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Study: Climate change drives economic inequality

By [Anthony Hennen](#) | October 23, 2015 | [Comments](#)



(Kevin Dooley/Flickr)

Climate change won't only harm the economy — it will worsen global inequality.

So declares a new study from professors at UC Berkeley: by 2100, the average person's income will fall 23 percent and 77 percent of countries will become poorer than had climate change not occurred, [according to The Daily Californian](#).

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The [study](#), "Global non-linear effect of temperature on economic production," finds that poorer tropical countries, mostly south of Europe, Mongolia, and Canada, will be hit harder by

climate change, and thus make the poor even poorer, relative to the cooler richer countries less affected.

Berkeley Professors Solomon Hsiang and Edward Miguel produced the study with Stanford University Professor Marshall Burke.

An issue with the study, however, goes to the uncertainty behind climate models. As Vox's David Roberts wrote, "Basically, it's difficult to predict anything, especially regarding sprawling systems like the global economy and atmosphere, because everything depends on everything else. There's no fixed point of reference."

Prediction is a shot in the dark. Assumption is a necessary fact in trying to know what will happen in the future. Confronting uncertainty of the future is crucial to improving forecasts and models, but how to do it, or how to recognize the issues, can be incredibly difficult.

The researchers base assumptions off their research surrounding the influence of temperature on economic productivity during the last 50 years. Finding "an optimal temperature ... where economic performance peaks," they draw their assumptions, as they note in an FAQ with the study.

It's difficult to buy into the negative outlook on the future — by and large, human ingenuity and inventiveness has been improving the world in absolute terms. Environmental destruction and harm should be curtailed, but concerns over catapulting into the void border on the hysteric. The greatest resource to confront those problems is human capital.

As economist Paul Romer wrote, "Every generation has perceived the limits to growth that finite resources and undesirable side effects would pose if no new recipes or ideas were discovered. And every generation has underestimated the potential for finding new recipes and ideas. We consistently fail to grasp how many ideas remain to be discovered. The difficulty is the same one we have with compounding: possibilities do not merely add up; they multiply."

In the FAQ, Hsiang, Miguel, and Burke think that the idea of rescue by future technology and innovation "is certainly possible, although our results make us more cautious about this idea." Such a pessimistic perspective isn't warranted by history. More and more, the doomsday mindset has become the naïve mindset.

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