

Global Focus on Knowledge Lecture Series  
“Energy and the Earth”  
2007 Winter Semester



Toru Iwami

Faculty of Economics, the University of Tokyo



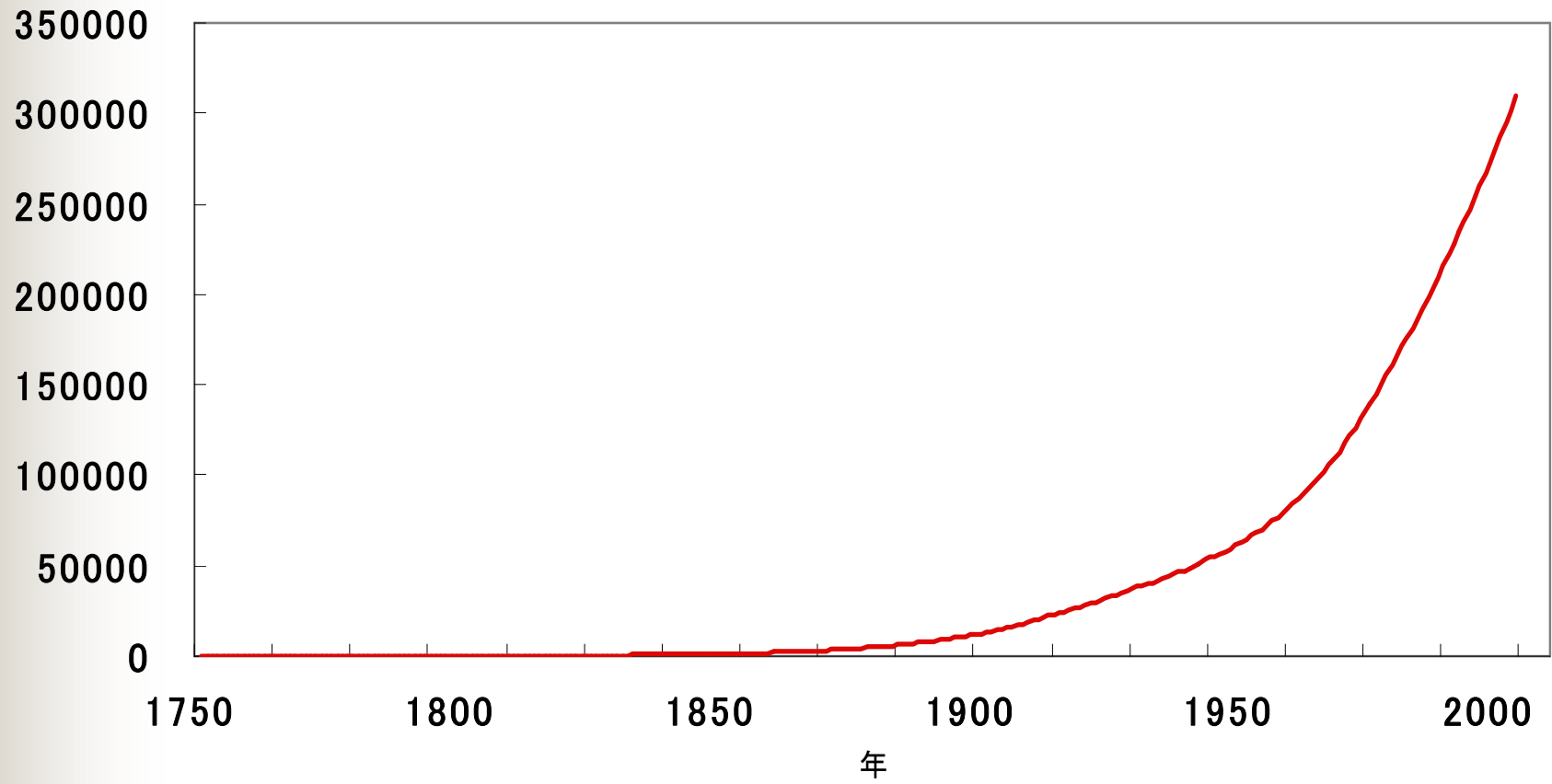
## 1. Economic Development and Energy

### ■ Transition of Energy Sources :

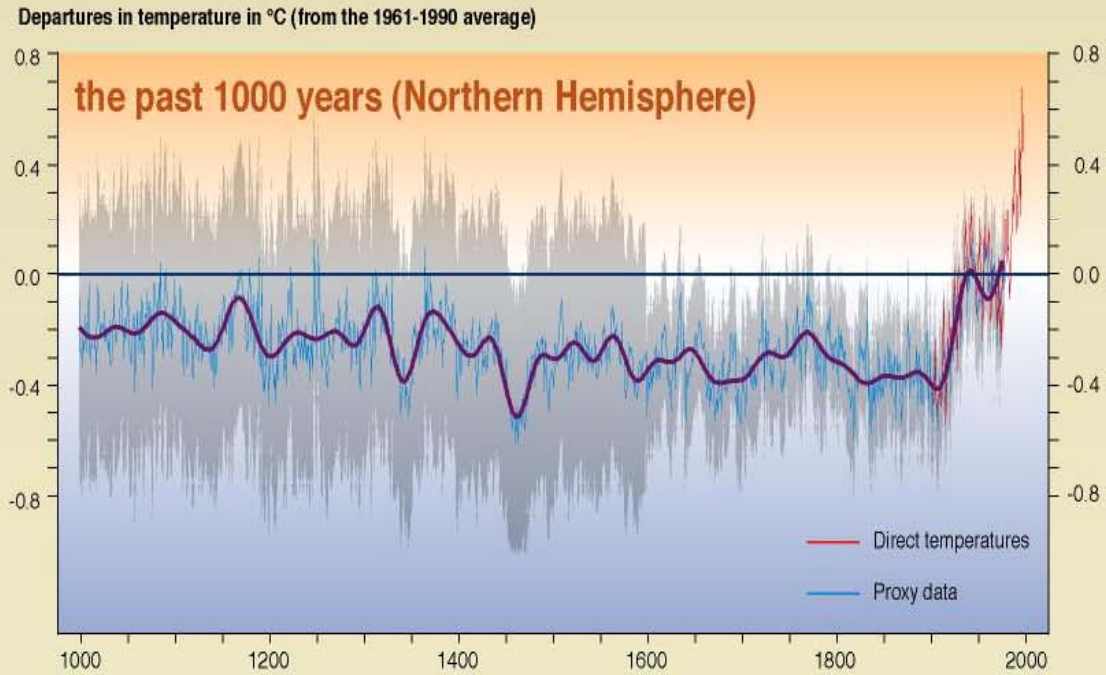
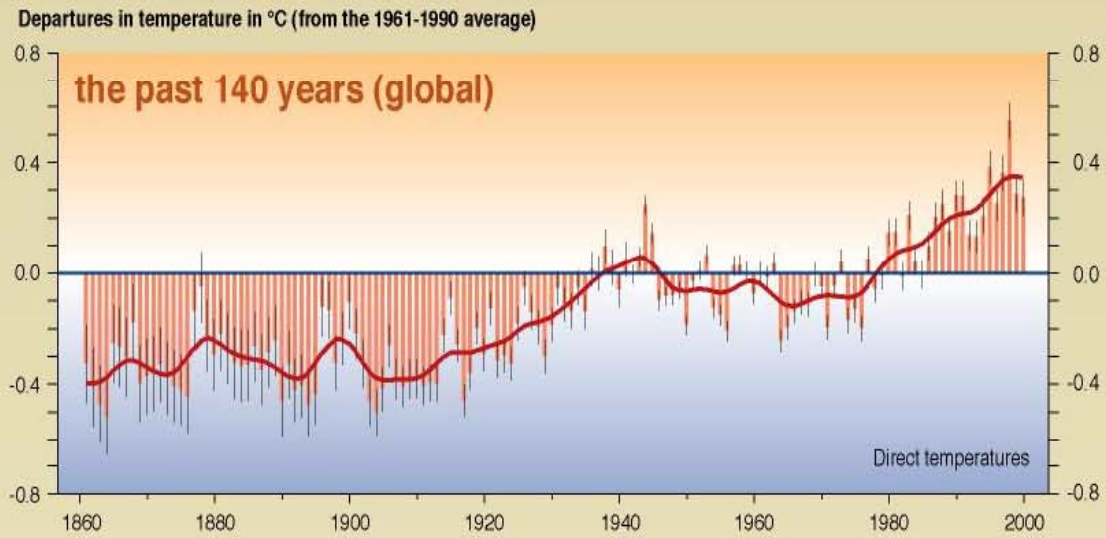
- the First Industrial Revolution  
steam engine and coal,  
beginning of global warming

- the Second Industrial Revolution  
distribution of electricity,  
invention of the automobile

## CO2 Concentration in the Air ( million ton)



## Variations of the Earth's surface temperature for...



SYR - FIGURE 2-3



## ■ Post-war Energy Revolution

- Primary energy source shifted from coal to oil

Development of new oil fields and decline in transportation costs

Organization of OPEC

- High-speed growth

Mass consumption of resources, mass production, mass consumption

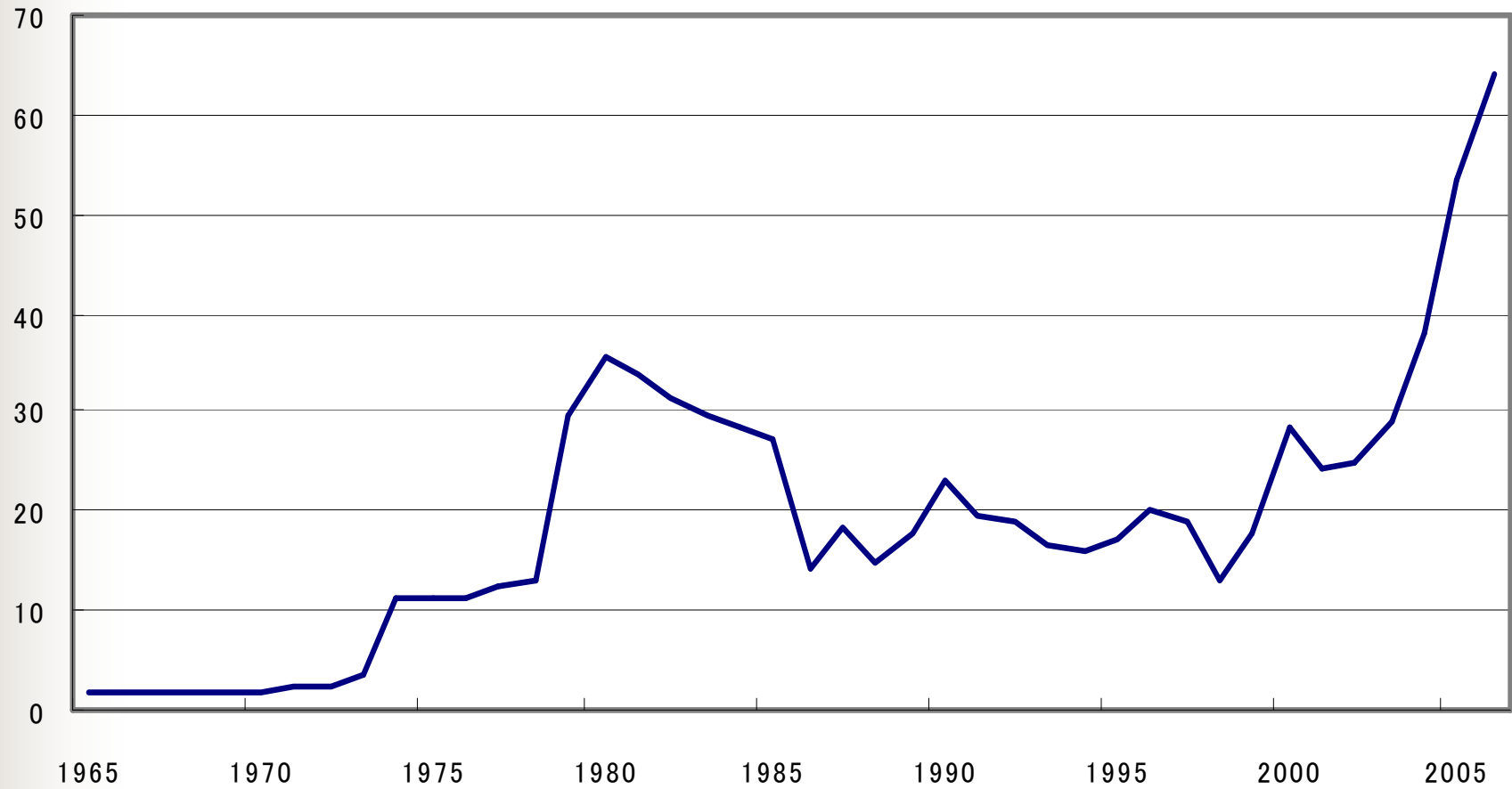
- Oil shock 1973–74, 1979–80

- And nuclear power...

What will the future of nuclear power be? Recycling of used nuclear fuels.

# World Crude Oil Prices (1965 - 2006)

The world average crude oil prices per a barrel (US dollar)





- Club of Rome “The Limits to Growth” 1972

  - limits of resources

- Oil crisis 1973–74

- “Small is Beautiful” E.F. Schumacher (1973).

- Rise of global environment problems

  - Brundtland Commission 1987

    - “Our Common Future”, sustainable development

  - formation of IPCC 1988

  - the Rio Earth Summit 1992



## Why Global Environment Problems Emerged

- Changes in “Spirit of the Time”
- Opposing factors , recession of crisis awareness
  - Decrease in crude oil price
  - Advance of neo-liberalism
- Promoting factors
  - Destruction of the Cold War framework
  - Actual temperature rise, might be late( ? )





## Energy Consumption and Industrial Structure

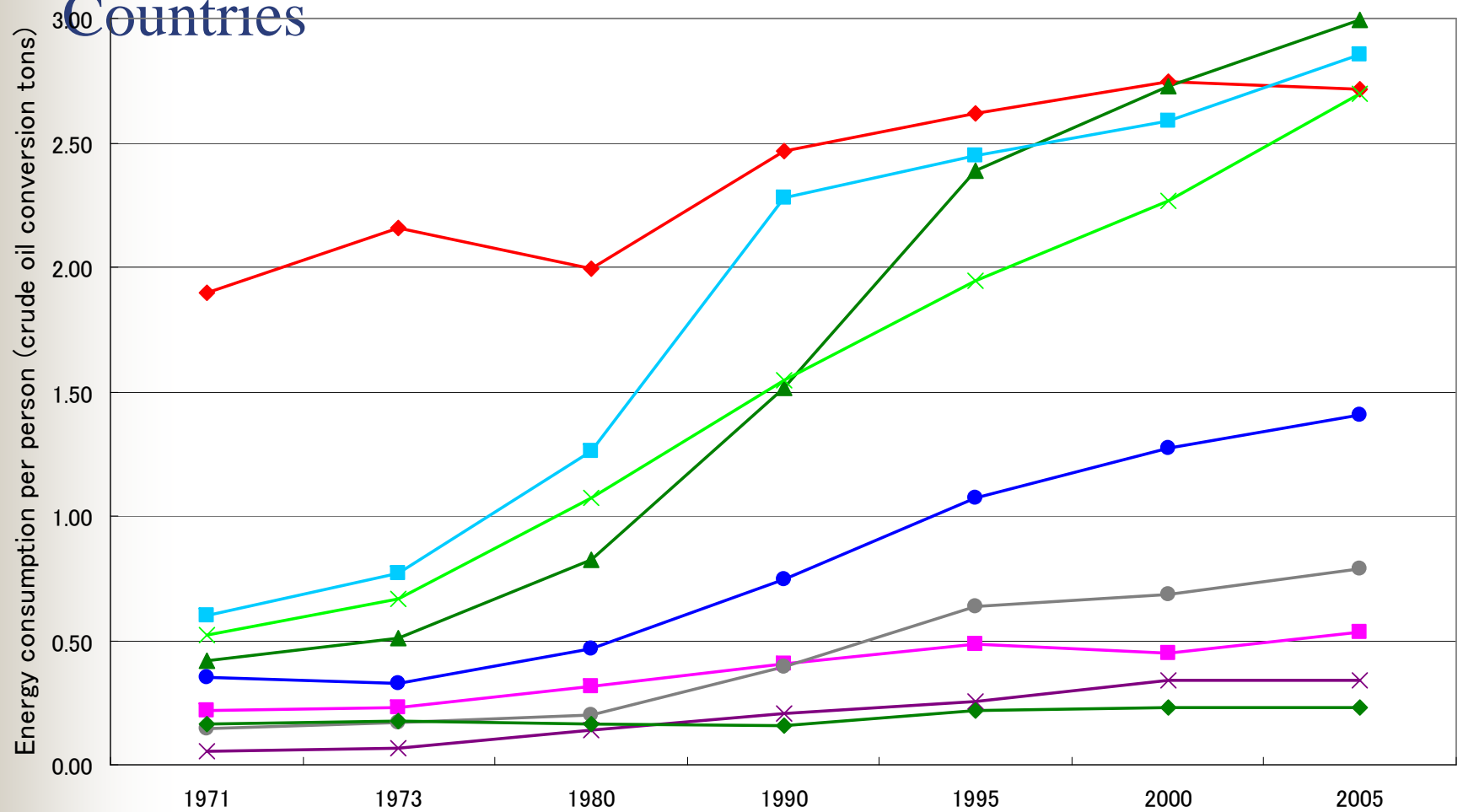
- **Upgrading of Industrial Structures**

Will “trend toward service economy” or  
“Informatization” reduce energy consumption?

- **Increase in Income, Pursuit of  
Convenience and Comfort**

Increase in energy consumption

# Energy Consumption per- Person in East Asian Countries



Legend: Japan (red diamond), China (Except Hong-Kong) (magenta square), Korea (green triangle), Taiwan (light green cross), Indonesia (purple cross), Thailand (grey circle), Philippines (dark green diamond), Malaysia (blue circle), Singapore (cyan square).

# GDP Composition Ratio in Asian Countries

(2006, unit: % )

■	the 1 <sup>st</sup>	the 2 <sup>nd</sup>	the 3 <sup>rd</sup>
Japan(2000)	1.3	27.3	70.8
Singapore	0.1	33.0	66.9
Indonesia	12.9	47.0	40.1
China	11.8	48.7	39.5
Vietnam	20.4	41.6	38.1
India	17.5	27.9	54.6
Philippines	14.2	31.6	54.2

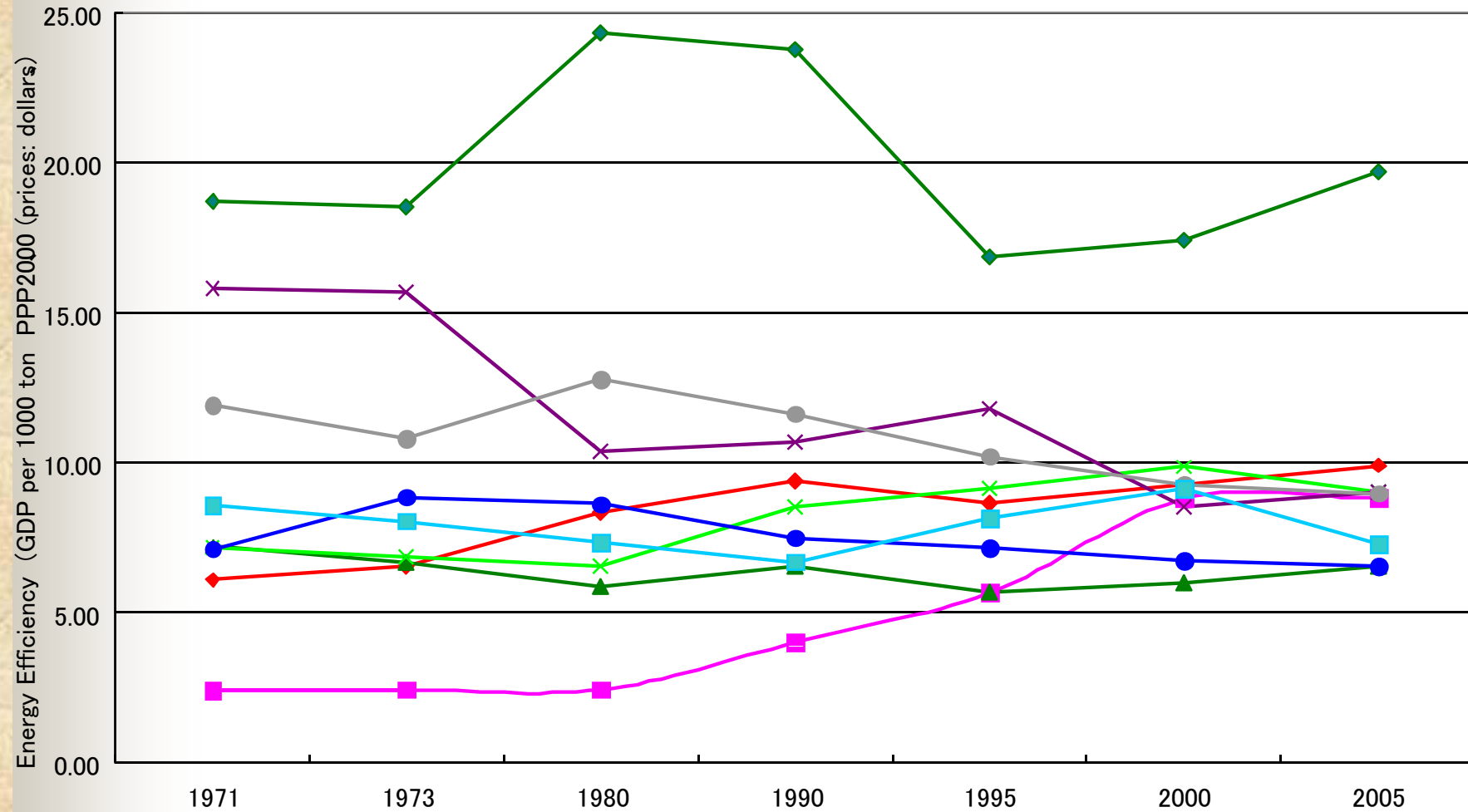
■ resource : ADB, *Key Indicators 2007*.



# Interpretation of Statistics

- Energy density, energy efficiency
- What is GDP?
- Choice of exchange rate
- What is economical growth?

# Energy Efficiency in East Asian Countries



◆ Japan 
 ■ China (Except Hong Kong) 
 ▲ Korea 
 × Taiwan 
 × Indonesia 
 ● Thailand 
 ◆ Philippines 
 ● Malaysia 
 ■ Singapore

## ■ Basic Formula

$$\begin{aligned}
 EM &= GDP \cdot \frac{EM}{GDP} = P \cdot \frac{GDP}{P} \cdot \frac{EC}{GDP} \cdot \frac{EM}{EC} \\
 &= Y \cdot \Gamma \qquad = P \cdot y \cdot I \cdot e
 \end{aligned}$$

thus

$$\dot{EM} = P \dot{+} y \dot{+} I \dot{+} e \quad (\dot{\phantom{x}} \text{ : rate of change})$$

EM : total emission, P : population, EC : energy consumption,  
 Y : GDP, y : GDP per person,  $\Gamma$  : emission density, I : energy  
 density, e : emission coefficient