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Guarantee Schemes and Women's Empowerment: Populism, Policy, and Political Agency

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Abstract

Karnataka's Guarantee Schemes represent a significant shift in welfare governance, placing women's empowerment at the forefront of public policy and political discourse. This study examines the socio-economic and political implications of the Gruhalakshmi and Shakti Schemes, with particular attention to women's financial autonomy, mobility, and political agency. Adopting a descriptive and analytical research design, the study draws on secondary data from Karnataka Economic Surveys, State Budget documents, and official reports covering FY 2023–24 to FY 2026–27. The findings indicate that the five Guarantee Schemes received a cumulative allocation of Rs.1,83,999 crore, with Gruhalakshmi and Shakti accounting for approximately 67 percent. The analysis highlights the potential of direct financial transfers and free public transportation to strengthen women's decision-making within households, employment opportunities, and social participation. However, fiscal sustainability and productive economic inclusion remain critical challenges. The study argues that Guarantee Schemes can transform electoral populism into gender-responsive public policy, thereby advancing women's economic independence and political agency.

Keywords: Guarantee Schemes, Gruhalakshmi, Shakti Scheme, Political Agency. Welfare Populism, Women's Empowerment

Introduction

In contemporary Indian democratic politics, the emergence of state-led "Guarantee Schemes" represents a decisive shift in welfare governance, transforming social protection from discretionary relief into a central pillar of electoral strategy and public policy. Originating prominently in Karnataka in 2023 with flagship initiatives such as the *Gruhalakshmi* scheme launched on June 6, 2023 the Government of Karnataka introduced a comprehensive welfare framework comprising the "Five Guarantees": *Gruhalakshmi* (monthly direct cash transfers of Rs.2,000 to female heads of households), *Shakti Yojana* (fare-free public bus travel for women), *Gruha Jyothi* (free domestic electricity up to 200 units), *Anna Bhagya* (free food grains for Below Poverty Line households), and *Yuva Nidhi* (unemployment allowances for educated youth). The core policy intentions behind these interventions are twofold: first, to mitigate household vulnerability to inflation, poverty, and rising living costs by redistributing public resources toward economically weaker and marginalized sections; and second, to dismantle structural gender barriers. Specifically, *Gruhalakshmi* and *Shakti* were designed to formally recognize women's unpaid domestic and care labor, foster financial inclusion through Aadhaar-linked Direct Benefit Transfers (DBT), reduce economic dependence on male family members, and expand women's physical mobility to access education, healthcare, and labor markets. Viewed through a political lens, Guarantee Schemes occupy a contested intersection between competitive populism and rights-based social justice. Politically, these programs operate as both instruments of socio-economic redistribution and mechanisms of electoral mobilization, used by political parties to consolidate voter confidence, build political legitimacy, and reshape state-society relations. While critics frequently characterize such expansive welfare outlays as fiscally burdensome populism that risks long-term state debt and beneficiary dependency, proponents frame them as gender-responsive governance that catalyses women's

political agency. By positioning women as primary recipients of state guarantees, these policies elevate women from passive household dependents to autonomous economic and political actors, strengthening their intra-household bargaining power, enhancing community participation, and reconfiguring electoral accountability around tangible welfare delivery. Women's empowerment and socio-economic inclusion remain central pillars of the government's welfare agenda. Through targeted flagship initiatives, the state has focused on enhancing mobility, financial independence, and household security for women across Karnataka. Two cornerstone programs driving this transformation are the Shakti Scheme and the Gruhalakshmi Scheme. Under the Shakti Scheme, which provides free public bus travel to promote women's mobility and workforce participation, beneficiaries have undertaken 684 crore trips to date, supported by a budgetary allocation of Rs. 5,300 crores for 2026–27. Complementing this is the Gruhalakshmi Scheme, which directly strengthens household financial stability by providing direct benefit transfers to women heads of families; so far, Rs. 62,345 crores have been disbursed to 1.24 crore eligible beneficiaries, with an additional Rs. 28,608 crores earmarked for the current financial year. Together, these initiatives reflect a sustained fiscal commitment toward inclusive growth and women-led development.

To situate Karnataka's Guarantee Schemes within broader theoretical debates on gender empowerment, welfare policy, and political agency, the following section reviews foundational development frameworks alongside recent empirical evaluations of state-led social protection programs. NITI Aayog (2022) [1] and NABARD (2023) assessed rural women's economic participation and financial inclusion in Karnataka. Both reports identified transport costs, safety concerns, and traditional gender norms as primary barriers to rural women's access to formal credit and regional labor markets. Murthy (2024) [2] analyzed the political economy of guarantee schemes in India, situating state-level welfare models within broader debates on competitive populism and fiscal federalism. The study observed that framing welfare transfers as enforceable guarantees reshapes electoral mobilization and state-society relations while posing significant fiscal management challenges for state governments. Rafiq (2024) [3] conducted a critical study of the political, economic, and psychological impacts of electoral welfare transfers in Indian politics. The author examined the tension between short-term electoral incentives and long-term socio-economic welfare, highlighting debates around beneficiary dependency and public expenditure priorities. Sreenivasan (2024) [4] evaluated the impact of Karnataka's Shakti scheme on women's mobility and social inclusion. The study found that fare-free public bus travel significantly reduced financial barriers to mobility, directly enhancing women's access to local labor markets, healthcare facilities, and educational institutions across rural and semi-urban areas. Dongre (2025) [5] investigated the impact of the Gruhalakshmi scheme on rural women's empowerment through a primary survey of 100 beneficiaries in Shivamogga district, Karnataka. Using chi-square analysis, the study concluded that monthly Direct Benefit Transfers (DBT) of Rs.2,000 significantly enhanced women's financial independence, elevated their role in family decision-making, and formally recognized the economic value of unpaid domestic labor, with 80% of respondents reporting empowerment. Jogan (2026) [6] examined the socio-economic and political impact of Karnataka's guarantee schemes Gruha Lakshmi, Shakti, Gruha Jyothi, Anna Bhagya, and Yuva Nidhi using secondary data from the Economic Survey of Karnataka (2025) and state finance reports. The study found that composite scheme benefits increased BPL household disposable income by 25 to 40%, catalyzed the opening of over 25 lakh women's bank accounts, and boosted female bus ridership by 25–35%, while cautioning against rising fiscal burdens and weak linkages to skill development. Sowmya and Muruli (2026) [7] analyzed gender economic equality through the combined lens of the Gruhalakshmi and Shakti schemes among 100 women beneficiaries in Kolar district, Karnataka. Their statistical findings demonstrated a strong positive correlation between Gruhalakshmi utilization and financial autonomy, with 83% of respondents reporting improved expense management, 72% reporting stronger financial decision-making roles, and 88% experiencing greater mobility for employment and healthcare, despite challenges such as irregular disbursements and overcrowded buses. This study examines the socio-economic impact of Karnataka's Guarantee Schemes, specifically Gruhalakshmi and Shakti Yojana, on women's financial independence, mobility, and household decision-making. This study analyzes the political dimensions of Guarantee Schemes, focusing on how shifting from electoral populism to rights-based welfare shapes state finances and women's political agency. The study is also limited to two schemes related to women's empowerment: Shakti and Gruhalakshmi Yojana.

Material and Methods

The present study adopts a descriptive and analytical research design grounded entirely in secondary data covering a four-year financial period from FY 2023–24 to FY 2026–27 to examine the budgetary dynamics, socio-economic outcomes, and political economy of Karnataka's five flagship Guarantee Schemes (Gruha Lakshmi, Shakti Yojana, Gruha Jyothi, Anna Bhagya, and Yuva Nidhi). Secondary data were systematically compiled from authoritative Government of Karnataka publications, including the Karnataka Economic Survey, Karnataka State Budget documents, and official press notes and departmental reports issued by the respective implementing agencies, namely the Department of Women and Child Development, the Karnataka State Road Transport Corporation (KSRTC), the Department of Energy, the Department of Food and Civil Supplies, and the Department of Skill Development, Entrepreneurship and Livelihood. To interpret multi-year fiscal outlays and evaluate scheme-wise trends, the collected data were systematically classified using cross-tabulation, analyzed through descriptive statistics (totals, averages, percentage shares, and annual growth rates), and visually illustrated through comparative charts.

Results and Discussion

This section analyses the performance and impact of Karnataka's Guarantee Schemes, particularly the Gruhalakshmi and Shakti Schemes, based on secondary

data. It discusses their financial allocations, beneficiary coverage, and contributions to women's economic empowerment, mobility, employment, and social participation.

Table 1: Scheme-Wise Financial Allocation Across FY2023-24 to FY2026-27

(in ₹Crores)

Sl. No.	Schemes	2023	2024	2025	2026	Total	Share (%)	Overall Growth	CAGR (%)
1	Gruha Jyothi	8900	9158	10100	10578	38736	21	18.85%	5.93%
2	Shakthi Scheme	3200	5615	5300	5300	19415	11	65.63%	18.32%
3	Annabhagya Scheme	-	7858	6426	6200	20484	11	-21.10%	-11.17%
4	Yuvanidhi Scheme	89	287	600	600	1576	1	574.16%	88.91%
5	Gruha Lakshmi	16964	29608	28608	28608	103788	56	68.61%	19.03%
6	Total Allocation	29153	52526	51034	51286	183999	100	75.92%	20.72%

Note: '-' indicates no figure listed for FY 23-24 in the Annabhagya Scheme.
***Source*:** Dept. of Finance, Govt. of Karnataka

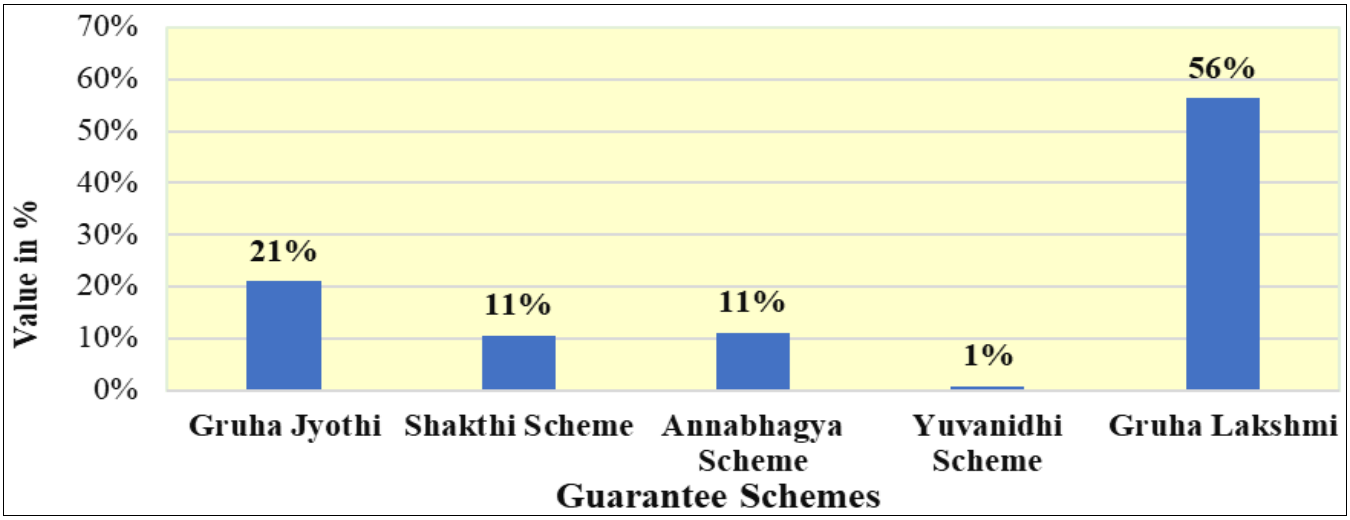

Fig 1: Scheme-wise Financial Share of Guarantee Schemes from 2023-24 to 2026-27

An examination of scheme-wise financial allocation from FY2023–24 to FY2026–27 shows a decisive fiscal prioritization of women-centric welfare, illustrating how electoral populism is institutionalized through structured policy instruments that advance women's socio-economic and political agency. Of the cumulative Rs.1,83,999 crore allocated across the five guarantee schemes, Gruhalakshmi (Rs.1,03,788 crore; 56%) and the Shakthi Scheme (Rs.19,415 crore; 11%) together command 67% (Rs.1,23,203 crore) of the entire welfare outlay, consistently absorbing roughly two-thirds of annual guarantee budgets (from 69.17% in FY2023–24 to 66.12% in FY2026–27). Household-oriented schemes such as Gruha Jyothi (21%) and Annabhagya (11%) further ease domestic burdens disproportionately borne by women. Rather than functioning as transient pre-election freebies, these women-focused allocations exhibit strong institutional durability: after surging by 80.17% in total outlay from the partial launch year (FY2023–24) to the first full operational year (FY2024–25), both Gruhalakshmi and Shakthi achieved steady budgetary stabilization at Rs.28,608 crore and Rs.5,300 crore, respectively, across FY2025–26 and FY2026–27, recording robust four-year CAGRs of 19.03% and 18.32% (compared to Annabhagya's -11.17% contraction and Yuvanidhi's marginal 1% share). By simultaneously strengthening intra-household financial autonomy through direct cash transfers (Gruha Lakshmi) and expanding public spatial mobility through fare-free transit (Shakthi), this sustained fiscal commitment transforms women from passive welfare recipients into an empowered economic and political constituency with enhanced bargaining power and substantive political agency.

Table 2: Performance of the Gruhalakshmi Scheme in Karnataka (2023 to 2026)

(in ₹ Crores)

Sl. No.	Year	No. of Beneficiaries	Amount Released	Share (%)
1	2023-24	1,18,41,621	16,964	15.26
2	2024-25	1,21,12,403	29,608	26.63
3	2025-26	1,28,88,617	28,608	25.73
4	2026-27*	1,31,00,817	36,016	32.39
5	Total	4,99,43,458	1,11,196	100

2026-27* Budget Estimates (BE)
***Source*:** Dept. of Finance, Govt. of Karnataka

The table presents the year-wise performance of the Gruhalakshmi Scheme in Karnataka from 2023–24 to 2026–27 (BE). The number of beneficiaries increased steadily from 1.18 crore (1,18,41,621) in 2023–24 to 1.31 crore (1,31,00,817) in 2026–27, indicating a consistent expansion in the scheme's coverage. The amount released also rose substantially from ₹16,964 crore in 2023–24 to Rs. 36,016 crore in 2026–27, reaching a record share of 32.39 percent in 2026–27. Over the four years, total financial disbursements amounted to Rs. 1,11,196 crore, covering

approximately 4.99 crore (4,99,43,458) annual beneficiary records. The expanding coverage and sustained budgetary allocation underscore the Gruhalakshmi Scheme's significance as a flagship welfare intervention that provides direct financial assistance to women heads of households. Viewed through the lens of women's empowerment and political agency, the scheme has strong potential to enhance women's intra-household financial autonomy, strengthen their bargaining and decision-making capacity within families, and provide greater control over household expenditure. However, its long-term transformative impact on women's empowerment should also be evaluated in terms of sustained economic independence, productive workforce participation, and broader social and political agency, rather than direct cash transfers alone.

Table 3: Year-wise Performance of the Shakti Scheme in Karnataka (2023 to 2026)

(in ₹ Crore)

Sl. No.	Period Summary (Totals)	Beneficiaries (Crore)	Free Travel Value	Amount Released
2	2023-24	183.05	4380.37	3199.75
4	2024-25	244.64	6185.44	5015
5	2025-26	208.11	5845.21	3975.7
6	2026-27 (up to July 26)	93.75	3,541	-

***Source*:** Karnataka Economic Survey; various reports

The table presents the year- wise performance of the Shakti Scheme in Karnataka from 2023–24 to 2026–27. The number of beneficiaries rose from 183. 05 crore in 2023–24 to a peak of 244. 64 crore in 2024–25, indicating rapid expansion in the scheme's coverage and utilization. The free travel value also increased from Rs. 4,380.37 crore to Rs.6,185.44 crore during the same period, with the highest share of 31.00 percent recorded in 2024–25. The total free travel value generated over the period amounted to Rs.19,952.02 crore, covering approximately 729.55 crore cumulative beneficiary trips. The rising ridership and allocation underscore the Shakti Scheme's significance as a major welfare intervention aimed at providing fare-free public mobility to women. From a women's empowerment perspective, the scheme can strengthen women's spatial mobility, reduce out-of-pocket travel expenses, and provide greater access to public spaces, education, and healthcare. However, its long-term contribution to women's empowerment should also be assessed in terms of economic independence, productive participation, and social agency, not just subsidized travel. The Shakti Scheme has positively influenced women' s mobility, economic opportunities, and social empowerment in Karnataka. According to a survey by M 2 M Media Network, women's participation increased from 57% in September 2023 to 64% in November 2023, while daily public transport usage rose from 20% to 27%. The survey further revealed that the scheme encouraged 50% of women to enter employment. By providing free bus travel, the scheme has improved women' s access to education, employment, healthcare, pilgrimage, and tourism, while reducing their transportation expenses. Furthermore, a study by the Fiscal Policy Institute found an increase in the female Labor Force Participation Rate (LFPR) and the female Worker Population Ratio (WPR) following the scheme's implementation. Overall, the Shakti Scheme has emerged as a significant welfare intervention supporting women' s mobility, economic participation, and financial independence.

Conclusion

Karnataka's transition from electoral promises to sustained public expenditure represents a watershed in gender-focused state policy. Gruhalakshmi and Shakti receive 67% of the state's Rs. 1.83 lakh crore guarantee budget, establishing them as durable policies rather than temporary populist measures. Together, these initiatives address two major barriers to women's autonomy: household dependence and limited mobility. Gruhalakshmi's direct transfers recognize women as economic actors and strengthen their bargaining power and role in family decision-making. Shakti eliminates transit costs, thereby expanding access to public life. Evidence from the Fiscal Policy Institute and independent surveys links these measures to increased female labor force participation and worker-population ratios. Additionally, 50% of surveyed women reported being encouraged to seek work, alongside greater participation among workers in the unorganized sector. By placing resources in women's hands and expanding access to employment and civic spaces, these schemes reshape the social contract, positioning women as economically active and politically empowered citizens.

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