## IZA World of Labor OPINION: How will climate change affect what we do?

July 2019 was officially the hottest month ever recorded on earth. And with attribution studies on the rise it is becoming harder to avoid evidence of climate change. According to a new opinion piece by the economist Marie Connoly, Université du Québec à Montréal, published on IZA World of Labor today climate change is already forcing us to adapt and adaptation is coming at an economic cost which will likely exacerbate current patterns of inequality

How will climate change affect what we do? By Marie Connoly

It is becoming harder to avoid evidence of climate change. Extreme weather events are routinely in the news: droughts, forest fires, torrential rains, floods, mudslides, hurricanes, and so on. Though unevenly, temperatures are also globally on the rise. How do these changes affect how people allocate their time? What implications will this have for human welfare, and socio-economic inequalities?

[...]To understand how climate change may influence our time allocation, we can start by looking at how people respond to short-term fluctuations in the weather. Temperature does not seem to have much of an effect on time spent working. The exception is workers in industries that feature a high exposure to heat: they work on average up to an hour less per day when maximum temperatures reach 38C, compared to when the maximum is between 24C and 27C. Outdoor leisure time generally increases with temperature, but only up to certain point, while indoor leisure time decreases. So if we extrapolate those findings to longer-term changes in the climate, it is possible that warmer winters would see a shift from indoor to outdoor leisure activities, while summers with more frequent days of extreme heat would see reduced work time for workers in high-exposure industries and more indoor leisure.

This extrapolation from weather shocks to climate change sidesteps an important issue: adaptation. Humans will adapt to climate change, by changing their behavior and activities. Already, we can see evidence that some groups appear well adapted to shocks in certain dimensions. For example, mortality resulting from very hot days has been found to be lower in hot climates than it is in colder climates. Other adaptive mechanisms include shifting activities across days or across periods of the day. Yet we still have a lot to learn, especially considering that most of the existing literature is about the US, but the effects of climate change will be felt throughout the world.

Adaptation will also be costly, and this will likely exacerbate current patterns of inequality. People with more resources will be able to avoid the most unpleasant effects of climate change, for example by moving within a country to cooler areas or from one country to the next. Developing countries will also have fewer resources to be able to adapt, thus potentially widening global inequalities. More research on the topic is needed to understand these important issues.

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Please find the <u>full opinion piece</u> and Marie Connolly's report on <u>Climate Change and the Allocation of Time</u> on the IZA World of Labor page.



## Media Contact:

Please contact Anna von Hahn for more information or for author interviews: anna@smallspaceagency.com or +44 7852 882 770

## Notes for editors:

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