


# Chapter 4

# Green Financial Literacy Interplaying With Green Energy and Sustainable Environmental Development

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## **ABSTRACT**

*This study aims to analyze the interplay between the green financial literacy with green energy and sustainable environmental development starting from the assumption that green financial literacy and green energy are the pillars of sustainable environmental development and that enhancing financial literacy equips individuals and communities to make informed decisions supporting renewable energy investments and sustainable consumption. The method employed is the meta-analytical and meta-cognitive based on conceptual, theoretical and empirical research. It is concluded that empowering individuals, families, organizations, communities and nations with green financial skills on energy enhance their capacity to support renewable energy transitions, while technological advancements create opportunities for inclusive economic growth.*

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## **INTRODUCTION: THE INTERPLAY OF FINANCIAL LITERACY, GREEN ENERGY, AND SUSTAINABILITY**

The pursuit of sustainable environmental development has evolved into a central theme in global discussions, policy-making, and academic research. This pursuit is propelled by the increasing recognition of the interconnectedness between economic activities, environmental health, and societal well-being. Financial literacy, green energy, and sustainable environmental development are individually critical elements, and their synergistic relationship can potentially drive significant progress toward a more sustainable future.

Sustainable environmental development requires integrating economic, social, and ecological strategies. Financial literacy and green energy adoption are pivotal in this transition, enabling individuals and nations to make informed decisions that balance economic growth with environmental stewardship. This literature review explores the existing research on the interplay between these three elements, highlighting key findings, identifying research gaps, and discussing implications for policy and practice.

Sustainable environmental development is a multifaceted challenge requiring the integration of economic, social, and environmental dimensions. Among the key enablers of sustainability are financial literacy and green energy adoption. Financial literacy empowers individuals and communities to make informed decisions about investments, consumption, and savings that can promote environmental sustainability. Concurrently, green energy technologies offer viable alternatives to fossil fuels, reducing greenhouse gas emissions and fostering sustainable economic growth.

This literature review synthesizes research on the intersection of financial literacy, green energy, and sustainable development, exploring how financial knowledge influences environmental behaviors and how renewable energy adoption contributes to sustainable outcomes globally. This review synthesizes empirical and theoretical insights into how financial literacy fosters sustainable behaviors and how renewable energy technologies contribute to ecological resilience.

### **Defining Financial Literacy and its Relevance to Sustainable Environmental Development Issues**

Financial literacy encompasses the knowledge and skills necessary for making informed financial decisions. This includes understanding concepts such as budgeting, saving, investing, and managing debt. Zaimovic, Torlakovic, Arnaut-Berilo, Zaimovic, Dedovic, & Nuhic Meskovic, (2023) emphasize that financial literacy is essential for achieving financial security, individual well-being, economic growth, and overall sustainable development. This understanding is not merely about managing

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