (lxviii): <u>Immigration and Local Urban Participatory Democracy: A Boston-Paris Comparison</u></i>

KTHC	36.2004	<i>Franca ECKERT COEN and Claudio ROSSI</i> (lxviii): <u>Foreigners, Immigrants, Host Cities: The Policies of Multi-Ethnicity in Rome. Reading Governance in a Local Context</u>
KTHC	37.2004	<i>Kristine CRANE</i> (lxviii): <u>Governing Migration: Immigrant Groups' Strategies in Three Italian Cities – Rome, Naples and Bari</u>
KTHC	38.2004	<i>Kiflemariam HAMDE</i> (lxviii): <u>Mind in Africa, Body in Europe: The Struggle for Maintaining and Transforming Cultural Identity - A Note from the Experience of Eritrean Immigrants in Stockholm</u>
ETA	39.2004	<i>Alberto CAVALIERE</i> : <u>Price Competition with Information Disparities in a Vertically Differentiated Duopoly</u>
PRA	40.2004	<i>Andrea BIGANO and Stef PROOST</i> : <u>The Opening of the European Electricity Market and Environmental Policy: Does the Degree of Competition Matter?</u>
CCMP	41.2004	<i>Micheal FINUS</i> (lxix): <u>International Cooperation to Resolve International Pollution Problems</u>
KTHC	42.2004	<i>Francesco CRESPI</i> : <u>Notes on the Determinants of Innovation: A Multi-Perspective Analysis</u>
CTN	43.2004	<i>Sergio CURRARINI and Marco MARINI</i> : <u>Coalition Formation in Games without Synergies</u>
CTN	44.2004	<i>Marc ESCRHUELA-VILLAR</i> : <u>Cartel Sustainability and Cartel Stability</u>
NRM	45.2004	<i>Sebastian BERVOETS and Nicolas GRAVEL</i> (lxvi): <u>Appraising Diversity with an Ordinal Notion of Similarity: An Axiomatic Approach</u>
NRM	46.2004	<i>Signe ANTHON and Bo JELLES MARK THORSEN</i> (lxvi): <u>Optimal Afforestation Contracts with Asymmetric Information on Private Environmental Benefits</u>
NRM	47.2004	<i>John MBURU</i> (lxvi): <u>Wildlife Conservation and Management in Kenya: Towards a Co-management Approach</u>
NRM	48.2004	<i>Ekin BIROL, Ágnes GYÓVAI and Melinda SMALE</i> (lxvi): <u>Using a Choice Experiment to Value Agricultural Biodiversity on Hungarian Small Farms: Agri-Environmental Policies in a Transition al Economy</u>
CCMP	49.2004	<i>Gernot KLEPPER and Sonja PETERSON</i> : <u>The EU Emissions Trading Scheme. Allowance Prices, Trade Flows, Competitiveness Effects</u>
GG	50.2004	<i>Scott BARRETT and Michael HOEL</i> : <u>Optimal Disease Eradication</u>
CTN	51.2004	<i>Dinko DIMITROV, Peter BORM, Ruud HENDRICKX and Shao CHIN SUNG</i> : <u>Simple Priorities and Core Stability in Hedonic Games</u>
SIEV	52.2004	<i>Francesco RICCI</i> : <u>Channels of Transmission of Environmental Policy to Economic Growth: A Survey of the Theory</u>
SIEV	53.2004	<i>Anna ALBERINI, Maureen CROPPER, Alan KRUPNICK and Nathalie B. SIMON</i> : <u>Willingness to Pay for Mortality Risk Reductions: Does Latency Matter?</u>
NRM	54.2004	<i>Ingo BRÄUER and Rainer MARGGRAF</i> (lxvi): <u>Valuation of Ecosystem Services Provided by Biodiversity Conservation: An Integrated Hydrological and Economic Model to Value the Enhanced Nitrogen Retention in Renaturated Streams</u>
NRM	55.2004	<i>Timo GOESCHL and Tun LIN</i> (lxvi): <u>Biodiversity Conservation on Private Lands: Information Problems and Regulatory Choices</u>
NRM	56.2004	<i>Tom DEDEURWAERDERE</i> (lxvi): <u>Bioprospection: From the Economics of Contracts to Reflexive Governance</u>
CCMP	57.2004	<i>Katrin REHDANZ and David MADDISON</i> : <u>The Amenity Value of Climate to German Households</u>
CCMP	58.2004	<i>Koen SMEKENS and Bob VAN DER ZWAAN</i> : <u>Environmental Externalities of Geological Carbon Sequestration Effects on Energy Scenarios</u>
NRM	59.2004	<i>Valentina BOSETTI, Mariaester CASSINELLI and Alessandro LANZA</i> (lxvii): <u>Using Data Envelopment Analysis to Evaluate Environmentally Conscious Tourism Management</u>
NRM	60.2004	<i>Timo GOESCHL and Danilo CAMARGO IGLIORI</i> (lxvi): <u>Property Rights Conservation and Development: An Analysis of Extractive Reserves in the Brazilian Amazon</u>
CCMP	61.2004	<i>Barbara BUCHNER and Carlo CARRARO</i> : <u>Economic and Environmental Effectiveness of a Technology-based Climate Protocol</u>
NRM	62.2004	<i>Elissaios POPYRAKIS and Reyer GERLAGH</i> : <u>Resource-Abundance and Economic Growth in the U.S.</u>
NRM	63.2004	<i>Györgyi BELA, György PATAKI, Melinda SMALE and Mariann HAJDÚ</i> (lxvi): <u>Conserving Crop Genetic Resources on Smallholder Farms in Hungary: Institutional Analysis</u>
NRM	64.2004	<i>E.C.M. RUIJGROK and E.E.M. NILLESEN</i> (lxvi): <u>The Socio-Economic Value of Natural Riverbanks in the Netherlands</u>
NRM	65.2004	<i>E.C.M. RUIJGROK</i> (lxvi): <u>Reducing Acidification: The Benefits of Increased Nature Quality. Investigating the Possibilities of the Contingent Valuation Method</u>
ETA	66.2004	<i>Giannis VARDAS and Anastasios XEPAPADEAS</i> : <u>Uncertainty Aversion, Robust Control and Asset Holdings</u>
GG	67.2004	<i>Anastasios XEPAPADEAS and Constadina PASSA</i> : <u>Participation in and Compliance with Public Voluntary Environmental Programs: An Evolutionary Approach</u>
GG	68.2004	<i>Michael FINUS</i> : <u>Modesty Pays: Sometimes!</u>
NRM	69.2004	<i>Trond BJØRNDAL and Ana BRASÃO</i> : <u>The Northern Atlantic Bluefin Tuna Fisheries: Management and Policy Implications</u>
CTN	70.2004	<i>Alejandro CAPARRÓS, Abdelhakim HAMMOUDI and Tarik TAZDAÏT</i> : <u>On Coalition Formation with Heterogeneous Agents</u>
IEM	71.2004	<i>Massimo GIOVANNINI, Margherita GRASSO, Alessandro LANZA and Matteo MANERA</i> : <u>Conditional Correlations in the Returns on Oil Companies Stock Prices and Their Determinants</u>
IEM	72.2004	<i>Alessandro LANZA, Matteo MANERA and Michael MCALEER</i> : <u>Modelling Dynamic Conditional Correlations in WTI Oil Forward and Futures Returns</u>
SIEV	73.2004	<i>Margarita GENIUS and Elisabetta STRAZZERA</i> : <u>The Copula Approach to Sample Selection Modelling: An Application to the Recreational Value of Forests</u>



CCMP	74.2004	<i>Rob DELLINK and Ekko van IERLAND</i> : <u>Pollution Abatement in the Netherlands: A Dynamic Applied General Equilibrium Assessment</u>
ETA	75.2004	<i>Rosella LEVAGGI and Michele MORETTO</i> : <u>Investment in Hospital Care Technology under Different Purchasing Rules: A Real Option Approach</u>
CTN	76.2004	<i>Salvador BARBERÀ and Matthew O. JACKSON</i> (lxx): <u>On the Weights of Nations: Assigning Voting Weights in a Heterogeneous Union</u>
CTN	77.2004	<i>Àlex ARENAS, Antonio CABRALES, Albert DÍAZ-GUILERA, Roger GUIMERA and Fernando VEGA-REDONDO</i> (lxx): <u>Optimal Information Transmission in Organizations: Search and Congestion</u>
CTN	78.2004	<i>Francis BLOCH and Armando GOMES</i> (lxx): <u>Contracting with Externalities and Outside Options</u>
CTN	79.2004	<i>Rabah AMIR, Effrosyni DIAMANTOUDI and Licun XUE</i> (lxx): <u>Merger Performance under Uncertain Efficiency Gains</u>
CTN	80.2004	<i>Francis BLOCH and Matthew O. JACKSON</i> (lxx): <u>The Formation of Networks with Transfers among Players</u>
CTN	81.2004	<i>Daniel DIERMEIER, Hülya ERASLAN and Antonio MERLO</i> (lxx): <u>Bicameralism and Government Formation</u>
CTN	82.2004	<i>Rod GARRATT, James E. PARCO, Cheng-ZHONG QIN and Amnon RAPOPORT</i> (lxx): <u>Potential Maximization and Coalition Government Formation</u>
CTN	83.2004	<i>Kfir ELIAZ, Debraj RAY and Ronny RAZIN</i> (lxx): <u>Group Decision-Making in the Shadow of Disagreement</u>
CTN	84.2004	<i>Sanjeev GOYAL, Marco van der LEIJ and José Luis MORAGA-GONZÁLEZ</i> (lxx): <u>Economics: An Emerging Small World?</u>
CTN	85.2004	<i>Edward CARTWRIGHT</i> (lxx): <u>Learning to Play Approximate Nash Equilibria in Games with Many Players</u>
IEM	86.2004	<i>Finn R. FØRSUND and Michael HOEL</i> : <u>Properties of a Non-Competitive Electricity Market Dominated by Hydroelectric Power</u>
KTHC	87.2004	<i>Elissaios PAPHAKIS and Reyer GERLAGH</i> : <u>Natural Resources, Investment and Long-Term Income</u>
CCMP	88.2004	<i>Marzio GALEOTTI and Claudia KEMFERT</i> : <u>Interactions between Climate and Trade Policies: A Survey</u>
IEM	89.2004	<i>A. MARKANDYA, S. PEDROSO and D. STREIMIKIENE</i> : <u>Energy Efficiency in Transition Economies: Is There Convergence Towards the EU Average?</u>
GG	90.2004	<i>Rolf GOLOMBEK and Michael HOEL</i> : <u>Climate Agreements and Technology Policy</u>
PRA	91.2004	<i>Sergei IZMALKOV</i> (lxx): <u>Multi-Unit Open Ascending Price Efficient Auction</u>
KTHC	92.2004	<i>Gianmarco I.P. OTTAVIANO and Giovanni PERI</i> : <u>Cities and Cultures</u>
KTHC	93.2004	<i>Massimo DEL GATTO</i> : <u>Agglomeration, Integration, and Territorial Authority Scale in a System of Trading Cities. Centralisation versus devolution</u>
CCMP	94.2004	<i>Pierre-André JOUVET, Philippe MICHEL and Gilles ROTILLON</i> : <u>Equilibrium with a Market of Permits</u>
CCMP	95.2004	<i>Bob van der ZWAAN and Reyer GERLAGH</i> : <u>Climate Uncertainty and the Necessity to Transform Global Energy Supply</u>
CCMP	96.2004	<i>Francesco BOSELLO, Marco LAZZARIN, Roberto ROSON and Richard S.J. TOL</i> : <u>Economy-Wide Estimates of the Implications of Climate Change: Sea Level Rise</u>
CTN	97.2004	<i>Gustavo BERGANTIÑOS and Juan J. VIDAL-PUGA</i> : <u>Defining Rules in Cost Spanning Tree Problems Through the Canonical Form</u>
CTN	98.2004	<i>Siddhartha BANDYOPADHYAY and Mandar OAK</i> : <u>Party Formation and Coalitional Bargaining in a Model of Proportional Representation</u>
GG	99.2004	<i>Hans-Peter WEIKARD, Michael FINUS and Juan-Carlos ALTAMIRANO-CABRERA</i> : <u>The Impact of Surplus Sharing on the Stability of International Climate Agreements</u>
SIEV	100.2004	<i>Chiara M. TRAVISI and Peter NIJKAMP</i> : <u>Willingness to Pay for Agricultural Environmental Safety: Evidence from a Survey of Milan, Italy, Residents</u>
SIEV	101.2004	<i>Chiara M. TRAVISI, Raymond J. G. M. FLORAX and Peter NIJKAMP</i> : <u>A Meta-Analysis of the Willingness to Pay for Reductions in Pesticide Risk Exposure</u>
NRM	102.2004	<i>Valentina BOSETTI and David TOMBERLIN</i> : <u>Real Options Analysis of Fishing Fleet Dynamics: A Test</u>
CCMP	103.2004	<i>Alessandra GORIA e Gretel GAMBARELLI</i> : <u>Economic Evaluation of Climate Change Impacts and Adaptability in Italy</u>
PRA	104.2004	<i>Massimo FLORIO and Mara GRASSEN</i> : <u>The Missing Shock: The Macroeconomic Impact of British Privatisation</u>
PRA	105.2004	<i>John BENNETT, Saul ESTRIN, James MAW and Giovanni URGA</i> : <u>Privatisation Methods and Economic Growth in Transition Economies</u>
PRA	106.2004	<i>Kira BÖRNER</i> : <u>The Political Economy of Privatization: Why Do Governments Want Reforms?</u>
PRA	107.2004	<i>Pehr-Johan NORBÄCK and Lars PERSSON</i> : <u>Privatization and Restructuring in Concentrated Markets</u>
SIEV	108.2004	<i>Angela GRANZOTTO, Fabio PRANOVI, Simone LIBRALATO, Patrizia TORRICELLI and Danilo MAINARDI</i> : <u>Comparison between Artisanal Fishery and Manila Clam Harvesting in the Venice Lagoon by Using Ecosystem Indicators: An Ecological Economics Perspective</u>
CTN	109.2004	<i>Somdeb LAHIRI</i> : <u>The Cooperative Theory of Two Sided Matching Problems: A Re-examination of Some Results</u>
NRM	110.2004	<i>Giuseppe DI VITA</i> : <u>Natural Resources Dynamics: Another Look</u>
SIEV	111.2004	<i>Anna ALBERINI, Alistair HUNT and Anil MARKANDYA</i> : <u>Willingness to Pay to Reduce Mortality Risks: Evidence from a Three-Country Contingent Valuation Study</u>
KTHC	112.2004	<i>Valeria PAPPONETTI and Dino PINELLI</i> : <u>Scientific Advice to Public Policy-Making</u>
SIEV	113.2004	<i>Paulo A.L.D. NUNES and Laura ONOFRI</i> : <u>The Economics of Warm Glow: A Note on Consumer's Behavior and Public Policy Implications</u>
IEM	114.2004	<i>Patrick CAYRADE</i> : <u>Investments in Gas Pipelines and Liquefied Natural Gas Infrastructure What is the Impact on the Security of Supply?</u>
IEM	115.2004	<i>Valeria COSTANTINI and Francesco GRACCEVA</i> : <u>Oil Security. Short- and Long-Term Policies</u>

ITEM	116.2004	<i>Valeria COSTANTINI and Francesco GRACCEVA: <u>Social Costs of Energy Disruptions</u></i>
ITEM	117.2004	<i>Christian EGENHOFER, Kyriakos GIALOGLOU, Giacomo LUCIANI, Maroeska BOOTS, Martin SCHEEPERS, Valeria COSTANTINI, Francesco GRACCEVA, Anil MARKANDYA and Giorgio VICINI: <u>Market-Based Options for Security of Energy Supply</u></i>
ITEM	118.2004	<i>David FISK: <u>Transport Energy Security. The Unseen Risk?</u></i>
ITEM	119.2004	<i>Giacomo LUCIANI: <u>Security of Supply for Natural Gas Markets. What is it and What is it not?</u></i>
ITEM	120.2004	<i>L.J. de VRIES and R.A. HAKVOORT: <u>The Question of Generation Adequacy in Liberalised Electricity Markets</u></i>
KTHC	121.2004	<i>Alberto PETRUCCI: <u>Asset Accumulation, Fertility Choice and Nondegenerate Dynamics in a Small Open Economy</u></i>
NRM	122.2004	<i>Carlo GIUPPONI, Jaroslaw MYSLAK and Anita FASSIO: <u>An Integrated Assessment Framework for Water Resources Management: A DSS Tool and a Pilot Study Application</u></i>
NRM	123.2004	<i>Margaretha BREIL, Anita FASSIO, Carlo GIUPPONI and Paolo ROSATO: <u>Evaluation of Urban Improvement on the Islands of the Venice Lagoon: A Spatially-Distributed Hedonic-Hierarchical Approach</u></i>
ETA	124.2004	<i>Paul MENSINK: <u>Instant Efficient Pollution Abatement Under Non-Linear Taxation and Asymmetric Information: The Differential Tax Revisited</u></i>
NRM	125.2004	<i>Mauro FABIANO, Gabriella CAMARSA, Rosanna DURSI, Roberta IVALDI, Valentina MARIN and Francesca PALMISANI: <u>Integrated Environmental Study for Beach Management: A Methodological Approach</u></i>
PRA	126.2004	<i>Irena GROSFELD and Iraj HASHI: <u>The Emergence of Large Shareholders in Mass Privatized Firms: Evidence from Poland and the Czech Republic</u></i>
CCMP	127.2004	<i>Maria BERRITTELLA, Andrea BIGANO, Roberto ROSON and Richard S.J. TOL: <u>A General Equilibrium Analysis of Climate Change Impacts on Tourism</u></i>
CCMP	128.2004	<i>Reyer GERLAGH: <u>A Climate-Change Policy Induced Shift from Innovations in Energy Production to Energy Savings</u></i>
NRM	129.2004	<i>Elissaios POPYRAKIS and Reyer GERLAGH: <u>Natural Resources, Innovation, and Growth</u></i>
PRA	130.2004	<i>Bernardo BORTOLOTTI and Mara FACCIO: <u>Reluctant Privatization</u></i>
SIEV	131.2004	<i>Riccardo SCARPA and Mara THIENE: <u>Destination Choice Models for Rock Climbing in the Northeast Alps: A Latent-Class Approach Based on Intensity of Participation</u></i>
SIEV	132.2004	<i>Riccardo SCARPA Kenneth G. WILLIS and Melinda ACUTT: <u>Comparing Individual-Specific Benefit Estimates for Public Goods: Finite Versus Continuous Mixing in Logit Models</u></i>
ITEM	133.2004	<i>Santiago J. RUBIO: <u>On Capturing Oil Rents with a National Excise Tax Revisited</u></i>
ETA	134.2004	<i>Ascensión ANDINA DÍAZ: <u>Political Competition when Media Create Candidates' Charisma</u></i>
SIEV	135.2004	<i>Anna ALBERINI: <u>Robustness of VSL Values from Contingent Valuation Surveys</u></i>
CCMP	136.2004	<i>Gernot KLEPPER and Sonja PETERSON: <u>Marginal Abatement Cost Curves in General Equilibrium: The Influence of World Energy Prices</u></i>
ETA	137.2004	<i>Herbert DAWID, Christophe DEISSENBERG and Pavel ŠEVČIK: <u>Cheap Talk, Gullibility, and Welfare in an Environmental Taxation Game</u></i>
CCMP	138.2004	<i>ZhongXiang ZHANG: <u>The World Bank's Prototype Carbon Fund and China</u></i>
CCMP	139.2004	<i>Reyer GERLAGH and Marjan W. HOFKES: <u>Time Profile of Climate Change Stabilization Policy</u></i>
NRM	140.2004	<i>Chiara D'ALPAOS and Michele MORETTO: <u>The Value of Flexibility in the Italian Water Service Sector: A Real Option Analysis</u></i>
PRA	141.2004	<i>Patrick BAJARI, Stephanie HOUGHTON and Steven TADELIS (lxxi): <u>Bidding for Incomplete Contracts</u></i>
PRA	142.2004	<i>Susan ATHEY, Jonathan LEVIN and Enrique SEIRA (lxxi): <u>Comparing Open and Sealed Bid Auctions: Theory and Evidence from Timber Auctions</u></i>
PRA	143.2004	<i>David GOLDREICH (lxxi): <u>Behavioral Biases of Dealers in U.S. Treasury Auctions</u></i>
PRA	144.2004	<i>Roberto BURGNET (lxxi): <u>Optimal Procurement Auction for a Buyer with Downward Sloping Demand: More Simple Economics</u></i>
PRA	145.2004	<i>Ali HORTACSU and Samita SAREEN (lxxi): <u>Order Flow and the Formation of Dealer Bids: An Analysis of Information and Strategic Behavior in the Government of Canada Securities Auctions</u></i>
PRA	146.2004	<i>Victor GINSBURGH, Patrick LEGROS and Nicolas SAHUGUET (lxxi): <u>How to Win Twice at an Auction. On the Incidence of Commissions in Auction Markets</u></i>
PRA	147.2004	<i>Claudio MEZZETTI, Aleksandar PEKEČ and Ilia TSETLIN (lxxi): <u>Sequential vs. Single-Round Uniform-Price Auctions</u></i>
PRA	148.2004	<i>John ASKER and Estelle CANTILLON (lxxi): <u>Equilibrium of Scoring Auctions</u></i>
PRA	149.2004	<i>Philip A. HAILE, Han HONG and Matthew SHUM (lxxi): <u>Nonparametric Tests for Common Values in First-Price Sealed-Bid Auctions</u></i>
PRA	150.2004	<i>François DEGEORGE, François DERRIEN and Kent L. WOMACK (lxxi): <u>Quid Pro Quo in IPOs: Why Bookbuilding is Dominating Auctions</u></i>
CCMP	151.2004	<i>Barbara BUCHNER and Silvia DALL'OLIO: <u>Russia: The Long Road to Ratification. Internal Institution and Pressure Groups in the Kyoto Protocol's Adoption Process</u></i>
CCMP	152.2004	<i>Carlo CARRARO and Marzio GALEOTTI: <u>Does Endogenous Technical Change Make a Difference in Climate Policy Analysis? A Robustness Exercise with the FEEM-RICE Model</u></i>
PRA	153.2004	<i>Alejandro M. MANELLI and Daniel R. VINCENT (lxxi): <u>Multidimensional Mechanism Design: Revenue Maximization and the Multiple-Good Monopoly</u></i>
ETA	154.2004	<i>Nicola ACOCELLA, Giovanni Di BARTOLOMEO and Wilfried PAUWELS: <u>Is there any Scope for Corporatism in Stabilization Policies?</u></i>
CTN	155.2004	<i>Johan EYCKMANS and Michael FINUS: <u>An Almost Ideal Sharing Scheme for Coalition Games with Externalities</u></i>
CCMP	156.2004	<i>Cesare DOSI and Michele MORETTO: <u>Environmental Innovation, War of Attrition and Investment Grants</u></i>

CCMP	157.2004	<i>Valentina BOSETTI, Marzio GALEOTTI and Alessandro LANZA: <u>How Consistent are Alternative Short-Term Climate Policies with Long-Term Goals?</u></i>
ETA	158.2004	<i>Y. Hossein FARZIN and Ken-Ichi AKAO: <u>Non-pecuniary Value of Employment and Individual Labor Supply</u></i>
ETA	159.2004	<i>William BROCK and Anastasios XEPAPADEAS: <u>Spatial Analysis: Development of Descriptive and Normative Methods with Applications to Economic-Ecological Modelling</u></i>
KTHC	160.2004	<i>Alberto PETRUCCI: <u>On the Incidence of a Tax on PureRent with Infinite Horizons</u></i>
IEM	161.2004	<i>Xavier LABANDEIRA, José M. LABEAGA and Miguel RODRÍGUEZ: <u>Microsimulating the Effects of Household Energy Price Changes in Spain</u></i>

#### NOTE DI LAVORO PUBLISHED IN 2005

CCMP	1.2005	<i>Stéphane HALLEGATTE: <u>Accounting for Extreme Events in the Economic Assessment of Climate Change</u></i>
CCMP	2.2005	<i>Qiang WU and Paulo Augusto NUNES: <u>Application of Technological Control Measures on Vehicle Pollution: A Cost-Benefit Analysis in China</u></i>
CCMP	3.2005	<i>Andrea BIGANO, Jacqueline M. HAMILTON, Maren LAU, Richard S.J. TOL and Yuan ZHOU: <u>A Global Database of Domestic and International Tourist Numbers at National and Subnational Level</u></i>
CCMP	4.2005	<i>Andrea BIGANO, Jacqueline M. HAMILTON and Richard S.J. TOL: <u>The Impact of Climate on Holiday Destination Choice</u></i>
ETA	5.2005	<i>Hubert KEMPF: <u>Is Inequality Harmful for the Environment in a Growing Economy?</u></i>
CCMP	6.2005	<i>Valentina BOSETTI, Carlo CARRARO and Marzio GALEOTTI: <u>The Dynamics of Carbon and Energy Intensity in a Model of Endogenous Technical Change</u></i>
IEM	7.2005	<i>David CALEF and Robert GOBLE: <u>The Allure of Technology: How France and California Promoted Electric Vehicles to Reduce Urban Air Pollution</u></i>
ETA	8.2005	<i>Lorenzo PELLEGRINI and Reyer GERLAGH: <u>An Empirical Contribution to the Debate on Corruption Democracy and Environmental Policy</u></i>
CCMP	9.2005	<i>Angelo ANTOCI: <u>Environmental Resources Depletion and Interplay Between Negative and Positive Externalities in a Growth Model</u></i>
CTN	10.2005	<i>Frédéric DEROIAN: <u>Cost-Reducing Alliances and Local Spillovers</u></i>
NRM	11.2005	<i>Francesco SINDICO: <u>The GMO Dispute before the WTO: Legal Implications for the Trade and Environment Debate</u></i>
KTHC	12.2005	<i>Carla MASSIDDA: <u>Estimating the New Keynesian Phillips Curve for Italian Manufacturing Sectors</u></i>
KTHC	13.2005	<i>Michele MORETTO and Gianpaolo ROSSINI: <u>Start-up Entry Strategies: Employer vs. Nonemployer firms</u></i>
PRCG	14.2005	<i>Clara GRAZIANO and Annalisa LUPORINI: <u>Ownership Concentration, Monitoring and Optimal Board Structure</u></i>
CSRM	15.2005	<i>Parashar KULKARNI: <u>Use of Ecolabels in Promoting Exports from Developing Countries to Developed Countries: Lessons from the Indian LeatherFootwear Industry</u></i>
KTHC	16.2005	<i>Adriana DI LIBERTO, Roberto MURA and Francesco PIGLIARU: <u>How to Measure the Unobservable: A Panel Technique for the Analysis of TFP Convergence</u></i>
KTHC	17.2005	<i>Alireza NAGHAVI: <u>Asymmetric Labor Markets, Southern Wages, and the Location of Firms</u></i>
KTHC	18.2005	<i>Alireza NAGHAVI: <u>Strategic Intellectual Property Rights Policy and North-South Technology Transfer</u></i>
KTHC	19.2005	<i>Mombert HOPPE: <u>Technology Transfer Through Trade</u></i>
PRCG	20.2005	<i>Roberto ROSON: <u>Platform Competition with Endogenous Multihoming</u></i>
CCMP	21.2005	<i>Barbara BUCHNER and Carlo CARRARO: <u>Regional and Sub-Global Climate Blocs. A Game Theoretic Perspective on Bottom-up Climate Regimes</u></i>
IEM	22.2005	<i>Fausto CAVALLARO: <u>An Integrated Multi-Criteria System to Assess Sustainable Energy Options: An Application of the Promethee Method</u></i>
CTN	23.2005	<i>Michael FINUS, Pierre v. MOUCHE and Bianca RUNDSHAGEN: <u>Uniqueness of Coalitional Equilibria</u></i>
IEM	24.2005	<i>Wietze LISE: <u>Decomposition of CO2 Emissions over 1980–2003 in Turkey</u></i>

(lxv) This paper was presented at the EuroConference on “Auctions and Market Design: Theory, Evidence and Applications” organised by Fondazione Eni Enrico Mattei and sponsored by the EU, Milan, September 25-27, 2003

(lxvi) This paper has been presented at the 4th BioEcon Workshop on “Economic Analysis of Policies for Biodiversity Conservation” organised on behalf of the BIOECON Network by Fondazione Eni Enrico Mattei, Venice International University (VIU) and University College London (UCL), Venice, August 28-29, 2003

(lxvii) This paper has been presented at the international conference on “Tourism and Sustainable Economic Development – Macro and Micro Economic Issues” jointly organised by CRENoS (Università di Cagliari e Sassari, Italy) and Fondazione Eni Enrico Mattei, and supported by the World Bank, Sardinia, September 19-20, 2003

(lxviii) This paper was presented at the ENGIME Workshop on “Governance and Policies in Multicultural Cities”, Rome, June 5-6, 2003

(lxix) This paper was presented at the Fourth EEP Plenary Workshop and EEP Conference “The Future of Climate Policy”, Cagliari, Italy, 27-28 March 2003

(lxx) This paper was presented at the 9<sup>th</sup> Coalition Theory Workshop on "Collective Decisions and Institutional Design" organised by the Universitat Autònoma de Barcelona and held in Barcelona, Spain, January 30-31, 2004

(lxxi) This paper was presented at the EuroConference on “Auctions and Market Design: Theory, Evidence and Applications”, organised by Fondazione Eni Enrico Mattei and Consip and sponsored by the EU, Rome, September 23-25, 2004

**2004 SERIES**

<b>CCMP</b>	<i>Climate Change Modelling and Policy</i> (Editor: Marzio Galeotti )
<b>GG</b>	<i>Global Governance</i> (Editor: Carlo Carraro)
<b>SIEV</b>	<i>Sustainability Indicators and Environmental Valuation</i> (Editor: Anna Alberini)
<b>NRM</b>	<i>Natural Resources Management</i> (Editor: Carlo Giupponi)
<b>KTHC</b>	<i>Knowledge, Technology, Human Capital</i> (Editor: Gianmarco Ottaviano)
<b>IEM</b>	<i>International Energy Markets</i> (Editor: Anil Markandya)
<b>CSRM</b>	<i>Corporate Social Responsibility and Sustainable Management</i> (Editor: Sabina Ratti)
<b>PRA</b>	<i>Privatisation, Regulation, Antitrust</i> (Editor: Bernardo Bortolotti)
<b>ETA</b>	<i>Economic Theory and Applications</i> (Editor: Carlo Carraro)
<b>CTN</b>	<i>Coalition Theory Network</i>

**2005 SERIES**

<b>CCMP</b>	<i>Climate Change Modelling and Policy</i> (Editor: Marzio Galeotti )
<b>SIEV</b>	<i>Sustainability Indicators and Environmental Valuation</i> (Editor: Anna Alberini)
<b>NRM</b>	<i>Natural Resources Management</i> (Editor: Carlo Giupponi)
<b>KTHC</b>	<i>Knowledge, Technology, Human Capital</i> (Editor: Gianmarco Ottaviano)
<b>IEM</b>	<i>International Energy Markets</i> (Editor: Anil Markandya)
<b>CSRM</b>	<i>Corporate Social Responsibility and Sustainable Management</i> (Editor: Sabina Ratti)
<b>PRCG</b>	<i>Privatisation Regulation Corporate Governance</i> (Editor: Bernardo Bortolotti)
<b>ETA</b>	<i>Economic Theory and Applications</i> (Editor: Carlo Carraro)
<b>CTN</b>	<i>Coalition Theory Network</i>