

Impact of Financial Investments in Renewable Energy Generation in Selected Developing Countries

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Abstract

The rising global energy needs and climate change threats command a careful analysis of renewable energy drivers. This paper investigated the effect of financial investments on renewable energy generation in selected developing countries. A multiple panel data regression analysis was used to investigate the effect of the amount invested and economic factors on renewable energy generation in selected developing countries. Developing countries analysed were purposefully chosen based on the availability of the data required to conduct the analysis. Findings revealed that economic factors examined impact renewable energy production diversely. Consistent with previous studies, a significant positive causal link was found between the dollar amount invested and the production of renewable energy. These results suggest that policymakers should consider the effect of these variables when formulating policies to accelerate the transition to a sustainable renewable energy supply system. Furthermore, the findings provide possible solutions for budgetary constraints which have limited the transformation of the energy industries in the selected developing countries. Potential to investigate this study further on a country by country basis as data becomes available exists.

Keywords: Renewable energy, Non-renewable energy, Green energy, Hydro power, Non-hydro power.

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