
Analysis of Pradhanmantri UJJWALA Yojana

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Introduction

Finance minister Arun Jaitley expanded the ambit of the Pradhan Mantri Ujjwala Yojana (Ujjwala scheme) to include 80 million poor families who will be given free cooking gas connections. The Ujjwala scheme was started by the government in May 2016. Since then, over 30 million households have got access to cooking gas connections. Under the scheme, the government aims to provide cooking gas to poor households. The scheme aims to replace cooking fuels used mostly in rural India with clean liquefied petroleum gas (LPG). The scheme allows the government to provide cooking gas connections to poor women along with financial assistance over a period of three years. Eligible families are identified through the Socio-Economic Caste Census 2011 data. Ujjwala scheme provides financial support of Rs1,600 for each cooking gas connection to eligible households. The connections are given in the name of the women heads of households. The government also provides an equated monthly instalment facility for meeting the cost of stove and refills.

Strategy behind the yojana

The three fuel retailers—Indian Oil Corp. Ltd (IOCL), Bharat Petroleum Corp. Ltd (BPCL) and Hindustan Petroleum Corp. Ltd (HPCL)—are investing Rs30,000 crore to set up LPG infrastructure. This will include setting up of terminals to import LPG, laying pipelines, and building LPG bottling plants.

HPCL plans to spend Rs1,500 crore in setting up an LPG import facility and 7-10 bottling units in addition to building a new LPG bottling plant of 60 million tonnes per annum (mtpa).

Meanwhile, BPCL is building an LPG import terminal at West Bengal's Haldia, for Rs800 crore. The company has acquired 35 acres for the purpose and plans to complete the project in three years.

IOCL is already constructing an LPG import facility of 600,000 tonnes per annum at Paradip, Odisha, for Rs690 crore. In January 2015, it decided to invest Rs5,300 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 Ujjwala 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 (liquefied petroleum gas), 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 deaths 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. Crores of women

and girls are exposed to household air pollution, which is caused by the use of solid fuels such as coal, dung cakes or biomass which is used for cooking in improperly ventilated kitchens and houses.

Critical Evaluation

Though there has been much deliberation on nudges, one government scheme in India that has not got its deserved attention in this context is the Pradhan Mantri Ujjwala Yojana. Its prolific success in terms of getting new liquefied petroleum gas (LPG) connections to the poorest households in the country—from 87 lakh (8.7 million) in 2014 to 483 lakh (48.3 million) in 2017—can only be attributed to quintessential Thaler-ian nudging.

Nudge theory elaborates a plot of heuristics, many of which have been employed along the length of the supply chain under the Ujjwala scheme.

Behavioural psychology distinguishes between intuitive and deliberative behaviour. ‘Nudgists’ believe that the following are some of the prominent strategies to influence “natural” assessment (intuitive behaviour).

First is the availability heuristic—that if something is heard or seen a lot then people start questioning it less. The most obvious tool through which this is done is the mass media. The Ujjwala scheme held 50,000 safety camps in 545 days, says K.M. Mahesh, deputy secretary (LPG) at the ministry of petroleum and natural gas (MoPNG). Advertisements, videos, pamphlets and the so-called LPG panchayats have proven to be highly effective in countering commonly held misperceptions.

Additionally, another important aspect to consider for effective nudging is to understand how something is perceived in relation to a stereotype or assumption. For instance, in a village I mapped some families said that before they started using LPG they believed that cooking through biomass is better for digestion. They are partially convinced of the falseness of the assumption through attending LPG safety camps held in the village.

For a below poverty line (BPL) family, getting a LPG connection, though aspirational in many ways, was an inaccessible thought given the costs involved. By giving the nudge of interest-free loans, being pro-active and reaching the doorstep of the customer rather than waiting for the marginalized families to negotiate their way through a maze of procedures, the ministry made the possibility of a BPL woman owning a LPG cylinder accessible for the potential beneficiaries of the scheme. That nudged the popular imagination of the economically deprived section of society.

Much behavioural work considers that there is a tendency of human beings to be loss averse and maintaining status quo for the fear of the unknown. Such aversions are being combatted through safety guideline posters with pictorial depictions that are mandatorily hung over the gas stove at the eye’s level. The planned exercise of MoPNG to conduct one lakh LPG panchayats in a little over 400 days will, presumably, also be strong nudge towards achieving the government’s target of 5 crore (50 million) connections by 2019.

However, the nudges have been given not only to the demand side but also to the suppliers to complete the circuit of nudging, so to speak.

The district nodal officers (DNOs) of the OMCs were promised recognition and an award based on certain criteria. The first such award function was held in Lucknow where 39 DNOs were awarded.

Significantly, DNOs had videoconferences with executive directors of the OMCs, state LPG heads, senior officials at the MoPNG and, occasionally, the minister of MoPNG, Dharmendra Pradhan. Such direct exchanges provided a huge morale boost to employees who would otherwise not have a chance to interact with their top bosses.

Additionally, every DNO was asked to have a social media account uploading photographs—this was the first time that employees apart from corporate communication officers were allowed to interact with the press. The DNOs frequently tag Pradhan and top officials of MoPNG showcasing their work, who in turn often respond encouragingly. Not only did this cut through the red tape but it also devised a crucial feedback system for achieving the targets for new LPG connections. Sustaining the nudges and devising newer ways is a necessary condition to make the full transition to clean fuel for the country.

The unfolding story of Ujjwala emphasizes the salience of relatively small and contextual changes that re-wire choices and motivations, and not sacks of money, that ensure the success of a social project. Therein may lie some solutions to the overwhelming and seemingly intractable problem of global poverty.

Benefits of the scheme-

- Connections under new scheme will allocated in the name of women members of poor households, which will be 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 emits more smokes which severally affects the health of women households. Using LPG will helps to improve the quality of life of poor households.
- Traditional cooking fuels also cause the air pollution, use of LPG will help to reduce the 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 connection is biggest challenge.
- Usage of Socio-Economic Caste Census data may be get misused by well-offs or it may remain poorly targeted.
- As Aadhaar-based direct benefits transfer (DBT) system is facing legal battle in courts, hence transferring subsidies directly to oil companies may encourage leakages in the system by vested interest groups.
- It will bear significant cost to the exchequer, which creates apprehensions on future direction of LPG pricing and reform of subsidies.

Suggestions-

- To realise 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.