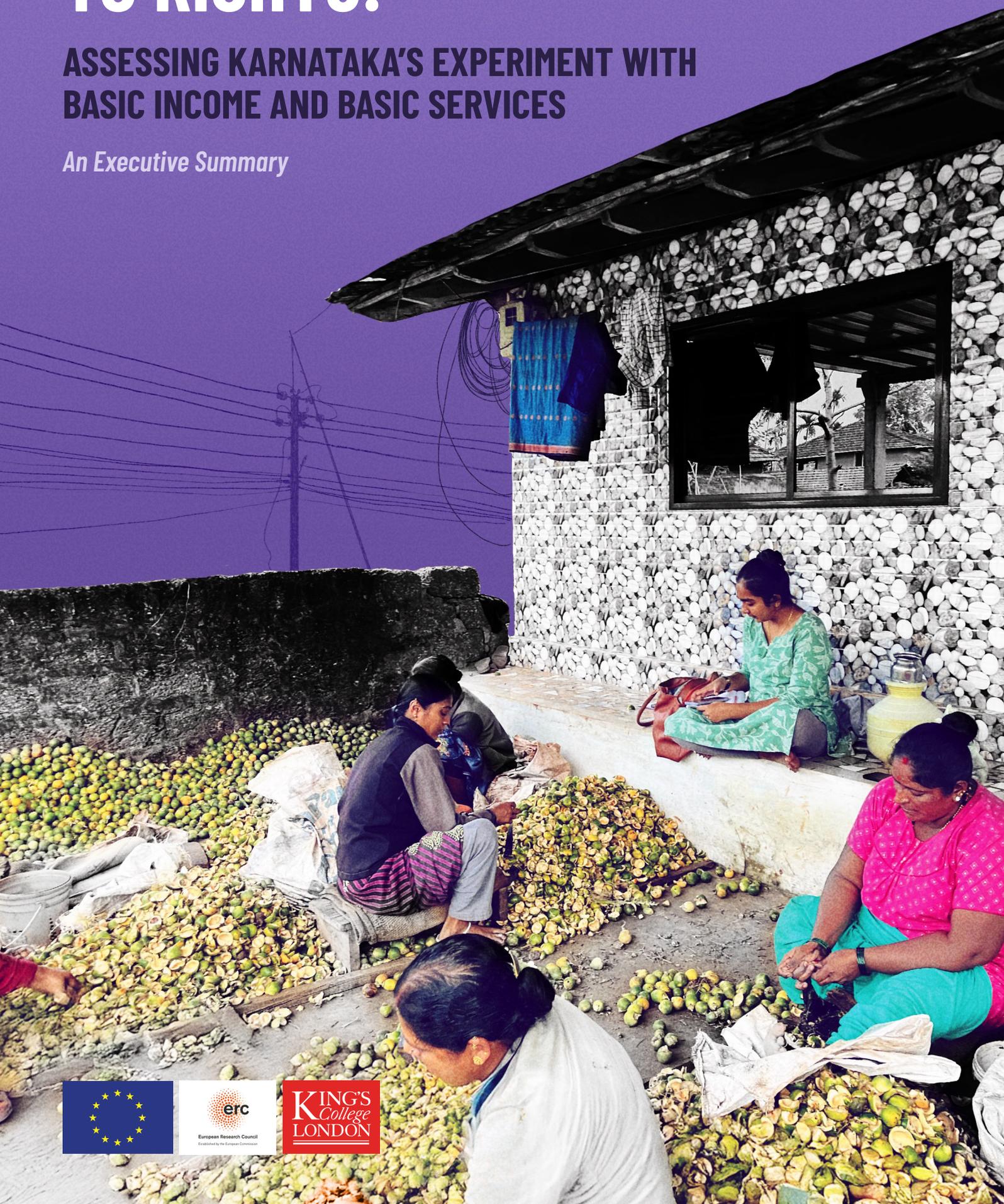


FROM GUARANTEES TO RIGHTS:

ASSESSING KARNATAKA'S EXPERIMENT WITH BASIC INCOME AND BASIC SERVICES

An Executive Summary



Title: From Guarantees to Rights: Assessing Karnataka's Experiment with Basic Income and Basic Services [An Executive Summary]

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To request a copy of the full report or for any other inquiries, please contact Professor Prabha Kotiswaran at prabha.kotiswaran@kcl.ac.uk

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INTRODUCTION

In August 2023, the newly elected Congress-led government of Karnataka launched five guarantee schemes:

- Gruha Lakshmi: Rs. 2,000 paid monthly to one woman per household covering 1.28 crore beneficiaries with a budget of Rs. 28,608 crore in FY 2025-26
- Anna Bhagya: 5 kg of rice per month to individuals covering 4.12 crore beneficiaries with a budget of Rs. 6,426 crore in FY 2025-26
- Gruha Jyothi: A zero-bill for households for less than 200 units consumed (200 kWh) covering 1.64 crore households with a budget of Rs. 10,100 crore in FY 2025-26
- Shakti: Free bus travel for women on all Karnataka Government non-luxury intra-state buses with 540.46 crore tickets issued as of August 2025 and a budget of Rs. 5,300 crore in FY 2025-26
- Yuva Nidhi: Unemployment assistance of Rs. 3,000 per month for recent graduates and Rs. 1,500 for diploma holders with 4.23 lakh youth enrolled in Phase 1 and a budget of Rs. 600 crore in FY 2025-26

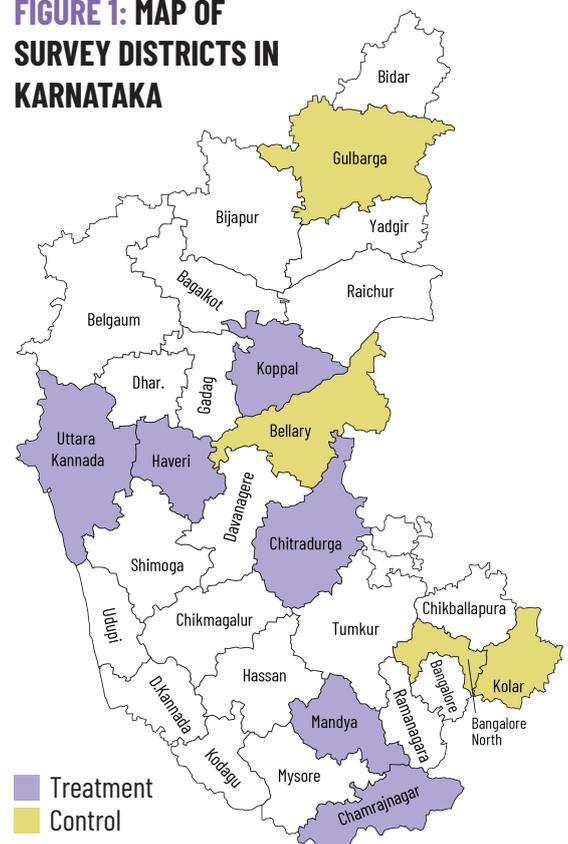
The Laws of Social Reproduction project undertook an empirical study of the state guarantees a year into their rollout, setting out to ascertain women's own views on unconditional cash transfers and assess both the intended and unintended consequences of the guarantees.

METHODOLOGY

We adopted a mixed methods approach to study the impact of the guarantees.

- 12 pre-survey FGDs in February 2024 with 151 beneficiaries in Chamarajanagar and Koppal districts.
- A survey of 2,045 women across 6 treatment and 4 control districts (between October-December 2024).
 - Treatment group (received Gruha Lakshmi) – 1,234 respondents
 - Control group (did not receive Gruha Lakshmi) – 811 respondents
 - 829 of 1,234 treatment respondents received 4 schemes (except Yuva Nidhi)
- 25 post-survey FGDs in March 2025 and April 2025 with 150 beneficiaries, across 6 treatment districts and 2 control districts.

FIGURE 1: MAP OF SURVEY DISTRICTS IN KARNATAKA



Data Analysis: We used econometric methods of propensity score matching and entropy balancing, which helped establish a causal link between any differences in outcomes we observed to the Gruha Lakshmi scheme.

KEY FINDINGS

ACCESS TO THE GRUHA LAKSHMI SCHEME

99.8% of the women stated that they received the full Gruha Lakshmi amount, however, a large portion of beneficiaries experienced delays of more than one month in receiving their payments. Among those who faced delays, 62% of the respondents reported missing payments for one to two months, while 34% experienced delays of three months or longer. Delays led to high levels of financial stress and loan borrowings and worry that the scheme may stop. Husbands now lent women money and expected repayment when the Gruha Lakshmi amount arrived.

We asked the respondents, on a Likert scale, how they felt when they received an SMS about receipt of payment. 98% reported feeling either very happy or quite happy. Gruha Lakshmi is immensely valuable to the women; they claimed its absence would be like losing a hand or a well-meaning relative.

99% of the beneficiaries reported having full control over their money. The Rs. 2,000 monthly payment by direct bank transfer represented 13% of the household income for those in the treatment group. The fact that a near total majority of women stated they had complete control over the Gruha Lakshmi amount is indicative of the success of the scheme in facilitating a measure of financial independence for the beneficiaries.

EXPENDITURE PATTERNS

The scheme amount was largely spent on food, household expenses, medicines and children's fees. Fewer beneficiaries spent it on electricity, cooking gas, and mobile phone recharges; with the impact on electricity likely an effect of Gruha Jyothi. We also saw lower spending on beauty services, entertainment, and festivals. The impact on spending in other categories was not statistically significant. In the FGDs, we found a handful of women who could save the Gruha Lakshmi amount to invest in gold, appliances, house construction, school fees, life insurance and post office savings. But beneficiaries consistently spoke of the sharp pain of inflation, which dulled

FIGURE 2: WHETHER GRUHA LAKSHMI PAYMENTS WERE DELAYED

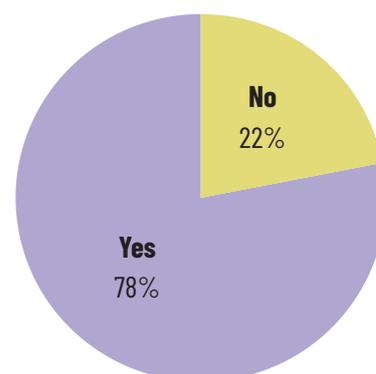
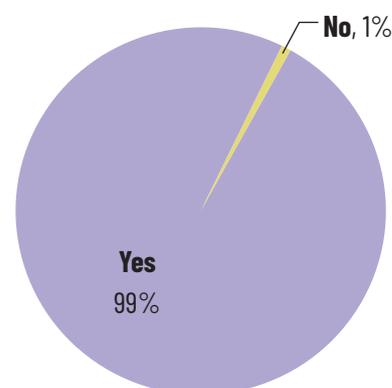


FIGURE 3: CONTROL OVER GRUHA LAKSHMI AMOUNT



the positive impact of the cash transfer. Inflation was widely thought to result from the guarantees.

IMPACT OF GRUHA LAKSHMI

FOOD CONSUMPTION

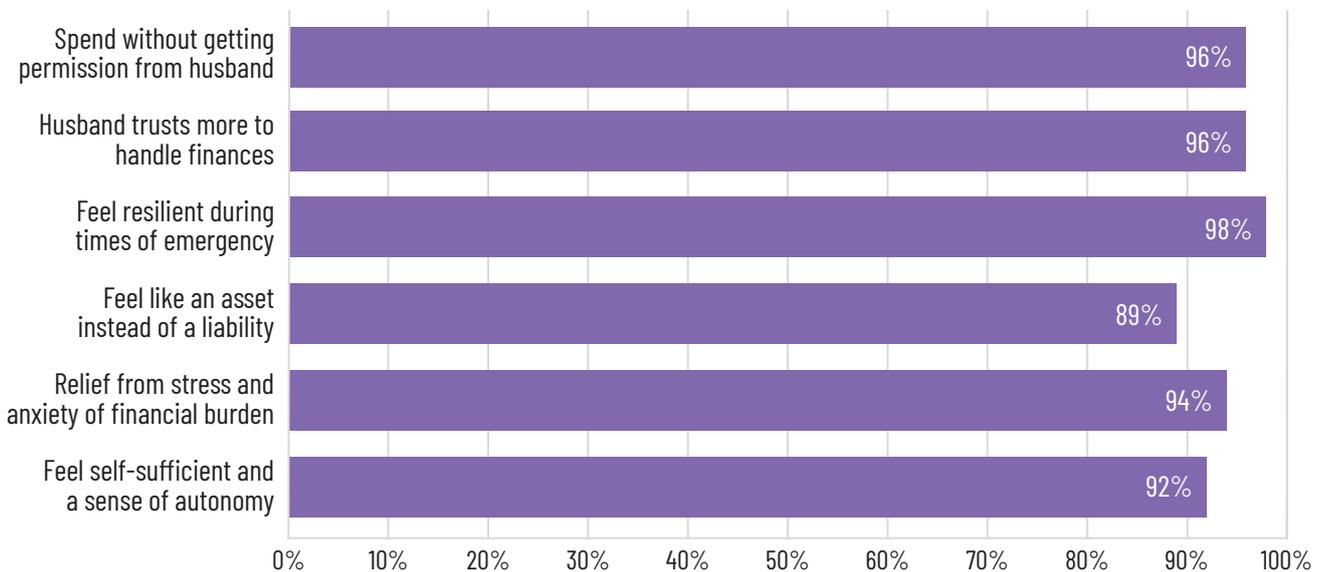
We found a significant increase in consumption of five out of seven meals throughout the day and increased frequency of consumption on a daily and weekly basis by between 3% and 12% in six out of nine food groups: pulses, greens, dairy, fried foods, aerated drinks, and fish. However, we did not see much in the way of increased consumption of each of the twelve food groups over the past twenty-four hours.

FINANCIAL INCLUSION AND FINANCIAL WELL-BEING

82% of the respondents felt that the Gruha Lakshmi scheme enabled women to better access financial infrastructure. We found an increase in beneficiaries having and operating their own bank account by 8% and 15% respectively. Gruha Lakshmi is pushing women toward mainstream banking systems and strengthening their financial inclusion. However, we also found a 9% reduction in visiting the bank alone and a 6% increase in requirements to 'pay for cash' at customer service points.

A large majority of Gruha Lakshmi beneficiaries reported clear gains in confidence, autonomy and financial well-being across 6 parameters pointing to a widely shared sense of empowerment and relief (see Figure 4).

FIGURE 4: BENEFICIARIES' PERCEPTION OF GRUHA LAKSHMI'S IMPACT ON FINANCIAL WELL-BEING



WOMEN'S PAID AND UNPAID WORK

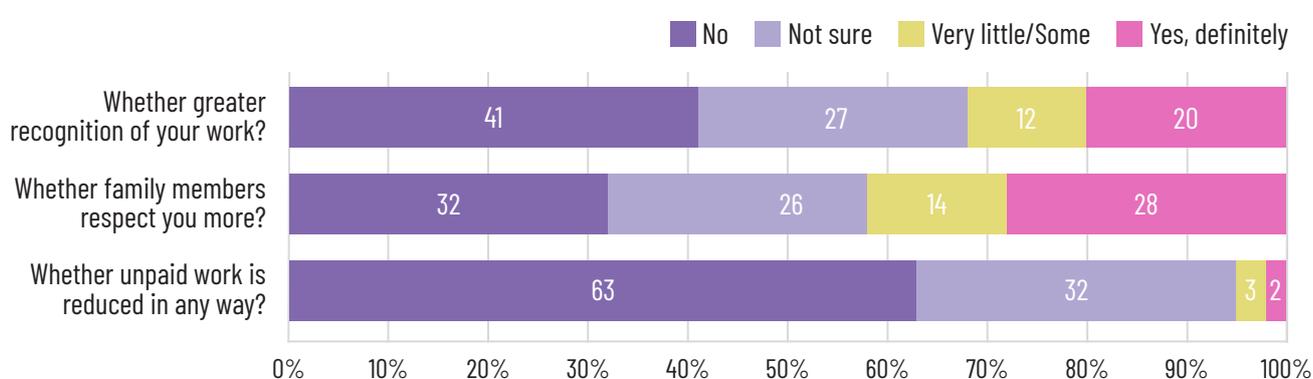
44% of the treatment group and 33% of the control group engaged in paid work. In and of itself, the Gruha Lakshmi did not cause women to either take up more paid work or leave paid work or substitute undesirable employment with better employment. Women wanted regular work that generated steady income and were not inclined to take

the risk of becoming entrepreneurs. While Gruha Lakshmi could have emboldened them to take a loan to start a business, its erratic disbursement and the larger backdrop of inflation prevented women from using it in this way.

On average, those in the treatment group spent 7 hours and 42 minutes on unpaid work daily and those in the control group 7 hours and 18 minutes. The treatment group spent 18 minutes more on unpaid work relative to the control group, particularly on agricultural work and tending livestock, which is a contribution to economic activities and likely to generate income over time.

Beneficiaries reported mixed impact of the Gruha Lakshmi scheme on the recognition, respect, reduction and redistribution of unpaid domestic and care work, with a modest increase in respect for and recognition of unpaid work, and only 2-4% seeing any reduction or redistribution of unpaid work.

FIGURE 5: BENEFICIARIES' PERCEPTION OF GRUHA LAKSHMI'S IMPACT ON UNPAID DOMESTIC AND CARE WORK



61% of the beneficiaries reported no increase in support with unpaid work from other household members, 32% reported mild change or were uncertain, and only 4% felt that others in the home had started helping more after they began receiving Gruha Lakshmi.

INTRA-HOUSEHOLD BARGAINING POWER

We found that beneficiaries of Gruha Lakshmi had 5% more voice in large purchases and 6% more voice in the final decision on large purchases. Interestingly, they had 10% more say over how their husbands' earnings are utilised, possibly signifying the power in having and controlling their own money from Gruha Lakshmi. Despite the cash transfer, the vast majority (92%) said that decision-making around their healthcare hasn't changed; only 8% said that there had been a shift in their ability to make decisions about visiting family or relatives.

CONFLICT AND VIOLENCE

We did not find any statistically significant increase across 16 different kinds of emotional, physical, and sexual conflict and violence for the treatment group. Nearly half of the respondents (48%) felt that the Gruha Lakshmi scheme had reduced day-to-day conflicts within their households, with 42% reporting no noticeable change, and the remaining 10% believing that conflict had actually increased.

IMPACT OF ANNA BHAGYA

In February 2024, we found that the Rs. 170 cash transfer in place of 5 kg of rice was widely seen as insufficient, especially since the Public Distribution System rice was often unavailable or of poor quality. The survey revealed that among the Anna Bhagya beneficiaries in the treatment group, a majority (95%) preferred in-kind (ration) transfer, specifically, dal (pulses) (86%), followed by oil (85%), millet (68%), jowar (58%), ragi (56%), and flour (48%). Given tremendous food inflation, Anna Bhagya was considered more central than even Gruha Lakshmi.

IMPACT OF GRUHA JYOTHI

In February 2024, the Gruha Jyothi scheme was the most popular amongst the four guarantees. Women appreciated the reduction in electricity bills and the ability to run appliances like mixer-grinders without the fear of cost. When asked if there are additional savings from electricity bills due to the Gruha Jyothi scheme, 89% reported that they are able to save, 10% reported no savings. Among those who reported additional savings, 53% saved between Rs. 100-500, while 35% reported saving more than Rs. 1,000. 94% of the treatment respondents reported using the savings for routine household expenses. Respondents also reported increased safety (74%) and reduced violence against women (46%).

IMPACT OF SHAKTI

In both groups, a majority reported that the Shakti scheme enabled travel to new places. A key difference is observed in employment decisions; none of the control group attributed job decisions to Shakti, while 46% of the treatment group said Shakti influenced their employment decisions. In terms of broader work-related mobility, 49% in treatment group reported an increase in travel for jobs or skill development, compared to only 14% in the control group.

Women appreciated the reduced cost of travel and noted positive effects on the local economy. However, buses were overcrowded, sometimes unsafe, and conflicts between male and female passengers were frequent. Men reportedly refused to give up seats, arguing that women were not paying fares. In some areas, buses skipped stops during peak hours, forcing women to walk home or hire expensive autos, many of which had hiked fares. Mothers especially worried about school commutes for children and mentioned safety and reliability concerns. Some women reported a negative impact on the village economy and on husbands who were drivers or private transport providers. 13% of the women wanted the Shakti scheme to be stopped and replaced with scholarships or job creation. Others wanted improved bus frequency on busy routes and for the scheme to be limited to school-going children.

RECOMMENDATIONS

Recommendations from Beneficiaries of Gruha Lakshmi

- » Continue Gruha Lakshmi scheme as is (81%), increase the amount (46%).
- » 34% wanted all women to receive Gruha Lakshmi.
- » 42% wanted cash transfers, 33% jobs and 25% both.

Recommendations for an Inclusive and Gender Transformative Welfare Regime

- » Embed Gruha Lakshmi in a Right to Care Law.
- » Define the purpose of the Gruha Lakshmi scheme; clarify aims and objectives and a clear vision.
- » Amplify empowerment effects of Gruha Lakshmi, wherein 42% of beneficiaries reported feeling politically empowered, and explore Gruha Lakshmi SHGs/Collectives.
- » Disburse Gruha Lakshmi regularly on a fixed date even if less frequently (say once in two months) to halt backsliding and backlash and secure empowerment and dignitary effects for women.
- » Deliver financial literacy modules on loans, savings, investments through mobile phones and improve adult literacy through rural libraries.
- » Provide women with local decent work.
- » Stronger messaging on the recognition of unpaid domestic and care work.
- » Adopt measures for reduction and redistribution of unpaid domestic and care work.
- » Involve gender experts and beneficiaries as stakeholders for regular impact evaluations of the guarantees.
- » Undertake longitudinal analyses of the guarantees.
- » Study the impact of the guarantees on the local village economy.
- » Survey data from initial impact evaluations of the guarantees should be made publicly available for continued research.
- » Make welfare inclusive by reducing onerous application processes and facilitating public registration drives.

Recommendations on Anna Bhagya

- » Reconsider the government's pause on the issuance of new ration cards (except for priority categories of households) so that newly formed households in need of food subsidies can access them.
- » Urgent reforms are needed for issuing ration cards to make the application process accessible and inclusive of destitute, single, homeless, migrant and elderly women.

Recommendations on Gruha Jyothi

- » Those with solar rooftop installations should not be excluded from accessing the Gruha Jyothi scheme; this is needed so as to enable a transition to a carbon-free future.
- » The Gruha Jyothi scheme must also be leveraged to provide women an alternative to expensive LPG cylinders and the continued, polluting and harmful use of firewood for cooking (through alternatives such as induction stoves), and water heaters, solar cookers and washing machines that operate off the grid.

Recommendations on Shakti

- » Expanding road and bus connectivity, increasing fleet strength, improving facilities at bus stands, and aligning routes and schedules with women's work patterns would significantly enhance accessibility and reliability.
- » To understand women's unique transport use and needs, smart cards need to be issued so that gender responsive changes can be implemented.
- » Safety measures such as well-lit bus stops, CCTV cameras, and accessible communication channels are equally critical to ensure secure and dignified mobility.
- » Sustained awareness campaigns, grievance redressal systems, and participatory review mechanisms, along with embedding the right to free transport in law, are necessary to ensure the scheme's long-term success.

CONCLUSION

Karnataka's bold experiment in providing universal basic services along with an UCT for women is laudable. However, fiscal pressures, impediments to inclusion, and infrastructural concerns threaten to undermine their benefits. There must also be efforts at increased synergies between the guarantees to realise the state's social, economic, environmental and development goals.



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