

DHANALAKSHMI SCHEME: REASONS BEHIND ITS FAILURE

ABSTRACT

The article evaluates the Dhanalakshmi Scheme of the Government of India, whether it was successful or not, and if not the reasons why it failed to succeed. It explains the objectives of the scheme of reducing the dropout rate among young girls, increasing enrolment and retention, promoting gender equality through education, etc. The scheme aimed to extend financial support to families from underprivileged families for the education of their girl child. It further talks about its inception and the provisions made to the general public. It moves on to discuss the challenges faced by the scheme in India which are the reason why very few girls benefited from it. The scheme was discontinued in 2014. It also discusses the impact this scheme had on the education sector of our country. Lastly, the article talks about the recommendations about the future of the scheme as well as the education sector and concludes with a note of hope that the scheme is revised and relaunched, and reaches every vulnerable girl who is denied the fundamental right to education.

Keywords: Girl child; Education; Financial support; Scheme; Underprivileged; Enrolment; Dropout rate; Gender Equality; Development; Future

INTRODUCTION

The Dhanalakshmi Scheme, implemented by the Government of India, is a social welfare program aimed at promoting the well-being of girl children in the country. The scheme was launched to address gender inequality, promote education, and provide financial security to families. Under the Dhanalakshmi Scheme, financial assistance is provided to families with a girl child, conditional upon fulfilling certain criteria. The scheme focuses on the girl child's education, health, and overall development. The key features of the Dhanalakshmi Scheme include the provision of cash incentives for the girl child's education, immunization, and health check-ups. Financial assistance is provided in various stages, such as birth registration, enrollment in school, completion of primary education, and secondary education. The scheme also emphasizes the importance of empowering the girl child by providing them with life skills training, vocational education, and awareness programs on health and hygiene. It aims to break traditional barriers and promote gender equality by encouraging families to value and invest in their daughters' education and development. Overall, the Dhanalakshmi Scheme seeks to improve the lives of girl children in India by providing financial assistance and support for their education, health, and empowerment, ultimately contributing to their overall well-being and societal progress.

LITERATURE REVIEW

- Dhanashri Brahme and Sanjay Kumar (2015), 'Financial Incentives for Girls – What Works?', UNFPA, New Delhi
- UNFPA India, (2011), 'Special Financial Incentives Schemes for the Girl Child in India – A review of Selected Schemes', UNFPA, New Delhi

OBJECTIVES

- To understand the Dhanalakshmi scheme of the Government of India.
- To understand whether the scheme was successful or not.
- To understand the reason behind its failure, if it is found to be not successful.

RESEARCH METHODOLOGY

The study is mainly qualitative in nature. Secondary data has been used from United Nations Population Fund report to evaluate the usefulness of financial incentives for girls provided by the scheme.

VISSION, INCEPTION, AND PROVISIONS OF THE SCHEME

The vision of the Dhanalakshmi Scheme was to promote the education and well-being of the girl child in India, to reduce poverty, and promote gender equality. The scheme provides financial assistance to families to support the education of their daughters, with the hope of encouraging families to invest in the education and future of their daughters. The vision of the scheme is to provide financial support to families who might otherwise not be able to afford to send their daughters to school, to improve educational outcomes for girls, and promote gender equality in India. By providing financial support for the education of girls, the scheme hopes to break the cycle of poverty and ensure that girls have the skills and knowledge necessary to participate fully in the economic and social development of India.

The Dhanalakshmi Scheme was launched by the Government of India in 2008. The scheme was introduced as part of the government's efforts to promote the education and welfare of the girl child and promote gender equality in India. The scheme provides a financial incentive for families to invest in the education and well-being of their girl children, to break the cycle of poverty and discrimination faced by many girls in India. The scheme is administered by the Department of Financial Services in the Ministry of Finance and is implemented through designated banks and post offices.

The Dhanalakshmi Scheme worked as follows:

Enrollment: Parents or guardians can enrol their girl child in the scheme by making a one-time deposit at a designated bank or post office.

Amount of deposit: The minimum deposit amount is Rs. 11,000, and there is no upper limit. The deposit earns interest as per the prevailing rate.

Maturity: The deposit matures when the girl child reaches 18 years of age or gets married, whichever is earlier.

Withdrawal: The deposit, along with interest earned, can be withdrawn by the girl child or her parents/guardians after maturity.

Use of funds: The deposit can be used for the girl's education and/or marriage expenses.

Tax benefits: Deposits under the scheme are eligible for tax benefits under Section 80C of the Income Tax Act.

Death of depositor: In the event of the death of the depositor, the deposit along with interest earned will be paid to the nominee specified at the time of enrollment.

DATA AND FINDINGS

Table 1: Impact of Dhanalakshmi Scheme on Parents' attitude on girls' marriage, education, and gender equality of parents from beneficiary households and non-beneficiary households.

Outcome variables	% of outcome among treated (Beneficiary HH)	% of outcome among matched untreated (Non-beneficiary HH)	ATT (%)
A girl can decide when to marry	26.7	17.6	9.1**
A girl can decide whom to marry	20.8	14.8	6.1**
Girls' education	33.4	30.1	3.3**
Gender equality	22.7	14.8	7.8**

** P<0.000; ATT: Average treatment effect on the treated (difference in the attitude of parents of beneficiary girls as compared to matched non-beneficiary parents).

Source: UNPFA

Beneficiary families demonstrated a positive outlook towards the value they placed on their daughters and their willingness to invest in them. Although these responses pertain to future actions rather than past ones, the observed shift in attitudes is favorable and can take root in a supportive policy and program environment. The incentive scheme appears to have played a role in shaping positive attitudes towards girls, rather than fundamentally changing them.

While the study does not provide conclusive evidence that cash transfers directly motivate parents to desire or willingly accept daughters, incentives do have a significant impact on parents' attitudes in the early years of a girl's life. The findings illustrate that financial incentives contribute to breaking down existing gender barriers and challenging the perception of daughters as burdensome liabilities.

Furthermore, the study emphasizes that cash transfer schemes alone are insufficient to completely transform discriminatory attitudes towards girls. However, in a society that may be resistant to change, these schemes have the potential to drive positive transformations when implemented alongside other interventions aimed at improving the status of women and girls.

Based on the findings, it is safe to say that the scheme did not run successfully in the country. While it is always beneficial to continue cash transfer schemes for girls, it is suggested that the incentives be restructured to better address the needs of the beneficiaries and enhance the value placed on girls. This can involve simplifying the conditionalities to improve accessibility and offering customized options that cater to a wide range of economic groups. By doing so, parents and families will be motivated to invest in the well-being and development of their daughters.

CHALLENGES OF THE SCHEME

The Dhanalakshmi Scheme faces several challenges, some of which could have been:

Awareness. Lack of awareness about the scheme among potential beneficiaries, particularly in rural areas.

Accessibility. Limited accessibility to the scheme due to a lack of enrollment centers and banking facilities in remote areas.

Low enrolment. Low enrollment in the scheme due to factors such as cultural biases, financial constraints, and lack of trust in the banking system.

Misuse of funds. Concerns about misuse of funds by parents or guardians, leading to a reluctance to enroll in the scheme.

Delay in disbursal. Delays in disbursal of funds due to bureaucratic processes and administrative issues.

Low return on investment. Low return on investment compared to other financial instruments, leading to a lack of interest among potential depositors.

To address these challenges, the government needed to increase awareness about the scheme, improve accessibility, and simplify the enrollment process. It also needs to take steps to prevent misuse of funds and ensure timely disbursal of deposits and interest earned.

BENEFITS OF PROPER IMPLEMENTATION OF THE SCHEME

The impact of the Dhanalakshmi Scheme on education is difficult to quantify, as data on the use of funds and the educational outcomes of girl children enrolled in the scheme is limited. However, the scheme could likely have a positive impact on the education of some girls by providing a financial incentive for families to invest in their education upon proper implementation. The scheme promotes the idea that educating girls is important, which can help to break the cycle of poverty and discrimination faced by many girls in India.

In addition, the scheme provides a source of funding for the education of girls, which can help to reduce the financial burden on families. By making it easier for families to invest in their girls' education, the scheme can help improve access to education for girls, which is an important factor in promoting gender equality.

However, it is important to note that the impact of the scheme will depend on several factors, including the enrollment rate, the use of funds, and the quality of education available. To maximize the impact of the scheme on education, the government needs to increase awareness, improve accessibility, and ensure that funds are used effectively.

RECOMMENDATIONS

To revise and relaunch the Dhanalakshmi scheme, the government could consider implementing the following steps:

Expansion of the scheme. The government could consider expanding the scheme to cover a wider range of expenses related to the education and well-being of girls, such as healthcare, nutrition, and housing.

Improved management and accountability. The government could take steps to improve the management and accountability of the scheme, such as regular monitoring of the use of funds and implementing stricter measures to prevent misuse of funds.

Increased public awareness. The government could increase public awareness of the scheme by launching a comprehensive public awareness campaign and improving access to information about the scheme.

Improved access to quality education. The government could take steps to improve access to quality education for girls, such as increasing funding for schools in underserved areas and providing scholarships and grants to girls from disadvantaged communities.

Collaboration with non-government organizations. The government could collaborate with non-government organizations working on education and gender equality to increase the reach and impact of the scheme.

The government needs to take a comprehensive approach that addresses the challenges faced by the scheme and leverages the strengths of the scheme to promote the education and well-being of girls in India to ensure a brighter future.

CONCLUSION

In conclusion, the Dhanalakshmi Scheme was a government-sponsored initiative aimed at promoting the education and well-being of the girl child in India. While the scheme has the potential to play an important role in promoting gender equality and reducing poverty, it was discontinued in 2014 as its impact has been limited. A one-size fits all incentive scheme is not desirable.

To maximize the impact of the scheme, the government needs to take a proactive approach to improve the scheme, increasing public awareness, and improving access to quality education for girls. Additionally, the government could consider expanding the scheme to cover a wider range of expenses related to the education and well-being of girls and improving the management and accountability of the scheme to prevent misuse of funds.

Ultimately, the success of the Dhanalakshmi Scheme will depend on the government's commitment to promoting the education and well-being of girls in India, as well as the ability of the scheme to effectively target and support the most vulnerable girls.

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