



Spatial Economics Research Centre

Monday, 11 January 2010

Frozen Britain

Given the recent cold weather, it's interesting to ask whether climate has a role to play in explaining the UK's spatial disparities.

Within countries, urban economists argue that bad weather tends to be offset by high real wages (so either high wages or low costs of living). In the US where spatial differences in temperature and precipitation can be very large, this is potentially very bad news for cold places like Detroit. While they have auto manufacturers they could pay high real wages to compensate for bad weather. With that industry's decline it's hard to see what could replace it they could pay suitable compensation for the bad weather - and this is reflected in the large outflows of population.

In Britain, climatic disparities are far smaller and so weather should play less of a role. Still, my colleague Paul Cheshire has some evidence that even within European Union countries (including Britain) places with nicer weather (i.e. warm, but not hot) grow faster. These effects aren't necessarily that large but within Britain are another factor (mildly) favouring the Southern over the Northern regions.

Posted by [Prof Henry G. Overman](#) on [Monday, January 11, 2010](#)

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