

Pink Tax: Expanding Gender Disparity

Abstract

Pink Tax is charged on everyday essential products marketed to women, not an officially levied tax by the government but rather a practice by major FMCG companies. This paper seeks to analyze the problem of extra taxation on female hygiene products and its presence in the Indian Market. It also seeks to examine the effects on such practice on the society as a whole and individual consumers. The paper presents this view through the lens of an economist and dissects the current law that can help solve this problem. The paper also takes into account the need for government intervention and a unified mechanism to prevent such malpractices.

Introduction

Pink tax isn't an actual government tax but it refers to the gender-based price discrimination on feminine products or products with pink packaging such as personal care, clothing, etc. One of the most common examples of pink tax is evident in products like razor, hygiene products, health care services, etc. It is the invisible premium women pay for products and services. To simplify, it's the cost of being a woman.¹ This practice of charging women extra has created gender disparity and have caused financial constraints. The cumulative effect of the Pink Tax—estimated at ₹2.1– 2.8 lakhs per woman over a lifetime.² This paper seeks to examine the effects of Pink Tax on woman and the regulatory intervention in the current system. It also attempts to understand the potential tax implications and consumer awareness in this field.

Consumer awareness

There is lack of clarity and awareness about this concept amongst the consumers. These price-inequalities are not widely researched upon and are not talked about. Most companies practice this kind of discrimination as they justify the prices based on the assumption that women voluntarily choose these products because of attractive packaging, preference for design, etc. In Indian context, women are expected to dress up in a certain way and adhere to standards such in terms of beauty, personal care, and appearance. This societal norm induces women to buy products that match socially acceptable standards, this need intersects the lack of awareness thereby, inducing women to buy more such products that silently levy pink tax. The markets fail to offer transparency on this issue, that heavily influenced decision making. Such a dynamic requires widespread awareness and research, general awareness along with regulatory intervention is required to solve

¹ Kanchan Yadav, 'Pink tax, safety tax, health tax & more: The "hidden cost" of being a woman no one counts' *Times of India* (15 December 2025) <https://timesofindia.indiatimes.com/india/pink-tax-safety-tax-health-tax-more-the-hidden-cost-of-being-a-woman-no-one-counts/articleshow/125961016.cms> accessed 18 January 2026

² Ashok Kumar Panigrahi and Lucky Ansari, 'The pink tax in India: Empirical evidence of gender-based pricing disparities in retail markets' (2025) 12 *Journal of Management Research and Analysis* 159–165 <https://doi.org/10.18231/j.jmra.46029.1758703239> accessed 18 January 2026

this economic discrepancy for nearly identical products for males and females. The presumption that women choose such products is a flawed inference based on the false assumption that there are other cheaper alternatives for similar products or simply that women are aware of the extra tax that they are paying. A part of this phenomenon also comes from the cultural pressure upon women to buy products that fits feminine needs even though they are available in different packaging offered to men. Therefore, consumer awareness is an important factor in decision making that is missing in the current scheme of things.

Tax implications

Pink tax indicates a regressive system that engages in gender-based price discrimination and that dissected with the pay parity exacerbates the poor work like condition of women in India. Female oriented products cost approximately 20% higher than its similar and identical male oriented products. This system is 'regressive' as women are underpaid which means that the avg women earns less than that of average male, however, when personal hygiene products are concerned, they are taxed higher than their male counterparts. Therefore, this practice disproportionately affects the overall financial wellbeing of a woman spends extra on routine items without any additional benefit. This indicates an inverse relationship with the taxable income and the tax rate.³ This creates a greater tax implication of the women who are forced to choose the product because of societal norms and have no option to escape such unofficial taxation. Menstrual hygiene products were once considered a luxury, which was subjected to 12% goods and service tax, which was later removed after widespread protest. However, the pink tax still exists and beyond personal care.⁴

Exploitation of Inelastic demand

Inelastic demand refers to the demand that remains constant irrespective of the change in price, keeping other factors constant. In this scenario, a woman has biological needs for menstrual products, hygiene products and personal care that is less likely to change over the course of her life. When a pink tax is levied upon such everyday essential products, organizations are exploiting this inelastic demand by charging a premium that is not a result of the actual production cost. This extra money earned by companies are called economic rent. A stricter regulation in the form of consumer regulation, rent extraction is the urgent need of the hour to prevent such exploitation in broad daylight. This exploitation wrongly benefits the companies as there is no actual difference in the production cost of similar products for men, therefore, it benefits from the essential inelastic

³ Anushree Prasad, 'The "Pink-Tax" Phenomenon in India: Economic Implications and Accountability' (GNLU Journal of Law & Economics, 22 August 2025) <https://gile.in/2025/08/22/the-pink-tax-phenomenon-in-india-economic-implications-and-accountability/> accessed 19 January 2026

⁴ Deepanjali Jangre, 'Pink Tax: Gender-Based Pricing Discrimination' *TaxGuru* (10 March 2025) <https://taxguru.in/goods-and-service-tax/pink-tax-gender-based-pricing-discrimination.html> accessed 19 January 2026

demand of the women. The companies are fully aware that the need for such products can neither be avoided nor their demand and consumption can be cut down. Therefore, a higher price if levied upon female products will have no effect on the demand and supply. Such exploitation not only amounts to arbitrary discrimination but also calls for government intervention and strict regulations to prevent indirect gender-based discrimination but also eradicate exploitation of inelastic demand.

Regulations and constitutional safeguards

As of now, there are no direct regulations that are directed towards this 'Pink Tax'. Economists argue that such taxation is in direct conflict with Article 14 of the constitution that guarantees Equality. This argument relies on the fact that there exists no reasonable justification for a product with same ingredients and formulations. Rights protected under article 14-18 are usually invoked against state actions, however such systematic exploitation can be reported by invoking these articles. The right against gender discrimination finds its place in the constitution in the form of fundamental rights and Directive Principles of State Policy. Therefore, it is expected from the government to bring in place a regulation that would prevent such exploitation.

Conclusion

Pink Tax has systematically created an ecosystem that systematically allows for gender-based price discrimination which has increased the overall spending of women as compared to men on personal care and hygiene products against their wish or control. This regressive taxation system has exemplified its effects because of pay parity. Therefore, in the current market scenario, there exist a clear need for government intervention that will regulate the prices for these products. This need arises from the fact that there is hardly any difference in the ingredients and formulation of these products. It is anticipated by various economists that the government will soon look into this matter and prevent this regressive taxation system that deprives women from equality.

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