

CPI(M) Appeal



**Stop Fraud In The
Name Of Schemes**

17th Lok Sabha 2019

Beti Bachao,
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CPI(M) Appeal

The Truth behind the Modi Government Schemes: Why People Are Angry

Dear friends,

The Lok Sabha elections have been announced and the BJP-RSS propaganda machine is busy manufacturing lies. In the first four years of its rule, the Modi Government spent Rs. 4346.26 crore rupees on self-publicity and self praise. Including the fifth year, it will be well over Rs.5000 crore. At the centre of this campaign are the so-called flagship schemes such as Ujjwala Yojana, Jan Dhan Yojana, Skill India and so on. But what is the reality behind these claims?

Even if you just look at figures from official sources, it is clear that these flagship schemes are actually symbols of the non-performance of the Modi government and its attempts to hide these failures in rhetoric and false claims.

People are angry at this deception, at being betrayed and left out.

Pradhan Mantri Ujjwala Yojana

This scheme to provide free gas connections to rural families below the poverty line was supposed to make a big difference to the lives and health of rural women who depend on polluting cooking fuels like coal, wood and cattle dung. The govt. claims that 6.23 crore connections have been given so far. Experience from across the country shows that the burden of high prices of refills and poor delivery system have led to failure of the scheme, and the large majority of the beneficiaries have gone back to the use of polluting fuels.

Not Free: The recipient has to pay Rs.1600 for the stove and gas cylinder while the supplier company gets Rs.1600 for connection and fitting charges as subsidy from the Government. Till January this year, consumers had paid Rs.9968 crore for the supposedly “free gas cylinder.”. The government. also saved Rs.3690 crore rupees from ending the subsidy to 13 lakh connections. Thus Rs.13,658 crore – 69% of the cost of all connections was raised from the people themselves.

High Costs, Less Refills: Average refill by Ujjwala recipients is only 3.68 cylinders till now since the scheme started in 2016. Compare this to average refill of 6.8 cylinders by other (non-Ujjwala) customers. This is because Ujjwala recipients do not have the capacity to pay Rs.700+ at a go, for the refill. The subsidy is deposited much later in their bank accounts. In addition, they are paying the Rs.1600 stove+cylinder charge too in instalments.

Delays and Costs of Refill: There are 22,328 LPG distributors supplying 25.12 crore customers in the country. That’s 11,000 customers per dealer. This, along with lack of storage space in rural areas means that there are long delays in supply, with people often forced to fetch the cylinder themselves, involving a day’s wage loss, besides transport cost.

What should have been done: It was known that cost is the main hurdle, and the Modi Govt. could have reduced the price for poor families directly, and given the connections totally free. Also, he could have quickly expanded the dealers’ and warehouse networks. But Modi was in a hurry to launch the scheme and claim credit rather than spend some money and really uplift rural women. The scheme has thus turned into another *jumla*.

Mudra Loans

The Pradhan Mantri Mudra Yojana (PMMY) was started by Modi claiming that providing quick loans to a large number of people would

create self-employment and generally boost the economy. It was said “Aspirational India do not want jobs.. they will create jobs.”

Banks and other financial lenders were told to give loans up to Rs.10 lakhs to applicants without the usual pre-conditions and checks. Between 2015 and March 2019, 16.6 crore loans worth Rs.7.8 lakh crore have been given.

Small Loan Amounts: This means that average loan per person is a meagre Rs.46,964! Except for very tiny enterprises, can any business run on such a small loan amount? Recently, a report on job creation under Mudra scheme has been suppressed by the Government. With such a small amount, obviously no jobs can be created.

Rising Bad Loans: There are also serious charges of corruption. This was revealed last year when a bank official was booked by CBI for “fraudulently” giving away 26 loans worth Rs.62 lakh “without conducting meaningful pre-inspection or physical verification of spot of business or residence and without ascertaining end use of the loan amount or creation of assets from the loan amount”. Under political pressure, banks seem to be just doling out loans to meet targets and please their seniors. The RBI has reportedly flagged the rising bad loans under the scheme. Far from creating self-employment, the scheme has blown a hole in the banking system that is already under stress from all the frauds committed by the likes of Nirav Modis and Vijay Mallyas.

Some reports suggest that local BJP leaders and supporters are mobilising people to take loans as a form of patronage. Has the BJP tried to turn the Mudra scheme into a channel for giving money to its own supporters?

Skill India

The flagship scheme Pradhan Mantri Kaushal Vikas Yojana (PMKVY) – part of Skill India programme –was aimed at providing

youth “industry-relevant skills”. It is a very good example of the lies and false claims made by the Modi Government.

Failure of first phase: Adapted from the pre-existing skill training programme, Skill India made such a mess in the first two years (2014-16) that the Sharada Prasad Committee set up in 2016 to examine its functioning revealed that, “Everybody was chasing numbers without providing employment to the youth or meeting sectoral industry needs”. The committee’s damning conclusion was, “an amount of Rs. 2500 crore of public funds was spent to benefit the private sector without serving the twin purposes of meeting the exact skill needs of the industry and providing employment to youth at decent wages”. As a result of this shocking failure, and resulting uproar, the concerned Minister Pratap Singh Rudy was sacked and the programme supposedly refurbished. However, even under the new programme which got Rs. 1200 crore for skilling 1 crore youth in 2016-20, things have not improved.

Only one third of trained people got jobs: As per the PMKVY website, till March 2019, some 28 lakh youth had been enrolled in the Short Term Training (STT) courses of which only 38% had got jobs afterwards. What were these jobs? Where were they given jobs? Were the jobs linked to the the skill training programme or not? None of this has been verified, just tall claims made.

Home guards, house maids, petrol pump attendants: In the other component of Recognition of Prior Learning (RPL) about 16 lakh persons already working in jobs were given training and certificates. Only about 10 lakh could get such certification. This included employees of petrol pumps, home guards, household maids and all manner of employees, many forced to attend classes for a few days just to boost numbers.

The target of one crore by next year is a distant dream, and it is amply clear that when no industrial or service sector jobs are available, and

self-employment unviable, just training people is nothing short of fooling them.

PM Fasal Bima Yojana

One of Modi's most toxic and fraudulent schemes is the crop insurance scheme (PM-FBY). It was supposed to give compensation to farmers who lose their crops due to bad weather, floods etc. Instead of the govt. straightaway providing this compensation as was earlier done, the corporate friendly Modi Sarkar turned farmers' distress into a profit-making scheme for insurance companies. Farmers would pay some premium to the insurance companies, more would be added by the govt. itself, and then – if a calamity strikes – the company would pay compensation.

Since 2016 kharif season, over two years, farmers have paid Rs.8719 crore while the central and state govts. have added Rs. 41,317 crore – all going straight into the pockets of insurance companies. Out of this total premium of Rs.50,036 crore, the companies paid out total compensation worth Rs.35,949 crore, saving a whopping Rs.14,088 crore as profit! Meanwhile farmers get meagre compensation and that too months after they lost the crops. As a result of this disastrous arrangement, farmers enrolment has declined and state govts. are now forced to seek special packages from the Modi govt. for drought relief. Meanwhile, insurance companies are laughing all the way to the banks.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

This was touted as a revolutionary move to bring financial inclusion to the Indian people. Yet, nearly five years after it was introduced in 2014, its main achievement seems to be having provided zero balance bank accounts to a lot of people, who already had savings accounts to begin with. In March this year, the PMJDY website declared that there were 34.87 crore Jan Dhan accounts with Rs.93,567 crore deposits. That works out to Rs.2683 per account!

Zero Balance: The Government told Rajya Sabha in January this year that about 5.2 crore of these bank accounts had zero balance. Data on how many Jan Dhan account holders have other bank accounts has not been revealed by the govt. but it is likely to be substantial going by repeated reports of direct benefit transfers going to different accounts.

Overdraft & Insurance: The PMJDY also promised provision of overdraft and insurance. As of December 2017, only less than 1% (31.74 lakh) of total account holders had used overdraft facility with an outstanding amount of Rs. 360.23 crore. Insurance claims are even more dismal: just 4,543 life insurance claims worth Rs 13.62 crore and 2,340 accident claims worth Rs 23.40 crore have been paid till January 2018.

Using Savings for banks & insurance: These minuscule figures show how much financial inclusion has really happened. Rather, the whole programme has actually served the purpose of mobilising crores of rupees from poor people for use by the banks for lending and investment, and mobilisation insurance premia for companies. Real financial inclusion would happen only if these working people get better wages and incomes, not by opening bank accounts.

Swachh Bharat Mission (SBM)

PM Modi's favourite scheme has also ended up being an exercise of number juggling and photo opportunities. Although initially it had a range of objectives, the mission soon became confined to merely building toilets and declaring areas Open Defecation Free (ODF). Govt. claims that 30 out of 32 states/UTs are ODF now but there has been a stream of reports on the practice still going on in different states, raising questions on the reliability of data. Such reports have come from many self-declared ODF villages in Gujarat, Rajasthan, Uttar Pradesh and Madhya Pradesh. Meanwhile the budget for the mission has been steadily cut.

Dodgy Data: Typifying the contradictory data put out by the govt., the SBM website says that there are 15.5 crore rural households while the estimated number of rural households was 18 crore in 2011 and would be over 20 crore by 2019. So, how are these extra households (about 5 crore) using toilets? There are only 21,265 community toilets. Obviously, they are not using toilets.

Curse of Manual Scavenging: The Modi govt. has completely ignored the related scourge of manual scavenging which continues unabated. Over 300 people, almost all Dalits, who have engaged in the banned practice have died since 2017. Far from seriously taking up the task of ending this heinous practice – which is related to the spree of building of toilets – the Modi govt. has been paying lip service by allocating measly amounts for rehabilitation of manual scavengers and there has been no investment in technology to end it.

Forced Implementation: Meanwhile, cases of forced implementation of the Swachh Bharat Abhiyan abound including denial of food, photography of those engaging in open defecation and even use of drones. Women shaming cases by ruling party goons have been reported. There have been reports of at least one lynching following an altercation on this issue. Such coercive measures lead to the risk of false declarations, which will only bury the problem instead of resolving it.

Urban Garbage Mountains: In urban areas, home to nearly 40 crore people, the disproportionate focus on toilet building has created a crisis. Towns and cities generate 6.2 crore tonnes of municipal solid waste per year out of which only 4.3 crore tonnes is collected, 1.2 crore tonnes is treated and 3.1 crore tonnes is dumped in landfill sites. The Modi govt. has no plan for this except handing over solid waste treatment contracts to private businesses.

The Modi govt. has specialised in creating an alphabet soup of schemes but as the examples of some big-ticket schemes given above show, they have failed miserably. Meanwhile, other equally important existing schemes like the MGNREGS, ICDS, Mid-Day Meal, NHM etc. that address crucial aspects like job guarantee, health, education or children's nutrition are underfunded, bogged down in digital bureaucracy and floundering on the rocks of neo-liberal obstruction. Such is Modi's five years of misrule.

Defeat BJP-RSS Government, Save India!

Strengthen the CPI(M) and Left parties!

Ensure a Secular Government!

For Food Security

To work towards a hunger free India, the CPI(M) will:

- Seek elimination of the present targeted system and establishment of a reformed and strengthened universal public distribution excluding income-tax payees. No linkage with Aadhaar.
- Provision of a minimum of 35 kgs of foodgrains for a family or 7 kgs of foodgrains per individual, whichever amount is higher, at a maximum price of Rs. 2 per kg of foodgrains.
- Support initiatives of state Governments in this sphere.
- Along with foodgrains, the PDS will supply essential commodities such as pulses, edible oil, sugar, kerosene at controlled prices.
- The food supplies through ICDS and Mid-Day Meal Schemes will get higher allocations to ensure hot cooked nutritious meals and be brought under the Food Security law as a legal right.
- Implementation of Food Security Act allowance of Rs. 6000 for pregnant women without conditionalities.
- Special measures like free kitchens for vulnerable sections of the population such as migrant workers, destitutes, widows, disabled persons.
- Strengthen the rationing system in remote and hilly areas to ensure that adivasis and other vulnerable sections in those areas have easy access to food security.
- Twelve LPG cylinders per year to be provided at subsidized rate with no Aadhaar linkage.
- No cash transfers in lieu of foodgrains.

(from the CPI(M) Election Manifesto,
17th Lok Sabha 2019)

Vote CPI(M)



Defeat the BJP alliance

**Increase the Strength of the
CPI(M) and the Left**

For an Alternative Secular Government

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