

The GiveltUp Campaign of India



Providing LPG Connections for All

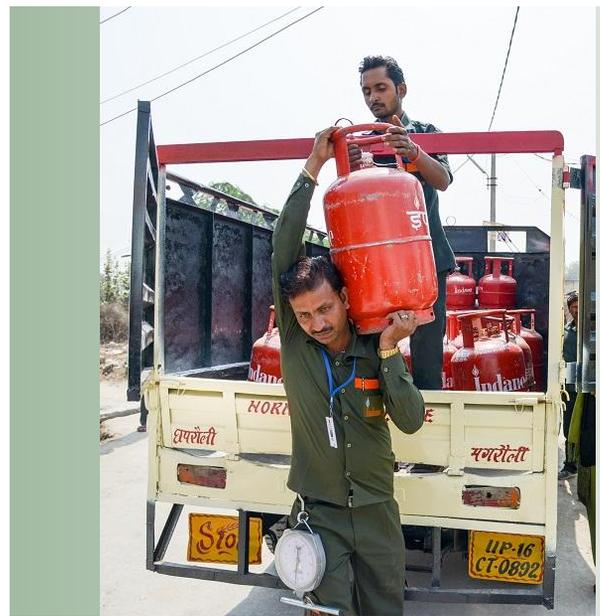
LPG is a clean, modern fuel that brings comfort to tens of millions of consumers worldwide. In India, domestic LPG is heavily subsidised by the government and each cylinder that is used for household purposes carries a substantial subsidy. This translates into a huge economic burden on the Indian government. This case study explores the GiveltUp Campaign in India, an alternative solution to providing LPG, where those who are willing and able to voluntarily give up their LPG subsidy, to be given to households that are truly in need of one, may do so.

A WLPGA case study for Exceptional Energy
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1. What is the GiveltUp Campaign?

In India, domestic LPG is heavily subsidised by the government and each cylinder that is used for household purposes carries a substantial subsidy. This translates to a huge annual subsidy burden on the government, draining precious resources, which otherwise could be used in developmental activities. The existing LPG subsidies need to meet the needs of the people for whom it is truly essential.

On 27th March 2015, Indian Prime Minister Shri Narendra Modi launched the GiveltUp Campaign; a scheme that appeals to well-off citizens to voluntarily surrender their subsidies to give back LPG connections to poor households. Fortunately, there are many able and aware citizens who are not in favour of subsidies and prefer to pay the full price for the product. The GiveltUp Campaign is a platform through which these citizens can thereby make a personal contribution towards nation building.



2. The Approach

The Indian government offers twelve subsidized cylinders to every household with an LPG connection each year, costing them 400,000 million Rupees annually. According to a 2012 paper titled *Subsidies for Whom* in *The Economic and Political Weekly*, 66% of urban households, 59% of households in metropolitan areas in India and 18% of households in rural areas in India use LPG as cooking fuel.

The technological approach to this campaign is what makes it more accessible and appealing to its urban consumer base, and on the rural front, the campaign is expanding LPG consumer base by allocating a subsidised connection to a rural household for every subsidy that is given up. This provides rural households with the opportunity to switch to cleaner and safer fuel.

Although the total number of households being allocated an LPG subsidy might be more than the number of consumers who have given up their subsidy, a mapping process on the website links the name of a consumer signing up for the campaign with a rural household that earns an LPG connection. This technological asset to the campaign gives the consumers who are giving up their subsidies a tangible and visual sense of accomplishment in helping out their fellow citizens.

In 2013-2014 the subsidy burden on the Indian government was more than 400,000 million Rupees.

3. Success for India

The numbers are impressive. In April 2016, after PM Modi's appeal, the number of households that had voluntarily given up their LPG subsidy surpassed 10 million. These households surrendering subsidy represent over six percent of the total registered LPG consumer base. With current relative success due to the willingness of citizens to give up their subsidies, the Indian government intends to provide gas connections to 15 million Below Poverty Line (BPL) households free of cost in the 2016 financial year.



Within the first year of PM Modi's Appeal, over 10 million Indians gave up their LPG subsidy.



4. Nation Building

The GiveltUp Campaign has not only encouraged the rich to participate, but it has inspired those from the rural and middle class to take part in the movement wholeheartedly. According to the governments research, a household uses an average of seven cylinders in a year, despite being given twelve subsidised cylinders a year. With the general sense among urban households that tax given to the government goes to waste, the campaign allows those with extra LPG connections to give them up and feel a sense of accountability for their contribution.

In this regard, Individuals and households see and feel the difference they are able to make, which is an important factor that makes the campaign a huge success. It is what drives the ambitions of consumers to want to give up their subsidies so willingly. Additionally, the subsidies saved by the government in the long run can be used for developmental activities, thereby benefiting all citizens.



5. The future of the Campaign

Despite the small percentage of those who have given up their LPG subsidies in relation to the total LPG connections, the campaign is fast growing and appealing to many who are able to help.

Interestingly, the campaign has simultaneously worked in supporting the eradication of Household Air Pollution (HAP), one of the most significant public health causes of India. The GiveItUp Campaign targets to benefit the poor who remain dependent on such polluting cooking fuels.

The GiveItUp Campaign aims for developmental improvement in the country, where resources saved by the government from LPG subsidies can be used for developmental activities, ensuring all citizens improvement for the future of their country. Subsidy corruption has already dropped, providing hope that such future improvements can be made possible.



An outcome of the campaign has been the adoption of « Smokeless Villages » by WLPGA member IndianOil Corporation Ltd. This scheme helps to convert villages from 'traditional' fuels, to clean burning LPG and has converted over 1,200 villages into 'smokeless villages'. A WLPGA video showcasing this project can be seen at www.wlpga.org/publications/video-case-studies/

6. Acknowledgements

IndianOil Corporation

Giveitup.in

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