



ANALYSIS OF PRADHAN MANTRI UJJWALA YOJANA

Prof. Ramdas K. Gadge

Assistant Professor, Department of Economics, S.P. College, Pune.

ABSTRACT

Energy is a wider concept in a developing country like India as the growth of Economic level of country promotes the economic factors also in the same ratio especially dealing in energy demand and supply yet. Some states still face lack of energy, consumption not only kinds of that, even energies for cooking purpose also. But the execution of various programmes and schemes related to cooking energy have provoked many people to consume more compared to people living under below, poverty Line (BPL). This paper describes the scheme 'Pradhan Mantri Ujjwala Yojana' in the aspect of Assessment of Economic impact and it enumerated statements with the economic thoughts classified into socio – economic factors that deals with occupation, income, education and health and economic factors that points Imports Consumption and demand based on rural aspects with PMUY scheme.



Key words- Supply, Scheme, PMUY, Health.

INTRODUCTION

As early April 2018 more than 3.5 Crore Connections were provided under the Scheme. Encouraged by the rapid release of connections, the central government revised the target and Scope of the scheme to eight crore connections by March 2020/ Under the scheme, the Union Government bears the connections cost of Rs. 16—per connection and each household pays about Rs. 1500 for the stove and the first LPG Cylinder.

* **Economic Thought:**

Hear the Economic thoughts brought out about this scheme shall be effective one and boost the efficiency of scheme to be in line with empowerment and to attain targets behind it. This scheme been implemented for the health and welfare of women. On the other hand, impact of this have to evaluated in Economic thoughts well to programme it perpetually. Hear the Economic thoughts are classified into two kinds which are merged with individual and country's economic interaction.

* **Objective of the study.**

The objective of the present study is Economic Analysis of the Pradhan Mantri Ujjwala Yojana.

* **Pradhan Mantri Ujjwala Yojana**

Pradhan Mantri Ujjwala Yojana comes at the tag line Swach Behater Jeewan at the time when usage of unclean cooking fuels in high in rural areas the union government committee on economic affairs gave approval to Pradhan Mantri Ujjwala Yojana to provide Fifty Million LPG Connections to the poor families.

This scheme aims to benefit the poor families. Each of the beneficiary will receive monetary support about sixteen thousand to get a connection of cooking gas. Time saved and reduced drudgery due to fuel switching can enable women to take advantage of development and empowerment opportunities.

* Objective of the Scheme

Availability of Clean Cooking fuel is a Major challenge for rural poor house – hold in the Country. Government is Committed to Providing Clean Fuel to all poor house holds. Women beneficiaries from below poverty line (BPL) families over the next three years. The households will be selected using the socio-economic and caste census data as per 2011 census. This scheme is launched to reduce health hazard / diseases and air pollution caused by the use of unclean fossil fuels.

* Strategy behind the Yojana

The three fuel retailers – Indian Oil Corporation Ltd. (IOCL), Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation Ltd. (HPCL) are investing Rs. 30,000/- Crore to set up LPG in terminals to import LPG, laying pipelines, and building LPG bottling Plants.

HPCL Plans to spend Rs. 1500 crore in setting up an LPG import facility and 7-10 bottling units in additions to building a new LPG bottling plant of 60 million tones per annum (mtpa)

Meanwhile, BPCL is building an LPG import terminal at West Bengal's Haldia, for Rs. 800 Crore. The Company has acquired 35 acres for the purpose and plans to complete the project in three years.

IOCL is already Construction an LPG import facility of 600,000 tonnes per annum at Paradip, Odisha for Rs. 690 crore. In January 2015 it decided to invest Rs. 5,300 crore for the facility and for laying pipelines.

* Evaluation of Scheme

The scheme is a step in the right direction but implementation will hold the key. Under the recently announced Pradhan Mantri Ujjawala Yojana Scheme. Free LPG Connections will be provided to women who belong to BPL (Below – Poverty – Line) households. According to the scheme, each beneficiary will receive monetary support of Rs. 1600 to get a cooking gas connection.

In India the poor especially those in rural areas have limited access to LPG, which is the household cooking gas. The spread of cooking gas has mainly taken place in the semi urban and urban areas covering mostly the affluent and the middle – class families. Additionally, serious health hazards are associated with the alternate fuels such as wood, dried cow dung, Kerosene and low quality coal which the poor use for cooking.

World Health Organization reports an estimated five lakh death a year in India are caused by unclean cooking fuels. While a much larger number suffer from a range of respiratory illnesses studies reveal that having an open wood fire in the kitchen is almost as poisonous as 400 cigarettes in an hour. Crore of women and girls are exposed to household air pollution, which is caused by the use of solid fuels such as coal, dung cakes are biomass which is used for cooking in improperly ventilated kitchens and houses.

Assessing PMUY

There are two levels at which PMUY can be assessed the first is against the overtly stated objective of disbursing connections, while the second is against the intended objective of taking the adverse health effects of using traditional solid fuels.

On the first parameter, table 1 shows the status of LPG Connections in the country when PMUY was launched. Given that 1.6 Crore LPG Connections were released to BPL households under various state government schemes till April 2016, it is evident that PMUY's target of 5 crore connections to poor households in three years is very ambitious and a major step to increase LPG connections coverage among poor households.

Table 1 Status of LPG Connections in the Country as on April 1, 2016.

	Parameter	Total	Urban	Rural
1	No. of registered LPG connections in Crore	20	-	-
2	No. of active LPG connections in core	17	10	7
3	% of households with active LPG connections	62%	118%	36
4	No. of BPL households covered under schemes sponsored by state governments and OMC CSR funds in Crore	1.6	-	-

Source : (Lok Sabha, 2016 a; PPAC, 2016)

This encouraging start to the programme has prompted the government to increase the target to provide 3 crore additional connections over an additional year.

INFORMATION GAPS:-

PMUY connection data is provided only at a state – level and no district-wise disaggregation is available the most important data point to understand whether PMUY beneficiary households are using LPG regularly is the rate of LPG consumption by such households. Such data is not reported on a regular basis for all states. The only information available for the rate of consumption for PMUY households is an average estimate for consumption for one year from the date of release of the connection. The average estimate for the country, released Ministry of Petroleum and Natural Gas (MOPNG) is 4.32, 14.2 kg. Cylinders in the first year of adoption (Lok Sabha, 2018) Estimates for states with a rate of consumption higher than the average were also provided. However, it is not clear from this estimate whether households consistently use the fuel after adoption. An estimate of number of refills from PMUY Connections for every year, and not just the first year of adoption would have been a more appropriate data point to analyze LPG use PMUY households. The information should also be provided on a disaggregated manner (state, district, block) to help address barriers to adoption.

Indeed, even at a national level, LPG consumption data is only disaggregated to a state level, but is not available along the crucial axis of urban and rural households. Since over 85% of rural households used biomass, Coal or Kerosene (in comparison to about 25% of Urban households) as their primary cooking fuel according to the 2011 census. It is clear that this problem is primarily rural in nature and therefore, a rural – urban breakdown of overall LPG consumption and that of PMUY households is critical to understanding progress in uptake of modern cooking fuels.

Considering that PMUY is a bold new initiative, it is to be expected that there would be some learning along the way and need for course correction. Availability of detailed data about PMUY would enable providing useful constructive feedback to the programme to facilitate such a course correction through a richer variety of inputs. In the absence of such information, PMUY can only be assessed based on indirect indicators and scattered data available from various sources.

*** Benefits of the scheme:-**

- Connections under new scheme will be allocated in the name of women members of poor households, which will be a genuine step towards women empowerment.
- About 700 million people in India have been using traditional cooking fuels like firewood, charcoal, and kerosene etc and these emit more smoke which severely affects the health of women households. Using LPG will help to improve the quality of life of poor households.
- Traditional cooking fuels also cause air pollution, use of LPG will help to reduce air pollution, Hence LPG is also environment friendly.

*** Challenges :-**

- In the absence of proper and authenticated data on BPL Population, identification of poor households for allotment of free LPG connections is biggest challenge.

- Usage of Socio- Economic caste census data may be get misused by well – offs or it may remain poorly targeted.
- As Aadhar based direct benefits transfer (DBT) system is facing legal battle in course hence transferring subsidies directly to oil companies may encourage leakages in the system by vested interest group.
- It will bear significant cost to the exchequer, which creates apprehensions on future direction of LPG pricing and reform of subsidies.

*** Suggestions.**

- To realize the true benefits of ambitious scheme government must build proper mechanism to identify the deserving beneficiaries.
- Government should strengthen distribution channels and ensure supply of LPG and Cylinders as per planned in the programme.
- As it bears substantial cost on exchequer, to balance it, the government must withdraw subsidies on cooking gas for the economically well-off sections.

*** CONCLUSION :-**

PMUY is an historic opportunity to provide LPG connections to truly deserving ones. It will helps in reducing the pollution and improving the quality of life of poor households. Hence Government must implement this programme with letter and spirit.

*** REFERENCES**

1. Sudheer Pal Sing, 2014 'LPG Consumption grow fastest in three – and – a - half years in Sept. [www.business-standard.com / article](http://www.business-standard.com/article) ...
2. Ashwini Dabadge, Ashok Sreenivas, Annjosey, Prayas (energy group) Pradhan Mantri Ujjwala Yojana : What we need to know EPW, Article, 19th May 2018.
3. Dabadge, A Josey, A Sreenivas, A (2016 April) from LPG connection to use : Realising smokeless kitchens for all, Economic and political weekly L1 (16) – 47 – 50.
4. Census (2011) Household level Indicators, New Delhi : Census of India.
5. Ministry of Rural Development (n.d.) Socio Economic and caste census 2011.
6. Parikh, J. K. Sharma A, Singh C & Neelkantan S (2016) providing clean cooking fuel in India : Challenges and solutions. International Institute for sustainable Development and integrated Research and Action for Development.
7. Mamta Sharma, Feb 2018, Analysis of PMUY, International Journal of Engg. Technology Science and Research.
8. Ashwini Dabadge, Ashok Sreenivas, Ann Josely (Prayas group) 19th May 2018, Economic and Political Weekly.