

Globalisation: Supporting Growth In Renewables

Our world is interconnected. [Globalisation](#) is the term that explains this interconnectedness. Both emerging and developed economies [benefit significantly](#) from increased economic performance due largely to globalisation. As these nations become more integrated into the global economy, they often experience increased [industrialisation](#), [urbanisation](#), and [economic growth](#). This, in turn, leads to higher energy consumption and a greater need for [sustainable energy](#) sources. With this growing energy demand, along with energy security concerns and [climate change](#), renewables have emerged as a [key player](#). Renewables reduce a nation's dependence on imported energy products such as oil and gas. So can growth in renewables really change things?



The rapid globalisation process has affected economies and human life with its economic, political, and social aspects.

Source: [ACC.PHILLIPS](#)

What is Globalisation and How Does it

Support Growth in Renewables?

[Globalisation](#) is the process through which nations and their [economies](#) become more [interconnected](#). This is a result of flowing goods and services, capital, people, and ideas. Globalisation is crucial for [more than](#) just the flow of goods. Consequently, economic globalisation [supports the growth of renewables](#) by facilitating investment [infrastructure](#), international trade, and improvement in technology transfer regulations. In addition, international investment in renewable energy generation, including [solar](#) and [wind](#), has continued to grow. This is, however, at a [slower 8% than the 50%](#) growth recorded in 2021.

According to the [Environmental Kuznets Curve \(EKC\)](#), the increase in [GDP](#) per capita tends to increase [environmental degradation](#). In the long term, environmental deterioration decreases as the economy grows further ([Sadorsky, 2009](#)). This indicates that a higher real GDP per capita moves the economy towards more sustainable options and an increase in renewable energy consumption. This argument is supplemented by the fact that [renewable energy](#) consumption offers efficient solutions to the problem of climate change and energy security. Moreover, emerging economies seem to increase the consumption of renewable energy in the wake of issues of energy security ([Peng, 2021](#)).



Photovoltaic and other [renewables](#) can reduce geopolitical security risks by contributing to [fuel](#) mix diversification.

Source: [Pixabay](#)

Even so, challenges still remain. While globalisation can bring in investments and [technology](#), it can also lead to an increase in consumption patterns and energy demands. Developing countries often face [financial](#) constraints and technology gaps, which can hinder the widespread adoption of renewables. Additionally, [policy](#) frameworks, regulatory barriers, and institutional capacities can affect the pace of adoption of renewables.

moving forward

Globalisation has enabled the transfer of [technology](#), investments, and knowledge across borders. It is also providing [developing countries](#) with easier access to [renewable energy](#) solutions. International [partnerships](#) and collaborations have contributed to the development of [renewable energy](#) projects, [infrastructure](#), and capacity building in these nations.

In order to reduce energy poverty, policymakers in developing countries must take advantage of the process of globalisation. They could then [lower the cost of renewables](#) and create policies that support households with [low incomes](#) living in remote or rural areas to access reliable energy sources. Furthermore, innovating and implementing new [climate solutions](#) requires [cross-border flows of intangibles](#). These include intellectual property data and skilled workers. Knowledge and know-how flows have displaced manufactured goods as the driver of global integration.



Access to significant growth in [renewables](#) (especially in remote or rural regions) provides women involved in farming, dairy production, agriculture, and shop owners with improved productivity, income, and living conditions. Image – [Energy 4 Impact Senegal](#)

Why must we focus on Globalisation and Supporting Growth In Renewables?

The [sustainability of globalisation](#) may or may not flow in a similar way for all countries. Some countries like the United Kingdom and Japan might experience a better local atmosphere due to the globalisation process, while others like Bangladesh and Mexico can experience a declining and fading environment. However, one thing is certain: [globalisation](#) has undeniably brought us a great deal of good. This is evident particularly in its major effect on the growth of renewables, which, in turn, is [essential to achieving sustainable development](#).

As governments continue to prioritise increasing their [GDP](#) over the needs of their citizens, the problems that cause [poverty](#) are likely to persist. States should concentrate on the [well-being](#) of their citizens. In addition, where ‘[no one is left behind](#)’, significant investment (particularly in [developing countries](#)) is essential for a sustainable future. A significant increase in [investment](#) in sustainable energy systems in developing countries is crucial for the world to reach [climate goals by](#)

[2030.](#)



Top 10 developing economies by international investment in renewable energy

Billions of US dollars and per cent, 2015–2022

Brazil, 32% (Share of renewable energy in total project value)

114.8

Viet Nam, 31%

106.8

Chile, 54%

84.6

India, 14%

77.7

Kazakhstan, 31%

56.3

Taiwan Province of China, 63%

48.7

Egypt, 14%

45.8

Mexico, 13%

37.8

Indonesia, 11%

36.7

Morocco, 34%

29.7

Note: Includes international project finance and greenfield investment values.

Source: UNCTAD, based on information from The Financial Times, fDi Markets (www.fdimarkets.com), and Refinitiv SA.

In the majority of the 10 [developing nations](#) with the highest levels of [international investment in renewables](#), said investment accounts for between one-tenth and one-third of total Foreign Direct Investment (FDI).

Source: [UNCTAD](#)

achieving the United Nations Sustainable Development Goals (SDGs) and how they link to Growth in renewables

[Sustainable development](#) is about creating a better planet for all. The United Nations has anticipated [Sustainable Development Goals \(SDGs\)](#) for 2030 that [highlight the importance](#) of affordable and clean energy. The goals also draw attention to comprehensive and sustainable [economic growth](#) and technological [innovation](#). Science, technology, and innovation will particularly always take centre stage to [potentially propel](#) developing countries to leapfrog in their SDG achievement.

Continued acceleration in renewables is [critical](#) to help keep the door open to limiting global warming to 1.5 °C. Towards a cleaner and more sustainable energy system, improved policies will further accelerate the use of renewables, expand their deployment in transport, industry, and [buildings](#), and narrow the gap to [net zero](#) by 2050.

A Thrivable Framework

[THRIVE Framework](#) examines issues and evaluates potential solutions in relation to its ultimate goal of [thrivability](#). It is about considering how globalisation and global development are related. With the unequal participation of developing countries in global economic integration, the discussion about globalisation and [poverty](#) has heightened.

A big transformation is underway in the energy sector due to [climate change](#), improving energy access and energy security. Policies that tackle [inequality](#) within developed nations and [promote convergence](#) in living standards between the [Global South](#) and high-income nations are both necessary to make globalisation more [inclusive](#).

For more information about [modern world globalisation](#), [pathways to global equity](#), [globalisation and inequality](#), and several valuable resources on [clean energy](#) please visit our [website](#). Follow our informative, diverse [blog](#) and [podcast series](#) and learn about our regular live [webinars](#) featuring expert guests in the

sustainability field. [Sign up for our newsletter](#) for regular updates.