Towards Sustainability, Can Higher Oil Rents Increase Renewable Energy Consumption? And Can higher Oil Prices and Taxes on Investments Increase Renewable Energy Investment?

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ABSTRACT

Sustainable development is attracting great attention from economists lately looking at it as a way to minimize capital depletion and to make it accessible to the global present and future population. The concept of sustainable development embraces the importance of sustaining the world's resources while trying to harmonize the relationship between humans' behavior and activities and the natural environment. This entitles changing the ways and methods of how producers develop and use productive technologies; how and what goods and services consumers demand; and how governments, local authorities, NGOs and any other relevant players plan and act in the economy. Energy is a factor that contributes to making our world habitable. It is deemed one of the most important factors of life on earth. In particular, the world's energy use is made up of 80% of fossil fuels, or what is known as non-renewable energies. Fossil fuels are coal, petroleum, and natural gas. As a result, the world is pretty much non-renewable energy-dependent and unsustainable. Non-renewable energy sources, are resources hoped to be gained from wars, conflicts, and power disputes. In addition to conflicts, the problem that dominates the public discussion on non-renewable energy is climate change. Inflation is another con of non-renewable energy dependence: surging energy costs have boosted inflation, especially in Europe, after fossil-fuel prices nearly doubled in 2021, and as a consequence of the Russian Ukrainian conflict, oil prices hit a 14-year high, Global oil prices have spiked about 60% since the start of 2022, raising concerns about global economic growth and stagflation.

Keywords: Sustainability; Renewable energy; Oil rents; Oil prices; Policy.