



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

## **Trust and Growth**

Oguzhan Dincer and Eric Uslander

NOTA DI LAVORO 73.2007

**JULY 2007**

KTHC – Knowledge, Technology, Human Capital

Oguzhan Dincer, *Department of Economics, Illinois State University*  
Eric Uslander, *Department of Government and Politics, University of Maryland-College Park*

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=999922>

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)

# **Trust and Growth**

## **Summary**

Using data from US states, we find a positive relationship between trust and growth. According to our results, a 10 percentage point increase in trust increases the growth rate of per capita income by 0.5 percentage point, growth rate of housing prices by 1.25 percentage points, and the growth rate of employment by 2.5 percentage points over a decade.

**Keywords:** Trust, Economic Growth

**JEL Classification:** Z13, R11

*Address for correspondence:*

Oguzhan Dincer  
Department of Economics  
Illinois State University  
Campus Box 4200  
Illinois 61790-4200  
United States  
Phone: +1 309 438 8625  
Fax: +1 309 438 5228  
E-mail: odincer@ilstu.edu

# Trust and Growth

## 1. Introduction

Since Putnam's (1993) influential study, there is growing interest in how social capital relates to economic growth in the literature. According to Knack (1999), high-trust societies achieve higher economic growth due to lower transaction costs. Since trust protects property and contractual rights, it is not necessary to divert resources from production to protection. Using data from a mixed group of countries, i.e., low, middle, and high-income, both Knack and Keefer (1997) and Zak and Knack (2001) find a positive relationship between trust and economic growth. However, Helliwell (1996), using data from a group of high-income OECD countries, finds a negative relationship. Beugelsdijk and van Schaik (2005), on the other hand, use regional data from high-income European countries, and do not find a relationship at all. As Helliwell (1996) suggests, the next step in unraveling the puzzle requires social capital measures for a broader range of countries and regions, such as US states. In this study, we use data from US states, and find a positive relationship between trust and economic growth regardless of the economic growth measure used. Our results are robust to the endogeneity between economic growth and trust.

## 2. Data

Our measure of trust is from Uslaner (2005). Uslaner (2005) estimates the shares of trusting people in 43 contiguous states and in Alaska in the 1990s using data from several other

surveys in addition to the General Social Survey (GSS).<sup>1</sup> The standard question asked to measure trust is “Generally speaking, do you believe that most people can be trusted, or can you not be too careful in dealing with people?”<sup>2</sup> Using data from US states is quite advantageous since it is more likely that the relationship between the answers to survey trust questions and actual trust differs across countries than across states. Holm and Danielson (2005), for example, show that it differs considerably between Sweden and Tanzania.

As Alesina and la Ferrara (2005) argue, although growth rate of per capita income is a natural measure for cross-country growth regressions due to relative immobility of labor across countries, it is not necessarily the case for the US states. Within the US, labor responds strongly and quickly to income opportunities. Following Glaeser and Saks (2006), in addition to the growth rate of per capita income, we use two different variables as our measure of economic growth: the growth rate of housing prices, and the growth rate of manufacturing employment.

In every specification we control for the initial values of our growth variables as well as the initial level of education and the region dummies. Our measure of education is the share of high school graduates in the 17 year old population. Our per capita income data are from the Bureau of Economic Analysis, manufacturing employment data are from the Bureau of Labor Statistics, and the data on housing prices and education are from the Census Bureau.

### 3. The Results

We first estimate the following basic model by ordinary least squares (OLS) for 43 contiguous US states for the period 1990-2000:

$$Growth_i = Intercept + \alpha Trust_i + \beta \log Initial\ State\ Characteristics_i + \gamma Region\ Dummies_i + u_i .$$

---

<sup>1</sup> American National Election Study, Pew Civic Engagement Survey, the Washington Post Trust in government Survey, and the New York Times Millennium Survey.

<sup>2</sup> See Uslaner and Brown (2005) for a discussion of the data.

Second, to control for spatial autocorrelation, we estimate the following spatial autoregressive (i.e., spatial lag) model by maximum likelihood (ML):

$$Growth_i = Intercept + \alpha \cdot Trust_i + \beta \cdot \log Initial\ State\ Characteristics_i + \gamma \cdot Region\ Dummies_i + \rho \cdot W \cdot Growth_i + u_i,$$

where,  $W$  is the spatial-lag weighting matrix and  $\rho$  is the coefficient giving the sign and the strength of spatial autocorrelation in  $Growth$ . We adopt a simple weighting scheme of strict state contiguity, such that  $w_{ij} = 1$  if  $i \neq j$  and state  $i$  is contiguous to state  $j$  and  $w_{ij} = 0$  otherwise.

$W \cdot Growth_i$  is nothing but the average growth rate in state  $i$ 's neighboring states.

The results of the OLS estimation are given in Columns 1, 3, and 5 of Table 1. The estimated coefficient of *Trust* is positive and highly significant in all specifications. According to the results of the specifications 1, 3, and 5, a 10 percentage point increase in *Trust* increases the growth rate of per capita income by 0.5 percentage point, growth rate of housing prices by 1.25 percentage points, and the growth rate of employment by 2.5 percentage points over a decade. A 1 standard deviation increase in *Trust* increases the growth rate of per capita income by almost 0.4 standard deviation, slightly bigger than the standardized coefficient of *Education*. Similarly, according to the results of the specifications 3 and 5, a 1 standard deviation increase in *Trust* increases the growth rate of housing prices by almost 0.2 standard deviation and the growth rate of manufacturing employment by almost 0.5 standard deviation.

The results of the ML estimation are given in Columns 2, 4, and 6 of Table 1. According to Wald, LM, and LR tests, spatial autocorrelation is present in all but two specifications. Even controlling for spatial autocorrelation, the estimated coefficient of *Trust* is positive and highly significant in all specifications. The standardized coefficients of trust are quite similar to the ones estimated by OLS.

#### 4. Robustness of the Results:

The first robustness issue is the endogeneity of *Trust*. Knack and Keefer (1997) instrument for *Trust* with the share of a country's population belonging to the largest ethnic group while Zak and Knack (2001) with Catholic, Muslim, and Orthodox shares of each country's population. According to World Values Survey (WVS) in the 1990s, the Nordics, the British, and the Germans are the most trusting people. Uslaner (2007) finds that living in states with high Nordic, British, and German population leads to greater levels of trust. Following Uslaner (2007) we use the share of Nordic, British, and German population in a state as our instruments for *Trust*. The results of the instrumental variables (IV) estimation for the basic model and the spatial autoregressive model are given in Columns 1, 3, and 5, and Columns 2, 4, and 6 of Table 2, respectively. As long as the population share of the Nordics, the British, and the Germans affect economic growth through *Trust*, the instruments are theoretically valid. According to the 1<sup>st</sup> Stage F and the Hansen J statistics given in Table 3, they are empirically valid as well. The estimated coefficient of *Trust* is positive and highly significant in all specifications. The second robustness issue is the possible measurement error in *Trust*. Nevertheless, IV estimation does not only help correct for the endogeneity but also the measurement error. The third robustness issue is the presence of outliers. In Knack and Keefer (1997), for example, the results are somewhat sensitive to outliers. To identify the outliers we use Hadi's and Grubbs' methodologies. Neither methodology identifies any outliers in our model.

## **5. Conclusion**

The empirical evidence regarding the relationship between trust and growth is conflicting. It is partly due to the sample of countries/regions used in the analyses. Helliwell (1996) uses a data from a group of high income OECD countries and Beugelsdijk and van Schaik (2005) use data from regions of a group of high income European countries. On the other hand, the relationship between trust and economic growth is more likely to be observed in lower income countries due to the lack of protection of property and contractual rights. Using data from the US states, we provide new evidence of a positive relationship between trust and economic growth and show that even in a high income country such as the US, in which property and contractual rights are protected more than the low income countries, high trust regions achieve higher economic growth.



## References

- Alesina, A. and E. la Ferrara, 2005, Ethnic diversity and economic performance, *Journal of Economic Literature*, 43, 762-800.
- Beugelsdijk, S. and T. van Schaik, 2005, Social capital and growth in European regions: an empirical test, *European Journal of Political Economy*, 21, 301-324.
- Glaeser, E. and R. Saks, 2006, Corruption in America, *Journal of Public Economics*, 90, 1053-1072.
- Helliwell, J., 1996, Economic growth and social capital in Asia, NBER Working Paper No. 5470.
- Helliwell, J. and R. Putnam, 1995, Economic growth and social capital in Italy, *Eastern Economic Journal*, 21, 295-307.
- Holm, H. and A. Danielson, 2005, Tropic trust versus Nordic trust: experimental evidence from Tanzania and Sweden, *Economic Journal*, 115, 505-532.
- Knack, S., 1999, Social capital, growth and poverty: a survey of cross-country evidence, World Bank Social Capital Initiative Working Paper No. 7.
- Knack, S. and P. Keefer, 1997, Does social capital have an economic payoff? A cross-country investigation, *Quarterly Journal of Economics*, 112, 1251-1288.
- Putnam, R., 1993, *Making Democracy Work*. (Princeton University Press, Princeton).
- Uslaner, R., 2007, Where you stand depends upon where your grandparents sat: the inheritability of generalized trust, Mimeo, University of Maryland.
- Uslaner, R. and M. Brown, 2005, Inequality, trust, and civic engagement, *American Politics Research*, 33, 868-894.

Zak, P. and S. Knack, 2001, Trust and growth, *Economic Journal*, 111, 295-321.

Table 1. Trust and Growth

	<i>Income</i>		<i>Housing Prices</i>		<i>Employment</i>	
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Trust</b>	0.053 (0.024)**	0.054 (0.025)**	0.125 (0.064)**	0.132 (0.066)**	0.255 (0.056)***	0.243 (0.051)***
<b>Log Income</b>	-0.086 (0.094)	-0.101 (0.074)*	0.259 (0.311)	0.246 (0.188)*	-0.245 (0.140)*	-0.185 (0.149)**
<b>Log Housing Prices</b>	0.010 (0.046)	0.013 (0.033)	-0.473 (0.163)***	-0.485 (0.086)***	-0.132 (0.066)*	-0.139 (0.066)**
<b>Log Employment</b>	0.012 (0.006)**	0.012 (0.005)**	0.048 (0.019)***	0.057 (0.015)***	-0.005 (0.014)	-0.006 (0.011)
<b>Log Education</b>	0.118 (0.063)*	0.116 (0.059)**	0.068 (0.147)	0.109 (0.155)	0.107 (0.135)	0.059 (0.121)
<b>Region Dummies</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Constant</b>	0.351 (0.241)	0.426 (0.210)**	0.946 (0.622)	1.005 (0.507)**	1.644 (0.396)***	1.431 (0.407)***
<b>Wald Test of <math>\rho</math></b>						
$\chi^2$		0.890		3.933		3.093
P-value		(0.345)		0.047		(0.079)
<b>LR Test of <math>\rho</math></b>						
$\chi^2$		0.881		3.708		2.895
P-value		(0.348)		0.054		(0.089)
<b>LM Test of <math>\rho</math></b>						
$\chi^2$		0.717		3.756		2.858
P-value		(0.397)		0.053		(0.091)
<b>R<sup>2</sup>/Log Likelihood</b>	0.24	126.782	0.84	85.609	0.82	97.002
<b>N</b>	43	43	43	43	43	43

Standard errors in parentheses. All tests one tailed except constants. \* p<0.10; \*\* p<0.05; \*\*\* p<0.01.

**Table 2. Trust and Growth: IV Estimation**  
**Instruments: Nordic Americans, German Americans, English Americans**

	<i>Income</i>		<i>Housing Prices</i>		<i>Employment</i>	
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<i>Trust</i>	0.047 (0.031)*	0.049 (0.036)*	0.242 (0.118)**	0.263 (0.087)***	0.247 (0.059)***	0.234 (0.079)***
<i>Log Income</i>	-0.086 (0.083)	-0.100 (0.076)*	0.255 (0.269)	0.240 (0.177)*	-0.245 (0.124)**	-0.177 (0.167)
<i>Log Housing Prices</i>	0.011 (0.041)	0.014 (0.034)	-0.494 (0.146)***	-0.509 (0.082)***	-0.131 (0.059)**	-0.139 (0.074)**
<i>Log Employment</i>	0.012 (0.005)**	0.011 (0.006)**	0.055 (0.019)***	0.067 (0.014)***	-0.006 (0.012)	-0.006 (0.012)
<i>Log Education</i>	0.119 (0.059)**	0.117 (0.061)**	0.035 (0.146)	0.077 (0.147)	0.109 (0.125)	0.054 (0.137)
<i>Region Dummies</i>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Constant</b>	0.349 (0.211)*	0.422 (0.217)*	0.974 (0.567)*	1.043 (0.481)**	1.642 (0.349)***	1.401 (0.457)***
<b>Hansen J</b>	4.997		2.884		4.216	
<b>P-value</b>	0.082		0.236		0.121	
<b>Wald Test of <math>\rho</math></b>						
$\chi^2$		0.800		5.308		3.397
<b>P-value</b>		0.371		0.021		(0.065)
<b>LR Test of <math>\rho</math></b>						
$\chi^2$		0.793		4.906		3.134
<b>P-value</b>		0.373		0.027		(0.077)
<b>LM Test of <math>\rho</math></b>						
$\chi^2$		0.640		4.958		2.825
<b>P-value</b>		0.424		0.026		(0.093)
<b>Log Likelihood</b>		125.545		87.798		91.786
<b>N</b>	43	43	43	43	43	43

Standard errors in parentheses. All tests one tailed except constants. \* p<0.10; \*\* p<0.05; \*\*\* p<0.01.  
For the First Stage F Statistic p<0.01.

## 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.htm>

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

<http://www.repec.org>

<http://agecon.lib.umn.edu>

<http://www.bepress.com/feem/>

### NOTE DI LAVORO PUBLISHED IN 2007

NRM	1.2007	<i>Rinaldo Brau, Alessandro Lanza, and Francesco Pigliaru: <u>How Fast are Small Tourism Countries Growing? The 1980-2003 Evidence</u></i>
PRCG	2.2007	<i>C.V. Fiorio, M. Florio, S. Salini and P. Ferrari: <u>Consumers' Attitudes on Services of General Interest in the EU: Accessibility, Price and Quality 2000-2004</u></i>
PRCG	3.2007	<i>Cesare Dosi and Michele Moretto: <u>Concession Bidding Rules and Investment Time Flexibility</u></i>
IEM	4.2007	<i>Chiara Longo, Matteo Manera, Anil Markandya and Elisa Scarpa: <u>Evaluating the Empirical Performance of Alternative Econometric Models for Oil Price Forecasting</u></i>
PRCG	5.2007	<i>Bernardo Bortolotti, William Megginson and Scott B. Smart: <u>The Rise of Accelerated Seasoned Equity Underwritings</u></i>
CCMP	6.2007	<i>Valentina Bosetti and Massimo Tavoni: <u>Uncertain R&amp;D, Backstop Technology and GHGs Stabilization</u></i>
CCMP	7.2007	<i>Robert Küster, Ingo Ellersdorfer, Ulrich Fahl (lxxx): <u>A CGE-Analysis of Energy Policies Considering Labor Market Imperfections and Technology Specifications</u></i>
CCMP	8.2007	<i>Mònica Serrano (lxxx): <u>The Production and Consumption Accounting Principles as a Guideline for Designing Environmental Tax Policy</u></i>
CCMP	9.2007	<i>Erwin L. Corong (lxxx): <u>Economic and Poverty Impacts of a Voluntary Carbon Reduction for a Small Liberalized Developing Economy: The Case of the Philippines</u></i>
CCMP	10.2007	<i>Valentina Bosetti, Emanuele Massetti, and Massimo Tavoni: <u>The WITCH Model. Structure, Baseline, Solutions</u></i>
SIEV	11.2007	<i>Margherita Turvani, Aline Chiabai, Anna Alberini and Stefania Tonin: <u>Public Policies for Contaminated Site Cleanup: The Opinions of the Italian Public</u></i>
CCMP	12.2007	<i>M. Berritella, A. Certa, M. Enea and P. Zito: <u>An Analytic Hierarchy Process for The Evaluation of Transport Policies to Reduce Climate Change Impacts</u></i>
NRM	13.2007	<i>Francesco Bosello, Barbara Buchner, Jacopo Crimi, Carlo Giupponi and Andrea Povellato: <u>The Kyoto Protocol and the Effect of Existing and Planned Measures in the Agricultural and Forestry Sector in the EU25</u></i>
NRM	14.2007	<i>Francesco Bosello, Carlo Giupponi and Andrea Povellato: <u>A Review of Recent Studies on Cost Effectiveness of GHG Mitigation Measures in the European Agro-Forestry Sector</u></i>
CCMP	15.2007	<i>Massimo Tavoni, Brent Sohngen, and Valentina Bosetti: <u>Forestry and the Carbon Market Response to Stabilize Climate</u></i>
ETA	16.2007	<i>Erik Ansink and Arjan Ruijs: <u>Climate Change and the Stability of Water Allocation Agreements</u></i>
ETA	17.2007	<i>François Gusdorf and Stéphane Hallegatte: <u>Compact or Spread-Out Cities: Urban Planning, Taxation, and the Vulnerability to Transportation Shocks</u></i>
NRM	18.2007	<i>Giovanni Bella: <u>A Bug's Life: Competition Among Species Towards the Environment</u></i>
IEM	19.2007	<i>Valeria Termini and Laura Cavallo: <u>"Spot, Bilateral and Futures Trading in Electricity Markets. Implications for Stability"</u></i>
ETA	20.2007	<i>Stéphane Hallegatte and Michael Ghil: <u>Endogenous Business Cycles and the Economic Response to Exogenous Shocks</u></i>
CTN	21.2007	<i>Thierry Bréchet, François Gerard and Henry Tulkens: <u>Climate Coalitions: A Theoretical and Computational Appraisal</u></i>
CCMP	22.2007	<i>Claudia Kettner, Angela Köppl, Stefan P. Schleicher and Gregor Thenius: <u>Stringency and Distribution in the EU Emissions Trading Scheme –The 2005 Evidence</u></i>
NRM	23.2007	<i>Hongyu Ding, Arjan Ruijs and Ekko C. van Ierland: <u>Designing a Decision Support System for Marine Reserves Management: An Economic Analysis for the Dutch North Sea</u></i>
CCMP	24.2007	<i>Massimiliano Mazzanti, Anna Montini and Roberto Zoboli: <u>Economic Dynamics, Emission Trends and the EKC Hypothesis New Evidence Using NAMEA and Provincial Panel Data for Italy</u></i>
ETA	25.2007	<i>Joan Canton: <u>Redealing the Cards: How the Presence of an Eco-Industry Modifies the Political Economy of Environmental Policies</u></i>
ETA	26.2007	<i>Joan Canton: <u>Environmental Taxation and International Eco-Industries</u></i>
CCMP	27.2007	<i>Oscar Cacho and Leslie Lipper (lxxxii): <u>Abatement and Transaction Costs of Carbon-Sink Projects Involving Smallholders</u></i>
CCMP	28.2007	<i>A. Caparrós, E. Cerdá, P. Ovando and P. Campos (lxxxii): <u>Carbon Sequestration with Reforestations and Biodiversity-Scenic Values</u></i>
CCMP	29.2007	<i>Georg E. Kindermann, Michael Obersteiner, Ewald Rametsteiner and Ian McCallum (lxxxii): <u>Predicting the Deforestation-Trend Under Different Carbon-Prices</u></i>

CCMP	30.2007	<i>Raul Ponce-Hernandez</i> (lxxxii): <u><a href="#">A Modelling Framework for Addressing the Synergies between Global Conventions through Land Use Changes: Carbon Sequestration, Biodiversity Conservation, Prevention of Land Degradation and Food Security in Agricultural and Forested Lands in Developing Countries</a></u>
ETA	31.2007	<i>Michele Moretto and Gianpaolo Rossini</i> : <u><a href="#">Are Workers' Enterprises Entry Policies Conventional</a></u>
KTHC	32.2007	<i>Giacomo Degli Antoni</i> : <u><a href="#">Do Social Relations Affect Economic Welfare? A Microeconomic Empirical Analysis</a></u>
CCMP	33.2007	<i>Reyer Gerlagh and Onno Kuik</i> : <u><a href="#">Carbon Leakage with International Technology Spillovers</a></u>
CCMP	34.2007	<i>Richard S.J. Tol</i> : <u><a href="#">The Impact of a Carbon Tax on International Tourism</a></u>
CCMP	35.2007	<i>Reyer Gerlagh, Snorre Kverndokk and Knut Einar Rosendahl</i> : <u><a href="#">Optimal Timing of Environmental Policy: Interaction Between Environmental Taxes and Innovation Externalities</a></u>
SIEV	36.2007	<i>Anna Alberini and Alberto Longo</i> : <u><a href="#">Valuing the Cultural Monuments of Armenia: Bayesian Updating of Prior Beliefs in Contingent Valuation</a></u>
CCMP	37.2007	<i>Roeland Bracke, Tom Verbeke and Veerle Dejonckheere</i> : <u><a href="#">What Distinguishes EMAS Participants? An Exploration of Company Characteristics</a></u>
CCMP	38.2007	<i>E. Tzouvelekas, D. Vouvaki and A. Xepapadeas</i> : <u><a href="#">Total Factor Productivity Growth and the Environment: A Case for Green Growth Accounting</a></u>
CCMP	39.2007	<i>Klaus Keller, Louise I. Miltich, Alexander Robinson and Richard S.J. Tol</i> : <u><a href="#">How Overconfident are Current Projections of Anthropogenic Carbon Dioxide Emissions?</a></u>
CCMP	40.2007	<i>Massimiliano Mazzanti and Roberto Zoboli</i> : <u><a href="#">Environmental Efficiency, Emission Trends and Labour Productivity: Trade-Off or Joint Dynamics? Empirical Evidence Using NAMEA Panel Data</a></u>
PRCG	41.2007	<i>Veronica Ronchi</i> : <u><a href="#">Populism and Neopopulism in Latin America: Clientelism, Trade Union Organisation and Electoral Support in Mexico and Argentina in the '90s</a></u>
PRCG	42.2007	<i>Veronica Ronchi</i> : <u><a href="#">The Neoliberal Myth in Latin America: The Cases of Mexico and Argentina in the '90s</a></u>
CCMP	43.2007	<i>David Anthoff, Cameron Hepburn and Richard S.J. Tol</i> : <u><a href="#">Equity Weighting and the Marginal Damage Costs of Climate Change</a></u>
ETA	44.2007	<i>Bouwwe R. Dijkstra and Dirk T.G. Rübhelke</i> : <u><a href="#">Group Rewards and Individual Sanctions in Environmental Policy</a></u>
KTHC	45.2007	<i>Benno Torgler</i> : <u><a href="#">Trust in International Organizations: An Empirical Investigation Focusing on the United Nations</a></u>
CCMP	46.2007	<i>Enrica De Cian, Elisa Lanzi and Roberto Roson</i> : <u><a href="#">The Impact of Temperature Change on Energy Demand: A Dynamic Panel Analysis</a></u>
CCMP	47.2007	<i>Edwin van der Werf</i> : <u><a href="#">Production Functions for Climate Policy Modeling: An Empirical Analysis</a></u>
KTHC	48.2007	<i>Francesco Lancia and Giovanni Prarolo</i> : <u><a href="#">A Politico-Economic Model of Aging, Technology Adoption and Growth</a></u>
NRM	49.2007	<i>Giulia Minoia</i> : <u><a href="#">Gender Issue and Water Management in the Mediterranean Basin, Middle East and North Africa</a></u>
KTHC	50.2007	<i>Susanna Mancinelli and Massimiliano Mazzanti</i> : <u><a href="#">SME Performance, Innovation and Networking Evidence on Complementarities for a Local Economic System</a></u>
CCMP	51.2007	<i>Kelly C. de Bruin, Rob B. Dellink and Richard S.J. Tol</i> : <u><a href="#">AD-DICE: An Implementation of Adaptation in the DICE Model</a></u>
NRM	52.2007	<i>Frank van Kouwen, Carel Dieperink, Paul P. Schot and Martin J. Wassen</i> : <u><a href="#">Interactive Problem Structuring with ICZM Stakeholders</a></u>
CCMP	53.2007	<i>Valeria Costantini and Francesco Crespi</i> : <u><a href="#">Environmental Regulation and the Export Dynamics of Energy Technologies</a></u>
CCMP	54.2007	<i>Barbara Buchner, Michela Catenacci and Alessandra Sgobbi</i> : <u><a href="#">Governance and Environmental Policy Integration in Europe: What Can We learn from the EU Emission Trading Scheme?</a></u>
CCMP	55.2007	<i>David Anthoff and Richard S.J. Tol</i> : <u><a href="#">On International Equity Weights and National Decision Making on Climate Change</a></u>
CCMP	56.2007	<i>Edwin van der Werf and Sonja Peterson</i> : <u><a href="#">Modeling Linkages Between Climate Policy and Land Use: An Overview</a></u>
CCMP	57.2007	<i>Fabien Priour</i> : <u><a href="#">The Environmental Kuznets Curve in a World of Irreversibility</a></u>
KTHC	58.2007	<i>Roberto Antonietti and Giulio Cainelli</i> : <u><a href="#">Production Outsourcing, Organizational Governance and Firm's Technological Performance: Evidence from Italy</a></u>
SIEV	59.2007	<i>Marco Percolo</i> : <u><a href="#">Urban Transport Policies and the Environment: Evidence from Italy</a></u>
ETA	60.2007	<i>Henk Folmer and Pierre von Mouche</i> : <u><a href="#">Linking of Repeated Games. When Does It Lead to More Cooperation and Pareto Improvements?</a></u>
CCMP	61.2007	<i>Arthur Riedacker</i> (lxxx): <u><a href="#">A Global Land Use and Biomass Approach to Reduce Greenhouse Gas Emissions, Fossil Fuel Use and to Preserve Biodiversity</a></u>
CCMP	62.2007	<i>Jordi Roca and Mònica Serrano</i> : <u><a href="#">Atmospheric Pollution and Consumption Patterns in Spain: An Input-Output Approach</a></u>
CCMP	63.2007	<i>Derek W. Bunn and Carlo Fezzi</i> (lxxx): <u><a href="#">Interaction of European Carbon Trading and Energy Prices</a></u>
CTN	64.2007	<i>Benjamin Golub and Matthew O. Jackson</i> (lxxxiii): <u><a href="#">Naïve Learning in Social Networks: Convergence, Influence and Wisdom of Crowds</a></u>
CTN	65.2007	<i>Jacob K. Goeree, Arno Riedl and Aljaž Ule</i> (lxxxiii): <u><a href="#">In Search of Stars: Network Formation among Heterogeneous Agents</a></u>
CTN	66.2007	<i>Gönül Doğan, M.A.L.M. van Assen, Arnout van de Rijt, and Vincent Buskens</i> (lxxxiii): <u><a href="#">The Stability of Exchange Networks</a></u>
CTN	67.2007	<i>Ben Zissimos</i> (lxxxiii): <u><a href="#">Why are Trade Agreements Regional?</a></u>
CTN	68.2007	<i>Jacques Drèze, Michel Le Breton, Alexei Savvateev and Shlomo Weber</i> (lxxxiii): <u><a href="#">«Almost» Subsidy-free Spatial Pricing in a Multi-dimensional Setting</a></u>
CTN	69.2007	<i>Ana Babus</i> (lxxxiii): <u><a href="#">The Formation of Financial Networks</a></u>

CTN	70.2007	<i>Andrea Galeotti and Sanjeev Goyal</i> (lxxxiii): <u>A Theory of Strategic Diffusion</u>
IEM	71.2007	<i>Francesco Bosello, Enrica De Cian and Roberto Roson</i> : <u>Climate Change, Energy Demand and Market Power in a General Equilibrium Model of the World Economy</u>
ETA	72.2007	<i>Gastón Giordana and Marc Willinger</i> : <u>Fixed Instruments to Cope with Stock Externalities An Experimental Evaluation</u>
KTHC	73.2007	<i>Oguzhan Dincer and Eric Uslaner</i> : <u>Trust and Growth</u>

(lxxxix) This paper was presented at the EAERE-FEEM-VIU Summer School on "Computable General Equilibrium Modeling in Environmental and Resource Economics", held in Venice from June 25th to July 1st, 2006 and supported by the Marie Curie Series of Conferences "European Summer School in Resource and Environmental Economics".

(lxxxix) This paper was presented at the Workshop on "Climate Mitigation Measures in the Agro-Forestry Sector and Biodiversity Futures", Trieste, 16-17 October 2006 and jointly organised by The Ecological and Environmental Economics - EEE Programme, The Abdus Salam International Centre for Theoretical Physics - ICTP, UNESCO Man and the Biosphere Programme - MAB, and The International Institute for Applied Systems Analysis - IIASA.

(lxxxix) This paper was presented at the 12th Coalition Theory Network Workshop organised by the Center for Operation Research and Econometrics (CORE) of the Université Catholique de Louvain, held in Louvain-la-Neuve, Belgium on 18-20 January 2007.

#### 2007 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: Anil Markandya)
<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: Matteo Manera)
<b>CSRM</b>	<i>Corporate Social Responsibility and Sustainable Management</i> (Editor: Giulio Sapelli)
<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>