

Ujjwala revolution

Last month, the Pradhan Mantri Ujjwala Yojana (PMUY) completed two years of operation. During this time the number of LPG connections has crossed 4 crore, and LPG penetration in India has risen from 56% in 2014 to 80%. While distributing new connections is no mean feat, the greater challenge for the mission lies in refills.

It is worth considering the usage pattern of PMUY customers who have been in the system for a year or more and have been buying four or more cylinders a year. Data from the Indian Oil Corporation Limited (IOCL), which has given out almost half of the Ujjwala connections, suggest that between May 2016 and April 2017, IOCL enrolled 85.47 lakh Ujjwala customers. From May 2016 to April 2018, the average cylinder consumption of these customers was 4.4 per year, including the installation cylinder.

One in five Ujjwala customers who enrolled in May 2016 is using seven cylinders annually, thus matching the national per capita consumption of 6.8 cylinders in 2017-18. A total of 60% of those enrolled in May 2016 are on their eighth cylinder at present, implying an annual usage of four cylinders. A similar trend is also seen for those enrolled in March 2017: 20% using seven or more cylinders annually, and 56% on to their fourth cylinder.

Studying the usage of gas by PMUY customers and visiting multiple villages across the country, the following features of the programme are evident. One, interactions with PMUY subscribers suggest that they focus on the value that LPG generates for them and not on its cost. Munesh from Uttar Pradesh says, "LPG is neither cheap nor expensive; it is just worth the price I pay for it." She makes enough money through sale of cow dung manure to finance her LPG refills. Narayani from Chhattishgarh is now able to find time to stitch blouses and bags. Reena Rudrapal from Tripura makes idols. We also observe benefits such as customers being able to devote more time towards children, the elderly and sick, along with reduced drudgery and gains in health.

Two, the programme has also witnessed the emergence of a peer learning platform: the Pradhan Mantri LPG Panchayat. By sharing the vision of early adopters and ironing out service issues, the LPG Panchayats being held at village levels across India are helping more and more people appreciate the advantages of clean fuel.

The adoption of LPG has received a boost with supplies ramping up and service improving. In April 2014, there were 13,896 LPG distributors across India. This number is now 20,227. Another 3,750 distributorships will be commissioned in 2018-19. Similarly, the loan deferment policy, which has allowed the recovery of loan amounts from Ujjwala customers, has been deferred for their next six refills starting April 1, 2018. This allows customers to avail of the subsidy during this period.

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