

# RURAL WOMEN AND THE KALAINAR MAGALIR URIMAI THITTAM: A STUDY ON GENDER EQUITY, FINANCIAL INCLUSION, AND SOCIO-ECONOMIC EMPOWERMENT IN TAMIL NADU

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## Abstract

Rural women in India continue to face interlocking constraints that restrict their participation in economic activity, decision-making, asset ownership, and mobility. Although policy interventions over the past two decades have attempted to address gendered poverty, structural inequalities persist, particularly among low-income households dependent on informal and precarious work. In this context, the Government of Tamil Nadu introduced the **Kalaignar Magalir Urimai Thittam (KMUT)** in 2023 as a direct benefit transfer scheme providing monthly rights-based income support to eligible women heads of households. This paper analyses the socio-economic implications of KMUT on rural women's livelihoods, financial autonomy, consumption stability, and bargaining power within households. It evaluates how a feminist lens on welfare, social protection, and cash transfer policies helps understand the transformative potential of the scheme. Based on secondary research, policy analysis, and socio-economic theory, the paper argues that KMUT—by combining unconditional income support with digital payment systems, targeted inclusion, and legal recognition of women as household heads—strengthens rural women's economic agency and contributes to inclusive development. However, challenges related to digital literacy, last-mile delivery, socio-political gatekeeping, and long-term fiscal sustainability require consistent policy refinement. The study concludes that KMUT offers an innovative framework for gender-responsive welfare and can serve as a model to improve the socio-economic resilience of rural women across India.

## Introduction

Rural women constitute the backbone of India's agrarian economy, yet they remain disproportionately affected by poverty, wage discrimination, landlessness, informal employment, and unpaid domestic labour. Despite representing almost half of the rural population, their economic participation remains undervalued and undercompensated. Social norms continue to shape their access to education, resources, mobility, and markets, reinforcing systemic gender inequality.

Tamil Nadu has historically invested in social welfare and gender-inclusive policies such as the mid-day meal scheme, Dr. Muthulakshmi Reddy Maternity Benefits, and reservations in local governance. Continuing this legacy, the Government of Tamil Nadu launched the **Kalaignar Magalir Urimai Thittam**, guaranteeing an assured monthly income of Rs. 1000 to women heads of eligible households. The scheme is positioned not as a welfare handout but as a **"rights-based entitlement"**, recognising women's economic contribution to family welfare.

The scheme holds particular significance for rural areas, where limited employment opportunities, unstable agricultural incomes, and high dependency ratios magnify economic vulnerability. This paper examines how KMUT interacts with the socio-economic realities of rural women, and the extent to which it contributes to empowerment, financial inclusion, and structural change.

## Conceptual Framework

The analysis is situated within four conceptual lenses: gender and development, rights-based welfare, financial inclusion, and capability enhancement.

The gender and development perspective explains how rural women are structurally excluded from markets and public services due to social norms, patriarchal hierarchies, and labour segmentation. Rights-based welfare theory recognizes the shift from charity-oriented support to entitlements grounded in justice and dignity, positioning women as rights holders, not beneficiaries. Financial inclusion literature emphasizes the role of regular income in enabling women to access digital banking, credit, and savings mechanisms, thereby improving economic agency. The capability approach by

Amartya Sen highlights how freedom, choice, and autonomy are expanded when women gain control over income and resources.

Together, these frameworks help assess KMUT beyond short-term consumption support, focusing instead on its transformative potential.

### **Rural Women in Tamil Nadu: Existing Challenges**

Rural women in Tamil Nadu face multi-dimensional challenges that affect their social and economic well-being. Limited access to land ownership continues to restrict their decision-making power and bargaining position within the agrarian economy. Many women engage in seasonal or informal agricultural labour, receiving low wages and lacking social security. Domestic responsibilities further constrain their ability to seek full-time employment, resulting in time poverty.

Moreover, women's financial inclusion remains limited despite improvements in bank account ownership under schemes such as PMJDY. Digital literacy gaps, mobility restrictions, and limited familiarity with digital financial systems impede their ability to independently manage finances. Vulnerability to poverty is heightened by illness, crop failures, climate variation, or sudden income shocks—a pattern well-documented across rural India.

In this context, a predictable and unconditional monthly income can function as a stabilizing mechanism. It reduces household stress, enhances consumption smoothing, and provides women with financial space to invest in basic needs, healthcare, education, and livelihood activities.

### **Overview of the Kalaingar Magalir Urimai Thittam**

The Kalaingar Magalir Urimai Thittam aims to support nearly one crore women in Tamil Nadu by offering Rs. 1000 monthly as a universal entitlement for eligible women heads of households. The scheme operates through a digital direct benefit transfer model to ensure transparency, speed, and reduced leakages. Applications are processed through village-level camps, with verification undertaken by revenue officials.

The scheme explicitly recognizes women's contributions to family welfare, including unpaid domestic labour, which is often invisible in GDP calculations. In rural areas, the scheme also addresses income instability arising from agricultural dependence, limited diversification, and underemployment. The monthly amount, though modest, functions as a supplemental income that can meaningfully impact household decisions.

By formally acknowledging women as household heads, KMUT alters the traditional power structure within families, giving women greater recognition and authority.

### **Objectives of the Study**

This paper aims to explore the following research questions:

1. How does the Kalaingar Magalir Urimai Thittam influence rural women's economic decision-making and financial autonomy?
2. What impact does the scheme have on livelihoods, household consumption patterns, and resilience to economic shocks?
3. To what extent does income support under KMUT contribute to gender empowerment and social change in rural Tamil Nadu?
4. What challenges or gaps exist in the implementation of the scheme, especially for rural women with low digital literacy or limited mobility?

These questions help frame the discussion on the role of direct benefit transfer schemes in promoting gender equity.

### **Methodology**

This research is based on qualitative and descriptive analysis of secondary data, including government policy documents, newspaper reports, academic literature, budget documents, and evaluation studies of similar schemes across India and other countries. Comparative insights from unconditional cash transfers in Kenya, Brazil, and Bangladesh are used to contextualize the transformative potential of

KMUT. Theoretical frameworks on welfare economics, gender empowerment indices, and capability expansion support the analysis. The study does not use primary data but relies on published information to identify trends and implications.

### **Impact of KMUT on Rural Women: Discussion and Analysis**

The Kalaingar Magalir Urimai Thittam has the potential to produce multi-dimensional outcomes for rural women. Its impact extends beyond income enhancement into psychological, social, and economic domains.

#### **Income Stability and Consumption Smoothing**

For rural women living in poverty, income instability is a persistent challenge. The fixed monthly support of Rs. 1000 enables better planning for essential household expenditures such as groceries, medicines, school fees, and transport. Several studies on cash transfers reveal that women tend to allocate additional income toward family welfare, health, and nutrition. In rural Tamil Nadu, such predictable income enhances nutrition security, reduces debt dependence, and supports day-to-day consumption.

#### **Strengthening Financial Inclusion and Digital Literacy**

Since KMUT transfers money into women's bank accounts, it pushes rural households toward digital financial systems. Women who earlier relied on spouses or relatives for bank transactions now engage more directly with banking processes. This exposure improves digital familiarity and strengthens long-term financial independence. Increased banking activity can also enable rural women to access micro-credit, insurance products, and savings instruments.

#### **Enhancing Decision-Making Power**

Research consistently demonstrates that cash income controlled by women enhances their bargaining power in family decisions. KMUT contributes to this by making women the legal recipients of an official government entitlement. This recognition enhances their status within both family and community structures. Women gain greater voice in decisions related to children's education, household spending, healthcare, and minor investments.

#### **Reduction in Debt and Vulnerability**

Rural households often depend on informal credit from moneylenders at high interest rates to cope with financial shocks. Even a modest monthly income can reduce the reliance on such exploitative loans. Women with stable monthly inflows can negotiate better credit terms or avoid unnecessary debt. This improves their long-term economic resilience.

#### **Livelihood Investments**

Although the Rs. 1000 support may not be sufficient for large-scale livelihood investments, it can be used as seed capital for petty trade, poultry, tailoring, food processing, or home-based enterprises. Evidence from other cash transfer programmes shows that women often reinvest a portion of unconditional transfers in income-generating activities.

#### **Mental Well-being and Reduced Household Stress**

Financial insecurity is closely linked to stress and domestic conflict. A predictable monthly entitlement provides psychological relief, reducing anxiety among rural women responsible for managing household budgets. This positive emotional impact indirectly improves family relationships and social well-being.

### **Challenges in Implementation**

Despite the scheme's potential, certain challenges affect its efficiency in rural areas. Limited digital literacy and unfamiliarity with banking procedures can hinder the smooth use of the sanctioned amount. Rural women often depend on local intermediaries for banking transactions, which can introduce risks of exploitation or misinformation.

Another concern relates to documentation and verification delays. Some eligible women may be left out due to mismatches in ID documents, address proof issues, or technical errors in data entry. Social inequalities, including caste-based discrimination, may influence local-level verification processes in some regions.

Fiscal sustainability is another consideration for long-term continuity. The scheme requires substantial government resources, and future political changes may impact its stability unless strong institutional frameworks are established.

Additionally, while the scheme recognizes women as household heads, entrenched patriarchal norms might lead to family pressure to surrender or share the benefit. Awareness campaigns and community mobilization are essential to ensure that the benefit remains under the control of the intended recipient.

### **Policy Implications and Recommendations**

To maximize the transformative potential of KMUT for rural women, certain policy measures can strengthen implementation. Improving digital literacy through village-level training can help women manage their finances more independently. Enhancing grievance redressal systems, ensuring transparency in verification, and reducing documentation burdens will make access easier.

Integrating KMUT beneficiaries with self-help groups can create opportunities for collective bargaining and financial planning. Encouraging micro-enterprise development through skill training and linking women to formal credit mechanisms can multiply the impact of the monthly entitlement. Public awareness campaigns must emphasize women's rights over the benefit and promote gender-sensitive norms that reduce gatekeeping by male household members.

Finally, periodic evaluation studies and data-driven monitoring systems can ensure accountability and guide future policy refinements.

### **Conclusion**

The Kalaingar Magalir Urimai Thittam marks a significant step in gender-responsive welfare policy in India. By recognizing women as rights holders and placing income directly into their hands, the scheme enhances financial autonomy, strengthens decision-making, and improves socio-economic resilience among rural women in Tamil Nadu. It not only provides immediate consumption support but also helps shift the structural dynamics of gender inequality.

While implementation challenges remain, particularly in rural areas, the scheme's long-term benefits can be maximized through continuous policy refinement, digital literacy support, and integration with livelihood initiatives. As India explores new pathways to inclusive development, KMUT offers an innovative and replicable model that demonstrates how direct benefit transfers can empower rural women and strengthen social equity.

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