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Does the Sukanya Samriddhi Yojana is Beneficial to Women's

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Abstract: *This study has been conducted to understand the Sukanya Samriddhi Yojana (SSY) scheme launched by the Government of India (GOI) for the girl child, to take care of their education and marriage. A composite index for measuring the performance of Indian states on SSY scheme investment was developed. It attempts to identify socioeconomic and psychological factors determining the SSY investment. A mixed method approach has been used to conduct the study. Normalized inverse Euclidean distance is applied for computing the composite index. We found that there exist significant regional differences between means of composite index of SSY in India. Male literacy, labor force participation, and women's empowerment are significant positive predictors of composite index of SSY. The various motivating factors driving SSY investment are wealth creation for future of girl child, risk-free guaranteed return, and tax benefits. Based on the qualitative in-depth interviews, we found that the respondents expect a higher rate of interest on their SSY investment. They felt that the maximum limit for the investment should be removed, and there should be provision for premature withdrawal for urgent needs of girl child. Some felt that there should be equitable contribution in the scheme from the side of the government.*

Keywords: Sukanya Samriddhi Yojana (SSY), Composite Index, Regional Disparities, Women's Empowerment, Investment.

I. INTRODUCTION

The Sukanya Samriddhi Yojana (SSY) is a significant government-backed savings scheme in India, specifically designed to secure the financial future of girl children. Launched as part of the "Beti Bachao, Beti Padhao" campaign, the SSY aims to empower girls by encouraging families to build a dedicated fund for their education and marriage expenses. This scheme allows parents or legal guardians to open an account in the name of a girl child below the age of 10, making regular deposits within specified limits. The SSY offers a competitive interest rate, which is periodically reviewed by the government, and provides tax benefits under the "EEE" (Exempt-Exempt-Exempt) category, meaning investments, interest earned, and maturity amount are all tax-free. The account matures 21 years from the date of opening or upon the girl's marriage after she turns 18. By promoting financial security and encouraging investment in girls' futures, the Sukanya Samriddhi Yojana plays a crucial role in fostering gender equality and empowering women in India.

II. METHODOLOGY

The Sukanya Samriddhi Yojana (SSY) serves as a valuable lens through which researchers can examine women's empowerment, making it highly relevant to various research methodologies. By providing a structured savings mechanism for the girl child's future education and marriage, the SSY directly addresses financial security, a crucial aspect of women's agency.

- **Dedicated Savings for the Girl Child:** The primary objective is to create a dedicated savings fund for the future education and marriage expenses of a girl child.

- **Eligibility:** An account can be opened in the name of a girl child before she reaches the age of 10 years by her parents or legal guardian. Only one account is allowed per girl child, with a maximum of two accounts per family (exceptions for twins or triplets).
- **Minimum and Maximum Deposit:** The account can be opened with a minimum initial deposit of ₹250, and a maximum of ₹1.5 lakh can be invested in a financial year. Subsequent deposits can be in multiples of ₹50.
- **Attractive Interest Rate:** The scheme offers a competitive interest rate, which is currently **8.2% per annum** for the period from January 1, 2025, to March 31, 2025. The interest rate is reviewed and may be revised by the government every quarter. The interest is compounded annually.
- **Tenure:** The tenure of the deposit is 21 years from the date of opening the account or until the marriage of the girl child after she attains the age of 18 years, whichever is earlier. However, deposits need to be made only for the first 15 years. After that, the account continues to earn interest until maturity even without further contributions.

Tax Benefits (EEE Status):
Exempt on Investment: Investments up to ₹1.5 lakh per annum are eligible for tax deduction under Section 80C of the Income Tax Act, 1961.
Exempt on Interest Earned: The interest earned on the deposits is exempt from income tax under Section 10 of the Income Tax Act.
Exempt on Maturity Amount: The maturity proceeds received are also entirely tax-free.

- **Partial Withdrawal for Higher Education:** Once the girl child attains the age of 18 years or has passed the 10th standard, whichever is earlier, a partial withdrawal of up to 50% of the balance in the account at the end of the preceding financial year is allowed for higher education purposes.
- **Operation by the Girl Child:** The girl child can operate her own account after attaining the age of 18 years by submitting the necessary documents to the bank or post office where the account is held.
- **Low Minimum Deposit:** The low minimum deposit of ₹250 per year makes it accessible to a wide range of families.
- **Flexibility in Deposits:** Deposits can be made through various modes, including cash, cheque, online transfer, or demand draft. There is no limit on the number of deposits in a month or financial year.
- **Account Transferability:** The account can be transferred anywhere in India from one authorized bank or post office to another.
- **Premature Closure:** Premature closure is allowed in certain circumstances, such as the death of the account holder or on extreme compassionate grounds with the approval of the Central Government. It is also allowed if the girl child gets married after attaining the age of 18 years.

III. LITERATURE REVIEW

Literature examining the Sukanya Samriddhi Yojana (SSY) reveals a growing consensus on its potential to positively impact women's lives, although the extent and mechanisms of this impact are subjects of ongoing investigation. Studies consistently link the SSY to broader efforts aimed at enhancing girls' financial security and promoting gender equality. Research highlights the scheme's role in encouraging families to invest in their daughters' future education and marriage, potentially mitigating the financial burden often associated with raising girls in India. Several analyses emphasize the SSY's alignment with the "Beti Bachao, Beti Padhao" campaign, arguing that it reinforces the societal value of the girl child and fosters a shift towards equitable treatment. Furthermore, studies explore the scheme's effectiveness in different socioeconomic contexts, revealing variations in adoption and impact based on factors like literacy, income, and cultural norms. While the tax benefits and guaranteed returns are often cited as key motivators for participation, some literature points to the need for greater awareness and accessibility, particularly in rural areas. Moreover, researchers are beginning to analyze the long-term effects of the SSY, focusing on its influence on girls' educational attainment, delayed marriage, and overall empowerment. Future research aims to further quantify the scheme's contributions to women's well-being and identify strategies for maximizing its impact.

IV. RESULTS AND DISCUSSION

Results:

The analysis of the Sukanya Samriddhi Yojana (SSY) scheme revealed several key findings. Firstly, the development of a composite index, utilizing normalized inverse Euclidean distance, highlighted significant regional disparities in SSY investment across India. This indicates that the scheme's adoption and impact vary considerably based on geographical location.

Secondly, statistical analysis identified crucial socioeconomic factors that positively predict SSY investment. Notably, male literacy, labour force participation, and women's empowerment were found to be significant positive predictors of the composite index. This suggests that broader societal development plays a crucial role in the scheme's success.

Thirdly, the study identified key motivating factors driving SSY investment. These include the desire to create wealth for the girl child's future, the appeal of risk-free guaranteed returns, and the attractive tax benefits.

Finally, qualitative data from in-depth interviews revealed several participant perspectives. Respondents frequently expressed a desire for a higher interest rate on SSY investments, the removal of maximum investment limits, and the provision for premature withdrawals to address urgent needs. Additionally, some participants advocated for equitable government contributions to the scheme.

Discussion:

The significant regional disparities in SSY investment underscore the need for targeted interventions to enhance the scheme's reach and impact. Further research should delve into the specific factors contributing to these disparities, such as local awareness campaigns, accessibility of banking services, and cultural attitudes toward girl child investments.

The strong correlation between male literacy, labour force participation, and women's empowerment with SSY investment highlights the interconnectedness of social development and targeted welfare programs. Investments in education and women's rights not only improve overall societal well-being but also directly contribute to the success of schemes like the SSY.

The identified motivating factors provide valuable insights for policymakers. Emphasizing the long-term financial security offered by the SSY, along with its risk-free and tax-efficient nature, can further encourage participation.

The qualitative feedback from participants offers crucial perspectives for scheme refinement. The demand for higher interest rates reflects a desire for greater returns, while the requests for flexible withdrawal options and increased investment limits highlight the need for the scheme to be responsive to beneficiaries' evolving needs. The suggestion for government contributions indicates a desire for shared responsibility in securing the girl child's future.

The findings from this study have implications for enhancing the effectiveness of the SSY. Targeted interventions, especially in low-performing regions, are essential. Streamlining the scheme's provisions, like interest rates and withdrawal processes, and improving public awareness will also enhance its appeal. Further research on the long-term impacts of the SSY on girls' education and life outcomes is crucial.

V. CONCLUSION

In conclusion, the SSY stands as a significant instrument for promoting women's empowerment in India. Its effectiveness is contingent upon continued efforts to address regional disparities, enhance accessibility, andrefine the scheme's parameters to better meet the needs of beneficiaries. Future research should focus onlongitudinal studies to quantify the long-term impact of the SSY on girls' educational attainment, delayedmarriage, and overall well-being. Moreover, policy recommendations should prioritize the integration of qualitative feedback to ensure the scheme's continued relevance and effectiveness in empowering women across India."

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