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A Review Of Gender Budgeting In India: Progress, Challenges, And Future Directions

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Abstract

Gender budgeting in India, introduced in 2005-06, aims to integrate a gender perspective into fiscal policy to address gender disparities and promote equitable resource allocation. This paper reviews the evolution, implementation, and impact of gender budgeting in India over the past two decades. It examines key milestones, such as the introduction of the Gender Budget Statement (GBS) and Gender Budgeting Cells (GBCs), alongside challenges like stagnant funding, lack of gender-disaggregated data, and limited sectoral coverage. Drawing from existing literature and policy documents, the study highlights achievements, such as increased awareness of gender issues in budgeting, and persistent gaps, including inadequate monitoring and evaluation. The review concludes with recommendations for enhancing the effectiveness of gender budgeting to align with India's commitments to gender equality, such as those under the Sustainable Development Goals (SDGs).

Objectives of the study

1. To Trace the Evolution of Gender Budgeting in India.
2. To Assess the Implementation and Impact of Gender Budgeting.
3. To Identify Challenges and Limitations.

Keywords: Gender budgeting, Sustainable Development Goals, Sectoral, Fiscal Policy, Gender Equality

Introduction

Gender inequality remains a pervasive issue in India, reflected in disparities in education, health, economic participation, and political representation. Recognizing this, the Government of India adopted Gender-Responsive Budgeting (GRB) in 2005-06 as a fiscal tool to mainstream gender considerations into public policy and resource allocation. GRB seeks to ensure that budgetary commitments reflect gender priorities, addressing the differential impacts of policies on men and women. Since its inception, the Gender Budget Statement (GBS) has been published annually alongside the Union Budget, categorizing expenditures into women-specific and pro-women schemes.

Despite nearly two decades of implementation, the effectiveness of gender budgeting in reducing gender gaps remains under scrutiny. The share of the gender budget has hovered between 4-6% of the total Union Budget, raising questions about its adequacy and impact. Moreover, challenges such as limited data, poor fiscal marksmanship, and concentrated allocations in a few ministries suggest that GRB may not fully translate into tangible outcomes for women. This paper aims to review the progress of gender budgeting in India, identify its limitations, and propose pathways for improvement.

This paper reviews the trajectory, implementation, and outcomes of gender budgeting over nearly two decades, focusing on its evolution from the inaugural Gender Budget Statement (GBS) to its current framework in 2025. It explores institutional mechanisms like Gender Budgeting Cells (GBCs) and assesses budgetary trends, such as the gender budget's growth to rupees 3.27 lakh crore in 2024-25, alongside its modest share (4-6%) of the Union Budget. Drawing on literature and policy analyses, the study identifies key achievements, including heightened gender awareness in fiscal planning and targeted schemes like Mission Shakti, while spotlighting challenges such as stagnant funding, inadequate gender-disaggregated data, and limited sectoral coverage. These gaps hinder the translation of budgetary intent into measurable gender equality gains, as evidenced by India's slipping Global Gender Gap ranking. The review also contrasts India's approach with global peers like Rwanda and Bangladesh, underscoring the need for deeper integration and accountability. Concluding with future directions, the paper recommends increased allocations, robust data systems, and mandatory gender audits to align gender budgeting with India's Sustainable Development Goal

commitments by 2030. This analysis underscores the potential and pitfalls of gender budgeting as a tool for women's empowerment in India's fiscal landscape.

Statement of the Problem:

Gender inequality continues to be a significant challenge in India, manifesting in disparities across education, healthcare, economic opportunities, and political empowerment. In response, the Government of India introduced gender budgeting in 2005-06 as a strategic tool to integrate gender perspectives into fiscal policy, aiming to ensure equitable resource allocation and address the distinct needs of women and men. Through mechanisms like the Gender Budget Statement (GBS), this approach seeks to translate budgetary commitments into tangible improvements in gender equality. However, despite nearly two decades of implementation, questions persist about its effectiveness. The gender budget's share has remained modest, fluctuating between 4-6% of the total Union Budget, prompting concerns about whether it adequately tackles systemic gender disparities in resource distribution and policy outcomes. Furthermore, challenges such as limited gender-disaggregated data, inconsistent funding, and weak monitoring mechanisms suggest that gender budgeting may fall short of its transformative potential. Has gender budgeting in India effectively addressed gender disparities in resource allocation and policy outcomes, and what are the key barriers to its success?

Limitations of Study

This review relies on secondary sources, including policy documents, academic articles, and reports, without access to primary data or field-based evidence. The absence of up-to-date gender-disaggregated data limits the ability to assess the real-time impact of GRB initiatives. Additionally, the study focuses primarily on the Union Budget, with limited analysis of state-level gender budgeting efforts, which vary widely across India. The scope is constrained by the information available as of April 08, 2025, and does not account for potential policy shifts post-dating this period.

Methodology

This study adopts a qualitative approach, conducting a narrative review of existing literature on gender budgeting in India. Sources include government reports (e.g., Gender Budget Statements, Union Budget documents), academic papers, and analyses from organizations like the Observer Research Foundation (ORF) and the National Institute of Public Finance and Policy (NIPFP). The review synthesizes findings across four key areas: historical evolution, institutional mechanisms, budgetary allocations, and outcomes. Data is analyzed thematically to identify trends, challenges, and gaps, with a critical examination of GRB's alignment with gender equality goals.

Literature Review

Gender budgeting emerged globally as a tool to address gender inequities, with Australia pioneering it in 1984. In India, the concept gained traction in the early 2000s, with the NIPFP's 2001-02 analysis of the Union Budget marking an early milestone. Chakraborty (2016) notes that India's GRB framework evolved through four phases: knowledge building, institutionalization, capacity building, and accountability enhancement. The formal adoption of GRB in 2005-06, supported by the Ministry of Finance and the Ministry of Women and Child Development (MWCD), introduced the GBS and GBCs as key mechanisms.[1]

Studies highlight both achievements and shortcomings. Lahiri (2019) credits GRB with sustaining gender awareness in fiscal discourse over 15 years, yet points to stagnant funding levels (4-6% of total expenditure)[2]. Khullar (2023) argues that the gender budget's small size around 5% of the Union Budget limits its transformative potential, compounded by challenges like inadequate monitoring and exclusion of key programs.[3] Gupta (2021) links India's low gender budgeting allocation (less than 1% of GDP) to its slipping rank on the Global Gender Gap Index, suggesting a disconnect between policy intent and outcomes. International comparisons, such as with Rwanda and Bangladesh (ORF, 2023), reveal that deeper integration of GRB across sectors yields better results, a lesson India could adapt.[4]

Gender Budgeting: Evolution and Achievements

India's gender budgeting journey began with the NIPFP's foundational work, culminating in the 2005-06 GBS. The framework divides allocations into Part A (100% for women) and Part B (at least 30% for women), covering sectors like health, education, and rural employment (e.g., MGNREGA). By 2024-25, the gender budget reached rupees 3.27 lakh crore, a 37% increase from the previous year, signaling political commitment to women-led development. Initiatives like Mission Shakti (2021-2025) further emphasize women's safety and empowerment, with sub-schemes like Sambal and Samarthya gaining traction.

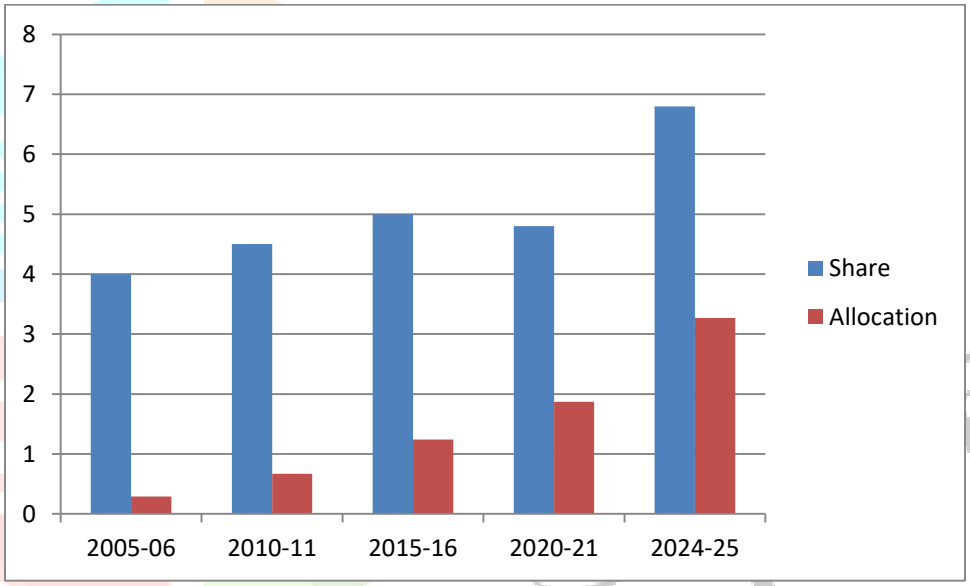
GRB has succeeded in mainstreaming gender considerations, influencing both expenditure and revenue policies. The establishment of 57 GBCs across ministries and the involvement of 18 states underscore its institutional spread. A UN report (2024) praised India's efforts as a model for Asia-Pacific nations, noting a 218% decadal increase in gender budgeting.

[1] Chakraborty, L. (2016). *Gender budgeting in India: A review of four phases*.
[2] Lahiri, A. (2019). *Fifteen years of gender budgeting in India: Achievements and challenges*
[3] Khullar, R. (2023). *Gender budgeting in India: Stagnation or progress?*
[4] Gupta, S. (2021). *Gender budgeting and global gender gap: A comparative analysis*

Challenges and Gaps

Despite these strides, GRB faces significant hurdles. First, its share of the total budget remains low (4-6%), insufficient to address deep-rooted inequities. Second, allocations are heavily concentrated in five ministries, neglecting critical areas like transportation and water security. Third, the lack of gender-disaggregated data hampers impact assessment, as noted in the UN's Beijing +30 Review (2024). Fourth, fiscal marksmanship accuracy in budgetary forecasting is weak; with funds often underutilized or misreported.

Design flaws also persist. The GBS's binary classification (Parts A and B) excludes schemes with less than 30% women's allocation, skewing priorities. Monitoring and third-party evaluations are limited, reducing accountability. Post-COVID-19 budgets (2021-23) failed to address women's disproportionate burdens, despite evidence of widened gender gaps (IMF, 2022).[5]



Trends in Gender Budgeting in India (2005-2025)

The bar chart titled "Trends in Gender Budgeting in India (2005-2025)" illustrates the progression of gender budgeting in India by comparing the share of the gender budget as a percentage of the total Union Budget (represented by blue bars) with the absolute allocation in ₹ lakh crore (represented by red bars) across five key years: 2005-06, 2010-11, 2015-16, 2020-21, and 2024-25. The blue bars indicate a relatively stable share, starting at approximately 4% in 2005-06, rising modestly to 4.5% by 2010-11 and 5% by 2015-16, dipping slightly to 4.8% in 2020-21, and peaking at 6.8% in 2024-25, reflecting a gradual but limited increase in proportional commitment. In contrast, the red bars, representing absolute allocations, show a more pronounced upward trend, beginning at a low base in 2005-06 (likely below 1 lakh crore), growing incrementally to around 1-2 lakh crore by 2015-16 and 2020-21, and surging to approximately 3 lakh crore in

[5] International Monetary Fund. (2022). *Post-COVID gender gaps: Economic impacts and policy responses*

2024-25, aligning with the paper's noted 37% increase from the previous year. This disparity highlights that while the absolute funding has expanded significantly, the percentage share remains constrained, underscoring challenges in scaling gender budgeting relative to the overall budget. The chart effectively visualizes the tension between growth in resources and the persistent need for broader fiscal prioritization to address gender disparities.

Comparative Insights

Compared to Rwanda and Bangladesh, India's GRB is less integrated across sectors. Rwanda's success stems from mandatory gender audits and grassroots planning, while Bangladesh leverages multi-stakeholder participation. India's top-down approach, while structured, lacks the depth and adaptability seen in these peers, suggesting a need for broader engagement and data-driven strategies.

Conclusion

Gender budgeting in India has made notable progress since 2005-06, raising awareness and institutionalizing gender considerations in fiscal policy. However, its impact remains limited by stagnant funding, data gaps, and poor monitoring, falling short of addressing systemic gender disparities. To align with SDG 5 (gender equality) by 2030, India must enhance GRB's effectiveness through increased allocations, comprehensive data collection, and sectoral diversification. Strengthening GBCs, mandating gender audits, and learning from global best practices can transform GRB from an accounting exercise into a robust tool for women's empowerment. As India approaches its next budget cycle, these reforms are critical to realizing the vision of women-led development.

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