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GENDER BUDGETING IN INDIA: BRIDGING THE GAP BETWEEN FISCAL COMMITMENT AND ECONOMIC EQUALITY

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ABSTRACT

Gender Budgeting has emerged as an important fiscal policy tool for integrating gender perspectives into public expenditure and improve substantive equality through public spending. India institutionalized gender budgeting through the Gender Budget Statement in the Union Budget for the first time in the financial year 2005-06 with the objective to ensure that public expenditure must contribute towards the socio-economic development for the women. But despite this entire institutional framework, there are ongoing disparities in the share of women in the labour market, in wage distribution and workplace rights that constantly pose a threat to its effectiveness. This paper critically examines whether the gender budgeting has substantially improved women's economic inclusion and workplace rights in India. Based on doctrinal research methodology, the study will examine the constitutional provisions, statutory framework, judicial decisions, union budget documents, and policy reports. It asserts that gender budgeting has enhanced the gender-responsive fiscal planning, but it is limited in its transformative impact by a lack of implementation, poor outcome based monitoring, and institutional accountability. The paper concludes with recommendations for strengthening institutional arrangements, and increasing focus on measurable outcomes to improve the effectiveness of gender-responsive budgeting.

INTRODUCTION

Fiscal policy is a key instrument in achieving concrete socio economic results from the constitutional commitments. Within this framework, gender budgeting has become an important policy tool that integrates gender perspective into the planning, allocation and evaluation of public expenditure. Gender budgeting does not create a budget for women, but rather aims to stimulate the government budget to act in a way that fosters substantive Equality by addressing the distinct needs and challenges faced by women across different sectors of the economy.[1]

India formally adopted gender budgeting through the introduction of the Gender Budget Statement in the union budget for the financial year 2005-06[2]. Since then, successive Union Budget have expanded allocating money for programmes relating to women's education, healthcare, entrepreneurship and social protection. However women still experience lower labour force participation, unequal wages, and limited access to workplace protections, especially in informal and gig economies. The paper evaluates whether India's gender budgeting framework has transformed into a transformative mechanism in advancing women's economic inclusion and workplace rights.

RESEARCH METHODOLOGY

This paper uses a doctrinal research method, which is primarily based on the qualitative analysis of secondary sources. It evaluates the constitutional provisions, legislation, judicial precedents, parliamentary reports and scholarly articles on gender-responsive budgeting and women's labour rights. Particular emphasis has been given to constitutional principles of equality and labour law in order to evaluate the impact of gender budgeting on women's economic participation.

The research uses an analytical and critical approach rather than a descriptive one as it examines the legal instruments and policy results of the Indian gender budgeting practice. Relevant international instruments and reports have also been taken into consideration for providing comparative context and for evaluating gender budgeting framework in India with respect to the internationally accepted standards of gender-responsive governance.

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[1] Debbie Budlender & Guy Hewitt, Engendering Budgets: A Practitioner's Guide to Understanding and Implementing Gender-Responsive Budgets (5–11) (2003) https://internationalbudget.org/wp-content/uploads/Engendering-Budgets-A-Practitioners-Guide-to-Understanding-and-Implementing-Gender-Responsive-Budgets.pdf

[2] Ministry of Finance, Gov't of India, *Expenditure Budget 2005–2006: Gender Budget Statement, 1-2* (2005), https://www.indiabudget.gov.in/budget_archive/ub2005-06/eb/stat19.pdf

LITERATURE REVIEW

In recent years, gender budgeting has been the subject of major research as a fiscal tool to enable the implementation of substantive equality through public expenditure. Debbie Budlender and Guy Hewitt, some of the early proponents of this subject pointed out that gender budgeting should not be considered as a budget specifically for women, but as a governance mechanism to determine whether the budgetary allocations equitably address the socio economic needs of both women and men.[3] Diane Elson further suggested that gender budgeting should be judged by the impacts of the budgeting process in terms of measurable outcomes rather than the volume of public expenditure, emphasizing more on accountability and policy effectiveness[4].

Within the Indian context the studies done by the National Institute of Public Finance and Policy (NIPFP) helped in the institutionalization of gender budgeting by highlighting the need to pay attention to gender issues in fiscal planning and expenditure management.[5] Government reports by the Ministry of Women have subsequently documented the progress of Gender Budget Statement and Gender Budget Cells in different ministries, which indicates the growing commitment to gender-responsive governance.[6]

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[3] Debbie Budlender & Guy Hewitt, Engendering Budgets: A Practitioner's Guide to Understanding and Implementing Gender-Responsive Budgets (9–18) (2003) https://internationalbudget.org/wp-content/uploads/Engendering-Budgets-A-Practitioners-Guide-to-Understanding-and-Implementing-Gender-Responsive-Budgets.pdf

[4] Diane Elson, *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW* 15–26 (2006), https://www.unwomen.org/en/digital-library/publications/2008/1/budgeting-for-women-s-rights-monitoring-government-budgets-for-compliance-with-cedaw-a-summary-guide-for-policy-makers-gender-equality-and-human-rights-advocates

[5] Lekha Chakraborty, Gender Budgeting in India: Analysis of the Gender Budgeting Statement 12–18(2008), https://www.feministpolicyindia.org/documents/resources/grb_papers_india_updf_final.pdf

[6] Ministry of Women & Child Dev., Gov't of India, *Gender Budgeting Handbook*, 9-10 (2015), https://missionshakti.wcd.gov.in/public/new_web_design/img/gender-budgeting/pdf/GB_Handbook_MWCD.pdf

International Organizations have also deeply analyzed the connection between fiscal policy and gender equality. The International Monetary Fund (IMF) has suggested gender-responsive budgeting increases economic productivity as it boosts women's presence in labour force[7]. However, these studies also acknowledge the fact it alone cannot eliminate the structural inequality while highlighting the need for effective implementation and institutional oversight to achieve these budgetary goal.

While the existing literature is helpful in understanding the core concept of gender budgeting and its institutionalization, far less has been done to legally link the gap between gender budgeting and rights at the workplace. Much of the scholarship is of a descriptive nature which relates to the expenditure patterns and policy initiatives, instead of an inscriptive nature, which would evaluate whether these fiscal commitments have strengthened women's legal rights to equal opportunity, equitable remuneration, social security and safe working condition.

This paper seeks to address this gap and provide an integrated analysis of constitutional principles, labour law and judicial interpretation into a single analytical framework. It asserts that the effectiveness of gender budgeting should be assessed on the basis of measurable progress towards improving women's economic inclusion and workplace rights rather than on the basis of financial allocations.

LEGAL AND CONSTITUTIONAL FRAMEWORK OF GENDER BUDGETING IN INDIA

In India the legal basis of gender budgeting is based on the vision of substantive equality from the constitution. Although, the constitution does not expressly mandate gender-responsive budgeting as a fiscal obligation but its provisions collectively requires the State to adopt affirmative measures that eliminate structural discrimination against women. Therefore, it should not only be seen as a fiscal policy initiative, but a tool that can be used to make those constitutional commitments on equality a reality. The main aim is to translate those commitments to social justice into action by allocation of public funds for the empowerment of women and eliminating gender inequalities.

[7] Lisa Kolovich, *Gender Budgeting in G7 Countries*, Int'l Monetary Fund, Working Paper No. WP/17/12, 3–4, 7–8 (2017), https://www.imf.org/en/-/media/files/publications/pp/pp041917gender-budgeting-in-g7-countries.pdf

The constitutional requirement is enshrined mainly in the provisions of Article 14 (ensures equality before law), Article 15 (prohibits discrimination based on sex) and Article 16 (provides equality of opportunity in public employment). Article 15(3), in particular, allows for special measures for women, which gives constitutionality for affirmative fiscal measures aimed at eliminating gender gaps[8]. Together, these provisions make it clear that substantive equality must be legally protected and that this must also be realised through the active policy engagement and action from the state in the form of legislation and budgetary allocation.

The constitutional interpretation has always been upheld by the judicial practice as seen in the case of Air India vs Nergesh Meerza, the Supreme Court of India invalidated discriminatory service conditions imposed in female employees, ruling that employment policies which have been founded on the grounds of gender stereotypes violates the constitutional guarantee of equality[9]. And this understanding was further expanded in the case of Secretary, Ministry of Defence vs Babita Puniya, where the court held that equality under the constitution is not only confined to the mere absence of discrimination but also imposes a positive obligation on the State to remove structural and institutional barriers that hinder women from equally participating in public employment[10]. The essence of both these judgements is indicative of the fact that the guarantee under the Constitution is dynamic in nature and that it demands affirmative action which can address the systematic disadvantages.

The statutory framework which governs the women's employment similarly reflects the constitutional philosophy of equality. The Code on Wages, 2019 bans discrimination in relation to wages and recruitment[11] and The Maternity Benefit Act, 1961 (Amended in 2017) mandates paid maternity leaves and provides for certain establishments to provide crèche facilities.[12] Similarly, The Sexual Harassment of Women at Workplace Act, 2013, puts responsibility on the employer of the workplace to establish safe and dignified working environments for women[13]. Although these pieces of legislation strengthen the legal

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[8] INDIA CONST. art. 14, 15, 15(3), 16

[9] (Air India) v. (Nergesh Meerza), AIR 1981 SC 1829

[10] (Secretary, Ministry of Defence) v. (Babita Puniya), **(**2020) 7 SCC 469**.**

[11] The Code on Wages, 2019, No. 29, Acts of Parliament, 2019 (India)

[12] The Maternity Benefit Act, 1961, No. 53, Acts of Parliament, 1961 (India)

[13] The Sexual Harassment of Women at Workplace Act, 2013, No. 14, Acts of Parliament, 2013 (India)

protection available to women, their effectiveness remains closely dependent upon adequate public investment in legal awareness programmes and social security mechanisms.

There has been a significant expansion in the institutional framework for gender budgeting in the recent fiscal development. The Union Budget by the Government for the FY 2024-25 allocated a record Rs, 3 Lakh Crore for the gender-responsive budgeting, representing approximately 6.5%-6.8% of total Union expenditure, which also shows a substantial increase of 38.7% a decade earlier[14], indicating an increased awareness of the state importance of fiscal policy in gender-responsive governance. However, increase in the money allotment in that segment, alone may not necessarily establish policy effectiveness. The ultimate question, however, remains whether these budgetary commitments are capable of producing measurable improvements in socio economic outcomes.

This is reflected in recent labour market indicators as according to the Periodic Labour Force Survey (2023-24), the participation of females in the labour force market rose to 41.7% marking a significant improvement[15] which is driven by significant gains in women's participation in the formal sector of the economy. However, women remain underrepresented in formal salaried employment concentrated in informal work and continue to face barriers regarding wage equality and access to social security coverage. This highlights a key issue that although gender budgeting has enhanced the gender-responsive governance, its impact on women's economic inclusion and workplace equality remains uneven.

Therefore, it is evident that the constitutional and legislative strength shows a strong legal foundation for gender-responsive budgeting in India. Hence, the lack of constitutional mandate and legislative coverage is no longer the key hurdle; instead, it is making sure that these fiscal decisions are translated into improvements in women's economic participation and workplace rights that can be measured.

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[14] Ministry of Fin., Gov't of India, *Economic Survey 2024–25*, vol. II, ch. 7, 248 (2025) https://www.indiabudget.gov.in/budget2024-25/economicsurvey/doc/echapter.pdf

[15] Ministry of Statistics & Programme Implementation, Gov't of India, *Periodic Labour Force Survey (PLFS): Annual Report July 2023–June 2024*, 7 (2024), https://www.mospi.gov.in/sites/default/files/publication_reports/AnnualReport_PLFS2023-24L2.pdf

CRITICAL POLICY ANALYSIS: ASSESSING THE IMPACT OF GENDER BUDGETING

- ADVANCING WOMEN'S ECONOMIC INCLUSION

Gender budgeting has been institutionalized since 2005-06, and has significantly helped to mainstream gender concerns into the Indian fiscal system. This has gone beyond limiting women's development to just a few welfare schemes and has pushed ministries to embed gender-responsive expenditure in other programmes and sectors, including education, health, rural livelihoods, entrepreneurship and skill development. This policy change has been significant because it has moved beyond the perception of women as only consumer of welfare programmes to also recognize them as active participant in economic development.

Policy outcomes in the last few years also indicate that gender sensitised fiscal measures have enhanced women's access to financial and entrepreneurial opportunities. The economic survey 2023-24 noted there has been a remarkable progress in financial inclusion as women hold 55.6% of all Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts, which reflects a progress in financial inclusion. Likewise, more than 89 million women have been organized into 8.3 million Self Help Groups (SHGs) under the aegis of the Deendayal Antyoday Yojana-National Rural Livelihoods Mission (DAY-NRLM) and have gained access to institutional credit, livelihoods diversification and collective enterprise. Moreover, 68% of the loans sanctioned under the Pradhan Mantri Mudra Yojana (PMMY) are extended to women entrepreneurs and over 77.7% of the beneficiaries under the Stand-Up India Scheme are women entrepreneurs.[16] This highlights the role of gender budgeting in opening up women's access to financial services and entrepreneurial opportunities.

At the same time, any gains should be viewed with some caution. Better employment outcomes are not necessarily linked with higher rates of female labour force participation, as many women still work in unpaid family work or assume the role of self employed with limited social protection and income security and as a result, although gender budgeting has helped to involve women in the labour market, there is limited impact on sustainable and equitable employment.

[16] Ministry of Fin., Gov't of India, *Economic Survey 2024–25*, vol. II, ch. 7, 253 (2025) https://www.indiabudget.gov.in/budget2024-25/economicsurvey/doc/echapter.pdf

- PERSISTENT CHALLENGES TO WORKPLACE RIGHTS

Evaluating gender budgeting from the perspective of workplace rights raises more questions about effectiveness. While there is a rich legal foundation of conceptual safeguards and labour law provisions for women in the workplace, the allocation of budget funds have not always been followed by implementation of these rights for women at work. The continued existence of wage gap, occupational segregation, the lack of adequate childcare facilities, and inadequate social security shows that fiscal commitments have not always been successful in tackling structural barriers faced by women in employment.

The Government of India has implemented various legislations to safeguard the rights of women in employment, such as the Code on Wages, 2019, Maternity Benefit Act, 1961, and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Despite this, effective implementation of these rights requires a long term public investment in labour inspection systems, legal awareness initiatives and social protection systems. Unless budgetary support is provided to ensure implementation, statutory guarantees remain largely inspirational rather than enforceable.

This challenge is particularly evident in the informal and the gig economy, where women constitute a large share of the workforce. Although the participation of women in the labour force has indeed grown in the recent years, there are concerns that they are disproportionately concentrated in the informal sector and moreover they do not get to enjoy the same rights as those of men which includes social security, paid leaves and effective grievance redressal mechanisms. The rapid expansion of the platform based gig economy has also revealed that many women engaged in gig work are not protected by the same regulations that govern traditional employment.

Thus, these findings indicate that while gender budgeting has successfully integrated gender considerations into fiscal policy and expanded women's access to education, entrepreneurship and employment opportunities, its impact on the quality of employment has remained limited. There has been comparatively less focus on the need to increase the enforcement of labour law, make workplaces safer, and increase childcare facilities. High budgetary investments have not always been correlated with secure and equitable employment which demonstrates that budgetary pledges alone are not enough to provide for substantive gender equality.

- **WHY GENDER BUDGETING HAS FALLEN SHORT**

The foregoing analysis shows that gender budgeting has increased the access for women to public resources and strengthened gender-responsive fiscal planning. Nevertheless, overall, it has had a mixed impact on the economic inclusion and workplace rights for women and this cannot be explained solely by inadequate implementation or insufficient financial allocation. Instead, it highlights structural inadequacies of the gender budgeting process and institutionalisation in India.

One of the major challenges is that gender budgeting still defines success in terms of budget allocations and not through actual results. The gender budget statement reflects the share of public expenditure allocated towards women focused programmes, but does not assess whether these allocations have had an impact on quality of employment, wage gaps, strengthened workplace protections or the employment of women in the formal sector. Financial commitments, therefore, are used more often to gauge the performance of ministries rather than the actual socio-economic outcomes. The spending-focused strategy may lead to making gender budgeting an accounting process and not a tool for substantive equality.

The second challenge is that gender budgeting is implemented in a fragmented way across ministries as the gender budget cells are present in various departments but they are not consistently evaluated based on standards, inter ministerial coordination and accountability systems. Including women into the economic system is not a one-off action, but rather a combination of education, labour, finance, childcare, transport and social security policies, which operate in an integrated manner. However, these sectors have remained largely separate from each other, leading to weak policy impact and disjointed implementation.

The framework is also limited because of the lack of strong monitoring and accountability systems. Although, the gender budget statements are publicly available but there is no institutional mechanism to reliably assess the effectiveness of this expenditure in meeting their goals. The likelihood of ministries being held accountable to measurable indicators like closing the gender wage gap or providing women with access to social security in the workplace is low. This means that more spending is often seen as a measure of achievement, irrespective of any significant differences in socio economic results.

This gap becomes more evident when viewed through the realities of women’s everyday work. Despite increased policy attention and budgetary allocations, women continue to shoulder a disproportionate share of unpaid domestic and caregiving responsibilities. The Time Use Survey, 2019 reported that women spend nearly seven times more time than men on unpaid care work which leaves them with fewer opportunities to participate in paid employment.[17]

Thus, the principal drawback of gender budgeting is not the lack of constitutional support or financial spending; it is the lack of institutionalisation to ensure that the spending is connected with measurable socio economic outcomes. Gender budgeting would not be able to realize its transformative ambition of substantive equality in the workplace if it were not linked to effective implementation, inter-ministerial coordination and accountability for outcomes. The future effectiveness of gender budgeting therefore lies not in budgeting more, but about a paradigm shift in how the budget is used, from budgeting for women to budgeting for measurable gender equality.

COUNTERARGUMENTS

To make a balanced assessment of gender budgeting, it is necessary to take into account the opposing views supporting the effectiveness of gender budgeting. The framework has demonstrated its own institutional and implementation gaps as shown above, but supporters claim that it has made some progress in the socio-economic advancement of women. To consider these arguments is crucial to establish whether the current criticisms weaken the continued relevance of gender budgeting or strengthen the claim for institutional change.

One perspective is that the policy has already made robust progress, evidenced by more funding dedicated to women's financial inclusion, entrepreneurship and livelihood programmes and greater allocations for women's projects. However, it does not necessarily mean that more funding has led to better quality of jobs, stronger protection of the workplace or more enduring economic security for women. Budgetary commitment is not the only indicator of a policy's success.

A more compelling argument is that gender budgeting cannot reasonably be expected to eliminate persistent labour market inequalities because it is only one component of a much broader socio-economic framework. There are several factors at play that influence women's

[17] Ministry of Statistics & Programme Implementation, Gov't of India, *Time Use Survey 2019*, (2020) https://mospi.gov.in/sites/default/files/publication_reports/Report_TUS_2019_0.pdf

employment opportunities, such as deeply embedded social norms, the unequal division of care, regional variation, employer practices, and the presence of public infrastructure. Accordingly, relying solely on gender budgeting to address the structural issues is perhaps premature and may be exaggerated.

A similar point has been made that these weaknesses are due to administrative inefficiencies and not shortcomings of the policy design itself. From this perspective, the structure of constitutional and institutional arrangements of gender budgeting is in principle well established and problems arise mostly in the implementation of the budgeting process by implementing agencies. Although implementation is undoubtedly a significant concern, this is an incomplete solution to the problem. The lack of outcome-based evaluation, a uniform system of accountability, and effective inter-ministerial coordination extends beyond ordinary administrative shortcomings, as argued throughout this paper.

These conflicting views reflect the complexity of assessing gender budgeting as a policy tool. However, they do not challenge the core claim presented in this paper, which is that the success of gender budgeting as a policy depends not just on the increase in funding, but on the creation of an institutional framework that facilitates the effective use of financial resources to deliver tangible outcomes for women's economic inclusion and their rights at work.

RECOMMENDATIONS

The future of gender budgeting in India should be guided by the development of it as a shift from gender budgeting to gender-responsive fiscal planning, that is, not just the allocation of budget resources to women, but the real impact of public spending on women's economic empowerment and equality in the workplace. Gender budgeting should be seen not as an accounting exercise but as an outcome-driven tool, using gender indicators that are directly connected to fiscal allocations, including indicators of women's formal employment, wage parity, social security coverage and women's retention in the workforce and women's representation in leadership positions. This would allow public spending to be judged by what it is able to do and not by its financial size.

More fundamentally, future gender budgets must acknowledge that one of the most significant obstacles to women’s economic inclusion is out of the workplace. Women's limited access to participate in formal employment and promotion in the labour market is exacerbated by the unequal burden of unpaid domestic and care work. Thus, rather than the financing of schemes focused on women, gender budgeting needs to start acknowledging the care economy as a productive economic infrastructure and not as a social welfare issue. Public spending should thus be targeted not only to create jobs for women but also to lessen their structural constraints to full economic participation. As long as it is treated as a private household responsibility rather than an economic issue, the gender-responsive budgeting will remain limited in its ability to promote genuine workplace equality.

Comparative experience offers a more useful roadmap for achieving this transition. In Sweden, a gender-responsive budgeting framework is put in place as an integral part of fiscal planning, which is complemented by extensive public childcare and parental leave policies and flexible work policies, leading to one of the highest female labour force participation rates among OECD countries.[18] India's socio-economic context is vastly different but the underlying principle is equally applicable that is public investment in care infrastructure is an investment in economic productivity. Therefore, the establishment of Anganwadis in India needs to be strengthened and modernized to become a meaningful quality child care centres, and incentivise employers by providing tax and fiscal support to implement flexible working arrangements, hybrid working models and family-friendly workplace policies. The resulting reforms would not only alleviate the burden of care for working women but also enhance workforce retention, career growth, and the long-term economic involvement.

Ultimately, The effectiveness of gender budgeting lies not in the quantum of budgetary allocations but in its ability to transform fiscal governance from a budgeting framework that recognises the care economy as a policy priority and evaluates expenditure through measurable outcomes is more likely to produce lasting improvements in women's economic inclusion and workplace rights.

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[18] Org. for Econ. Co-operation & Dev., *Gender Budgeting in OECD Countries 2023*, at 46–48 (2023), https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/07/gender-budgeting-in-oecd-countries-2023_d04134bb/647d546b-en.pdf

CONCLUSION

Gender budgeting is one of India's most notable attempts to put the constitutional commitment to substantive equality into policy. In the last 20 years, it has integrated gender concerns into public spending and increased public sector investments in women's education, entrepreneurship, financial inclusion and livelihood opportunities. These achievements reflect that the issue of gender-responsive budgeting has come a long way from being a mere symbolic policymaking and is now part of the governance system in India.

At the same time, this paper has demonstrated that the success of gender budgeting cannot be assessed simply on the basis of the amount of funds allocated for women or the number of schemes incorporated in the Gender Budget Statement. It needs to be assessed based on its capacity to enhance the quality of women's working lives, to reinforce the rights of women in the workplace and to diminish structural obstacles to women's economic participation, with attention to measurable socio-economic effects. The need for a more outcome-oriented approach can be supported by the World Economic Forum's Global Gender Gap Report 2025, in which India ranks 131st out of 148 countries on overall gender parity which clearly indicates that significant structural barriers continue to impede women's economic and social advancement despite sustained policy interventions.[19] Thus, the main problem is not the lack of constitutional backing or fiscal investment, but shifting gender budgeting from an exercise of spending to an integrated system of gender-sensitive fiscal management.

Achieving inclusive and sustainable economic growth requires a fundamental reorientation of India’s gender budgeting framework and the focus should shift from budgeting for women to governing through gender-responsive fiscal policy. And such a framework must recognise the economic value of unpaid care work, embed institutional accountability and evaluate success through measurable improvements in women’s economic participation, workplace equality and overall well-being. Only by embracing this outcome oriented approach can fiscal policy fulfil its constitutional promise of substantive equality, transforming equality from a constitutional aspiration into an economic reality.

[19] World Econ. Forum, *Global Gender Gap Report 2025, 5,* (2025) https://reports.weforum.org/docs/WEF_GGGR_2025.pdf