

## **PROBLEMS OF «GREEN» INVESTMENT IN THE GLOBAL ECONOMY**

Attracting finance to make the transition to sustainable development in the world's economies has been, and continues to be, one of the most daunting challenges that stand in the way of human development. It has been noted that there are many different barriers that impede the rapid growth of green investment. Even taking into account the wide range of estimates of «green» investment financing needs, public funding sources are insufficient to finance «green» transformation and the transition to sustainable development, which undoubtedly shows the demand for significant investments, estimated at more than a ten of trillions of dollars. However, private «green» finance remains scarce, making the search for additional investment a priority.

Despite the relatively long history of «green» finance, the treatment of the term and all instruments used has been and continues to be highly ambiguous and sometimes non-existent. The lack of information and clarity on these issues obviously makes basic risk management of «green» investments impossible. Failure to effectively monitor, verify and control, and reasonably assess the socio-economic performance of programs and projects is likely to discourage potential investors, even given their willingness and intention to invest.

Difficulties with terminology are also largely due to the inexperience of government formulation of sustainable development policy. A clear obstacle to the accumulation of «green» investments is the inaccurate or insufficiently transparent availability of strategic documents that highlight environmental objectives and socio-economic priorities for sustainable development. The lack of such documents, or their inaccuracy in setting goals, has a negative impact on the development of «green» investment mechanisms and tools in the state, and also significantly slows down the transition of the national economy to sustainable development. For example, according to the OECD experts, the state is responsible not only for creating suitable conditions for investments, but also for redistributing investments from «dirty» projects to «clean» energy [1, p. 17].

Equally problematic is the environmental policy pursued by the government. Not only its investment strategy for sustainable development is sometimes highly uncertain, but in most cases the entire government policy in this area is ambiguous and unable to respond to current environmental realities, especially in counteracting the negative effects of fossil fuel consumption and use. This leads, to a large extent, to a steady inflow of investors precisely into «dirty» projects, instead of making «green» investments. It is worth noting that the higher profitability of «dirty» projects still strongly influences the consistently high levels of investment in that kind of projects.

Finally, a defining barrier to actively attracting «green» investment is the higher cost of «green» projects and their long payback period compared to «dirty» ones. In the absence of adequate technologies to compete on an equal footing with conventional

technologies, many investors favor faster payback projects rather than those directly related to sustainable development. The problem is even more acute when it comes to assessing the risks that investors may face. It has been noted that this becomes a reason why very few investors are willing to invest in the early stages of projects.

To summarize the above challenges, it is worth noting that integrating «green» investment tools and mechanisms can take time and will require the involvement of both the public and private sectors of countries, as well as international organizations and the global community as a whole. There is a list of obstacles that need to be addressed by the above-mentioned actors in establishing a sustainable development pathway. Although a number of countries are already taking steps that include: establishing legal and regulatory frameworks, creating various incentives for increasing «green» investment, increasing transparency in sustainable development projects, developing new forms of public-private partnerships and developing new and revised «green» finance standards, the transition to sustainable development and increased «green» investment will take years, if not decades.

#### REFERENCES:

1. Богачева, О. В. Проблемы “зеленого” финансирования в странах G20 / О. В. Богачева, О. В. Смородинов // Мировая экономика и международные отношения. – 2017. – № 3. – С. 16–24.
2. Богачева, О. В. «Зеленые» облигации как важнейший инструмент финансирования «зеленых» проектов / О. В. Богачева, О. В. Смородинов // Финансовый журнал. – 2016. – № 2. – С. 70–81.
3. Боркова, Е. А. «Зеленые» инвестиции как фактор устойчивого развития экономики стран мира / Е. А. Боркова, М. Р. Изусова, К. А. Гематдинова // Креативная экономика. – 2019. – № 12. – С. 7–15.

<http://edoc.bseu.by/>

**Victor Gelokhov**  
Science tutor *L.I. Vasilevskaya*  
BSEU (Minsk)

#### GLOBALIZATION AS A CONTROVERSIAL PROCESS OF DEVELOPMENT OF THE WORLD ECONOMY

Globalization is a characteristic feature of the modern world economy. It means an ever-increasing process of interaction and interconnection of all spheres of society, when barriers to free trade are being removed; the scale of movement of goods and services, capital flows, and various technologies between countries are increasing, which leads to their close cross-border communication.

In the modern world, globalization has been widely developed because it leads to competition, economies of scale, provides the benefits of mutually beneficial trade and increases productivity growth. However, globalization, despite all its advantages, also