

A Study of Financial Crises and the Effectiveness of Government Welfare Schemes in Rajasthan

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Abstract: Financial distress among economically vulnerable households remains an important socio-economic concern in Rajasthan. Households facing irregular income, unemployment, indebtedness, rising household expenditure, medical expenses, agricultural losses and limited access to formal financial services may experience difficulty in meeting their basic needs. Government welfare schemes are intended to provide income support, social security, healthcare protection, livelihood assistance, education support and financial inclusion. The present study examines the relationship between financial crisis and the effectiveness of government welfare schemes among beneficiaries in Rajasthan. The proposed empirical study uses a sample of 400 respondents selected from different socio-economic groups of Rajasthan. Primary data may be collected through a structured questionnaire, while secondary information is obtained from government reports, official scheme portals, audit reports and published research. Rajasthan has developed an integrated welfare-delivery system through Jan Aadhaar, which facilitates the delivery of cash and non-cash benefits. The Rajasthan Economic Review 2025–26 reports that, up to December 2025, Jan Aadhaar had more than 2.06 crore enrolled families and 7.95 crore enrolled individuals, with more than ₹1.29 lakh crore transferred through more than 206 crore transactions; the platform was integrated with numerous government schemes and services. At the same time, audit evidence has identified implementation issues in social-security pension delivery, including delays in approval and disbursement. The study proposes examination of awareness, accessibility, timeliness, adequacy, transparency and perceived effectiveness of welfare schemes. Statistical tools such as percentage analysis, mean, standard deviation, chi-square test, correlation and regression may be employed. The paper provides a framework for assessing whether welfare schemes contribute to reducing the financial vulnerability of beneficiaries.

Keywords: Financial Crisis, Financial Distress, Government Welfare Schemes, Rajasthan, Social Security, Financial Inclusion, Jan Aadhaar, Beneficiaries, DBT

I. INTRODUCTION

Financial security is an important component of socio-economic development. Households with stable employment, adequate income, savings and access to financial services are generally better able to manage unexpected expenditure. In contrast, households with irregular employment and low income may be particularly vulnerable to financial shocks such as illness, unemployment, crop failure, indebtedness, disability and sudden increases in living expenses. Rajasthan has a large geographical area and substantial rural and semi-urban population. The state therefore faces particular challenges in delivering public welfare benefits to eligible households. The Government of Rajasthan has developed **Jan Aadhaar** as an integrated mechanism for delivering cash and non-cash benefits. According to the official Jan Aadhaar portal, its objective is to create a common identification and socio-economic database and facilitate direct transfer of benefits to beneficiaries' bank accounts. The Rajasthan Economic Review 2025–26 describes welfare policy across areas including economic development, social welfare and social security. It also reports substantial expansion

of Jan Aadhaar-based delivery. Government welfare programmes cover different dimensions of financial vulnerability. Examples include social-security pensions, agricultural assistance, scholarships, health insurance, livelihood programmes, women's entrepreneurship support and financial-inclusion initiatives. The official Jan Aadhaar integrated-schemes portal lists schemes from agriculture, education, social justice, insurance, women's empowerment and other departments. However, the existence of a welfare programme does not necessarily mean that every eligible household receives adequate or timely assistance. Awareness, eligibility requirements, documentation, digital access, banking facilities, application procedures and delays can affect actual access. Therefore, the present study focuses on the following central question:

To what extent do government welfare schemes help households facing financial crises in Rajasthan, and what factors influence their effectiveness?

Background of the Study

Financial crisis at the household level can arise from several factors:

- Low or irregular income
- Unemployment and underemployment
- Agricultural losses
- Medical expenditure
- Educational expenditure
- Household debt
- High cost of essential commodities
- Lack of savings
- Limited access to institutional credit
- Disability or old age
- Loss of employment or livelihood
- Natural or climate-related shocks

Government welfare programmes can potentially reduce the severity of these problems through direct financial assistance, social protection, subsidised services and livelihood opportunities. The official Rajasthan Economic Review 2025–26 places social welfare and social security within the state's broader development framework and identifies support for vulnerable groups as an important policy area. Jan Aadhaar is particularly relevant because it functions as an integrated delivery platform. The Economic Review states that more than 97% of the projected population had been represented in the Jan Aadhaar data repository by December 2025 and that the system was being used for cash and non-cash benefit delivery.

Statement of the Problem

Despite the availability of numerous welfare programmes, economically vulnerable households may continue to experience financial difficulties because of insufficient awareness, complicated procedures, documentation requirements, delayed payments, inadequate benefit amounts, difficulties in accessing banking services and other implementation barriers. A performance audit of direct benefit transfer in Rajasthan reported implementation issues in social-security pension schemes. The audit found delays in pension approval and disbursement and identified concerns regarding identification and beneficiary records. Consequently, there is a need for empirical research that examines not merely the availability of welfare schemes but also their **actual effectiveness from the beneficiary's perspective**.

II. REVIEW OF LITERATURE

Saini and Sharma (2024)

Saini and Sharma examined government-sponsored programmes and financial inclusion among economically disadvantaged women in Rajasthan. Their study considered programmes including PMJDY, MUDRA, MGNREGA, Stand-Up India and Kisan Credit Card-related initiatives. The authors concluded that financial-inclusion initiatives had

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contributed to access to bank accounts and credit opportunities, while also emphasizing that access to financial resources needs to translate into income-generating activity for broader empowerment.

Nikita and Sharma (2024)

Nikita and Sharma studied constraints experienced by farmers in adopting government schemes in Rajasthan using data from **480 farmers** across Ajmer, Alwar, Jodhpur and Udaipur. Their findings identified lack of awareness, communication gaps, delayed claims, insufficient financial support, high initial investment and administrative issues as important constraints.

Kar et al. (2025)

Kar et al. studied the impact and growth drivers of PMJDY in Madhya Pradesh and Rajasthan. Their research highlights the importance of financial inclusion in extending formal financial services to economically disadvantaged populations.

Tiwari, Kar and Bhandari (2026)

A 2026 study examined the financial-inclusion continuum across 30 districts of Rajasthan over the period 1994–2023, focusing on dimensions such as deposit and credit penetration. The study demonstrates the importance of considering financial inclusion as more than simple ownership of a bank account.

Sehgal and Sangita (2024)

Sehgal and Sangita examined a government-funded health insurance programme in Rajasthan in relation to out-of-pocket expenditure and quality of maternal healthcare. Their study illustrates how welfare interventions can be evaluated through their effects on household financial burdens rather than only through beneficiary counts.

Research Gap

Previous research has examined individual dimensions such as financial inclusion, agricultural schemes, women's financial empowerment and health insurance. However, there remains scope for an integrated beneficiary-level study examining:

- Financial crisis experienced by households;
- Awareness of welfare schemes;
- Accessibility of schemes;
- Timeliness of benefits;
- Adequacy of assistance;
- Transparency of delivery;
- Satisfaction with schemes; and
- Whether welfare benefits reduce perceived financial vulnerability. The present study attempts to address this gap using a proposed sample of **400 beneficiaries/respondents**.

Objectives of the Study

The study has the following objectives:

- To examine the nature and extent of financial crises experienced by households in Rajasthan.
- To measure the level of awareness regarding government welfare schemes.
- To examine the accessibility of government welfare schemes among beneficiaries.
- To evaluate the timeliness and adequacy of welfare benefits.
- To examine the effectiveness of government welfare schemes in reducing financial difficulties.

- To suggest measures for improving the effectiveness of welfare programmes in Rajasthan.

Research Hypotheses

- **H01:** There is no significant relationship between the level of awareness of government welfare schemes and their utilization.
- **H02:** There is no significant association between socio-economic characteristics of respondents and accessibility of government welfare schemes.
- **H03:** There is no significant relationship between timely receipt of welfare benefits and reduction in financial difficulties.
- **H04:** There is no significant relationship between adequacy of welfare benefits and reduction in financial vulnerability.
- **H05:** There is no significant relationship between transparency of welfare-scheme delivery and beneficiary satisfaction.
- **H06:** Government welfare schemes do not have a significant relationship with the perceived reduction in household financial crisis.

III. RESEARCH METHODOLOGY

Research Design

The study adopts a **descriptive and analytical research design**.

The descriptive component measures the financial conditions, awareness and utilization patterns of beneficiaries. The analytical component examines relationships between financial crisis and welfare-scheme effectiveness.

Population of the Study

The population comprises households/individual beneficiaries of government welfare schemes in Rajasthan, particularly persons belonging to economically vulnerable groups.

The study can include:

- Rural households
- Urban low-income households
- Farmers
- Women
- Senior citizens
- Persons with disabilities
- Workers

Research Variables

Independent Variables

- Awareness
- Accessibility
- Documentation requirements
- Digital accessibility
- Timeliness
- Transparency

Dependent Variable

Effectiveness of Government Welfare Schemes

Sample Size

A sample of **400 respondents** is proposed for the study.

Proposed geographical distribution

Region	Districts proposed	Sample
Eastern Rajasthan	Jaipur, Alwar	100
Western Rajasthan	Jodhpur, Barmer	100
Northern Rajasthan	Jhunjhunu, Bikaner	100
Southern Rajasthan	Udaipur, Kota	100
Total	8 districts	400

The districts can be adjusted according to field accessibility and the final research design.

Sampling Technique

A **multistage sampling technique** may be adopted.

Stage 1: Rajasthan may be divided into major geographical regions.

Stage 2: Selected districts may be identified from each region.

Stage 3: Blocks/urban areas may be selected from the districts.

Stage 4: Beneficiaries may be selected through purposive and systematic sampling.

Stage 5: A total of 400 usable questionnaires may be obtained.

Sources of Data

Primary Data: Primary data should be collected from the selected respondents through a structured questionnaire.

Secondary Data: Secondary information may be obtained from:

Government of Rajasthan

Rajasthan Finance Department

Rajasthan Economic Review

Jan Aadhaar Authority

Social Justice and Empowerment Department

Department of Agriculture

Government budget documents

CAG reports, The Rajasthan Finance Department provides the State Budget 2026–27 and Economic Review 2025–26 as official documents.

Major Welfare-Scheme Areas Covered

Rather than restricting the study to one scheme, the research can examine welfare interventions under the following categories:

Category	Examples
Social Security	Old-age, widow and disability pensions
Agriculture	Farmer assistance, crop-related schemes
Financial Inclusion	PMJDY, DBT and banking access
Health	Government-funded health insurance
Education	Scholarships and educational assistance
Women Empowerment	Women's entrepreneurship and support programmes

Category	Examples
Livelihood	Employment and self-employment programmes
Housing/Social Support	Housing and related assistance

The official Jan Aadhaar integrated-schemes database includes agriculture, cooperative credit, social security pension, scholarships, women's empowerment and insurance-related schemes, among many others.

Findings of the Study

Based on the proposed research framework for “**A Study of Financial Crises and the Effectiveness of Government Welfare Schemes in Rajasthan**”, with a sample size of **400 respondents**, the findings may be presented under the following major themes. Since actual questionnaire-level data have not been provided, these findings are written as **research-oriented findings that should be validated with the final SPSS results**.

1. **Prevalence of Financial Crisis:** The study indicates that financial crisis is an important concern among economically vulnerable households in Rajasthan. Irregular household income, unemployment or underemployment, increasing household expenditure, medical expenses, indebtedness and lack of adequate savings are among the major factors contributing to financial stress.
2. **Limited Financial Capacity of Vulnerable Households:** A considerable proportion of respondents are expected to have limited capacity to deal with unexpected financial shocks. Households with low and irregular income may depend more heavily on government assistance to meet essential expenditure.
3. **Awareness of Government Welfare Schemes:** The study indicates that awareness is an important determinant of welfare-scheme utilization. While many respondents may be aware of major government schemes, awareness about **eligibility criteria, application procedures, documentation requirements and grievance mechanisms** is comparatively weaker.
4. **Government Schemes Provide Financial Support:** The study finds that government welfare schemes can provide meaningful support to financially vulnerable households through pensions, scholarships, agricultural assistance, health protection, employment opportunities, financial inclusion and other forms of assistance.
5. **Accessibility Remains an Important Issue**

Although welfare schemes are available, some respondents may experience difficulties in accessing them because of documentation requirements, digital procedures, limited digital literacy, distance from service centres and difficulties in navigating the application process.

6. **Delays Affect Perceived Effectiveness:** Timely receipt of benefits is an important factor determining the effectiveness of welfare schemes. Delays in approval, verification or transfer of benefits can reduce the ability of beneficiaries to use government assistance when they face immediate financial difficulties.

This finding is particularly relevant because the CAG's audit of direct benefit transfer in Rajasthan identified delays and implementation issues in social-security pension delivery during the period examined.

7. **Adequacy of Benefits:** The study suggests that receiving a government benefit does not necessarily eliminate financial difficulties. For some households, the amount received may provide partial relief but may not be sufficient to cover the full increase in household expenditure, medical costs, education expenses or livelihood losses.

8. **Financial Inclusion Supports Welfare Delivery:** Access to bank accounts and digital payment mechanisms has an important role in welfare delivery. Rajasthan's Jan Aadhaar system has substantially integrated beneficiary identification and delivery of cash and non-cash benefits. The Rajasthan Economic Review 2025–26 reports more than **2.06 crore enrolled families and 7.95 crore individuals** on Jan Aadhaar by December 2025.

9. **Digital Literacy Influences Accessibility:** The study indicates that digital literacy may influence beneficiaries' ability to apply for schemes, check application status, update information and access related services. Elderly persons and beneficiaries with limited digital experience may require greater assistance.

Conclusion

The present study examines the financial difficulties faced by economically vulnerable households and the role played by government welfare schemes in addressing these difficulties. The study recognizes that financial crisis at the household level may arise from irregular income, unemployment, indebtedness, medical expenditure, agricultural and livelihood losses, increasing household expenses, and inadequate savings.

The study concludes that **government welfare schemes play an important role in reducing financial vulnerability and providing social and economic security to disadvantaged sections of society**. Schemes related to social security, agriculture, employment, healthcare, education, financial inclusion and livelihood support can provide essential assistance during periods of financial stress. The integration of welfare delivery through mechanisms such as Jan Aadhaar and Direct Benefit Transfer has also contributed to improving the reach and accessibility of government benefits in Rajasthan. However, the effectiveness of welfare schemes depends not merely on their availability but also on **awareness, accessibility, timely delivery, adequacy of benefits, transparency and grievance redressal**. Lack of awareness, documentation requirements, digital literacy gaps, difficulties in accessing online services, banking-related problems and delays in receiving benefits can reduce the practical impact of welfare programmes. The study further concludes that welfare assistance should be evaluated from the **beneficiary's perspective**. A scheme may have extensive coverage, but its effectiveness is ultimately reflected in whether beneficiaries receive the intended assistance on time and whether that assistance contributes to reducing their financial difficulties. Special attention is required for rural households, elderly beneficiaries, low-income families and persons with limited digital and financial literacy.

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