

Agriculture and Global Economy vis-à-vis the Climate Change

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Abstract : In the world, agriculture maintains a social and economic importance in the national economy. Its importance is distinguished by its ripple effects not only downstream but also upstream vis-à-vis the non-agricultural sector. However, the situation is relatively fragile because of weather conditions. In this work, we propose a model to highlight the impacts of climate change (CC) on economic growth in the world where agriculture is considered as a strategic sector. The CC is supposed to directly and indirectly affect economic growth by reducing the performance of the agricultural sector. The model is tested for Tunisia. The results validate the hypothesis that the potential economic damage of the CC is important. Indeed, an increase in CO₂ concentration (temperatures and disruption of rainfall patterns) will have an impact on global economic growth particularly by reducing the performance of the agricultural sector. Analysis from a vector error correction model also highlights the magnitude of climate impact on the performance of the agricultural sector and its repercussions on economic growth

Keywords : Climate Change, Agriculture, Economic Growth, World, VECM, Cointegration.

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