

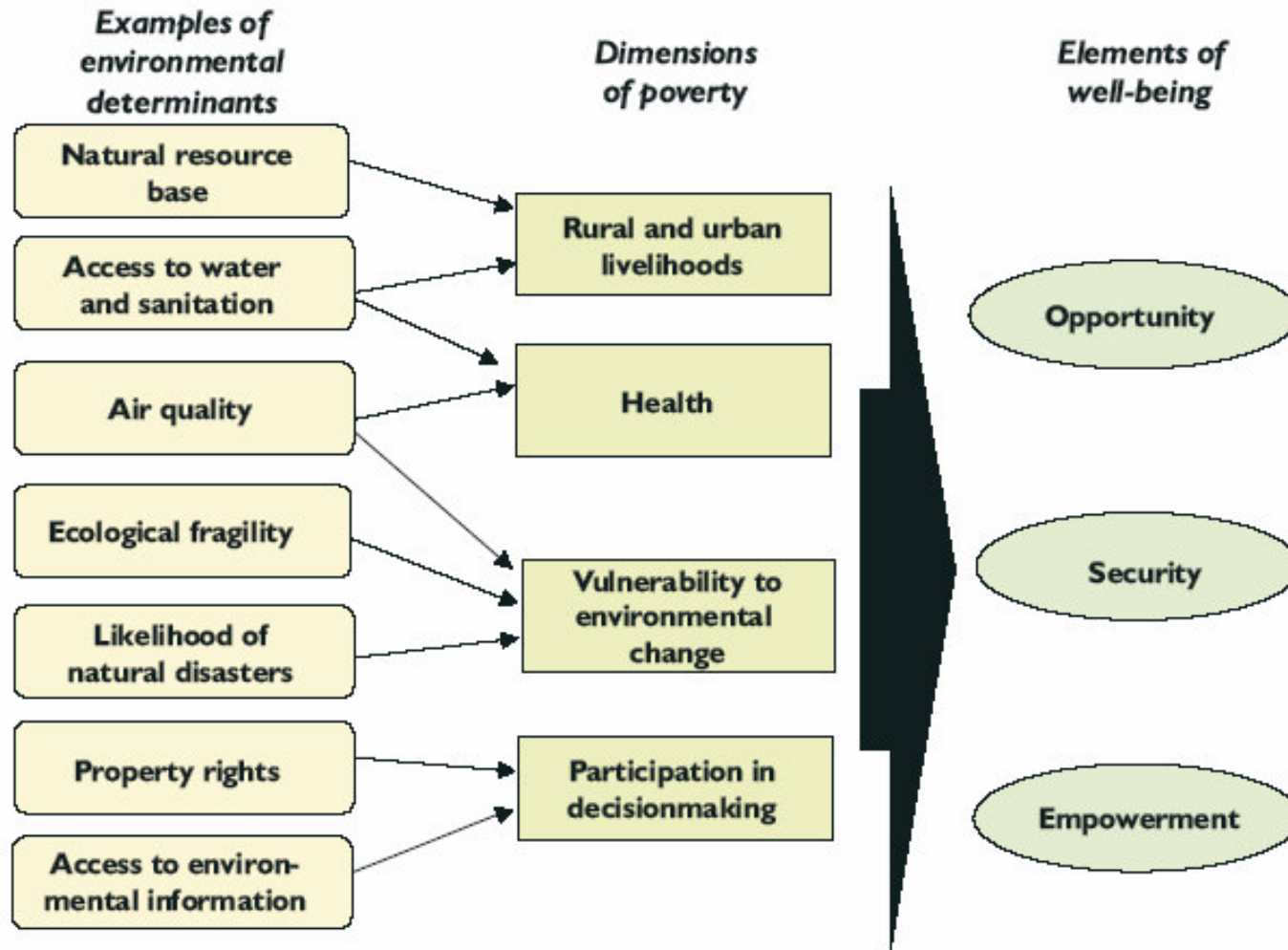
The Path from Economic Empowerment to Environmental Stewardship using Microcredit

Microenterprise and the Environment
Conference, Eastern University

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Poverty – Env't. Linkages



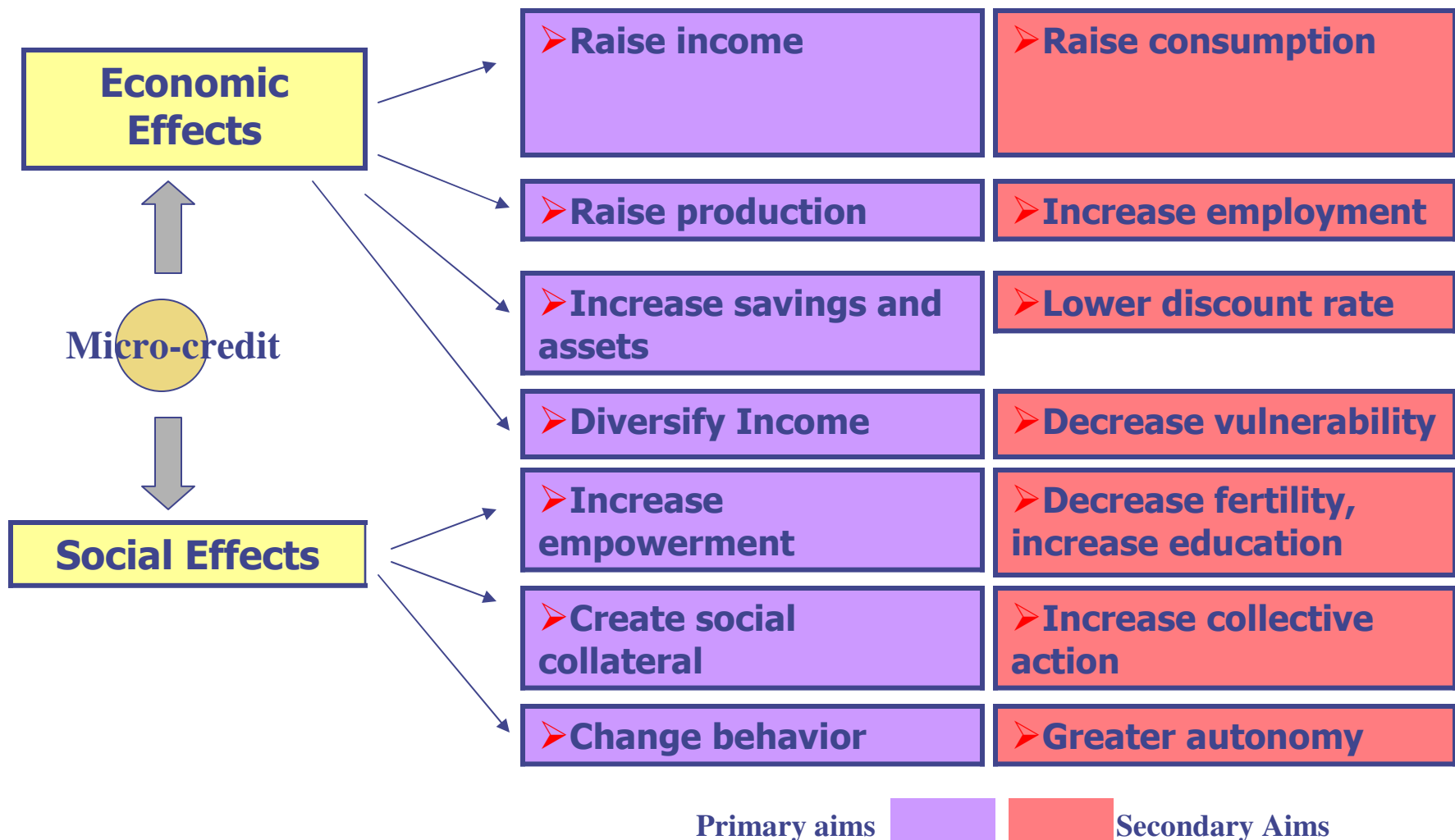
Source: World Bank, 2001

How Microcredit Empowers : The Virtuous Circle

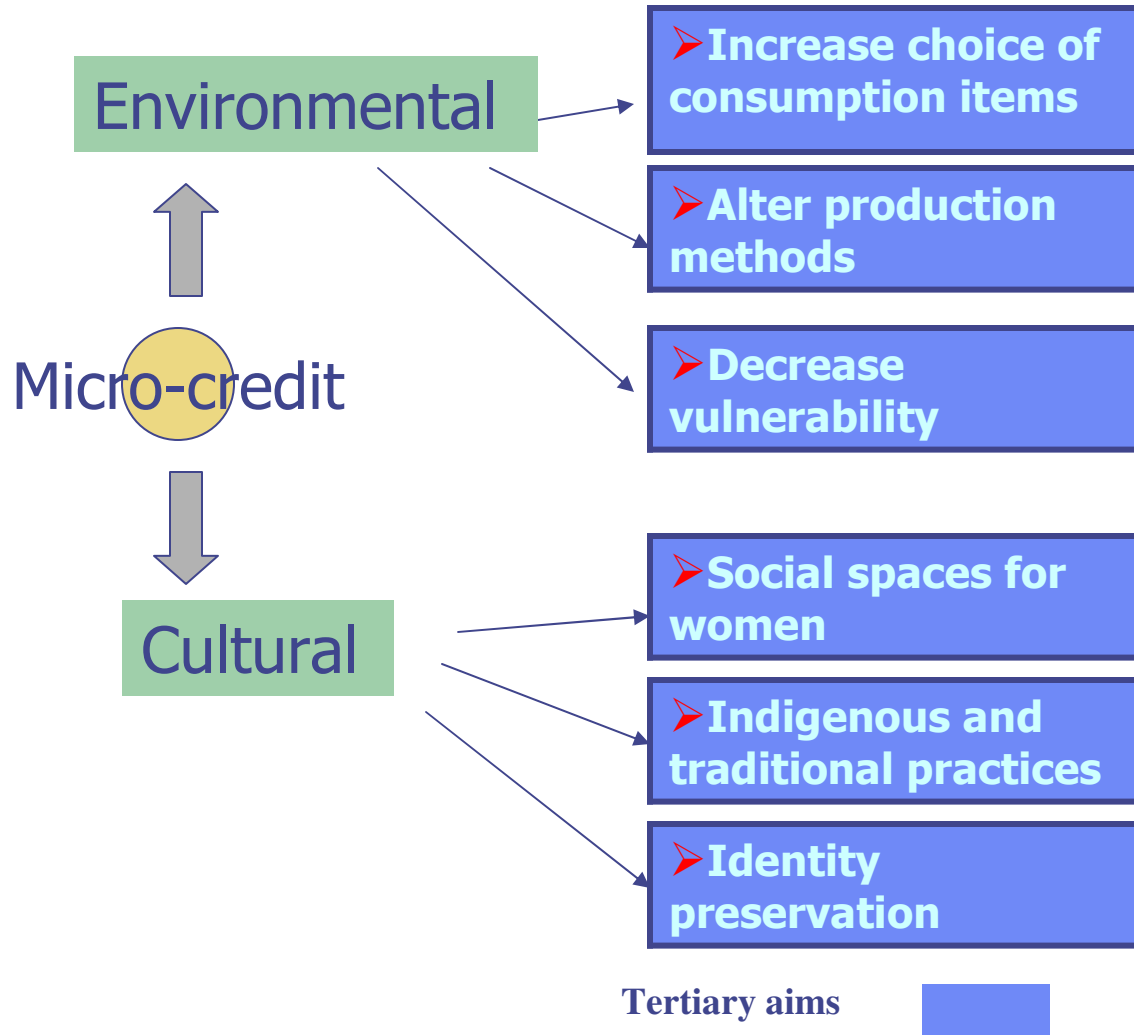
- ◆ Economic
- ◆ Social
- ◆ Environmental
- ◆ Cultural
- ◆ Spiritual



The Main Aims Of Micro-Credit



The Additional Possibilities



Indirect environmental impacts



◆ Economic

- Consumption choices
- Production choices
- Savings and investment

◆ Social

- Knowledge
- Behavior
- Collective action

Direct environmental impacts

- ◆ Reduce/slow natural resource consumption
- ◆ Reduce resource degradation
- ◆ Invest in natural capital
- ◆ Substitute new technologies
- ◆ Greater awareness and knowledge

Improved technology



Micro-credit - Environment Link

- ◆ Survey of 765 members of Microcredit Summit in 1999
- ◆ 147 respondents: 82% NGOs, 13% public sector and 4% private sector
- ◆ Non-random, Non-representative
- ◆ Questioned about use of MC for environmental purposes, impacts of MC

Source: Anderson, Locker, Nugent, *World Development*, 2002

Survey Results

- ◆ Any requirements or conditions? 37% YES 54% NO
- ◆ Is there an impact on envt of MC? 48% YES 43% NO
- ◆ Most important impact? Social cohesion 50%

Impact of Credit on Env't.

◆ Potentially Positive

- Less deforestation
- More organic farming
- More crop rotation
- More IPM
- Less water use

◆ Potentially Negative

- More irrigation
- More chemicals
- More deforestation

◆ Ambiguous

- Changes fuel source

◆ % Yes Responses

- 54
- 44
- 39
- 24
- 14

- 38
- 25
- 13

- 38

Focus on environment

- ◆ Grameen Bank – 16 conditions
- ◆ Grameen Shakti – renewable energy
- ◆ SO-BASEC – solar-based rural electricity
- ◆ Technoserve Ghana – sustainable Shea butter development
- ◆ PDA and PDI – environmental conservation

THANK YOU

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