



Original Article

Guarantee Schemes of Karnataka: A Study on Welfare Governance and Socio-Economic Impact

Dr. Santosh B. Kabade

Associate Professor, Government First Grade College, Navabag, Vijayapur (Karnataka)

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Correspondence Address:

Dr. Santosh B. Kabade

Associate Professor, Government First

Grade College, Navabag, Vijayapur

(Karnataka)

Email:

prof.santosh.b.kabade@gmail.com



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Abstract

The Government of Karnataka introduced five major guarantee schemes in 2023 with the objective of improving social welfare, reducing poverty, and empowering vulnerable sections of society. The schemes include Gruha Lakshmi, Gruha Jyoti, Anna Bhagya, Shakti, and Yuva Nidhi. These initiatives mainly focus on women empowerment, food security, unemployment assistance, and affordable public services. The study examines the socio-economic impact, financial implications, implementation challenges, and sustainability of these guarantee schemes. Statistical analysis reveals that the schemes have benefited crores of citizens and significantly improved household consumption, women's mobility, and financial inclusion. However, rising fiscal deficits, leakages, and administrative inefficiencies have raised concerns regarding long-term sustainability. The paper concludes that while guarantee schemes have strengthened welfare governance, reforms in beneficiary targeting and fiscal management are necessary for sustainable development.

Keywords: Guarantee Schemes, Welfare Policy, Karnataka Government, Women Empowerment, Fiscal Deficit, Social Security, Public Finance, Poverty Alleviation

Introduction

Welfare schemes play a crucial role in achieving inclusive growth and social justice in India. In 2023, the Government of Karnataka launched five flagship "Guarantee Schemes" after the state elections. These schemes were designed to provide direct economic assistance and improve the quality of life for economically weaker sections.

The five guarantee schemes are:

1. Gruha Lakshmi – ₹2,000 monthly assistance to women heads of families.
2. Gruha Jyoti – Free electricity up to 200 units for households.
3. Anna Bhagya – Free food grains for Below Poverty Line (BPL) families.
4. Shakti Scheme – Free bus travel for women in government buses.
5. Yuva Nidhi – Unemployment allowance for graduates and diploma holders.

The schemes gained national attention because of their large-scale implementation and political significance. According to reports, Karnataka spent thousands of crores annually on these welfare measures, covering millions of beneficiaries.

Objectives of the Study

1. To study the various guarantee schemes introduced by the Karnataka Government.
2. To analyze the socio-economic impact of these schemes.
3. To evaluate the financial burden on the state government.
4. To identify implementation challenges faced during execution.
5. To provide suggestions for improving the effectiveness and sustainability of welfare schemes.

Research Methodology

The study is based on secondary data collected from:

- Government reports
- Budget documents

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- Newspaper articles
- Research studies
- CAG reports
- Online journals and reports

The methodology used is descriptive and analytical in nature. Statistical data regarding beneficiaries, expenditure, and fiscal impact have been analyzed to understand the effectiveness of the schemes.

Overview of Karnataka Guarantee Schemes

Scheme	Benefits Provided	Target Beneficiaries
Gruha Lakshmi	₹2,000 per month	Women heads of families
Gruha Jyoti	Free electricity up to 200 units	Domestic households
Anna Bhagya	Free food grains	BPL families
Shakti	Free bus travel	Women passengers
Yuva Nidhi	Unemployment allowance	Graduates and diploma holders

Statistical Analysis of Guarantee Schemes

1. Government Expenditure on Guarantee Schemes

Scheme	Approximate Expenditure
Gruha Lakshmi	₹50,005 crore
Gruha Jyoti	₹18,139 crore
Anna Bhagya	₹11,821 crore
Shakti	₹13,903 crore
Yuva Nidhi	₹623 crore

Source reports indicate that Karnataka spent nearly ₹97,813 crore on guarantee schemes within a short period of implementation.

2. Beneficiary Statistics

Scheme	Beneficiaries
Gruha Lakshmi	1.24 crore women
Gruha Jyoti	1.64 crore households
Anna Bhagya	72.02 crore food grain distributions
Shakti	544 crore passenger rides
Yuva Nidhi	2.55 lakh youth

3. Fiscal Impact on Karnataka Economy

Indicator	Before Schemes	After Schemes
Fiscal Deficit	₹46,623 crore	₹65,522 crore
Revenue Expenditure Share	—	15% spent on guarantees
Net Borrowings	₹26,000 crore	₹63,000 crore

The Comptroller and Auditor General (CAG) warned that guarantee schemes significantly increased Karnataka's fiscal burden and reduced capital expenditure on infrastructure.

Positive Impact of Guarantee Schemes

1. Women Empowerment

The Gruha Lakshmi and Shakti schemes improved women's financial independence and mobility. Studies revealed that many women used the assistance for household welfare, healthcare, and education.

2. Poverty Reduction

Anna Bhagya and Gruha Jyoti reduced the burden of food and electricity expenses on poor households, increasing disposable income.

3. Increased Public Transport Usage

The Shakti scheme resulted in a massive increase in women's use of public transport, improving access to employment and education opportunities.

4. Youth Support

Yuva Nidhi provided temporary financial relief to unemployed graduates and diploma holders.

5. Social Welfare Expansion

The schemes improved social security coverage and welfare access among economically weaker sections.

Challenges of Guarantee Schemes

- Fiscal Burden: The biggest challenge is the increasing financial pressure on the state budget. CAG reports highlighted growing fiscal deficits and rising debt levels.

- Leakages and Ineligible Beneficiaries: Reports indicated that several ineligible beneficiaries and even deceased persons continued receiving benefits.
- Delay in Payments: Beneficiaries under Gruha Lakshmi faced delays in receiving payments during certain months.
- Reduction in Capital Expenditure: Higher welfare spending reduced funds available for infrastructure development and capital projects.
- Administrative Difficulties: Verification of beneficiaries, digital processing, and coordination among departments created implementation challenges.

Findings of the Study

- Karnataka guarantee schemes significantly improved social welfare and women empowerment.
- The schemes increased household purchasing power and reduced financial stress among poor families.
- Large-scale welfare expenditure created pressure on state finances and increased fiscal deficits.
- Administrative inefficiencies and leakages reduced scheme effectiveness.
- Proper beneficiary targeting and monitoring are essential for sustainability.

Suggestions

- The government should strengthen beneficiary verification systems to avoid leakages.
- Welfare schemes should be targeted toward genuinely needy families.
- Digital monitoring systems should be improved for transparency and accountability.
- The government must balance welfare spending with infrastructure investment.
- Periodic evaluation studies should be conducted to assess socio-economic impact.
- Fiscal discipline and efficient budgeting are necessary for long-term sustainability.

Conclusion

The Karnataka guarantee schemes represent one of the largest welfare initiatives implemented by any Indian state government in recent years. These schemes have provided financial relief, improved women empowerment, enhanced food security, and expanded social welfare coverage. At the same time, concerns regarding fiscal sustainability, rising public debt, and administrative inefficiencies cannot be ignored. Therefore, while guarantee schemes have positively transformed the lives of many citizens, the government must ensure better targeting, efficient implementation, and financial discipline to sustain these welfare measures in the long run.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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