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Impact Of the Gruhalakshmi Scheme on Women's Financial Empowerment: A Conceptual and Empirical Framework with Special Reference to Mandya District

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***Abstract*—Women's financial empowerment is central to inclusive development because control over income and financial resources can influence household welfare, personal agency and participation in decision-making. The Government of Karnataka introduced the Gruhalakshmi Scheme to provide monthly financial assistance of ₹2,000 through Direct Benefit Transfer to eligible women identified as heads of households. This article examines the scheme as an instrument of financial and social empowerment, with special reference to Mandya district. It synthesizes the conceptual foundations of women's empowerment, financial inclusion and gender-targeted cash transfers, and develops an empirical framework for assessing changes in expenditure capacity, savings behaviour, financial autonomy, household decision-making, confidence and quality of life**

***Index Terms*—Gruhalakshmi Scheme; women's financial empowerment; direct benefit transfer; household decision-making; financial inclusion; Mandya district; gender-responsive welfare**

I. INTRODUCTION

Women's financial empowerment is increasingly recognized as both a human-development objective and an economic necessity. It refers not only to the receipt of income but also to a woman's ability to access, use and control financial resources; make informed financial decisions; manage risks; influence household priorities; and convert economic resources into wider social agency. In contexts where women undertake a large share of unpaid domestic and care work, a regular income transfer paid directly into their accounts may carry significance beyond its monetary value. It can recognize women as economic actors and provide a degree of independent purchasing power.

In India, women's participation in formal employment, asset ownership, credit markets and household financial decisions remains uneven. Rural women often combine agricultural labour, informal work and unpaid household responsibilities while having limited control over the income generated by the family. Barriers such as low financial literacy, restricted mobility, inadequate access to banking services, social norms and dependence on male household members can reduce the transformative effect of welfare programmes. Hence, the design and delivery of gender-targeted financial assistance deserve systematic examination.

The Government of Karnataka introduced the Gruhalakshmi Scheme under a government order dated 6 June 2023. The Department of Women and Child Development states that the scheme provides ₹2,000 per month through Direct Benefit Transfer to the registered eligible female head of the family. Women named as heads of households in Antyodaya, BPL and APL ration cards are eligible, subject to specified income-tax and GST-related exclusions. The official portal also records those payments through DBT began on 30 August 2023. By directing the transfer to women, the scheme seeks to enhance economic empowerment and support household welfare.
Mandya district provides an appropriate setting for studying the scheme. The district has a strong agrarian base, a substantial rural population and a social structure in which women contribute to agriculture, household production, care work and family management. At the same time, women's independent access to regular income may be limited. The effect of a monthly transfer may therefore be visible in food

expenditure, health care, children's education, debt management, personal purchases, savings, confidence and participation in family decisions. This article develops a rigorous framework for analyzing these dimensions.

II. BACKGROUND AND RATIONALE OF THE STUDY

A cash transfer can serve multiple functions for low- and middle-income households. It may smooth consumption when income is irregular, reduce the need for costly borrowing, enable small but essential purchases and provide a minimum level of financial predictability. When paid directly to women, the transfer may also alter the distribution of resources within the household. Bargaining models of the household suggest that control over resources influences whose preferences are reflected in spending decisions. Thus, the identity of the recipient matters.

The rationale for focusing on women is also connected to the gendered nature of household expenditure. Women frequently manage daily needs such as food, medicines, school expenses and utilities, even where they do not control the household's main income. A predictable transfer may reduce the gap between responsibility and financial authority. Nevertheless, receipt of money does not automatically imply empowerment. A woman may be the nominal account holder but may not control withdrawals or spending. Payments may be delayed, bank access may be difficult, digital authentication may fail, or family members may appropriate the transfer. A meaningful assessment must therefore go beyond awareness and receipt to examine actual control, use and decision-making.

The present study is necessary because the impact of a state-wide programme can vary across districts and social groups. Rural and urban beneficiaries may differ in banking access, employment, education, household structure and spending needs. Mandya-specific evidence can help administrators identify implementation gaps and design complementary measures suited to local conditions.

III. CONCEPTUAL FOUNDATIONS

Kabeer's widely used framework views empowerment through the interaction of resources, agency and achievements. Resources include material, human and social assets; agency refers to the ability to define goals and act upon them; and achievements are the outcomes of those choices. Applied to the Gruhalakshmi Scheme, the monthly transfer is a resource. Financial decision-making, independent purchasing and control over withdrawals represent agency. Improved food security, savings, confidence or reduced dependence represent potential achievements.

Agarwal's work on bargaining and gender relations demonstrates that women's fallback position, property rights and command over resources can influence bargaining power within families. Although a monthly cash transfer is not equivalent to ownership of productive assets, it may improve day-to-day bargaining capacity and reduce complete dependence on other household members.

Financial empowerment also requires financial capability. Access to a bank account is only one component. Women need knowledge of balances, withdrawals, savings products, digital safety, grievance procedures and household budgeting. Without such capability, a transfer may improve immediate consumption without building long-term resilience. Therefore, financial literacy and accessible institutional support are treated as enabling conditions in this framework.

IV. REVIEW OF LITERATURE

The literature on women's empowerment consistently shows that resources placed under women's control can influence household allocation and welfare. Kabeer (1999) emphasised that empowerment involves the expansion of the ability to make strategic life choices, particularly where this ability was previously denied. Agarwal (1997) highlighted the importance of women's bargaining position within households and communities.

Duflo (2012) argued that women's empowerment and economic development reinforce one another, but also cautioned that economic growth alone does not eliminate gender inequality. Policy interventions must directly address the constraints that limit women's opportunities and voice. World Bank research similarly links gender equality with productivity, development outcomes and intergenerational welfare.

Studies of financial inclusion indicate that account ownership can strengthen women's capacity to save and manage money when accounts are accessible and actively used. Prina (2015), in a field experiment on bank accounts, found that access to formal savings mechanisms can increase financial activity and improve household resilience. Suri and Jack (2016) showed that mobile money expansion in Kenya contributed to poverty reduction and helped women shift from subsistence agriculture toward business occupations, illustrating the potential of accessible digital finance.

Research on cash transfers suggests that effects depend on payment regularity, recipient control, complementary services and the broader social environment. Transfers may improve consumption, nutrition, school participation and psychological well-being, but structural barriers can restrict their longer-term impact on employment, asset creation and gender norms. Gender-targeted transfers are more likely to strengthen women's agency when payment mechanisms protect privacy and control, when banking services are nearby and when beneficiaries understand their entitlements.

Recent policy discussions in India have emphasized the expansion of Direct Benefit Transfer as a mechanism for reducing leakages and delivering assistance directly to beneficiaries. The Gruhalakshmi Scheme represents a distinctive gender-targeted model because the eligible female head of household is the recipient. The official objective is economic empowerment, but its success should be assessed using indicators of autonomy, savings, decision-making and quality of life rather than the transfer amount alone.

Existing discussions of the scheme commonly describe its objectives and beneficiary coverage, but district-level evidence remains limited. There is particular need to examine whether the transfer is regular, who controls it, how it is spent, whether women save any portion, and whether rural and urban experiences differ. This constitutes the principal research gap addressed by the proposed Mandya study.

V. RESEARCH GAP

Three gaps are evident. First, programme monitoring often focuses on registration and disbursement, while empowerment requires evidence about control, choice and outcomes. Second, state-level averages may conceal local differences in payment regularity, banking access and social norms. Third, many assessments treat economic and social empowerment separately, although financial control may influence confidence, respect and household participation. The proposed study integrates these dimensions in a single district-level framework.

VI. STATEMENT OF THE PROBLEM

The Gruhalakshmi Scheme was introduced to strengthen women's economic position through a monthly transfer of ₹2,000. However, the extent to which this assistance creates meaningful financial independence in Mandya district is not yet established. It is necessary to determine whether beneficiaries control the transfer, use it for household and personal needs, save a portion, participate more actively in financial planning, experience reduced dependence and report improved living conditions. It is equally important to identify delays, access barriers and rural–urban differences.

VII. OBJECTIVES OF THE STUDY

1. To examine the role of the Gruhalakshmi Scheme in enhancing women's financial empowerment in Mandya district.
2. To analyze the utilization of the monthly assistance for household expenditure, personal needs, savings and income-generating activities.
3. To assess changes in women's financial independence, confidence and participation in household decision-making.
4. To compare the experiences of rural and urban beneficiaries.
5. To identify operational difficulties faced in receiving the benefit and suggest measures for improving the scheme.

VIII. HYPOTHESES FOR EMPIRICAL TESTING

H01: The perceived regularity of payment has no significant association with women's financial independence.

H02: There is no significant difference between rural and urban beneficiaries in the empowerment outcomes of the scheme.

H03: Utilization of the transfer for savings has no significant relationship with reduced financial dependence.
H04: Financial empowerment has no significant relationship with participation in household decision-making.

IX. SCOPE OF THE STUDY

The study is confined to women beneficiaries of the Gruhalakshmi Scheme in Mandya district. It covers demographic characteristics, awareness, receipt and regularity of payments, utilization, savings, independent purchases, financial contribution, household planning, social confidence, living conditions and implementation challenges. The proposed sample consists of 200 respondents from rural and urban locations. The findings, when data are collected, will primarily apply to the selected respondents and cannot automatically be generalized to all beneficiaries in Karnataka.

X. PROPOSED RESEARCH METHODOLOGY

Research design: The study adopts a descriptive and analytical design. The descriptive component profiles beneficiaries and documents their experiences. The analytical component tests associations and differences among key empowerment variables.
Sources of data: Primary data are to be collected through a structured questionnaire administered to Gruhalakshmi beneficiaries. Secondary data include government orders, official departmental information, policy reports, books and research articles on women's empowerment, cash transfers and financial inclusion.
Sample size and sampling: A sample of 200 beneficiaries is proposed. To ensure meaningful comparison, respondents should be selected from both rural and urban areas of Mandya district. Where a complete beneficiary list is available, proportionate stratified random sampling is preferable. If such a list is not accessible, multistage or carefully documented convenience sampling may be used, with acknowledgement of its limitations.
Research instrument: The questionnaire contains sections on demographic profile, awareness, receipt of benefits, economic empowerment, social empowerment, changes in living conditions, contribution to family, payment challenges and overall impact. Likert-type items should be coded consistently so that composite indices can be constructed.
Statistical tools: Frequency and percentage analysis may be used for demographic and categorical responses. Weighted mean scores can rank empowerment statements and challenges. Cronbach's alpha should test the internal consistency of multi-item scales. Chi-square tests can examine associations between categorical variables. Independent-sample t-tests or Mann–Whitney tests may compare rural and urban respondents. Pearson or Spearman correlation may test relationships among regularity, savings, independence and decision-making. Multiple regression may be used to identify predictors of overall empowerment if assumptions are satisfied.

XI. PROPOSED ANALYTICAL FRAMEWORK

The dependent construct is women's financial empowerment. It may be measured through a composite score based on: ability to meet personal and household expenses; capacity to save; freedom to make purchases; contribution to household planning; reduced dependence on family members; and participation in financial decisions. Social empowerment may be assessed through perceived respect, confidence, community participation and voice in household decisions.
Key explanatory variables include age, education, occupation, marital status, rural–urban residence, payment regularity, control over the bank account, awareness of the scheme, principal use of the transfer and financial literacy. Payment regularity is expected to be especially important because predictable income supports budgeting and trust in the programme.
A distinction should be maintained between immediate welfare effects and transformative empowerment. Spending on food, medicine and education may improve household welfare. Savings, independent choices and increased bargaining power indicate deeper empowerment. Both are valuable, but they should not be treated as identical.

XII. LITERATURE-BASED DISCUSSION OF EXPECTED PATHWAYS

➢ Household consumption and financial relief:
The transfer can ease pressure on routine household budgets. For families with irregular agricultural or

informal income, ₹2,000 may support food, medicines, transport, school expenses or utility payments. The effect is likely to be greater among lower-income households, though inflation and family size may reduce its adequacy.

➢ Savings and resilience:
A regular transfer may enable small savings, especially when basic expenses are partly covered by other income. Even modest savings can reduce dependence on informal borrowing during emergencies. However, beneficiaries require accessible savings options and confidence in formal banking.

➢ Independent financial choice:
Direct payment into a woman's account can create an opportunity for independent spending. Yet autonomy depends on who holds the passbook, controls the mobile phone, knows the PIN and decides withdrawals. The survey must therefore distinguish account ownership from effective control.

➢ Household decision-making:
A visible financial contribution may increase women's involvement in budgeting and family decisions. The change may be strongest in routine expenditure and weaker in strategic decisions involving land, large loans or children's higher education. Empowerment should consequently be measured across different decision domains.

➢ Confidence and recognition:
Regular income may improve self-esteem and perceived respect, particularly among homemakers whose unpaid work is rarely assigned monetary value. The symbolic recognition of women as recipients can be socially important. Nevertheless, durable empowerment requires complementary opportunities for education, skills, mobility and employment.

➢ Rural–urban differences:
Rural beneficiaries may face longer travel to banks, limited digital connectivity and greater dependence on intermediaries.
Urban beneficiaries may have better service access but face higher living costs. A district-level comparison can reveal whether the same transfer produces different outcomes in different settings.

➢ Implementation risks:
Delayed or irregular instalments reduce the usefulness of the scheme for budgeting. Errors in Aadhaar seeding, ration-card information, account status or authentication can interrupt payment. Beneficiaries may not know the appropriate grievance channel. These operational factors can weaken confidence even when the programme design is sound.

XIII. POLICY SUGGESTIONS

1. Ensure predictable and timely monthly transfers, with clear SMS or receipt-based confirmation.
2. Establish a simple district-level grievance system with tracking numbers and defined resolution timelines.
3. Conduct financial-literacy sessions through Anganwadi centres, self-help groups, colleges and local bodies.
4. Help beneficiaries understand account balances, safe digital transactions, nominee facilities and savings options.
5. Provide special support camps for Aadhaar, ration-card and bank-account corrections.
6. Link interested beneficiaries with self-help groups, skill development, micro-enterprise training and credit counselling.
7. Monitor effective control over the transfer, not merely account ownership.
8. Publish district-level data on payment regularity, failed transactions and grievance resolution while protecting personal information.
9. Use periodic independent evaluations that include rural–urban, age, occupation and social-group comparisons.
10. Treat the scheme as a foundation for empowerment, complemented by employment, childcare, mobility, health and education policies.

XIV. CONCLUSION

The Gruhalakshmi Scheme is an important gender-responsive welfare initiative because it directs a regular cash transfer to the woman identified as head of the household. Its potential lies in reducing immediate financial stress, recognising women's economic role and creating space for greater control over every day financial decisions. In Mandya district, where many women combine unpaid care work with agricultural or informal economic activity, the transfer may contribute to household stability and personal confidence.

At the same time, empowerment cannot be inferred from transfer receipt alone. The central questions are whether payments are regular, whether women control the funds, whether they can save or make independent purchases, and whether their participation in household decisions increases. Financial literacy, accessible banking, grievance redressal and livelihood opportunities are necessary to convert income support into lasting capability.

The proposed survey of 200 beneficiaries offers a suitable framework for empirical assessment. Until genuine respondent-level data are collected, conclusions must remain conceptual and literature-based. Future analysis should preserve this distinction and report only verifiable findings. A rigorous Mandya study can provide valuable evidence for strengthening the scheme and designing more effective women-centred social protection policies.

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