



International Journal of Advanced Research in Education and TechnologY (IJARETY)

Volume 12, Issue 3, May-June 2025

Impact Factor: 8.152



Karnataka's Gruha Lakshmi Yojana: Impact on Socio-Economic Conditions among Beneficiary Women

Sushmitha, Dr Noor Firdoos Jahaan

RV Institute of Management, Bengaluru, Karnataka, India

ABSTRACT: The Gruha Lakshmi Yojana, launched by the Karnataka government in 2023, aims to empower women by recognizing unpaid domestic labor and providing ₹2,000 monthly cash transfers to female heads of BPL households. With a budget of ₹32,000 crore, the scheme benefits 1.36 crore women, promoting financial stability and gender-sensitive governance. Based on a primary survey of 250 rural and urban beneficiaries, the study found significant improvements in financial security, autonomy, and living standards. While beneficiaries reported ease in accessing funds, challenges remain in documentation and administrative support. Many used the funds to meet basic needs, save money, and start small businesses. The scheme also enhanced decision-making roles and investment in education and healthcare, extending benefits beyond individuals.

KEYWORDS: Empowerment, Financial Inclusion, Unpaid Labor, Cash Transfer, Women's Autonomy, Gruha Lakshmi Yojana

I. INTRODUCTION

In India, women's contributions to household economies remain largely unrecognized within formal economic systems. As per the National Statistical Office (2019), women perform 299 minutes of unpaid domestic work daily compared to just 97 minutes by men. Patriarchal norms perpetuate this imbalance, limiting women's financial autonomy and decision-making power. In response, the Karnataka government launched the *Gruha Lakshmi Yojana* in 2023—India's first direct policy initiative acknowledging the economic value of unpaid domestic labor.

The scheme provides ₹2,000 per month to female heads of below-poverty-line (BPL) households, aiming to promote financial inclusion, autonomy, and social upliftment. With a substantial annual budget of ₹32,000 crore, the initiative has enrolled 1.36 crore women by 2024. The program addresses the low 36.7% gender parity in economic participation reported by the Global Gender Gap Report and serves as a pioneering model for gender-responsive governance.

The Gruha Lakshmi Yojana targets women engaged in informal employment and domestic care, providing financial control that helps them break traditional power dynamics at the household level. It aims to reduce economic vulnerability and support inclusive development. Preliminary reports show outreach to over 11.2 million women, positioning the scheme as a global benchmark.

Despite widespread enrollment, there is limited research on the grassroots impact of the program. This study explores the socio-economic transformations of 250 urban and rural beneficiaries across Karnataka, assessing their awareness, financial behavior, accessibility, and improvements in living standards. The findings contribute valuable insights for enhancing policy frameworks and replicating such initiatives nationwide.

II. LITERATURE REVIEW

India's evolving policy framework has increasingly emphasized gender-inclusive welfare to address socio-economic disparities. Direct Benefit Transfers (DBTs) have emerged as strategic tools to empower women engaged in unpaid domestic labor (Pal, 2019). Initiatives like Jan Dhan Yojana and Ujjwala Yojana have expanded access to banking and clean energy, yet issues like digital illiteracy and administrative delays persist (Jajodia & Jain, 2022).

Welfare effectiveness, scholars argue, depends not just on provision, but also on awareness, accessibility, and contextual relevance. For instance, Kerala's Kishori Shakti Yojana promoted adolescent education but suffered from

inconsistent implementation (Radhakrishnan, 2015). Similarly, while local governance is crucial for women-centric programs, bureaucratic barriers and cultural resistance continue to hinder success (Pujar & Hiremath, 2019).

A notable research gap has been the lack of formal recognition for unpaid domestic work. As per NSO (2019), women in India contribute nearly three times more unpaid labor than men, perpetuating financial dependence and social invisibility. Karnataka's Gruha Lakshmi Yojana marks a pioneering step in addressing this issue through unconditional cash transfers.

Finally, Vincent (2020) observed that even well-intentioned pension schemes for widows encountered challenges in awareness and enrollment, echoing the broader need for structural reforms and attitudinal shifts to fully realize the transformative potential of women-focused welfare schemes.

Research Gap

While existing studies have examined the role of welfare schemes in poverty alleviation and financial inclusion, limited focused research explores the specific impact of unconditional cash transfers on unpaid homemakers in India. Most available literature addresses employment-linked programs or conditional benefit models but overlooks how direct financial recognition of domestic labor influences household dynamics, autonomy, and service access. Furthermore, few studies offer a regional analysis of such programs within the socio-economic context of Karnataka, leaving a gap in localized evidence that can inform policy adaptation and scaling.

Problem Statement

India's policy frameworks have historically overlooked the economic value of unpaid domestic labor, perpetuating financial dependence and limiting decision-making power among women. Despite increasing attention to gender equity, homemakers continue to remain outside the formal economy and unrecognized in welfare design. The Gruha Lakshmi Yojana seeks to address this gap by offering direct financial support to women managing household responsibilities. However, the extent to which this initiative enhances financial autonomy, household agency, and access to essential services among women in Karnataka remains unclear. This study aims to empirically assess the real-world outcomes of the scheme and evaluate whether it fulfills its intended role as a gender-equitable welfare intervention.

Objectives of the Study

- Examine the socio-economic impact of the Gruha Lakshmi Yojana on women beneficiaries across Karnataka.
- Assess awareness, accessibility, and utilization of the scheme among rural and urban households.
- Evaluate changes in financial autonomy, household decision-making, and access to education, healthcare, and basic services.
- Identify implementation challenges and provide recommendations to enhance the scheme's effectiveness.

III. RESEARCH METHODOLOGY

The study employed a quantitative research approach with a descriptive design to assess the socio-economic impact of the Gruha Lakshmi Yojana on women in Karnataka. Primary data was collected through structured field surveys from 250 beneficiaries across rural and urban areas. Statistical analysis was conducted using SPSS tool. Demographic characteristics were analyzed using frequency tables, while one-sample t-tests were applied to test hypotheses related to financial condition, housing, education, healthcare, and empowerment. Descriptive statistics were used to identify patterns and measure the scheme's overall effectiveness. This approach provided empirical insights into women's autonomy, financial inclusion, and quality of life improvements.

Hypothesis development: Table 1.1

Area	Null Hypothesis (H ₀)	Alternative Hypothesis (H ₁)
Awareness	Beneficiaries lack awareness	Beneficiaries are well-informed
Economic Impact	No improvement in finances	Improved financial stability
Housing & Utilities	No change in living standards	Improved housing/services

Education	No educational benefits	Better access to education
Health & Empowerment	No health or social gains	Enhanced well-being and confidence
Satisfaction	Dissatisfied with scheme	High satisfaction and timely benefits
Overall Impact	No significant change	Perceived overall improvement

H₀: (Mean ≥ 3) H₁: (Mean < 3)

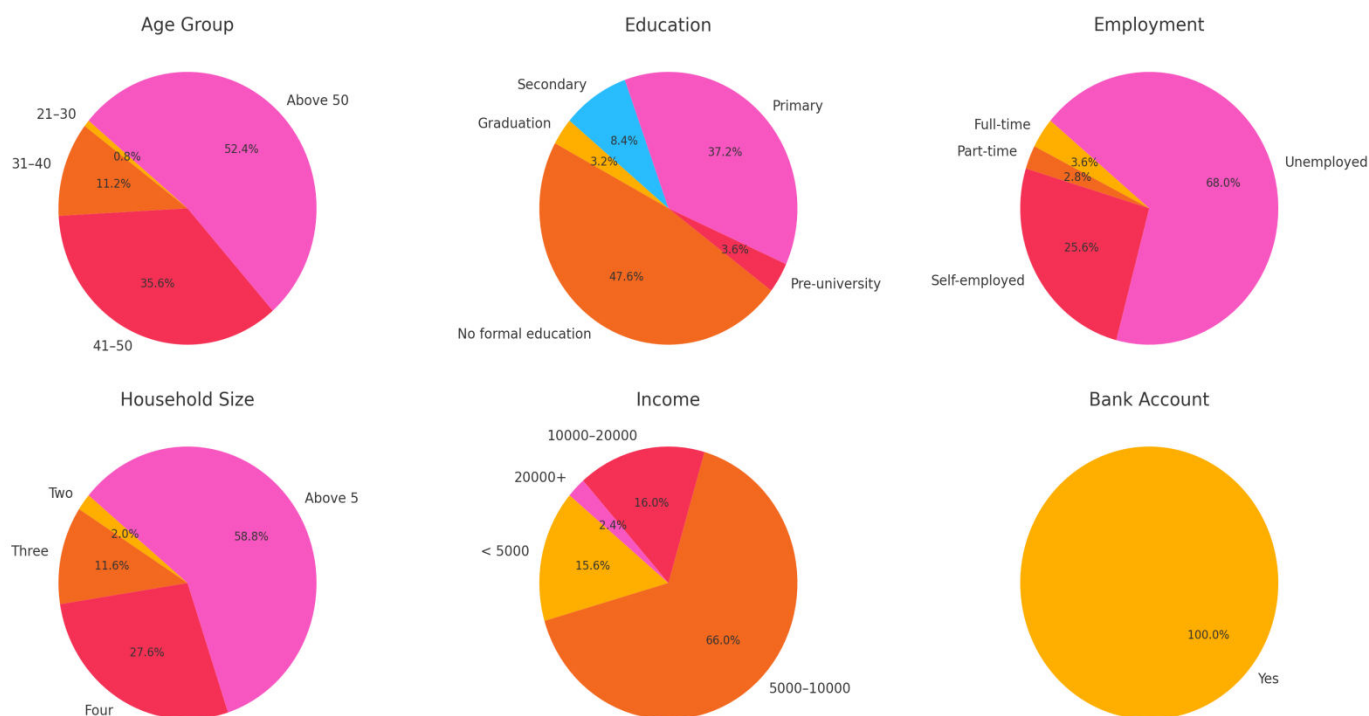
Analysis of the Survey

A structured survey of 250 women aged 25–60 across rural and urban Karnataka assessed the socio-economic impact of the Gruha Lakshmi Yojana. The study revealed improvements in financial independence, decision-making, and living standards, while also highlighting minor implementation challenges.

DEMOGRAPHIC ANALYSIS: Table 1.2

Category	Majority %	Key Insight
Age	52.4%	Majority above 50 years
Education Level	47.6%	No formal education
Employment	68.0%	Unemployed
Monthly Income	66.0%	Earn ₹5000–10,000
Bank Access	100%	All have bank accounts enabling direct benefit transfer

Demographic Analysis of Gruha Lakshmi Yojana Respondents



Awareness & Accessibility

- **Mean scores:** Ranged from 2.05–2.18 on a 5-point scale.
- **Significance:** All indicators (e.g., awareness, ease of application, guidance) had $p < 0.001$, showing strong awareness and ease of access.

Economic Impact: Table 1.3

Question	N	Mean	Std. Dev.	t-value	df	Sig. (2-tailed)	Mean Diff.	95% CI (Lower - Upper)
Improved household financial condition	250	2.66	0.566	-9.386	249	0.000	-0.336	-0.41 to -0.27
Reduced dependency on moneylenders/loans	250	2.82	0.536	-5.428	249	0.000	-0.184	-0.25 to -0.12
Able to save money after receiving benefits	250	2.38	0.564	-17.277	249	0.000	-0.616	-0.69 to -0.55
Helped start or expand a small business	250	2.70	0.574	-8.151	249	0.000	-0.296	-0.37 to -0.22
Met essential household expenses (food, rent, utilities)	250	2.03	0.614	-24.944	249	0.000	-0.968	-1.04 to -0.89

Interpretation: The economic indicators show statistically significant improvements ($p = 0.000$) across all items. The strongest impact was seen in meeting essential expenses and increasing savings. Moderate improvements were also observed in reducing loan dependency, improving financial condition, and supporting small businesses.

Housing & Living Standards

- Housing improvement (2.55), amenities access (2.62), standard of living (2.58).
- **Result:** Statistically significant enhancement ($p < 0.001$) in living standards.

Education & Skill Development

- Children's education (2.41), skill training (2.87), learning access (2.36), confidence in decision-making (2.82).
- **Result:** Positive educational and personal development impact ($p < 0.001$).

Social&Health Impact -One-Sample t-Test Results(N = 250, Test Value = 3): Table1.4

Question	N	Mean	Std. Dev.	t-value	df	Sig. (2-tailed)	Mean Diff.	95% CI (Lower - Upper)
Access to better healthcare services	250	1.88	0.586	-30.09	0.000	-1.12	-1.19 to -1.04	-1.19 to -1.04
Mental well-being improved due to financial stability	250	2.72	0.499	-8.75	0.000	-0.28	-0.34 to -0.21	-0.34 to -0.21
Empowered to participate in household/community decision-making	250	2.79	0.471	-6.99	0.000	-0.21	-0.27 to -0.15	-0.27 to -0.15
Status and respect within family/community improved	250	3.06	0.643	1.57	0.117	0.06	-0.02 to 0.14	-0.02 to 0.14

Interpretation: The scheme significantly improved healthcare access, mental well-being, and decision-making power (all $p < 0.001$). However, there was **no statistically significant improvement** in perceived social status ($p = 0.117$).

Satisfaction & Challenges

- Satisfaction (2.36), on-time payments (3.22), application difficulty (3.12), recommendation (2.08), expansion support (2.12).
- Strong support for the scheme and satisfaction with minor delays noted.

Overall Improvement (One-Sample T-Test): Table 1.5

Dimension	Mean	t-value
Economic Condition	2.64	-10.67
Living Condition	2.66	-10.50
Educational Access	2.35	-19.91
Social Status	2.83	-6.22

The one-sample t-test results indicate statistically significant improvements across all dimensions, with the strongest gains in educational access and economic condition. However, perceived improvement in social status, while positive, was relatively moderate.

IV. DISCUSSION

The findings confirm that the Gruha Lakshmi Yojana has led to multidimensional improvements in the socio-economic lives of women across Karnataka. Beneficiaries—predominantly older, less formally educated, and unemployed demonstrated noticeable enhancement in financial independence, housing standards, educational investment, healthcare access, and decision-making power. The consistent statistical significance across one-sample t-tests reaffirms the effectiveness of direct cash transfer policies in alleviating household financial stress and promoting inclusive development.

Despite the positive responses, gaps remain—particularly in social status recognition and digital capability. While women reported better participation in family decisions, their perceived standing in the wider community showed no significant shift. Similarly, despite 100% bank account access, deeper financial and digital literacy must be promoted to ensure holistic empowerment. Beneficiaries expressed satisfaction with the scheme's delivery but raised concerns regarding administrative hurdles and occasional delays in fund transfers, which indicate operational areas for improvement.

V. OVERALL CONCLUSION

This study concludes that the Gruha Lakshmi Yojana has made a substantial impact on improving the lives of women by providing unconditional financial support. The program empowered recipients economically, helped many avoid exploitative loan systems, supported basic needs, and enabled some to pursue micro-entrepreneurial ventures. Improvement in housing, access to basic amenities, and investment in children's education reflect the far-reaching implications of such welfare schemes.

Social empowerment, particularly decision-making within the family and improved mental well-being, further underlines the psychological and emotional gains experienced by women. However, the limited improvement in perceived social status and presence of minor administrative difficulties underscore the need for policy refinement.

The scheme represents a pivotal move toward gender-sensitive governance in India. It validates how monetary recognition of unpaid labor can contribute to financial inclusion, household autonomy, and welfare sustainability. Future expansions of such programs must emphasize systemic efficiency, digital integration, and complementary skill-building initiatives to ensure deeper and more lasting transformation.

VI. RECOMMENDATIONS

1. **Simplify Application & Documentation:** Reduce bureaucratic steps and language barriers to enhance accessibility, especially for women with low literacy levels.
2. **Timely Disbursement Mechanism:** Ensure punctual monthly payments via improved digital monitoring and grievance redressal systems.

3. **Digital & Financial Literacy Training:** Launch training camps in rural and semi-urban areas to help women navigate banking systems and digital transactions confidently.
4. **Skill Development Integration:** Combine cash support with vocational training, small-scale entrepreneurship development, and microcredit linkage programs.
5. **Expand Health & Wellness Services:** Pair cash transfers with health check-up camps, nutrition awareness, and mental health counseling for comprehensive support.
6. **Community Engagement Initiatives:** Promote women's collectives or SHGs to amplify collective voices, create social capital, and reduce isolation.
7. **Social Recognition Campaigns:** Run media and community awareness drives to shift perceptions around domestic labor, recognizing it as valuable economic work.
8. **Monitoring & Evaluation Framework:** Implement periodic third-party audits and beneficiary feedback systems to identify implementation gaps and measure real-time impact.

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International Journal of Advanced Research in Education and Technology

ISSN: 2394-2975

Impact Factor: 8.152