

Clearing the smoke

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Need for sustained actions and planning to ensure the lofty goal of LPG for All by 2019

One of the lesser discussed but potentially far reaching features of this year's budget was the launch of the Pradhan Mantri Ujjwala Yojana (PMUY). The Rs. 8000 crore scheme aims to provide subsidized LPG connections to about 60% of BPL households – roughly as many households as there are in Germany – by 2019. The idea itself is not new as subsidized connections to BPL households have been provided under various schemes even earlier. However, the scale of this programme is what sets this apart. Until 2013, 75 lakh predominantly rural subsidized BPL connections were disbursed under various schemes. 55 lakh subsidized BPL connections are claimed to have been provided in the last year under the 'Give Back' scheme linked to the 'Give It Up' campaign. In comparison, PMUY aims to provide subsidized connections to 5 crore households in 3 years.

About 75 crore Indians, especially women and girls, are exposed to severe household air pollution (HAP) from the use of solid fuels such as biomass, dung cakes and coal for cooking. A report from the Health Ministry places HAP as the second leading risk factor contributing to India's disease burden. In comparison, poor sanitation, which has received much needed attention lately, ranks 15th. According to WHO, solid fuel use is responsible for about 13% of all mortality and morbidity in India (measured as Disability Adjusted Life Years), and causes about 40% of all pulmonary disorders, nearly 30% of cataract incidences, and over 20% of each of ischemic heart disease, lung cancer and lower respiratory infection. Thus, PMUY is a very welcome initiative. However, the real test of PMUY and its successor programs will be how they translate the provision of connections to sustained use of LPG or other clean fuels such as electricity or bio-gas. To pass this test, a few more issues need to be addressed.

Firstly, the cooking fuel should be available at an affordable cost to back up the initial provision of subsidized connections. Each BPL household would have to spend up to Rs. 5000 each year on LPG even at current subsidized prices – in addition to a one-time cost of Rs. 1800 for the connection – which may be unaffordable to many. PMUY has proposed payment in installments for stoves and cylinders to address this challenge, which is welcome. In addition, it may consider increasing LPG subsidies for the first few cylinders bought in a year by BPL households. With the success of the 'Give It Up' campaign and the proposal to proactively exclude all those earning above Rs. 10 lakh per annum from LPG subsidies, the burden on the exchequer for the increased subsidies to BPL households may be minimal, particularly in comparison to the huge health and economic benefits that come with it.

Secondly, the distribution system needs to be strengthened to be able to meet the expected increase in demand, particularly in rural areas, as non-availability of fuel could push people back towards use of solid fuels. Ensuring reliable sustained last mile supply would require multiple steps. It requires a large extension of distribution networks, especially in rural areas, particularly since each rural distribution agency typically caters to fewer customers than urban agencies. Reports that many Jan Dhan accounts have zero balance raise concerns about whether subsidy transfer to such accounts will work effectively –

so, implementation of direct benefit transfer schemes must be made more robust. Effective monitoring and grievance redressal systems are equally important to ensure that any problems in the scheme are highlighted and addressed early. The scheme should be accompanied by a focused PR campaign, similar to the national TB or Swachh Bharat campaigns, to build awareness and create a 'demand pull', not only for clean cooking but also for good service. Ensuring reliable supply is also likely to require strengthening refining, bottling and pipeline infrastructure. In the absence of such supporting measures, PMUY runs the risk of failing like RGGVY, which succeeded in extending physical electricity infrastructure at great cost but has not been able to ensure reliable supply of affordable electricity to households.

Finally, while the PMUY targets only BPL households, there is a need to widen the net for two reasons: one, because of known inclusion and exclusion errors in BPL lists and two, because BPL may be a narrow definition of deprivation and many non-BPL households may also not be able to afford LPG connections. The wider net could just be all rural households or all households except those meeting well-defined exclusion criteria such as ownership of certain categories of assets.

The PMUY is a bold and much needed initiative, but it should be recognized that this is just a first step. It will result in truly smokeless kitchens only if the government follows up with measures that go beyond connections to actual usage of LPG. This may require concerted effort cutting across ministries beyond petroleum and natural gas and including health, rural development and women and child welfare.

- Ashwini Dabadge, Ann Josey, Ashok Sreenivas; Prayas (Energy Group)

ashwini.dabadge@prayaspune.org, ann@prayaspune.org, ashok@prayaspune.org