ECONOMY

Women short-changed once again: A gender lens on the Union Budget 2025-2026

February 7, 2025, 7:48 PM IST / Feminist policy Collective in Voices, Economy, India, TOI

Feminist policy Collective

This year the Union Budget 2025-26 was presented in the backdrop of a slowdown in economic growth, which is mainly due to constrained consumer demand thanks to inflation and declining real incomes (Economic Survey 2024-25); in fact, the real average monthly income for wage/salary employed as well as self-employed men and women in 2023-24 is lower than even during the pre-pandemic year. This is way below the targeted section for the current much-hyped income tax relief, in fact, most people in the country do not pay income-tax. So, the chances of this exemption kick-starting the economy by boosting demand are minimal. What people need is expanded government spending in key sectors, such as the public distribution system, education, health, and so forth, thereby reducing the increasing burden on family budgets. The finance minister raised hopes in her Budget Speech focus on 'Investing in People' that the Budget would invest in these, yet disappointingly the Union Budget shows signs of retreating massively from the social sectors.

The finance minister in her speech emphasized that the vision of Viksit Bharat encompasses, among other things, 70% of women in economic activities since currently women's work participation ratio (WPR) is just 40.3% compared to 73% men WPR. The revised income tax slabs in the Budget Speech do little to incentivise women to join the paid workforce. Income tax slab differentiation by gender as a tool should have been used given there is a focus on formal sector job creation of women, as mentioned in the budget speech. It could have been used as an opportunity to attract women to salaried jobs and attempt raising FLFPRs as well as reduce pressure on small businesses held by women.

Care economy

But it is disappointing that the budget speech by the FM missed the Care

Economy entirely which plays a crucial role in women's economic participation. For instance, support for care infrastructure which is mainly embedded within the MWCD schemes like Samarthya and Saksham Anganwadi has not witnessed commensurate increases to account for improved infrastructure for childcare, notwithstanding consistent demands from women's groups. Neither are there any allocations for or elderly care which is a growing concern. Saksham Anganwadi and POSHAN 2.0 scheme is the largest scheme under the Ministry of Women and Child Development, which gets more than 81% of the Ministry's budget, yet the budget for this umbrella scheme, however, has increased only marginally from Rs. 21,200 crores in 2024-25 BE to Rs. 21,960 crores in 2025-26 BE.

While providing essential support to women, the budget for the Anganwadi scheme, which is the main programme for health, nutrition and development of young children under the age of six has been continuously falling in real terms over the last ten years. The budget for ICDS (Saksham Anganwadi) has also hardly increased by ₹150 crores, indicating a further decline in real terms. There was an announcement about enhancing the unit cost norms for the Anganwadi services under Saksham Anganwadi and POSHAN 2.0 scheme; but this translates into about 5 paise per child for 8 crore children and 2 crore pregnant women. For working women, maternity entitlements are an important support but the allocation for the Samarthya package of schemes, of which the maternity entitlements (PMMVY) is a major component, has not increased. In fact, the Revised Estimates for this for 2024-25 are almost half of the BE, showing that this scheme is also not being implemented properly.

Gender Budget

The institutionalization of the gender budget since 2004-2005 by the Government of India is a laudable effort; last year in a welcome step, the Gender Budget Statement (GBS) has included a part C that adds allocations for pro-women programmes that are less than 30% of the total allocations. This makes the GBS a three-part statement – A, B and C. Part A includes schemes with 100% provision for women, Part B comprises schemes between 30% to 99% allocations for women, and Part C allocations for women up to 30%. The allocations towards the Gender Budget as reported in the GBS have increased as a percentage of the total union budget as shown in the table below, with the inclusion of more Ministries and Departments reporting in the GBS.

Table 1: Last Three Years' Allocations to Gender Budget (Rs. Crores)

	2023-24 (BE)	2023-24 (AE)	2024-25 (BE)	2024-25 (RE)	2025-26 (BE)
Part A	88044.21	71912.99	112396.15	80733.35	105535.4
Part B	135175.54	297446.34	199762.29	281104.56	326672
Part C	15000	15140.28	15000	14690.99	16821.28
Grand total	238219.75	384499.61	327158.44	376528.9	449028.68
Percentage to total budget	5.29	8.65	6.79	7.98	8.86

Source: Union Budget, various years

But the GB statement falls short of a crucial component of supplementary explanatory note despite repeated requests for rationale for reporting the expenditure. The increases in the Gender Budget are initially puzzling, as the allocations to MWCD that implements schemes with 100% provision for women, has seen the lowest proportion of increase in budget allocations since the last few years. In fact, the GB statement also becomes difficult to compare across the years, as important programmes of MWCD – SAMARTHYA and SAMBAL have changes in their composition and number of programmes that are included within the broad umbrellas associated directly with women's empowerment. The Schemes that are truly 100% for women such as the Widow Pension Schemes for instance, have seen no increase at all.

However, a closer examination of the GBS reveals that the increase in this year's GB is driven by an increase in the allocations for the PM Awas Yojana (PMAY) – both rural and urban: the Ministry of Housing and Urban Affairs reports Rs. 23294.00 crores in Part A, reflecting that 100% of the scheme benefit women, which is not the case. It is also puzzling that 53% of the entire budget of Pradhan Mantri Garib Kalyan Anna Yojana, which is Rs 203000 crores, is reported in part B this year. This has increased the size of not only the Part B of GBS but the overall size of the gender budget itself, taking the gender budget to 8.86% of the total union budget.

The budget for other major schemes under Part B of GBS, however, has not increased very substantially and it has in fact declined substantially for the schemes like Jal Jeevan Mission (JJM). The overall budget for the JJM has also declined. There is an increase in the GB component of the MGNREGA budget which increased from Rs. 28,888.67 to Rs. 40,000 in the year 2025-26 although the total budget for MGNREGA remains Rs. 86,000 crores in the year 2025-26, which is the same as the current year (2024-25) budget. Yet the GB component of this scheme has been reported to be higher compared with the current year. As per the MGNREGA website, the person-days for women created under MGNREGA are generally more than 50% and it is currently about 57% which might have prompted the government to increase the GB component of the MGNREGA budget.

Only one major scheme is being reported under Part C of the GBS i.e. PM Kisan Samman Nidhi Scheme. The allocation under this scheme has increased, remaining the same as the current year, and so has its GB component as reported in Part C of the GBS. Though some other ministries have reported in Part C this year, those have very small allocations.

Women short-changed yet again
In conclusion, we note that the increased gender budget allocations are not due to any substantial increase in any schemes / programmes focusing on women or

starting any new scheme. It has happened mainly because of the first-time reporting of the Pradhan Mantri Garib Kalyan Anna Yojana in Part B and to some extent increased share of the GB component in the MGNREGA.

Gender Responsive Budgeting (GRB) is not about creating separate budgets for women, it is rather meant to be a holistic approach to budgeting and taxation, wherein expenditure and revenue are both revamped to address gender-based differentials in opportunities and outcomes, including for women, men and those beyond the gender binary. Given that the Gender Budget Statement is increasing every year, it was anticipated that GRB would mean tailoring budget allocations, expenditures, and revenues in ways that are transformative for women and work towards closing the gender gap. Tackling gender inequalities in India requires a focus on GRB in a way that takes into account the multiple deprivations faced by women, men, non-binary persons and children across various social positions and identities. Unfortunately, this has not been reflected in the Union Budget, and there is skepticism about the extent to which this is actually reflected in the Gender Budget Statement.

This article is co-authored by Nesar Ahmed, Dipa Sinha, Aasha Kapur Mehta, Sona Mitra, and Jashodhara Dasgupta.