

Examining whether renewable energy microfinance can empower the vulnerable

July 21 2023, by David Bradley



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Can renewable energy microfinance promote financial inclusion and empower the vulnerable? That is the question research in the *International Journal of Environment and Sustainable Development* seeks to answer.

Andrea Gatto of Wenzhou-Kean University in Zhejiang, China, has

explored the concept of energy microfinance to see how this promising approach might address the energy and financial needs of vulnerable populations, particularly women in rural areas. By bridging the gap between microfinance and renewable energy, his strategy might help foster sustainable development while empowering marginalized communities.

Energy microfinance is a financial mechanism that provides small-scale loans or credit to enable access to clean and renewable energy solutions for individuals and communities with limited resources. The adoption of technologies, such as [solar panels](#) or small-scale wind turbines, could improve energy access and [energy security](#) and remove the costly cycle of reliance on fossil fuels.

Gatto has focused on vulnerable populations who generally have limited financial opportunities and often have unreliable energy supply. By directing microfinance towards such people it might be possible to improve their quality of life and perhaps even break them out of the traps that are poverty and marginalization. The benefits to the previously underserved individuals are obvious poverty reduction and improved social inclusivity. But, the global advantage is in terms of environmental protection and the avoidance of adding to [environmental problems](#), such as carbon emissions and the associated climate change.

The research offers a [conceptual framework](#) as well as practical policy recommendations for effectively deploying energy microfinance. The research demonstrates the potential of this approach for driving positive change in ecological, social, and economic domains as well as, perhaps, in governance.

Governments, financial institutions, and development organizations might now learn from these findings and find ways to improve policies and programs that foster inclusive growth and social equity as well as

environmental protection. The integration of [renewable energy](#) and microfinance could take us into a more sustainable future where the vulnerable are empowered and the [sustainable development](#) agenda is promoted, and the environment not compromised.

More information: Andrea Gatto, Can renewable energy microfinance promote financial inclusion and empower the vulnerable, *International Journal of Environment and Sustainable Development* (2023). [DOI: 10.1504/IJESD.2023.132092](https://doi.org/10.1504/IJESD.2023.132092)

Provided by Inderscience

Citation: Examining whether renewable energy microfinance can empower the vulnerable (2023, July 21) retrieved 28 April 2024 from <https://techxplore.com/news/2023-07-renewable-energy-microfinance-empower-vulnerable.html>

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