

# WHY RENEWABLE ENERGY IS A GATEWAY TO SOCIAL AND ECONOMIC DEVELOPMENT



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The World Bank and IMF have convened their annual meeting this week to discuss strategies for strengthening holistic economic growth, and facilitate poverty eradication in developing areas of the world.

One of the key topic areas being discussed by World Bank and IMF leaders will be energy poverty, a core aspect of enabling sustainable development and reducing poverty. As United Nations Secretary-General **Ban Ki-moon** said recently, “Sustainable energy is the golden thread that connects economic growth, social equity, and a climate and environment that enables the world to thrive.”

How does access to sustainable modern energy services for more than 1 billion people act as an integral catalyst to overcoming poverty in developing nations? Here are three

instances that illustrate how sustainable energy isn't only about the energy, but also about opening doors to social and economic advancement:

### **Clean Drinking Water**

There are hundreds of millions of people worldwide without access to clean, healthy drinking water. According to the United Nations, there are more than **1.5 million deaths per year** attributed to diseases spread through unsafe water and poor sanitation. The majority of this challenge exists in developing countries like India, where Sunlabob recently employed a **solar-powered water purification system** in a school in a slum outside of New Delhi to provide its 800 students, staff and families members each with 2 liters of fresh drinking water every day. With the new water purification station, the school immediately had a reliable supply of locally-sourced fresh drinking water – an achievement what wouldn't have been possible without the electricity of a rooftop solar array.

### **Community Entrepreneurship**

Providing renewable energy to off-grid communities is a key element of enabling expanded opportunities for economic development, both indirectly and directly. With a solar-powered lantern hanging in her fruit stand, a village woman no longer needs to close her business when darkness arrives each evening, allowing her to make more money. With a solar-hydro micro-grid powering his building, a villager can replace his time spent on collecting firewood and instead focus more time on running his business and generating more income. Rural electrification can also drive entrepreneurship directly. Sunlabob's **Solar Lantern Rental System (SLRS)**, for example, hinges on the recruitment and training of micro-franchise entrepreneurs in the villages we work with throughout Southeast Asia and Africa. By employing a Village Technician and Village Energy Committee at the community level, the franchise system uses solar-powered lantern charging stations to “rent light” to villagers, providing reliable, affordable and clean lighting through an approach that is sustainable economically, socially and environmentally. Involving local individuals that

become loyal and empowered is a crucial element for each of Sunlabob's rural electrification initiatives.

### **Improved Health Standards**

Sustainable energy access enables immediate health benefits in developing areas that are provided reliable access to electricity. Replacing outdated, dirty cookstoves with modern energy services can **save the lives of 800,000 children** who die each year around the world as a result of exposure to indoor smoke, according to the UN. A World Bank **study of rural electrification** in 11 developing nations also showed that ownership of refrigerators and televisions increases proportionately with access to electricity, both of which can be used as tools to aid in the improvement of health and hygiene practices. Reliable refrigeration allows proper storage of food and even more importantly, vaccines and medicines not previously available in remote, off-grid areas. Further, when ownership of television increases, the opportunity to receive proper public health and hygiene information increases as well. Increased energy access – when implemented in coordination with proper community training and capacity building – provides a gateway to improved health.

### **The Golden Thread**

While the outcomes of high-reaching goals like universal energy access can be hard to grasp for people not “on the ground” in villages and rural communities, it is these “golden thread” benefits of widespread electrification – economic, social, health, education, among many others – that are the reasons why global initiatives like “**Sustainable Energy for All**” are significant drivers of holistic and sustainable rural development.

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