Journal of Information Systems Engineering and Management
2025, 10(41s)
e-ISSN: 2468-4376
https://www.jisem-journal.com/
Research Article

Direct Cash Transfers in India: A Comparative Analysis of the Ladli Behna and Ladki Bahin Schemes

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ARTICLE INFO

Received: 18 Dec 2024

Revised: 20 Feb 2025

Accepted: 28 Feb 2025

ABSTRACT

This research article undertakes a comparative analysis of two prominent Indian cash transfer programs: the Ladli Behna Yojana (Madhya Pradesh) and the Ladki Bahin Yojana (Maharashtra). Both programs, implemented near state assembly elections, ostensibly aim to empower women from disadvantaged backgrounds through direct cash transfers. Utilizing similar cash transfer mechanisms within comparable socio-cultural and economic environments, the programs raise salient questions regarding their political motivations and long-term sustainability. This study provides a literature review on direct cash transfer (DCT) schemes, examining their efficacy in poverty alleviation and women's empowerment within developing countries. Furthermore, it analyzes the design features, implementation mechanisms, and fiscal challenges associated with each scheme, including a comparative analysis highlighting similarities, differences, and overall impact.

Keywords: Cash Transfers, Women's Empowerment, Poverty Alleviation, India, Ladli Behna Yojana, Ladki Bahin Yojana, Fiscal Sustainability, Comparative Analysis, Direct Benefit Transfer (DBT), Social Welfare Programs, Gender Equality, Economic Development.

Introduction

In India, women face significant challenges in achieving economic and social empowerment. Deeply rooted patriarchal norms often limit their access to education, healthcare, and financial resources, perpetuating a cycle of poverty and dependence. India's Gender Inequality Index (GII) ranking of 108 out of 193 countries, with a score of 0.437, reveals significant challenges in achieving gender equality. This means India is towards the lower end of the spectrum, with many countries having smaller gender gaps. The score, ranging from 0 (perfect equality) to 1 (complete inequality), indicates that Indian women experience considerable disadvantages compared to men in areas like reproductive health, empowerment, and economic status.

India exhibits a notably low female labor force participation rate globally. Data from the World Bank (2023) indicates that in 2021, only 25% of women aged 15 and above participated in the labor force, starkly contrasting with the 76% participation rate for men. Furthermore, a substantial gender disparity is evident in access to financial services. The Global Findex Database (Demirgüç-Kunt et al., 2022) reveals that while 77% of Indian women possess a bank account, this figure is lower than the 83%

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reported for men. Although poverty rates have demonstrated a downward trend in India, women continue to be disproportionately impacted. Available estimates suggest a higher likelihood of poverty among women compared to men, with particularly elevated poverty rates observed in female-headed households (World Bank, 2018).

In addressing the persistent challenges hindering women's economic and social empowerment in India, cash transfer programs have become a prominent policy instrument (Bastagli et al., 2016). These interventions provide direct financial assistance to women, with the objective of poverty reduction through the establishment of a social safety net and the enhancement of economic well-being for women and their families. By directly allocating resources to women, such programs can augment their financial autonomy and decision-making capacity within households and communities (Handa et al., 2016). Moreover, these programs can incentivize investments in children's health and education, fostering long-term human capital development (Baird et al., 2013). Ultimately, cash transfer programs hold the potential to mitigate gender disparities and empower marginalized women, thereby promoting greater social inclusion (Kabeer, 2012).

Cash transfer programs have risen in prominence as a policy instrument due to their potential to directly address poverty and empower women by circumventing traditional barriers and promoting financial inclusion. This approach has gained considerable traction in India, evidenced by the numerous programs implemented at both central and state levels. These programs address diverse social and economic needs, encompassing financial inclusion, poverty alleviation, and rural development. Illustrative examples include the PM Jan Dhan Yojana, designed to expand access to financial services and facilitate direct benefit transfers (Ministry of Finance, Government of India, 2014); the MGNREGA, which guarantees employment and income support in rural areas (Ministry of Rural Development, Government of India, 2005); and the PM Kisan Samman Nidhi, providing income support to small and marginal farmers (Ministry of Agriculture and Farmers Welfare, Government of India, 2019). Furthermore, various state-level initiatives offer maternity benefits and conditional cash transfers linked to education. Existing evidence suggests that these programs can positively influence poverty reduction, women's empowerment, health, and education outcomes, although their effectiveness is contingent upon program design and implementation (Bastagli et al., 2016).

Effective social protection programs require careful design and implementation. A comparative analysis of existing cash transfer schemes across different regions is crucial for identifying best practices, understanding the influence of context-specific factors on program success, and maximizing the impact of these programs on women's empowerment and poverty reduction. This comparative approach facilitates policy learning and informs the development of future social protection initiatives.

This research article focuses specifically on two prominent Indian cash transfer programs: the Ladli Behna Yojana (Madhya Pradesh) and the Ladki Bahin Yojana (Maharashtra). This research will include a review of existing literature pertaining to these two schemes.

Research Objectives:

- To conduct a comprehensive review of the literature on Direct Cash Transfer (DCT) schemes, examining their efficacy as a crucial instrument for poverty alleviation and women's empowerment within the context of developing countries. This review will explore the theoretical underpinnings of DCT programs, analyze existing empirical evidence on their impact, and identify key factors influencing their success or failure.
- To analyze the Ladli Behna Yojana (Madhya Pradesh) and the Ladki Bahin Yojana (Maharashtra) schemes, focusing on their specific design features, implementation mechanisms, and the associated fiscal challenges encountered by the respective state governments. This analysis will include an examination of budgetary allocations, expenditure patterns, and the impact of these schemes on state finances.

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- To undertake a comparative analysis of the Ladli Behna Yojana and the Ladki Bahin Yojana, highlighting similarities and differences in their target beneficiaries, benefit levels, implementation strategies, and overall impact. This comparative approach will facilitate the identification of best practices, lessons learned, and potential areas for improvement in the design and implementation of cash transfer programs aimed at poverty reduction and women's empowerment.

Research Methodology

This research employed a mixed-methods approach, combining quantitative and qualitative data analysis to provide a comprehensive understanding of the Ladli Behna and Ladki Bahin schemes.

Data was collected from government reports, policy documents, and statistical databases. This data included information on program expenditures, beneficiary demographics, and economic indicators such as poverty rates and labor force participation.

A comparative analysis was conducted to identify similarities, differences, and best practices in the design and implementation of the two schemes. This analysis drew on both quantitative and qualitative data to provide a nuanced understanding of the schemes' relative strengths and weaknesses.

This research acknowledged potential limitations, including the availability and reliability of data.

Direct Cash Transfer (DCT) schemes

Direct cash transfer (DCT) schemes have become a prominent instrument in efforts to alleviate poverty and empower women within developing economies (AIR, n.d.). These programs typically involve the provision of regular cash payments to individuals or households, often with minimal conditionality (AIR, n.d.). This approach is recognized as a cost-effective strategy for enhancing the well-being of impoverished households across multiple dimensions (AIR, n.d.). This review critically examines the existing research on DCT schemes specifically targeting women in situations of poverty, analyzing their demonstrated impacts, associated benefits and drawbacks, implementation challenges, and potential future directions.

Global Implementation of Direct Cash Transfers

Direct cash transfer (DCT) programs have been implemented globally in diverse forms, each tailored to specific objectives and target populations. These variations can be broadly categorized as follows:

1. Unconditional Cash Transfers (UCTs): Organizations like GiveWell highlight various cash transfer programs, including UCTs, wherein funds are disbursed without any attached conditions.[1] These programs operate under the principle that recipients are best positioned to determine how to utilize the funds to improve their lives. (GiveWell, n.d.)
2. Conditional Cash Transfers (CCTs): The Takaful and Karama program in Egypt exemplifies CCTs, providing financial assistance to impoverished households with children contingent upon adherence to specific health and education requirements. This program aims to simultaneously enhance human capital and provide a safety net. It also incorporates the Waai program, a behavioral change platform disseminating social messages on critical issues such as child marriage, economic empowerment, and family planning. (World Bank, 2020)
3. Cash Transfers in Developed Economies: The United States government has a long history of utilizing cash transfers, dating back to the Mother's Pension program in the early 20th century. Current programs include tax credits like the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC), which offer financial support to low- and moderate-income families.
4. Humanitarian Aid: In crisis-affected nations, organizations such as UNICEF employ cash transfers to enable families to procure essential necessities, including food, clothing, medicine, and school supplies. This approach not only addresses immediate needs but also stimulates local economies and helps families avoid detrimental coping mechanisms such as child labor or early marriage. Examples of such

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programs, each tailored to the specific crisis context, include those implemented in Yemen, Syria, the Democratic Republic of Congo, and Afghanistan. (UNICEF USA, n.d.)

These varied examples demonstrate the adaptability of DCT programs in addressing a range of socioeconomic challenges and their potential to catalyze positive change across diverse contexts. Direct cash transfer (DCT) programs have emerged as a significant tool for poverty alleviation and women's empowerment, prompting extensive research into their effectiveness and impact. Innovations for Poverty Action (IPA) has provided evidence that cash transfers can substantially improve the lives of the extreme poor, leading to increased income, assets, psychological well-being, food consumption, and female empowerment (IPA, n.d.). This aligns with research by The/Nudge Institute, which demonstrates the effectiveness of DCTs in the Indian context, particularly in improving school enrollment, health outcomes, income levels, and consumption patterns (The/Nudge Institute, 2024). Their work also challenges the misconception that the poor misuse grant money, suggesting that poverty-induced stress can contribute to issues like alcoholism, and that cash transfers can alleviate these problems by providing financial stability (The/Nudge Institute, 2024). A World Bank study on Pakistan's Benazir Income Support Program (BISP) further reinforces these findings, demonstrating the positive impacts of cash transfers on women's decision-making power within households, as providing women with direct control over financial resources can enhance their autonomy and agency (World Bank, 2016). This is echoed by research on Pakistan's BISP, which also demonstrates the positive impacts of DCTs on women's empowerment within households (World Bank, 2016). Direct Benefit Transfer (DBT) mechanisms are efficient and reduce leakages. They enable governments to directly transfer funds to beneficiaries' bank accounts, thereby minimizing corruption and administrative obstacles (Gokulam Seek IAS Academy, n.d.). A report by SBI reveals that direct cash transfers to women in India constitute a significant portion of state revenues, indicating the growing importance of these programs in social welfare policies (ANI News, 2024). However, the design and implementation of DCT programs require careful consideration of contextual factors. A Center for Financial Inclusion (CFI) blog post highlights the potential of cash transfer programs to empower women and enhance household well-being, while also emphasizing the critical importance of careful program design to mitigate the risk of unintended negative consequences arising from deeply entrenched gender norms (CFI, n.d.). Similarly, a study by CFI and WFP emphasizes the potential of DCT schemes to improve household well-being and reduce the risk of intimate partner violence (IPV), but stresses the need for careful design and implementation, considering the potential for unintended consequences in contexts with rigid gender norms (UN Women, 2020). These studies underscore the necessity of considering various design parameters, including conditionalities, targeting strategies, and disbursement mechanisms, when implementing such programs (The/Nudge Institute, 2024).

Potential Benefits and Drawbacks of DCTs

Direct cash transfer (DCT) schemes offer several potential benefits for women living in poverty (UNICEF USA, n.d.). These programs provide a crucial safety net, reducing financial stress and empowering women by increasing their control over resources (NDTV, 2023). This enhanced agency can lead to improved health and education outcomes for both women and their families (UNICEF USA, n.d.). Furthermore, cash transfers can stimulate local economies by enabling recipients to purchase local goods and services, while also helping families avoid harmful coping strategies such as child labor and child marriage (UNICEF USA, n.d.). The programs can also promote social cohesion and a sense of citizenship by fostering social inclusion and encouraging participation in community life (Forde et al., 2012). Moreover, DCTs can positively impact social determinants of health by improving access to essential resources such as healthcare, nutrition, and education (Forde et al., 2012). However, alongside these potential benefits, DCT schemes also present potential drawbacks. Concerns exist regarding the long-term sustainability of these programs and their potential to disrupt or duplicate existing social assistance programs (Community Solutions, n.d.). The potential impact on gender dynamics within households, particularly in contexts characterized by deeply entrenched gender inequalities, also warrants consideration (UN Women, 2020). Additionally, some studies have raised concerns about

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e-ISSN: 2468-4376
https://www.jisem-journal.com/
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unintended consequences, such as potential increases in birth rates and obesity rates in specific contexts (Forde et al., 2012).

The effective implementation of direct cash transfer (DCT) schemes necessitates careful consideration of various challenges and potential obstacles.

Implementation Challenges of DCTs

Financial Inclusion: A fundamental challenge lies in ensuring financial inclusion for all beneficiaries. This involves addressing barriers such as low digital literacy and limited access to banking infrastructure, particularly in rural areas, to enable women to effectively access and control their accounts (Hendriks, 2019)

Mitigating Intimate Partner Violence (IPV): Careful program design is crucial to mitigate the risk of IPV. This includes a thorough understanding of how cash transfers might affect power dynamics within households and the potential for unintended consequences. Incorporating complementary activities, such as gender-sensitive messaging and community engagement initiatives, can help address this challenge (UN Women, 2020).

Addressing Gender Biases: Existing gender biases must be explicitly addressed in program design and implementation to avoid unintended consequences and ensure equitable outcomes (World Bank Documents & Reports, 2020). This requires a nuanced analysis of how the program might differentially impact men and women and proactive measures to mitigate potential disparities (World Bank Documents & Reports, 2020).

Benefits Cliff: The "benefits cliff" phenomenon, where cash transfers can inadvertently disqualify recipients from other essential benefits, needs to be carefully managed. Collaboration with local governments and the implementation of legislative adjustments to eligibility criteria can help mitigate this issue (Community Solutions, n.d.).

Cost and Program Management: The substantial financial costs associated with implementing DCT schemes require meticulous budget allocation, efficient program management, and robust monitoring mechanisms to ensure cost-effectiveness and minimize the risk of leakages (The New Indian Express, 2024).

Program Framing: The framing of a DCT program can significantly influence its impact on gender dynamics within households (UN Women, 2020). Framing programs as initiatives aimed at improving household nutrition or child health, rather than solely focusing on women's empowerment, can increase their acceptability to male partners and potentially reduce resistance (UN Women, 2020).

Overview of the DCT Schemes in Madhya Pradesh and Maharashtra

The Direct Cash Transfer (DCT) schemes recently implemented in Madhya Pradesh and Maharashtra warrant scholarly attention due to their striking similarities and the political context surrounding their introduction. Both the Ladli Behna Yojana (MP) and Ladki Behna Yojana (Maharashtra) prioritize the financial empowerment of women, particularly those from socio-economically disadvantaged backgrounds. The schemes utilize comparable mechanisms for delivering direct cash assistance, aiming to enhance women's agency within their households and communities.

However, the timing of their implementation, coinciding with state assembly elections, raises pertinent questions regarding their underlying motivations. It is crucial to examine whether these schemes are primarily driven by electoral considerations or represent a genuine commitment to social welfare and women's empowerment. Further research is needed to assess their long-term sustainability, fiscal implications, and potential impact on broader development goals.

Mukhyamantri Ladli Bahna Yojana Madhya Pradesh

The Mukhyamantri Ladli Bahna Yojana (Ladli Behen Scheme), launched in 2023, represents a flagship social welfare program by the Madhya Pradesh government. This scheme aims to enhance the economic

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e-ISSN: 2468-4376
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well-being of women in the state by providing a monthly cash transfer of ₹1,250 to eligible beneficiaries. The program's overarching goals include promoting women's economic self-reliance, improving their health and nutrition, and strengthening their decision-making role within families (Das, 2024)

The monthly financial assistance is deposited directly into the bank accounts of eligible women through the DBT system, ensuring efficient and transparent disbursement. The scheme targets women between the ages of 21 and 60 who come from families with an annual income below ₹2.5 lakh. It encompasses a wide range of beneficiaries, including married women, widows, divorcees, and deserted women. The Ladli Behna Yojana primarily aims to empower women and improve their socio-economic status. It is expected to positively impact their health, nutrition, and overall well-being (Government of Madhya Pradesh, n.d.). The Madhya Pradesh government has further outlined plans to gradually increase the monthly benefit to ₹3,000 to account for inflation highlighting the long-term financial implications of the program.

The Ladli Behna Yojana has garnered attention for its potential to empower women and enhance their socio-economic standing. However, concerns have been raised regarding its fiscal burden and the potential impact on the state's fiscal space (Bhattacharji, 2024). One of the key motivations behind the scheme's launch was the low female labor force participation in Madhya Pradesh, with only 23.3% of women in rural areas and 13.6% in urban areas engaged in the labor force (Government of Madhya Pradesh, n.d.)

The Ladli Behna Yojana represents a significant social welfare initiative with the potential to make a positive difference in the lives of women in Madhya Pradesh. However, a thorough examination of its financial implications and a careful consideration of alternative investment strategies are crucial to ensure its long-term effectiveness and sustainability.

Fiscal concerns of the Ladli Behen Scheme

The Ladli Behen scheme places a significant fiscal burden on the Madhya Pradesh government. With 1.29 crore beneficiaries, the scheme requires a substantial annual expenditure. This has contributed to the state's rising debt levels, which have doubled in the past five years, reaching an estimated ₹4.21 lakh crore in fiscal year 2024-25 (Kumar, 2025).

This raises concerns about the long-term sustainability of the scheme and its potential impact on the state's fiscal health (Bhattacharji, 2024).

Fiscal space refers to the government's ability to raise revenue and allocate resources without jeopardizing its fiscal sustainability. The Ladli Behen scheme has implications for Madhya Pradesh's fiscal space. The substantial expenditure on the scheme limits the state's ability to allocate resources to other critical sectors such as education, health, and infrastructure (Das, 2024). This can have long-term consequences for the state's development and economic growth.

The fiscal deficit of the Madhya Pradesh government is a crucial indicator of its fiscal health. This figure has been on the rise in recent years, indicating an increasing gap between government revenue and expenditure ("State of the Economy: An Overview," 2022). According to recent data, the state's fiscal deficit is 4.1% of the Gross State Domestic Product (GSDP) (PRS Legislative Research, 2024).

The Debt-to-GDP ratio is another important measure of a government's fiscal health. It reflects the level of indebtedness of the state relative to its economic output. In Madhya Pradesh, the debt-to-GDP ratio was 29% in 2022 ("State of the Economy: An Overview," 2022) which rose to 32 % in 2024 -25 (PRS Legislative Research, 2024). The Ladli Behen scheme, with its significant financial implications, is likely to influence the trajectory of the state's Debt-to-GDP ratio in the coming years.

The impact of the Ladli Behen scheme on the fiscal health of the Madhya Pradesh government is a subject of debate. The state government acknowledges that the scheme is a "financial strain" (Times of India, 2025). The substantial expenditure on the scheme has contributed to the state's rising debt levels

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and fiscal deficit. This raises concerns about the state's ability to manage its finances and meet its debt obligations in the long term.

Mukhyamantri - Majhi Ladki Bahin Yojana Maharashtra

The Mukhyamantri Majhi Ladki Bahin Yojana, launched by the Government of Maharashtra in June 2024, aims to empower women from economically weaker sections by providing financial independence and improving their socio-economic status. Modeled after Madhya Pradesh's 'Ladli Behna Yojana', this scheme provides a monthly stipend of ₹1,500 to eligible women aged 21 to 65 years with an annual family income below ₹2.5 lakh. Key features include financial assistance, access to healthcare and nutritional support, educational support for girls, and additional benefits like free LPG cylinders and skill development programs. The broader objectives are to promote women's financial independence, contribute to economic growth by integrating women into the workforce, and shift societal perceptions of women's roles in economic and decision-making processes. (IMPRI, 2024).

Fiscal Concerns of the Ladki Bahin Yojana in Maharashtra

The Maharashtra government has demonstrated a strong commitment to the Ladki Bahin Yojana, allocating significant resources to its implementation. The initial budgetary provision of Rs 46,000 crore underscores the program's financial scale (Times of India, 2024). Subsequent supplementary allocations, such as the Rs 1,400 crore approved in December 2024, further highlight the ongoing financial commitment required to sustain the scheme (Sharma, 2024). These expenditures encompass administrative costs, subsidies for Anganwadi workers involved in beneficiary registration, and a portion of the direct benefit transfers to eligible women (Times of India, 2024).

The Ladki Bahin Yojana boasts a vast beneficiary base, with 2.46 crore women enrolled as of December 2024 (Kakodkar, 2025). Each beneficiary receives a monthly stipend of Rs 1,500 (Das, 2024), providing a crucial source of financial support. However, the program has undergone adjustments to ensure that benefits reach the intended recipients. The removal of ineligible women, resulting in a decrease to 2.41 crore beneficiaries in January 2025, reflects efforts to refine the targeting mechanism (Kakodkar, 2025). Ineligibility criteria include factors such as age, vehicle ownership, and participation in other government assistance programs (Deshpande, 2025). It is worth noting that political promises to increase the monthly stipend to Rs 2,100 have been made, potentially adding to the program's financial burden (Tatkare, 2025).

The Ladki Bahin Yojana's substantial financial outlay presents a considerable fiscal challenge for the Maharashtra government. With estimated annual costs reaching Rs 46,000 crore (Malik, 2025), the scheme's impact on the state's budget is undeniable. This financial pressure has raised concerns about the government's capacity to implement other critical initiatives, such as farm loan waivers (Brij, 2025). Additionally, the program contributes to the state's mounting debt burden, which has risen to Rs 7.8 lakh crore, partly due to pre-election welfare schemes like the Ladki Bahin Yojana (Kakodkar, 2025). Furthermore, the inadvertent disbursement of over Rs 450 crore to ineligible beneficiaries underscores the need for robust verification mechanisms (Deshpande, 2025).

Recognizing the fiscal strain imposed by the Ladki Bahin Yojana, the Maharashtra government has taken proactive steps to mitigate its financial impact. Scrutiny of Beneficiaries: Rigorous scrutiny of beneficiaries is underway to identify and remove ineligible recipients (Kakodkar, 2025). This involves verifying income levels, domicile status, and participation in other government programs (Kakodkar, 2025). Specific criteria, including income limits, domicile requirements, and vehicle ownership, are being used to ensure that benefits are appropriately targeted (Kakodkar, 2025). A dedicated committee has been established to evaluate and streamline existing schemes, including the Ladki Bahin Yojana (Malik, 2025). This initiative aims to eliminate redundant programs, reduce duplication, and optimize resource utilization (Malik, 2025). By identifying areas of overlap and inefficiency, the government seeks to alleviate the fiscal burden on the state budget. A new finance account has been created to facilitate the repayment of funds by ineligible beneficiaries who voluntarily return the money

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(Deshpande, 2025). This measure aims to recover misallocated funds and improve the program's financial efficiency.

The Maharashtra government is actively exploring strategies to reduce expenditures on existing schemes and enhance revenue generation to address the fiscal challenges posed by the Ladki Bahin Yojana (Malik, 2025). The seven-member committee tasked with evaluating and streamlining ongoing schemes will play a crucial role in this effort. By assessing areas of repetition in schemes and beneficiaries, identifying outdated programs, and exploring opportunities for merging schemes, the committee will contribute to a more efficient allocation of resources (Malik, 2025).

The long-term sustainability of the Ladki Bahin Yojana is a paramount concern. The scheme's high cost raises questions about the state's ability to maintain it over time (Deshpande, 2025). Ensuring fiscal responsibility in the program's implementation is crucial to avoid jeopardizing the state's financial stability.

The scheme's sustainability hinges on several key factors like Sustained economic growth in Maharashtra is essential to generate the revenue needed to support the program (Sriram IAS, 2024). Also, Efficient implementation and precise targeting of beneficiaries are vital to minimize costs and maximize the scheme's impact (ResearchGate, 2024). Exploring alternative funding mechanisms, such as public-private partnerships or innovative financing approaches, could contribute to the scheme's long-term viability (Sriram IAS, 2024).

Comparative Analysis of Ladli Behna Yojana (Madhya Pradesh) and Ladki Bahin Yojana (Maharashtra)

Both the Ladli Behna Yojana (Madhya Pradesh) and the Ladki Bahin Yojana (Maharashtra) are flagship social welfare programs aimed at empowering women through direct cash transfers. While sharing the broad objective of enhancing women's financial security and well-being, they differ in several key aspects, including target beneficiaries, stipend amounts, and implementation strategies. A comparative analysis reveals both similarities and crucial distinctions that offer valuable insights into the design and impact of such programs.

Target Beneficiaries:

- Ladli Behna Yojana (MP): Targets women aged 21-60 from families with an annual income below ₹2.5 lakh. It includes married women, widows, divorcees, and deserted women. A key focus is on women from economically weaker sections.
- Ladki Bahin Yojana (Maharashtra): Aims to improve the financial security and well-being of girls and women across various age groups. While the program also emphasizes women's empowerment, the age criteria and specific targeting mechanisms might vary. Further research is needed to fully understand the specific targeting criteria used in Maharashtra.

Stipend Amount and Fiscal Implications:

- Ladli Behna Yojana (MP): Provides a monthly cash transfer of ₹1,250, with plans to increase it to ₹3,000. The substantial expenditure has contributed to rising debt levels in Madhya Pradesh and raises concerns about long-term fiscal sustainability. The state's fiscal deficit and debt-to-GDP ratio are important considerations in assessing the scheme's impact.
- Ladki Bahin Yojana (Maharashtra): Offers a monthly stipend of ₹1,500, with potential increases planned. The program's large-scale implementation, with a significant budgetary allocation, also poses a substantial fiscal burden for the Maharashtra government. Like Madhya Pradesh, the long-term financial implications and the impact on the state's fiscal health are crucial considerations.

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Program Implementation and Administration:

- Both Schemes: Utilize Direct Benefit Transfer (DBT) systems to deposit funds directly into beneficiaries' bank accounts, promoting transparency and reducing leakages. Both programs also share the goal of enhancing women's decision-making power within households and communities.
- Ladki Bahin Yojana (Maharashtra): Maharashtra has implemented stricter scrutiny of beneficiaries to eliminate ineligible recipients. They are also streamlining existing schemes to optimize resource allocation and reduce the overall fiscal burden. A dedicated committee is evaluating and streamlining schemes to identify redundancies and improve efficiency. A new finance account has been created for the return of funds by ineligible beneficiaries.

Fiscal Sustainability and Long-Term Viability:

- Both Schemes: The long-term fiscal sustainability of both schemes is a key concern. Both states face the challenge of balancing social welfare objectives with fiscal prudence. Factors such as economic growth, efficient implementation, and potential alternative funding sources are crucial for the long-term viability of these programs. Both states are exploring ways to enhance revenue generation and optimize resource allocation.

A comparative overview of the debt-to-GDP ratio and fiscal deficit for Madhya Pradesh and Maharashtra, based on budget estimates for the fiscal year 2024-25 provides a critical insight . Madhya Pradesh is projected to have a debt-to-GDP ratio of 32%, coupled with a fiscal deficit of 4.1%. In contrast, Maharashtra presents a more favorable fiscal picture with a debt-to-GDP ratio of 18.4% and a fiscal deficit of 2.6%. These figures suggest that Maharashtra demonstrates greater fiscal prudence compared to Madhya Pradesh. The lower debt burden and fiscal deficit in Maharashtra imply greater financial stability and potentially more room for fiscal maneuvering in response to economic challenges.

This fiscal analysis underscores the importance of sound financial management at the state level, particularly in the context of social welfare programs like the LBY. While such programs provide crucial support, the fiscal health of a state significantly impacts its capacity to sustain and expand these initiatives. A high debt-to-GDP ratio, as seen in Madhya Pradesh, can limit the government's ability to invest in essential services like education and healthcare, which are crucial for empowering women and fostering long-term economic growth. Therefore, adopting alternative strategies that promote fiscal stability, alongside social welfare programs, is essential for achieving sustainable and inclusive development. By prioritizing investments in human capital, infrastructure, and rural development, states can create a more resilient and equitable economy that benefits all citizens, including women.

Conclusion:

Both the Ladli Behna Yojana and the Ladki Bahin Yojana represent significant efforts to empower women in India. While both programs share similar objectives and utilize DBT systems, they differ in target groups and specific implementation strategies. A critical element of the analysis of both schemes is the assessment of their fiscal burden and long-term sustainability. Both state governments are grappling with the financial implications of these large-scale programs. Further research and evaluation are crucial to understand the full impact of these schemes on women's empowerment, poverty reduction, and the overall fiscal health of the respective states. A comparative analysis of these programs offers valuable lessons for the design and implementation of future social welfare initiatives in India.

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