



The growth of renewable energy in the developed and emerging worlds

Analysing the driving factors

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Renewable energy growth in the developed world is driven by multifaceted, interrelated factors.

Climate change concerns, public support, economic incentives, technology advancements, security of energy supply, and cost reduction have propelled the transition to renewable energy sources.

Additionally, the convergence of these drivers has created an environment that enables increased renewable energy adoption, with substantial implications for sustainable development, energy security, and environmental preservation.

However, further research and policy efforts are essential to ensure the continued growth and integration of renewable energy into the energy mix of developed and emerging economies.

What do people think?

Growing public awareness and concern about climate change and environmental issues have significantly influenced renewable energy growth. With increasing awareness of the environmental impact of traditional energy sources, there is now increased support for clean and renewable energy alternatives, thereby driving demand and investment in renewable energy projects.¹

Governments seem to be listening

Many governments have introduced economic incentives to encourage the adoption of renewable energy, including tax credits, subsidies, feed-in tariffs, and grants, aimed at reducing the financial barriers associated with renewable energy installations. Such incentives have provided economic viability for renewable energy projects and stimulated market growth. In emerging countries, renewable energy provides a viable solution for addressing energy poverty in remote and rural areas. These regions often lack access to centralised power grids, making renewable energy an attractive option for decentralised energy generation. By deploying off-grid and mini-grid solutions, renewable energy can provide affordable and reliable electricity to underserved communities, fostering economic development, and improving quality of life. In addition, the renewable energy sector offers significant job creation potential, particularly in emerging countries. The demand for skilled workers in various renewable energy-related fields, such as manufacturing, installation, maintenance, and research and development, is growing. By embracing renewable energy, emerging countries can create employment opportunities, enhance human capital development, and promote social and economic inclusivity.^{2,3}





In 2012, former UN Secretary-General Ban Ki-Moon famously referred to energy as the “golden thread connecting economic growth, social equity and environmental sustainability”. This was an apt recognition of how access to energy is critical for productive activity and access to ‘clean’ energy is critical for positive health and climate outcomes.

How are we going to get there?

Advancements in renewable energy technologies, such as solar photovoltaics, wind turbines, and energy storage systems, have played a pivotal role in driving the growth of renewable energy in the developed world. These innovations have improved the efficiency, reliability, and affordability of renewable energy sources, making them more competitive with fossil fuels. The dependence on fossil fuels, often imported from politically unstable regions, has led developed countries to seek alternative energy sources that provide energy security. Renewable energy offers a decentralised and diversified energy supply, reducing vulnerability to supply disruptions and geopolitical risks, further driving its adoption.^{4,5}

The bottom line: what will it cost?

The plummeting costs of renewable energy technologies, particularly wind and solar, have significantly contributed to their increased adoption in developed countries. Technological advancements, economies of scale, and reduced production costs have made renewable energy sources increasingly cost-competitive. Fluctuations in fossil fuel prices have also created favourable conditions for renewable energy deployment. Moreover, emerging countries, with their growing energy demands, also find renewable energy more affordable and cost-competitive than fossil fuels. The declining cost of renewable energy has played a crucial role in incentivising its adoption and facilitating the transition away from fossil fuels.^{6,7}

Value impact for the developed and emerging worlds

Access to affordable financing is vital for emerging countries to implement renewable energy projects. Development banks, private sector equity, and other financing mechanisms have made it easier for these countries to secure funding for renewable energy initiatives. Favourable loan conditions and innovative financial instruments have reduced the financial barriers and risks associated with renewable energy projects, enabling countries to embrace clean energy solutions. By embracing renewable energy, emerging countries can create employment opportunities, enhance human capital development, and promote social and economic inclusivity.^{8,9,10}

Conclusion: the future's bright!

Renewable energy growth in both developed and emerging countries is driven by many factors including (but not limited to) climate change concerns, public support, economic incentives, technology advancements, affordable financing, investment opportunities, and job creation. It is crucial for policymakers and stakeholders to be able to understand and leverage these drivers if they are to facilitate the transition to renewable energy sources and achieve sustainable development goals. Renewable energy is the future, and it is here to stay.

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