

# Effects of Cash Transfers with Reference to India

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## Abstract

*This review evaluates the effectiveness of cash transfers in India by analysing studies conducted between 2009 and 2025. Using PRISMA guidelines, 43 studies were reviewed, of which 18 focused on understanding the concept of cash transfers, while 25 examined cash transfers in the Indian context. The findings revealed that cash transfers play a significant role in reducing poverty, improving educational outcomes, and enhancing women's social and economic well-being. Evidence from various states suggests that cash transfers positively influence household expenditure patterns, the gendered division of labor, women's empowerment, and savings behavior. However, cash transfer programs also challenge the fiscal health of states. In India, both conditional and unconditional cash transfers exist, although the former are more prevalent than conditional ones. The policy recommendations emphasize that cash transfer programmes should be designed in accordance with the fiscal capacity of states and aligned with intended developmental outcomes. Future research should examine the long-term effects of cash transfer programs, compare the effectiveness of conditional and unconditional transfers, and assess their impact on state budgets and other public expenditures.*

**Keywords:** Cash Transfers, Conditional Cash Transfers, Unconditional Cash Transfers, Fiscal Health, Women Empowerment, Direct Benefit Transfer (DBT)

## Introduction

Unconditional cash transfers (UCTs) have expanded rapidly across several states and now constitute a growing share of state-level welfare spending. Aggregate spending on UCT programmes for women and the number of states implementing them increased by more than fivefold between FY23 and FY26, with around half of these states estimated to be in revenue deficit. Higher allocations to UCTs involve clear trade offs. Unless deficits widen further, additional spending will crowd out resources for critical social and physical infrastructures. These trade-offs are reinforced by program design and have adverse implications for medium-term growth (Economic Survey of India, 2025). UCTs introduced by state governments in the last few years aim to empower women by enhancing financial resources under their control (Singh, C., 2025). Cash transfer programs provide cash assistance to the poor and certain vulnerable groups that could would fall into poverty. The objectives are to increase the incomes of the poor, help individuals and families cope with the consequences of shocks, and facilitate government reforms. States prefer cash transfers because cash can be a cheaper vehicle to deliver benefits than in-kind transfers. Moreover, cash does not distort consumer preference. There are two types of cash transfers: unconditional and conditional. Conditional cash transfers are given to beneficiaries conditional on specific actions, such as sending children to school or making regular health visits, and unconditional transfers are those that are given to beneficiaries without any specific requirements beyond eligibility. Conditionality is also sometimes referred to as co-responsibilities.

Conditionality is not the same thing as eligibility or enrolment criteria, such as poverty-related criteria or possession of identification documents (Unicef, 2016). While cash transfers can alleviate income poverty in the short run, their impact on empowerment is uncertain as standalone measures. Transfers may strengthen women’s bargaining power in the workplace. However, they may also reduce women’s participation in paid work (Sigh et al., 2025). The Honorable Supreme Court observed that governments announce freebies to citizens as the election approaches and inquired why the government cannot use that money for developmental activities instead of providing UCTs. (The Hindu, 2026). These observations are truly eye-opening.

Therefore, it is critical to investigate the effects of conditional and unconditional cash transfers (UCTs) to women. UCTs have become the norm rather than a novelty among Indian states. In five years UCTs to women have gone from one state to 16 states across India (Shah, P., Hathiari, S., & Ghatak, S., 2025). As more states adopt cash transfer programs, it becomes critical to understand which approach is more effective in achieving poverty reduction and women’s empowerment. This study reviewed the available empirical research to understand the current status of studies on the effectiveness of both conditional and unconditional cash transfer programmes in reducing poverty and enhancing the status of women across various countries and Indian states. It also explored studies examining the impact of these programs on the fiscal health of Indian states, especially in the context of concerns raised by the Supreme Court of India. By analyzing the existing body of literature, this study seeks to help researchers identify gaps and future directions for research.

### Methodology

This is a review article. It is a survey of previously published research on the topic of cash transfers. This section provides an overview of the current thinking on this topic. This article provides a critical evaluation of the data available from existing studies, potential research areas to explore next, and sometimes draws new conclusions from the existing data. This study employs the Preferred Reporting

Items for Systematic Reviews and Meta-Analyses (PRISMA) technique to critically evaluate the effectiveness of both conditional and unconditional cash transfer programs in India. Therefore, the selection of articles was conducted in four stages: identification, screening, eligibility, and inclusion (Shamseer et al., 2015). Searched JSTOR, Research Gate, SSRN, Sage Journals, Taylor and Fransis Journals, DOAJ, ICSSR Data Service, Vox Dev, and World Bank Open Knowledge Repositories. The included studies revealed the concept of cash transfers and evaluated the effects of conditional or unconditional cash transfer programs on the individual or household levels in India. Only studies published in English were included. Only studies conducted between 2009 and 2025 were included, as older articles may not represent the most recent advancements in cash transfers, making them less applicable to answering current research issues. Backward and forward reference tracking citation searches were used for studies in various parts of the world and India. The included studies focused on the concept of cash transfers and their effects of cash transfers. Authentic book chapters, reports from nonprofit organizations and charities, dissertations, and working papers were used. The PRISMA method identified 43 studies for inclusion. of the 43, 18 studies were reviewed to understand the concept of cash transfers, and the other 25 studies were from the Indian context.

### Objectives of the Study

- To provide a comprehensive foundation on the topic of cash transfers
- To explain the current state of knowledge of cash transfers
- To identify gaps in existing studies for potential future research.

### Foundation of Cash Transfers

This section examines the existing evidence on the concept of cash transfer, as well as what, why, and when to use cash. Cash transfer program types, design, and execution.

The notion of Conditional Cash Transfer (CCT) programs emerged in Latin American nations primarily as a reaction to the macroeconomic crisis

of the 1990s, during which the demand for social services, including education and healthcare, from impoverished households was thought to have significantly decreased. These programs consequently mark a shift in the government's approach, which was previously centered on the supply side delivery of essential services. Instead, they concentrate on the demand side, safeguarding the consumption of meritorious items. These programs also mark a transition from general subsidies to more finely targeted programs that aim to boost human capital formation and, hence, increase efficiency in the long term. (UNDP, 2009). Cash transfers, which provide direct, regular, and non-contributory payments to eligible individuals, are one of the most debated, lauded, and contentious social assistance ideas of the twenty-first century. They have helped reduce poverty and provide immediate support during economic crises, such as the COVID-19 pandemic. They are lauded for advancing women's rights, strengthening community resilience, improving development aid programs, and achieving a more equitable allocation of income. Cash transfers can be used to shape receivers into neoliberal subjects, as vehicles for revolutionising the global capitalist system, or as compensation for historical injustices. Cash transfers impact gender relations, state-citizen interactions, local power dynamics, and the livelihoods of marginalized socioeconomic groups. Cash transfers confront pre-existing transactional orders, types of trade, and money classifications that determine their local interpretation. Cash transfers expose inconsistencies in an increasingly financialized global capitalist system that relies on specific infrastructures, bureaucratic state power, patriarchy, and narrow definitions of what constitutes an economic transaction (Cambridge Encyclopedia of anthropology, 2022).

Cash transfers (CTs), also known as social (assistance) transfers or social (assistance) payments, are promoted for their ability to alleviate poverty, transform the relationship between citizens and the state, alter gender hierarchies and household dynamics, streamline inefficient development aid interventions, and cushion the economic effects of ecological and other crises. Echoing these comments, a statement made by multiple UN agencies in 2018

described "cash-based assistance as one of the most significant reforms in humanitarian aid in recent years." (OCHA et al., 2018). Cash transfer programs rely on, change, and create infrastructure, such as digital payment systems. They also impact gender relationships, state-citizen interactions, local power dynamics, and the lives of marginalized socioeconomic groups. Finally, cash transfers face pre-existing transactional orders, exchange types, and money classifications that impact their local interpretations. Cash transfers, among other things, expose inconsistencies in an increasingly financialised global capitalist system that is reliant on specialized infrastructures, bureaucratized state power, sexism, and precise definitions of what an economic transaction means and ends with a plea for future ethnographically detailed studies on financial transfers (Fotta, Martin, and Mario Schmidt, 2022).

Many low- and middle-income countries (LMICs) rely heavily on government-led cash transfer programs to reduce poverty levels. Recently, it was discovered that cash transfer programs are associated with significantly lower death rates among women and young children in low- and middle-income countries. The factors that underpin these reductions were investigated. As many countries debate the future of their cash transfer programs, including whether to adopt approaches such as basic or guaranteed incomes, these findings provide additional information on the multiple ways in which such programs can benefit population health (Richterman et al., 2025). Cash transfers are an important component of social safety nets. Aside from lowering poverty, cash transfers are supposed to boost women's empowerment by giving them more autonomy and decision-making capacity. While research typically suggests that monetary transfers increase women's decision-making power, their impact on intimate partner violence (IPV) is less definitive. (Hidrobo and Roy. 2019, Baranov et al. 2021, Buller et al., 2018).

Cash transfers have clear and significant impacts, particularly on desired first- and second-order outcomes, such as spending on food and other household items, access to education, and usage of health facilities. Importantly, financial transfers have been demonstrated to have simultaneous effects

on a variety of outcomes, such as increased school attendance, which is consistently associated with a decrease in child labor. There is also strong evidence that cash transfers can influence first- and second-order outcomes that are not typically the primary focus of many programs, such as savings, productive investments, and diversification of livelihood choices. Across CCTs in Latin America and UCTs in sub-Saharan Africa, positive effects on investment in livestock and agricultural inputs are consistently observed, indicating that cash transfers can not only help reduce poverty by redistributing resources to the poor but also promote their economic autonomy and self-sufficiency (Bastagli, Francesca & Hagen-Zanker, Jessica & Harman, Luke & Barca, Valentina & Sturge, Georgina & Schmidt, Tanja & Pellerano, Luca, 2016). The well-being of women and girls can be improved through the use of cash transfers as a policy tool to promote gender equality. When cash transfers are directed towards women, their positive effects can be amplified. Female beneficiaries are not always empowered by receiving cash transfers alone. Cash transfers may increase the demands and caregiving responsibilities placed on women due to traditional gender roles. In general, women and girls gain as much from cash transfers as men and boys. These transfers have a favorable effect on the opportunities and well-being of women and girls, especially in education and work. Although cash transfers can boost both boys' and girls' attendance at school, better learning results are not necessarily the result. Cash transfers are linked to a decline in child labor for both boys and girls; however, the declines are greater for boys. Cash transfers can affect how men and women use their time differently; women may spend more time doing household duties, while girls may spend less time doing so. Cash transfers can lessen physical abuse by male partners and provide women more control over decisions, including those related to marriage and fertility (Hagen-Zanker, Jessica & Pellerano, Luca & Bastagli, Francesca & Harman, Luke & Barca, Valentina & Sturge, Georgina & Schmidt, Tanja & Laing, Calvin, 2017).

Because significant social cash transfer programs have historically targeted women, cash transfers are frequently regarded as a gender-sensitive

development strategy. However, targeting women does not always have positive consequences for women and girls. Although there is growing evidence from the development sector that cash transfers can benefit women and girls in various protection and empowerment dimensions, the outcomes are sometimes conflicting and poorly understood. There is even less data on gender and money in humanitarian contexts, where cash use is increasing rapidly. Cash transfers may not reach those who are most disadvantaged if gender issues are not taken into account, which could limit rather than provide opportunities for more significant gender-transformative change (Claire A. Simon, 2019). Both high- and low-value transfers can boost savings and asset accumulation while increasing household spending. When comparing two transfers, the higher relative value transfer usually has a greater influence on economic indices such as investment, consumption, and food security. Compared to lower-value cumulative transfers, higher-value lump-sum transfers might enable households to invest or save more. The choice of investment can be influenced by the transfer's value; larger, longer-term investments can be made with higher lump-sum transfers, while smaller, shorter-term investments can be made with lower value transfers. Transfers with lower values may be more beneficial. When combined with behavior change communication messages to enhance health, nutrition, and educational outcomes, even those that account for less than 10% of the average yearly income or consumption per capita have quantifiable effects. More control over time-use choices is provided through cash transfers. They may replace caregiving, self-employment, and child education with wage jobs, but they do not always inhibit employment. If high-value transfers and cumulative low-value transfers are proportionate to important cost factors, such as the cost of travelling to the clinic or buying a diverse food basket, and if low-value transfers are accompanied by messaging or conditionalities, they can help offset the associated costs of seeking and achieving health and nutrition outcomes. The worth of a transfer may be less significant when aspects such as supply, quality, and distance from school are considered, according to

a less definitive current study in education (World Bank; Action, Innovations for Poverty, 2024).

Direct cash transfers (DCTs) are cash payments delivered directly to people, households, or communities, concentrated on humanitarian financial transfers intended to reduce poverty. Direct cash transfers have taken various forms over time. To keep things simple, they were examined through the lenses of universality, conditionality, and frequency of distribution. Although they work well, DCTs are not universally applicable. A number of criteria, including conditionalities, targeting, lump sum vs. tranches, timing, monitoring measures, and form of transfer, must be carefully considered during their design and execution. These choices are influenced by the particular setting, the intervention's intended results, and, frequently, the organizations' philosophies. Additionally, incorporating awareness and capacity building into DCT interventions offers a viable way to contextualize and tailor these transfers to successfully address local needs (The Nudge Institute, 2024). In many developing nations, conditional cash transfer (CCT) programs are the preferred anti-poverty initiative, with the goal of enhancing human capital and ending the generational cycle of poverty. Ten years after the start of a randomized three-year CCT programme, early exposure at elementary school ages when children were at risk of dropping out resulted in higher incomes for men and higher labor market involvement for both young men and women. They emphasize how the various CCT program components affect learning outcomes for men and reproductive health outcomes for women, with differences in the time of access to nutrition, health, and education inputs translating into significant differential effects (Barham, Macours, and Maluccio 2024).

While UCTs provide more flexibility, enhancing mental health and economic resilience in difficult environments, CCTs typically outperform UCTs in reaching specific education and health targets by rewarding specific behaviors. The results highlight the necessity for customized, integrated strategies and the context-dependent nature of cash transfer schemes. Policy proposals place a strong emphasis on creating programs that consider local conditions

and intended results (C. Light a. , G. E. Nwaobia b , and L. I. Nwobia, 2024). UCTs aimed at women have a greater effect on income and consumption than non-targeted programs. While transfers aimed at men have even greater effects on income but smaller effects on consumption, they also come from only four programs as opposed to 16 and 19 programs for female-targeted and untargeted programs, respectively. Additionally, evidence suggests that child-focused framing in conjunction with UCTs may enhance food security outcomes. Additionally, it is crucial to consider the frequency and timing of transfers in relation to program completion to comprehend how families respond to cash transfers in terms of investment and consumption. While completed stream programs and lump-sum transfers enable greater asset accumulation, ongoing stream transfers yield stronger consumption benefits. Regardless of the disbursement schedule, the effects on income were comparable. (Crosta. et al., 2025)

While acknowledging that even the best-designed and best-managed programs cannot provide all the requirements of a comprehensive social protection system, CCTs have been shown to be a successful means of redistributing income to the poor. Therefore, CCTs must be supplemented with other measures, such as social pensions, workfare, or job initiatives. The justification for tying payments to program participants' utilization of particular health and educational services is also considered. Conditions can be justified if there are significant externalities to investments in health and education, if families are under-investing in their children's human capital, or if there is "incomplete altruism" between parents and their children. Additionally, conditional payments may be preferred over unconditional ones due to political economic factors: taxpayers may be more likely. Political economics factors may also favor conditional transfers over unconditional ones: taxpayers may be more inclined to support transfers to the impoverished if they are associated with long-term initiatives to combat poverty, especially if those initiatives include measures to enhance children's welfare. (Schady, Norbert; Fiszbein, Ariel; Ferreira, Francisco H.G.; Keleher, Niall; Grosh, Margaret; Olinto, Pedro; Skoufias, Emmanuel, 2009). The CCT program is effective and can directly mitigate

the adverse effects of malnutrition and its long-term negative impact on children. Therefore, it must be expanded to include more vulnerable people across all states in Nigeria. The impact of cash transfers on household livelihood outcomes in Nigeria was studied using a multistage cluster sampling methodology. Beneficiaries and non-beneficiaries within the same locality were randomly selected to participate in a survey to assess the impact of cash transfers on food security and food diversity. (Eluwa TF, Eluwa GIE, Iorwa A, et al., 2025).

Both positive and negative phrases are frequently used to characterize CCTs. There is strong evidence that CCT programs have been successful in lowering short-term poverty and boosting the use of health and education services. These accomplishments should not be undervalued, as they provide compelling evidence that well-thought-out public initiatives can have a major impact on important social indices. Additionally, CCTs have good institutional externalities. Most significantly, they have strengthened the results culture in the public sector, at least in social policy, by emphasizing monitoring and assessment. It is evident that this strengthening is a legacy worth maintaining. However, there are many reasons to exercise caution and refrain from turning the clear benefits of CCTs into a mindless campaign of support (Fiszbein, Ariel; Schady, Norbert; Ferreira, Fran, 2009). Policy priorities and objectives must be carefully balanced when designing public financial transfer systems. The benefit amounts, coverage, length of program participation, targeting strategies, and concept of conditionality are all influenced by variations in the justification for a conditional cash transfer. emphasizes variations in CCT design as well as the main problems and trade-offs related to income transfers, targeting, and conditionality by drawing on the experience of Latin America's low- and middle-income nations. Additionally, it presents data on how CCTs affect service utilization, income poverty, and health and education results (Bastagli, 2011).

### **Cash Transfers with Reference to India**

This section examines the evidence currently available regarding the effects of cash transfer programs in India on women's economic

empowerment and poverty, with a particular emphasis on the following aspects: (a) poverty; (b) nutrition and health; (c) education; (d) training and employment; and (e) personal empowerment, particularly changes in autonomy, mobility, self-esteem, and sense of self in a larger context.

Over the past 20 years, social welfare systems in developing nations have undergone tremendous change, with direct cash transfers emerging as a popular strategy for addressing poverty and inequality. Although this movement originated in Latin America, several developing nations, like India, have since changed their welfare systems to include direct cash transfers in place of in-kind benefits and subsidies. Currently, 316 projects are under the purview of India's Direct Benefit Transfer (DBT) system, which has been in place for the last five years. It would be interesting and worthwhile to observe how Indian states perform in terms of DBT, even though it would be too early to assess its success or failure. Two important factors influencing DBT transfers in the states are literacy and the JAM (Jan-Dhan, Aadhaar, Mobile) Index. (Dar. Et al, 2022).

Programs that target households with children at the national level include both unconditional cash transfer programs (UCTs), which offer direct payments without conditions, and conditional cash transfer programs (CCTs), which provide money to low-income families subject to their investments in human capital, such as keeping children in school or taking them to checkups. Based on factors such as income, location, and other household characteristics, both CCTs and UCTs can be directed towards low-income and vulnerable households. (Ringold, Dena; Fiszbein, Ariel; Srinivasan, Santhosh, 2011).

It is untrue to believe that cash transfers may replace the public provision of essential goods and services and serve as a catch-all for reducing poverty. In cases where cash transfers have reduced poverty, they have supplemented governmental services rather than replacing them. As part of a larger plan to guarantee domestic supply, direct provision shields low-income consumers from the growing costs of necessities such as food. With cash transfers, issues like targeting errors and diversion from worthy beneficiaries are likely to be significantly more severe and cannot be resolved by technology solutions

like the UID (Gosh, J.,2011). It is evident that the financial incentives offered by CCT programs for girls can encourage positive changes in the hostile social environment that exists in our communities. It is evident that the financial incentives offered by CCT programs for girls can encourage positive changes in the hostile social environment that exists in our communities. The findings clearly support the necessity of maintaining CCT programs for girls by changing the conditionalities, reorganizing the incentives, and focusing on economically disadvantaged groups. (Sekher, T.V. and F. Ram, 2015)

India's social, economic, and political vulnerabilities are critical. In this situation, social safety nets, such as direct cash payments, can increase social security coverage among underprivileged and marginalized groups in society. Direct cash transfers can improve the poor quality of welfare services in India. According to Amartya Sen, the Union government's cash transfer program can be a helpful tool to support other strategies for reducing inequality in India, "but it is not a magic bullet, and its pros and cons have to be assessed and scrutinised with an open mind" (Sen,2013). Social justice and inclusive growth are required, given the current state of poverty, unemployment, inequality, and discrimination. (Taranjeet Singh and Jagdev Singh, 2016.) There are arguments in favor of switching to conditional cash transfers (CCTs) from some of the large subsidies and substantial expenditures on directly targeted poverty reduction programs. Additionally, three prerequisites must be met before CCTs can be implemented. First, in 2010, a new approach to identifying the impoverished must be implemented in both rural and urban areas. Second, the implementation of a biometric identity system for every BPL is necessary for a successful CCT. In light of the UID system for the entire population, it is imperative to concentrate on the BPL section of the population. Third, an urgent effort would be needed to guarantee that all BPL households have at least one post office or bank account in light of the requirement to transfer funds to the beneficiaries electronically, Introducing Conditional Cash Transfers in India. This process is already well underway because of the

post office/bank account expansion that took place for the NREGA (Mehrotra, S., 2010).

In recent years, the number of cash-transfer programs, both government policies and university experiments, has multiplied globally, sparking intense political, policy, and scholarly interest. (Vibhor Mathur,2026). Many state governments have introduced unconditional cash transfer programs; however, there is much disagreement over how these programs affect women's empowerment. In addition to making up a sizable amount of the monthly income of female casual and self-employed workers, transfers also account for a sizable portion of the spending of the poorest 50% of people in each state. Although cash transfers can temporarily reduce income poverty, their effect on empowerment remains unclear. Transfers can increase women's negotiating leverage in the workplace. However, they might also reduce the number of women who work for pay (Singh, 2025).

DCTs are not a "magic bullet," but they would be an improvement over the current situation by facilitating the impoverished's access to marketable goods and services. The government also plays a crucial role in supplying complementary inputs or other commodities and services that the market cannot adequately offer. (Devesh Kapur, Partha Mukhopadhyay, Arvind Subramanian, 2008). Based on two rounds of the National Family Health Survey, the impact of India's largest conditional cash transfer program, Pradhan Mantri Matru Vandana Yojana (PMMVY), which offers sequential cash transfers to pregnant and nursing mothers to improve maternal and child healthcare utilization and child health outcomes, reveals the positive effects of cash transfers on the use of postnatal care for newborns. (Husain, Z., Ghosh, S., & Dutta, M., 2023).

To encourage women to give birth in medical facilities, India implemented the Janani Suraksha Yojana (JSY), a conditional cash transfer program, in 2005. Women from lower socioeconomic backgrounds were the focus of the JSY. In November 2006, eligibility was extended to all women in ten underperforming states, along with increased financial incentives. However, the pro-rich gradients of healthcare utilization may have steepened as a result of this development. Although

the policy change boosts the utilisation of maternity healthcare, it has no positive effects on women from affluent socioeconomic backgrounds (Taneja, B., & Roy Chowdhury, I., 2025). The unconditional cash transfer does not induce a decline in food security; rather, it provides opportunities for households to shift to other nutritious options in non-cereal product categories (Aizawa, T. 2020).

To slow down population growth, the District Health Services in Satara District, Maharashtra, India, launched a novel program called “the Second Honeymoon Package” (SHP) in 2007. It offered newlyweds conditional cash transfers (CCTs) in exchange for delaying their first childbirth by two or three years. The strategy promoted “non-terminal” contraceptive techniques, such as condoms and pills, in contrast to India’s traditional family planning program, which primarily focused on female sterilization. The impact of the SHP and its potential for scale-up remain unanswered because it stopped early in 2010 without being thoroughly evaluated. (Gangopadhyay, S., Lensink, R., & Yadav, B., 2015).

The conditions of women-centric transfer programs put in place by different state governments to empower women, grant them financial independence, boost their economic involvement, and achieve other goals, as well as their effect on state governments’ financial inclusion, have been examined. The financial health of states such as Madhya Pradesh, Chhattisgarh, Maharashtra, Karnataka, Tamil Nadu, Odisha, Jharkhand, West Bengal, Delhi, Gujarat, Tamil Nadu, Telangana, Assam, Haryana, and Himachal Pradesh may suffer as a result of the wave of women-centric direct benefit transfers. Direct benefit transfers account for a sizable portion of the revenue, overshadowing other successful programs. (Hansraj Thakur, 2025).

Two well-known Indian cash transfer schemes, the Ladki Bahin Yojana in Maharashtra and the Ladli Behna Yojana in Madhya Pradesh, are compared. These initiatives, which were implemented in the run-up to state assembly elections, purport to empower women from underprivileged backgrounds by providing them with direct financial assistance. These programs pose important concerns about their political intentions and long-term sustainability because they use similar cash transfer techniques

within comparable socio-cultural and economic circumstances. Additionally, each scheme’s design elements, implementation strategies, and financial difficulties were examined, along with a comparative study that highlighted the scheme’s overall impact, similarities, and contrasts. The Ladki Bahin Yojana and Ladli Behna Yojana are two important initiatives aimed at empowering Indian women. Both programs use DBT systems and have comparable goals; however, their target audiences and implementation techniques are different. The evaluation of both plans’ financial load and long-term viability is a crucial part of the analysis. The financial ramifications of these extensive initiatives are causing both state governments to struggle with their implementation. The design and execution of upcoming social welfare projects in India can greatly benefit from a comparative study of these programs. (Vaishali Sambodhan Dhammapathee, 2025)

In India, cash transfers to women have become a crucial governmental tool for enhancing their social and economic well-being. In October 2011, Odisha implemented the MAMATA, a conditional cash transfer program. This study reveals that a comparatively lower percentage of women exposed to this strategy reported experiencing violence against them using propensity score matching. Additionally, women who were exposed to this plan reported experiencing fewer violent acts from their spouses on average. The damage is greatest when it comes to extreme physical and emotional violence. For SC and SC&ST women, the MAMATA programme had no noticeable impact on violence-related outcomes. Additionally, the program had no significant effect on the prevalence of sexual violence against women. The findings indicate that cash transfer programs for women can result in greater welfare improvements. (Ayush Kumar, 2023)

The idea of “women empowerment” has been a hot topic for some time now. Women have long been victims of marginalization, inequality, and oppression due to our society’s extreme genderedness and unequal gender relations. The Indian government has implemented several measures, including Conditional Cash Transfer Schemes, to address gender inequality and elevate the status of women in India. In 2013, the West Bengal government

introduced a program called “Kanyashree Prakalpa” to empower girls by encouraging them to pursue higher education and postpone marriage. Ten years after its implementation, this study seeks to ascertain the effectiveness of Kanyashree Prakalpa in empowering women in two socioeconomically disparate West Bengali districts: Kolkata, the state’s capital and megacity, and Purulia, a district that is considered backward. Through the use of a structured questionnaire and semi-structured interview schedule to gather data from randomly chosen beneficiaries in both Kolkata and Purulia, as well as statistical analysis to identify patterns and trends of the impact of such programs on their recipients, the researcher discovered that although Prakalpa produced positive responses from both districts, it had a greater overall impact in Purulia. (Sukanya Ghosh, et. al., 2025)

A natural experiment from the “Krushak Assistance for Livelihood and Income Augmentation” program—a public initiative created to provide small and marginal farmers in the Indian state of Odisha with unconditional cash transfers for income support—was used to examine the effects of direct income transfers. A nationally representative household survey to determine the impact of these transfers at the household level. The sources through which loans are obtained are significantly impacted by the transfer, but overall indebtedness and post-program borrowing levels are not much affected. The transfers also induce a decrease in the area farmed by households in the crop season following the initiation of the program, but no substantial consequences are observed on investment in agricultural inputs or crop output. (Shipra Karan and Subhasish Dey, 2022).

This study assesses the causal impact of the Bhagyalakshmi scheme, a conditional cash transfer (CCT) program implemented in the Indian state of Karnataka in 2006, is assessed. The ongoing program attempts to eliminate sex-selective abortions, child marriage among girls, and underinvestment in the education of females. The program is available to girls born in or after 2006, and they receive a lump-sum payout once they complete their education. This study examined the direct impact on eligible girls and the spillover effect on eligible girls’ siblings, specifically the eldest daughters who are ineligible owing to their birth year. Specifically, the

effects on school enrolment and learning outcomes were examined for these two groups. To isolate the treatment impact (which is an Intent to Treat or ITT estimate), we used a modified difference-in-difference (DiD) estimation technique that compared the difference in outcomes between untreated and treated groups over time between Karnataka and control states. Looked into heterogeneity in outcomes based on parent education and proximity to local schools. There is no effect on the enrolment of eligible girls in general, but there is some evidence of a considerable favorable impact on girls from disadvantaged families. Furthermore, there was evidence of significantly favorable spillover effects on the eldest ineligible daughters, suggesting that the CCT’s positive income advantages surpass any potential negative displacement effects on siblings. The curriculum had no substantial impact on the literacy or numeracy skills of either group. Contributed to the literature on CCTs in India by examining a program that has never been experimentally tested, analyzing its effects on learning levels, and investigating the spillover effects on ineligible siblings in the same home (Tulika Jain, 2023).

Cash transfer programs for women in India now reach nearly 130 million people at an annual cost of 0.6% of GDP, although evidence of their effectiveness is sparse. Conducted a large-scale randomized evaluation to investigate the impact of unconditional transfers to new mothers in India. Treated households saw a 9.6-15.5% increase in calorie intake for women and children, as well as improvements in dietary diversity and nutrient consumption. Gender differences in food consumption have decreased. We observed considerable improvements in children’s functional development. While anthropometric indices did not change on average, they may have changed in places with higher cleanliness. (Weaver et.al., 2025).

Conditional cash transfer initiatives are gaining popularity in low- and middle-income countries, with the goal of enhancing access to health and social services while eliminating gaps in access and results for the poor and marginalized. India’s conditional cash distribution scheme, Janani Suraksha Yojana (JSY), founded in 2005, is one of the largest in the world. Along with minimal compensation to

community health professionals, it offers financial incentives to pregnant women to deliver at health care facilities. In 2007-08, JSY implementation varied greatly by state, with cash rewards for mothers giving birth ranging from less than 5% to 44%. The poorest and least educated women were not necessarily the most likely to receive JSY payments. JSY had a major impact on increasing prenatal care and in-facility delivery rates. (Lim et. al., 2010),

Unconditional cash transfer systems have been introduced by various state governments; however, their influence on women's empowerment is contested. Transfers account for a sizable proportion of the monthly revenues of female self-employed and casual workers. They also account for a sizable share of spending by the bottom half of the population across all states. While cash transfers can reduce income poverty in the short term, their influence on empowerment remains unknown. Transfers may increase women's bargaining leverage in the workplace. However, they may lower women's participation in paid work. (Singh, C., 2025).

In India, the provision of unconditional cash transfers to women is being driven by female voters' growing power, the development of digital infrastructure for social welfare, and women's economic marginalization. Approximately 15 states and union territories have implemented cash distribution programs. These schemes have bolstered the case for providing Universal Basic Income (UBI) in the country, with states adopting the "UBI for women" concept, which was first advocated by the Economic Survey of India in 2016–2017. Although cash transfers are sometimes regarded as "freebies" in public discourse, growing evidence from states suggests that they can have a favorable influence on household spending, gendered division of labor, women's empowerment, and savings. (Sunaina Kumar, 2025).

The budget allotted to UCTs in India has increased dramatically over the past ten years, ten times faster than the country's economic growth. More significantly, it is critical to reassess welfare portfolios and allocation procedures in light of the growing trend of UCT adoption. To guarantee inclusive growth and develop policies that address their vulnerabilities, it is necessary to methodically

identify the various facets of citizen identities and their difficulties. Second, there is a chance to enhance the effects of cash-based policies by shifting the emphasis from consumption to investment in order to increase citizens' self-reliance and empowerment (Shah, P., Hathiari, S., & Ghatak, S., 2025).

Over the years, Direct Cash Transfers have taken many forms. For simplicity, we look at them through the prisms of conditionality, universality, and frequency of disbursement. DCTs are effective but are not a one-size-fits-all solution. Their design and implementation require careful consideration of various factors, such as conditionalities, targeting, lump sum versus tranches, timing, monitoring mechanisms, and mode of transfer. These decisions are based on the specific context, desired outcomes of the intervention, and often the philosophy of the organizations involved. Furthermore, integrating awareness and capacity building into DCT interventions provides a promising avenue for customizing and contextualizing these transfers to meet local needs effectively. Given the abundance of Direct Cash Transfers in India, many of which are new, there is an opportunity to learn a lot about the country, which is actually a collection of various 'contexts.' Given this, policymakers, civil society practitioners, investors, and funders must work together in India to assess the global evidence on Direct Cash Transfers, produce context-specific insights, and scale applicable effective solutions in India (The Nudge Institute, 2024).

## Discussion of Results

Cash transfers have an impact on gender relations, state-citizen interactions, local power dynamics, and the livelihoods of marginalised socioeconomic groups. Cash transfers are promoted for their ability to alleviate poverty, transform the relationship between citizens and states, alter gender hierarchies and household dynamics, streamline inefficient development aid interventions, and cushion the economic effects of ecological and other crises. Cash transfer programs have been linked to significantly lower death rates among women and young children in low- and middle-income countries (LMICs). There is also strong evidence that cash transfers can influence first- and second-order outcomes that are

not typically the primary focus of many programs, such as savings, productive investments, and diversification of livelihood choices. Cash transfers have helped reduce poverty and added to public provision, not replaced it. For crucial items such as food, direct provision protects poor consumers from rising prices and is part of a broader strategy to ensure domestic supply. Emerging evidence from this study strongly advocates the need for the continuation of CCT schemes for girls by restructuring incentives, modifying conditionalities, and targeting economically weaker sections. The cash transfer does not reduce food security; rather, it allows households to switch to healthier options in non-cereal product categories. CTs make sequential cash transfers to pregnant and nursing mothers to increase maternal and child healthcare usage and child health outcomes. Apart from lowering poverty, cash transfers are supposed to boost women's empowerment by giving them more autonomy and decision-making capacity. Cash transfers have a favorable impact on women's well-being and opportunities, notably in education and employment, and women and girls benefit equally as men and boys. Cash transfers can have varying effects on how women and men spend their time, with women occasionally increasing their time spent on domestic labor. Cash transfers provide greater control over time-use decisions. They do not inherently prohibit work but rather provide the opportunity to substitute paid work for care, self-employment, and child education. The reason for conditioning is supported if the investments have significant externalities. Transfers may increase women's bargaining leverage in the workplace. Although they work well, CTs are not universally applicable solutions. A number of criteria, including conditionalities, targeting, lump sum vs tranches, timing, monitoring measures, and form of transfer, must be carefully considered during their design and execution. In many developing nations, conditional cash transfer (CCT) programs are the preferred antipoverty initiative, with the goal of enhancing human capital and ending the generational cycle of poverty. While UCTs provide more flexibility, enhancing mental health and economic resilience in difficult environments, CCTs typically outperform

UCTs in reaching particular education and health targets by rewarding behaviours.

The results highlight the necessity for customised, integrated strategies and the context-dependent character of cash transfer schemes. In India Cash transfers to women have emerged as a significant governmental tool for improving their social and economic well-being. To combat gender discrimination and enhance the position of women in India, the Indian government has taken several steps, including implementing Conditional Cash Transfer Schemes. There is no effect on enrolment for eligible girls in general, but there is some evidence of a considerable favourable impact for girls from disadvantaged families. Cash transfers boost mothers' and children's calorie intake while also increasing food diversity and nutrient consumption. Gender differences in food consumption have narrowed. While cash transfers can reduce income poverty in the short term, their influence on empowerment is unknown. Transfers may increase women's bargaining leverage in the workplace. However, they may limit women's participation in paid work. Emerging data from states indicates that they can have a positive impact on household expenditures, gendered division of employment, women's empowerment, and savings. . Both conditional and unconditional cash transfers have implemented by Indian states. Programs that target households, women, and children at the national level include both unconditional cash transfer programs (UCTs), which offer direct payments without conditions, and conditional cash transfer programs (CCTs), which give money to low-income families subject to their investments in human capital. The findings clearly support the necessity of maintaining CCT programs by changing the conditionalities, reorganizing the incentives, and focusing on economically disadvantaged groups. Currently, unconditional women-centric cash transfers dominate the budgets of Indian states. The wave of women-centric direct benefit transfers has the potential to harm the financial health of the states. A considerable portion of revenue spent on direct benefit transfers, overshadowing other effective initiatives at the state level.

## Policy Implications and Recommendations

The review states that these cash transfers have a positive impact on all sections of society. When Indian states formulate cash transfer programmes, they should consider financial health. Populist cash transfer schemes are putting state budgets under pressure, but the fiscal burden must be weighed against the need to address problems in society. India's wide range of Direct Cash Transfer programs, many of which have been introduced only recently, offers significant opportunities for learning across the country's diverse social and economic contexts. In this situation, policymakers, civil society practitioners, investors, and funders need to collaborate to evaluate the global evidence on Cash Transfers, generate insights suited to specific contexts, and expand effective and relevant solutions across India.

## Conclusion

Finally, this systematic study highlights the effectiveness of cash transfers in improving health outcomes and enhancing educational attainment in India. The findings underline the significant role of cash transfers in reducing poverty, reshaping state–citizen relationships, influencing gender roles and household dynamics, improving the efficiency of development interventions, and lessening the economic impact of ecological and other crises. Beyond poverty reduction, cash transfer programs also aim to strengthen women's empowerment by increasing their autonomy and participation in decision-making. These programs have been found to reduce child labor among both girls and boys, with a greater decline observed among boys. Simultaneously, cash transfers may influence the allocation of time within households, sometimes leading women to spend more time on domestic responsibilities. However, they also provide individuals with greater flexibility in how they use their time by creating opportunities to shift from paid labor to caregiving, self-employment, or children's education. However, the rapid expansion of women-focused direct benefit transfers may raise concerns regarding the long-term financial sustainability of governments. Future research should therefore examine the lasting impacts of these programs and

assess the effectiveness of integrated interventions to support more context-specific and evidence-based policymaking. Studies need to be conducted to determine which form of cash transfer—conditional or unconditional—is more effective. In addition, it is important to examine the impact of these cash transfer programs on state government budgets and assess how they influence other areas of public expenditure.

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