"CLIMATE CHANGE AND ITS ECONOMIC IMPACT"

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Abstract: This article examines the economic consequences of climate change, one of the most pressing global challenges of the 21st century. It highlights the impact of global warming on agriculture, energy, industry, finance, and labor markets, with particular attention to developing countries. The paper emphasizes the necessity of sustainable development, the transition to a green economy, and the collective responsibility of governments, institutions, and society to mitigate risks. The findings underline that climate change is not only an environmental problem but also an economic threat that requires urgent global cooperation.

Keywords: Climate change, economic impact, sustainable development, green economy, agriculture, energy, finance, global cooperation.

Аннотация: В статье рассматриваются экономические последствия изменения климата, одной из наиболее актуальных глобальных проблем XXI века. Подчеркивается влияние глобального потепления на сельское хозяйство, энергетику, промышленность, финансовый сектор и рынок труда, особенно в развивающихся странах. Отмечается необходимость устойчивого развития, перехода к «зеленой экономике» и совместной ответственности государств, институтов и общества для снижения рисков. Результаты показывают, что изменение климата представляет собой не только экологическую, но и экономическую угрозу, требующую срочного международного сотрудничества.

Ключевые слова: изменение климата, экономическое воздействие, устойчивое развитие, зеленая экономика, сельское хозяйство, энергетика, финансы, международное сотрудничество.

Annotatsiya: Ushbu maqolada XXI asrning eng dolzarb muammolaridan biri bo‘lgan iqlim o‘zgarishining iqtisodiy oqibatlari tahlil qilinadi. Global isishning qishloq xo‘jaligi, energetika, sanoat, moliya sektori va mehnat bozoriga ta’siri, ayniqsa rivojlanayotgan mamlakatlar misolida yoritiladi. Maqolada barqaror rivojlanish, “yashil iqtisodiyot”ga o‘tish va davlatlar, institutlar hamda jamiyatning umumiy mas’uliyati zarurligi ta’kidlanadi. Natijalar shuni ko‘rsatadiki, iqlim o‘zgarishi nafaqat ekologik, balki iqtisodiy xavf hamdir va uni bartaraf etish uchun global hamkorlik zarur.

Kalit so‘zlar: iqlim o‘zgarishi, iqtisodiy ta’sir, barqaror rivojlanish, yashil iqtisodiyot, qishloq xo‘jaligi, energetika, moliya, global hamkorlik.

Introduction

Climate change is one of the most urgent global issues of the 21st century, influencing both natural ecosystems and human society. The relevance of this problem lies in its universal nature: no country or region is immune from its destructive effects. Rising global temperatures, melting glaciers, desertification, and unpredictable weather events are not distant predictions but ongoing realities. These phenomena cause significant ecological imbalances, which in turn directly and indirectly affect the stability of national and global economies.

The impact of global warming extends beyond the environment to touch all aspects of human life. Floods, droughts, hurricanes, and extreme heat waves threaten not only biodiversity but also food security, energy supplies, infrastructure, and public health. According to the Intergovernmental Panel on Climate Change (IPCC), if the global average temperature rises by more than 2°C compared to pre-industrial levels, the economic damage could be irreversible, particularly in developing countries that lack the resources to adapt effectively [1].

The purpose of this article is to analyze the economic consequences of climate change. It aims to explore how climate-related factors undermine agricultural productivity, industrial development, financial stability, and labor markets. Moreover, the paper seeks to identify sustainable solutions that could mitigate these risks and ensure ecological balance for future generations.

Methods

This study is based on the analysis of various international reports, statistical data, and legal frameworks. Reports of the Intergovernmental Panel on Climate Change (IPCC), the United Nations (UN), and the World Bank (WB) provide a reliable basis for evaluating the global impact of climate change and its economic consequences [2].

Statistical data, including global temperature dynamics, CO_2 emissions, and indicators of economic damage from natural disasters, are used to demonstrate the scale of the issue [3]. These statistics make it possible to identify not only global patterns but also regional vulnerabilities, particularly in developing countries.

Additionally, the research examines the legal and policy frameworks adopted in Uzbekistan and worldwide. National strategies for sustainable development and international agreements, such as the Paris Agreement, are analyzed to assess their role in mitigating climate change and reducing its economic risks.

Results

The results of the study reveal that climate change has multiple economic impacts across different sectors.

Impact on agriculture. Rising temperatures, irregular rainfall, and water scarcity have led to a decline in agricultural productivity. This directly threatens food security and increases the costs of production. For instance, studies show that every 1°C increase in global temperature could reduce wheat and rice yields by up to 10% in some regions [4].

ISSN 2181-

Energy and industry. Climate change disrupts energy supply systems and industrial activities. Extreme heat reduces power plant efficiency, while floods and storms damage infrastructure, leading to significant repair costs. Developing countries face additional challenges due to their reliance on climate-sensitive industries.

Insurance and finance sectors. Natural disasters such as hurricanes, droughts, and floods generate billions of dollars in annual losses, putting pressure on insurance companies and financial institutions. The increased frequency of such events raises insurance premiums and threatens the financial stability of vulnerable communities [5].

Unemployment and migration. Climate-related shocks force people to migrate from rural areas to cities or even across borders. Loss of arable land, declining fish stocks, and extreme weather conditions reduce job opportunities in agriculture and related sectors, contributing to unemployment and social instability.

Discussion

The results clearly demonstrate that climate change poses severe risks to economic stability and development. Therefore, it is essential to adopt strategies for sustainable development and to accelerate the transition toward a green economy.

Sustainable development strategies. Governments should prioritize long-term policies that balance economic growth with environmental protection. This includes expanding renewable energy sources, protecting ecosystems, and supporting climate-resilient agriculture [6].

Pathways to a green economy. Transitioning to a low-carbon economy requires large-scale investments in clean technologies, waste reduction, and energy efficiency. International experience shows that green industries not only mitigate climate risks but also create new employment opportunities.

Energy-efficient technologies. The adoption of energy-efficient equipment and renewable energy systems reduces dependence on fossil fuels and lowers greenhouse gas emissions. Countries that invest in energy innovation tend to experience sustainable growth and reduced vulnerability to climate-related shocks.

Joint responsibilities. Addressing climate change is not solely the duty of governments. Businesses, civil society, and ordinary citizens also play a crucial role in reducing carbon footprints and supporting environmental initiatives [7]. Only through collective responsibility can society build resilience against future climate-related economic risks.

Conclusion

Climate change is not only an environmental challenge but also a profound economic threat. Its consequences—ranging from reduced agricultural productivity to disruptions in energy systems, financial instability, and forced migration—demonstrate the urgency of immediate action. If left unaddressed, climate change could undermine decades of global economic progress and push millions into poverty [8].

Ensuring ecological sustainability for future generations requires strong political will, innovative technologies, and active participation from all sectors of society. National governments must adopt robust climate policies, while international cooperation is essential to provide financial and technological support to vulnerable regions.

Ultimately, the transition to a green and sustainable economy is not an option but a necessity. By investing in renewable energy, promoting sustainable practices, and strengthening global solidarity, humanity can mitigate the economic risks of climate change and secure a more stable future.

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