



# Differential Benefits of Rural Electrification

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## Why in News?

Recently, a study based on the 2011 [census](#) examined the effects of the 'Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)' programme, which aimed to electrify over 400,000 villages across India.

- RGGVY (launch-2005) was renamed as the [Deen Dayal Upadhyay Gram Jyoti Yojana \(DDUGJY\)](#) in 2014.

## What are the Key Highlights of the Study?

- **Disproportionate Benefits to Larger Villages:** Larger villages (around 2,000 people) experienced **substantial economic benefits** from full electrification than smaller villages (300 people).
  - Smaller villages experienced a **"zero return"** on electrification even after **20 years**.
  - Larger villages showed a much **higher return of 33%**, with a **90%** chance that the **economic benefits** would outweigh the electrification costs.
- **Impact on Per-Capita Monthly Expenditure:** In **smaller villages**, [per-capita monthly expenditure](#) showed minimal change after electrification, indicating limited economic benefits.
  - In contrast, **larger villages** saw a significant increase in per-capita monthly expenditure, which doubled due to full electrification. This increase amounted to approximately **Rs 1,428 (about USD 17) per month**.

## What is Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)?

- **About:** It is a **rural electrification** scheme of the **Ministry of Power (MoP)** that aims to provide continuous **24x7 electricity supply** in rural areas, aligning with the government's broader vision of [energy access for all](#).
- **Components of the DDUGJY:**
  - To ensure **judicious distribution** of electricity to agricultural and non-agricultural consumers.
  - Metering of distribution **transformers, feeders, and consumers** to reduce electricity losses and improve efficiency.
  - Establishment of **microgrid and off-grid** to ensure electricity reaches **remote and isolated areas**.
- **Nodal Agency:** The [Rural Electrification Corporation Limited \(REC\)](#) serves as the **nodal agency** responsible for the implementation of DDUGJY under the overall guidance of the **Ministry of Power**.

## What are Other Initiatives for Electrification?

- [Saubhagya Scheme](#)
- [Integrated Power Development Scheme \(IPDS\)](#)

- [Ujwal Discom Assurance Yojana \(UDAY\)](#)
- GARV (Grameen Vidyutikaran) App

Read More: [Saubhagya Scheme](#)

**Drishti Mains Question:**

Q. Rural electrification is a critical component of socio-economic development in India. Discuss.

**UPSC Civil Services Examination, Previous Year Question (PYQ)**

**Prelims:**

Q. 'Net metering' is sometimes seen in the news in the context of promoting the (2016)

- (a) production and use of solar energy by the households/consumers
- (b) use of piped natural gas in the kitchens of households
- (c) installation of CNG kits in motor cars
- (d) installation of water meters in urban households

Ans: (a)

**Mains:**

Q. "Access to affordable, reliable, sustainable and modern energy is the sine qua non to achieve Sustainable Development Goals (SDGs)." Comment on the progress made in India in this regard. (2018)

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