

INCLUSIVE GROWTH AND SOCIAL JUSTICE: A LAW AND DEVELOPMENT PERSPECTIVE

- Prastawana Sarma¹

CHAPTER 1: Introduction and Conceptual Framework

1.1 Introduction

The traditional concept of economic development was based solely on the level of rapid economic growth as gauged by the GDP and the national income. Nevertheless, the experience in the developing countries demonstrated that the presence of high economic growth does not necessarily imply the decrease in the levels of poverty, inequality, or social injustice.² This has led to an appreciation of the idea of inclusive growth, which argues that the gains of economic growth should be distributed fairly across all sectors of society.³

Inclusiveness growth has the meaning of having a development process that not only maximizes economic production, it also makes equal access, and access to economic resources and outcomes, in particular, of the marginalised and vulnerable groups. It is also closely related to the concept of social justice that is interested in the fairness of wealth allocation and availability of opportunities as well as social benefits, and the elimination of structural disparities along the lines of class, caste, gender, region, or economic position.⁴

The linkage of law and economics and development play a major role in realising inclusive growth. Whereas economics offers the means to create growth, the institutional process fulfilled by law regulates markets, safeguards rights, redistributes resources and holds people to account. Legal practices in the form of constitutional ensures, welfare laws, labor legislations, and social security provisions have a major role to play in ensuring that

¹ Student at Maharashtra National Law University, Nagpur

² Amartya Sen, *Development as Freedom*, 1st ed. 1999, pp. 14-38.

³ Joseph E. Stiglitz, *The Price of Inequality: How Today's Divided Society Endangers Our Future*, 1st ed. 2012, pp. 21-45.

⁴ Martha C. Nussbaum, *Creating Capabilities: The Human Development Approach*, 1st ed. 2011, pp. 18-35.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

economic growth is converted into socially fair products.⁵

The last few decades have witnessed a marked change in the development models where growth is no longer at its center but inclusion which is people centric as part of development.⁶ In the case of developing economies such as India, inclusive growth is very topical as there is a systemic poverty, unemployment, inequalities in the regions and social inequalities.

Thus, to bring about inclusive growth, it is imperative to establish a powerful and sensitive law system that can boost equality, safeguard the vulnerable groups, and evenly redistribute economic gains.⁷ Inclusive growth and social justice are two concepts that cannot exist independently with regard to law and development with law being an important tool that plays a crucial role in ensuring that the gap between economic development and social justice is bridged.⁸

1.2 Statement of Problem

Although most developing economies have been recording positive economic growth, the benefits have been very unevenly distributed. The growth has been concentrated to certain sectors, regions and social groups, losing a significant percentage of the population in the process of development. The poor, women, informal sector workers, and socially disadvantaged groupings in society still have hurdles in getting access to education, employment, health, and economic opportunities. This omission underscores the weakness of growth-based development frameworks, which mainly prioritise the expansion of national revenues without ensuring social justice.

Economic systems based on the market also foster inequality owing to market failures like asymmetry in bargaining power, information asymmetry and resource inaccessibility. Such circumstances enable players with fewer economic capacities to be controlled by markets, and weaker parts are subject to exploitation. Even though the provisions given in the constitutional provisions, labor laws and the welfare legislations are provided to encourage social justice and protect the vulnerable groups, these measures have been found to be weak through poor implementation, poor enforcement and also through the inefficiencies of the administration.

⁵Constitution of India 1950, Arts. 14, 15, 21, 38 and 39.

⁶Supra n. 2.

⁷Upendra Baxi, *The Crises of Indian Legal System*, 1st ed. 1982, pp. 112-130.

⁸Amartya Sen, "Social Justice and the Distribution of Income", 39 *ECONOMICA* (1972), p. 1.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

This has led to total failure to use the law as a viable tool to transform economic growth into inclusive development. The continued inequality and exclusion, which is still present even with the legal structures in place just goes to support the importance of a more solid law-based solution that balances social justice with economic growth and provides the people on either end of the society with equal prospects.

1.3 Research Objectives

- a) To examine the idea of the conceptual framework of inclusive growth within the framework of social justice.
- b) To examine the place of the Indian Constitution and major legislations in inclusive growth and development.
- c) To define the main issues and flaws in the introduction of inclusive growth policies.
- d) To suggest institutional and legislative changes that would enhance inclusive growth.

1.5 Research Questions

- a) What is the relationship between inclusive growth and social justice?
- b) How does law influence economic inclusion?
- c) Do the current legal frameworks have enough to guarantee inclusive growth?
- d) Which legal and institutional changes are required to make India more powerful through the inclusion of growth and less inequality?

1.6 Hypothesis

The key assumption of the study is that quality of legal frameworks and implementation of policies play a significant role in ensuring inclusive growth in India and economic growth alone does not suffice to bring about social justice. It presupposes that even though India has had a considerable growth in GDP in the last several decades, these gains were not well dispersed among all the layers of society, especially among such groups who are marginalised and vulnerable as women, Scheduled Castes, and Scheduled Tribes, as well as people who work in informal industries.

The hypothesis also holds that development models structured by markets do not effectively deal with systemic inequalities, as unequal bargaining power and asymmetry in information disparities will enable economically more powerful groups to, disproportionately benefit as market-driven development models. It is theorized therefore that laws, welfare programs, and institutional adopted mechanisms transform economic growth into inclusive consequences in a very critical manner.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

In addition, the study hypothesises that loopholes in enforcing the law, inadequate implementation effects as well as absence of organizational responsibility discourage the attainment of social justice, despite having progressive policies. Through integrating the interaction of law and economic policy and social inclusion, the study aims to confirm that to enhance equitable development and that inclusive growth is transferred into practical social justice implications, enhancing the legal and institutional structures is critical.

1.4 Literature Review

The idea behind inclusive growth has been developed as an important reaction to growth-centric developmental models in India. According to scholars, the issue of economic growth where it is not coupled with social justice, tends to cause inequalities instead of fair development.⁹ According to the research paper of Niti Bhasin, entitled “Inclusive Growth for Social Justice: an imperative to rise in India in terms of development efforts” (2015), India has not met its economic development needs in terms of countering poverty, unemployment, and social exclusion.¹⁰ The article underlines the necessity of inclusive growth which should aim at widening the accessibility to education, healthcare, jobs, and social security with the help of efficient legal and policy algorithms and in order to provide distributive fairness.

Inclusive development in the institutional and governance aspect is looked at by Gopal Prasad and Vishal Gupta in the article titled “Democracy and Inclusive Development in India”. This paper suggests that despite the good institutions of democracy, and constitutional promise of equality in India, these factors have not been sufficient to produce inclusive results. According to the authors, the existence of governance failures, poor law enforcement, and inefficiency in administration, among others, are some of the biggest barriers that lead to marginalized communities not fully enjoying the fruits of development efforts.¹¹ The paper puts a case of the necessity to establish more robust legal accountability mechanisms to address the gap in purpose and performance of the policies.

The article of A. Shree Nidhi, titled “Inclusive Justice: Understanding the Dynamics of Intersectionality in Legal Decision Making in India”, is quite informative in the aspects of how law can contribute to the spheres of inclusive development.¹² The author states that justice in India is based on such an overlapped system as caste, gender, class and economic

⁹Supra n. 1.

¹⁰Niti Bhasin, “Inclusive growth for social justice: an imperative to rise in India in terms of development efforts”, 7 Journal of Development Policy (2015), p. 45.

¹¹Gopal Prasad and Vishal Gupta, “Democracy and inclusive development in India”, 12 Indian Journal of Public Administration (2016), p. 23.

¹²A. Shree Nidhi, “Inclusive Justice: Understanding the Dynamics of Intersectionality in Legal Decision Making in India”, 9 NLSIU Law Review (2017), p. 112.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

status. The paper contends that formal equality before law is not enough, inclusive growth must be achieved by substantive equality under sensitive interpretation of the law and effective enforcement of legislation on social justice.

Arjun Kshirsagar and Sam Cleary in "Achieving Equitable Growth: An Assessment of the Effect of Digital Public Infrastructure on Informal Workers in India", explain the role of digital governance as a means to ensure inclusion.¹³ This paper explores schemes like Aadhaar-based identification and Direct Benefit Transfer schemes and how they can help save leakages and enhance welfare scheme access. But it also emphasises that in the absence of Legal protections, digital inclusion can equally result in emerging exclusions, hence the relevance of law to inclusive growth.

Besides the research articles, a number of books also present a detailed theoretical and policy-based perspective of inclusive growth in India. R. Growth, "Inequality and Social Development in India: Is Inclusive Growth Possible?" is an edited volume by Nagaraj. offers a critical assessment of the post-liberalization model of growth (in India) and how it is linked to increasing inequality. The book titled "Inclusiveness in India: Growth and Equality", by Deepak Nayyar, manages to discuss the policy measures towards the attainment of balanced development and the contribution of the state intervention as well as law to the establishment of equity.¹⁴

Additionally, the article by the Planning Commission of India, titled "Inclusive Growth and Development in India", deals with regional inequalities, societal siege and the key to implementing institutional and legal changes that are deemed to make the gains of growth be spread to other parts of the society.¹⁵

Altogether, the literature available gives a clear picture that the issue of inclusive growth in India is unattainable without economic policies. There is need to have a consolidated law, economic, and development to guarantee social justice, lower inequality, and equitable and sustainable development.

1.7 Research Methodology

The research paper adopts a doctrinal research methodology, which focuses on examining

¹³Arjun Kshirsagar and Sam Cleary, "Achieving Equitable Growth: An Assessment of the Effect of Digital Public Infrastructure on Informal Workers in India", 14 Policy and Digital Governance Review(2020), p. 56.

¹⁴Deepak Nayyar, Inclusiveness in India: growth and equality, 1st ed. 2013, Oxford University Press, New Delhi, pp. 34-59.

¹⁵Planning Commission of India, "Inclusive growth and development in India", Eleventh Five Year Plan (2007-2012), Vol. I 2008, pp. 1-12.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

existing laws, policies, and judicial pronouncements to understand the role of legal frameworks in promoting inclusive growth and social justice in India. This approach enables one to study the principles of law, statutes, and case laws and academic publications to examine the interplay between law and economic and social development.

The study adheres to analytical and descriptive ideas. The descriptive part will entail recording the historical changes of the policies of inclusive growth, legislations of social justice, and the corresponding constitutional provisions in India. The analytical part assesses whether these laws have been effective in implementing quality in inequality and protecting minorities and safeguarding equitable allocation of resources. The paper is a critical analysis of the weaknesses of the enforcement, implementation issues, and shortcomings of the legal system, which has been in place.

The research is based mostly on the secondary sources such as books, research papers, government reports, policy documents and articles in national and international journals. With the help of these sources, the interaction between law, economics, and development can be fully understood. A comparative analysis is also employed to examine global experiences in inclusive growth and social justice. By comparing India's legal and policy framework with that of other countries, the research identifies best practices and lessons that could strengthen India's approach.

Lastly, the study employs the analytical research tool of law and economics to determine the impact of legal regulations and institutional arrangements on economic performance. This strategy aids in the need to know whether the current legislation is productive enough to solve the market failure, curb social exclusion, and encourage fair economic growth. With this approach, the study will make informed recommendations on inclusive growth in India that will be driven by law.

Chapter 2: Conceptual Framework of Inclusive Growth

2.1 Meaning and indicators of Growth

Inclusive growth is an economic model that places not only the growth in the national income but also the even distribution of the benefits of national income to all areas of society. Although conventional growth-based models emphasize mostly on aggregate growth or economic output, inclusive growth acknowledges that high growth on its own does not ensure

that poverty and inequality as well as social exclusion is minimized.¹⁶ World Bank defines inclusive growth as economic growth that provides opportunities to every section of society and at the same time fairly distributes the fruits among the populations.¹⁷

On the same note, the NITI Aayog of India conceptualizes inclusive growth as both sector-based growth and growth of productive employment, and inequalities in income and access to basic services.¹⁸ The indicators of inclusive growth such as poverty reduction, creation of employment, provision of access to education and social healthcare, social mobility and quality of life are often mooted. Usually, inclusivity together with economic growth is measured with the help of tools such as Gini coefficient, Human Development Index (HDI), and multidimensional poverty indexes, etc. India is an example of a country whose GDP growth has been very high since 1991, though it is not even in terms of disparity, especially where the population in rural area, women, the Scheduled Castes and the Scheduled Tribes are concerned. These inequalities demonstrate that exclusionary growth is not able to attain social justice. The idea of inclusive growth is supported by a number of different economic theories. Classical economists are concerned with efficiency and wealth generation and free markets as the main driver of growth.

2.2 Growth Experience in India and Theoretical Foundations

The Capability Approach by Sen emphasises that growth cannot be achieved meaningfully where it does not enhance the real opportunities for everyone, including access to education, healthcare and economy among other things.¹⁹ On a similar note, the Theory of Justice, by John Rawls, contends that the reason why inequalities are justifiable is because they are beneficial to the unfortunate members of the society ensuring that the ethical side of an inclusive growth is upheld.²⁰ Market efficiency versus equity debate highlights one of essential tensions on the economic policy. Expansions that occur through market forces have the potential of maximizing the output though tend to result in uneven distributions of benefits.

Liberalization and urban-oriented industrialization in India, among other things, resulted in an increase of high-income movements in metros and restricted opportunities of rural workers

¹⁶Supra n. 1

¹⁷World Bank, The World Bank and Inclusive Growth, 2009, p. 3.

¹⁸NITI Aayog, Strategy for New India @ 75, 2018, pp. 32-45.

¹⁹Supra n. 1

²⁰John Rawls, A Theory of Justice, revised ed. 1999, pp. 52-78.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

and informal laborers

. Therefore, there is a need of legal and policy interventions to strike the right course between efficiency and fairness. Inclusive growth in the Indian context is viewed as a multi-dimensional phenomenon that incorporates the economic, social and legal viewpoints.²¹

2.1 Conclusion and Analysis

The welfare of growth should be seen to spread out to the marginalized populations through laws, policies and institutional mechanisms. Programs like MGNREGA, RTE Act, and the food security act are examples of programs that legal requirements can be used to achieve inclusive growth by guaranteeing employment, education and food security. In general, the concept of inclusive growth is not only a goal of an economy but a goal of social and legislative nature. It demands a system in which development goes hand in hand with equality, liberties and equal chances to everybody thus being at the heart of the development plan of India. Inclusive growth puts a guarantee that development is not only sustainable, but fairly to all, by incorporating economic policy, together with legal tools.

Chapter 3: Social Justice and Constitutional Economics

3.1 Social Justice and Economic Framework

The Indian constitutional structure is built on social justice, which is a core value that builds the economic development approach in the country.²² The Preamble of the Indian Constitution is categorical in the devotion of the State of ensuring social, economic and political justice to every citizen. This pledge is in line with the realization that economic development should be coupled with fairness, equity, and securing of the vulnerable groups in the society. Constitutional economics focuses on the way in which principles of the constitution shape economic policy and the institutional structure, in such a way that the development is geared towards the pursuance of social justice.²³

Social justice under the Indian Constitution is mainly achieved by the efforts being made on the rules of equality and non-discrimination. Article 14, 15 and 16 assure equal protection

²¹Inclusive growth in the Indian context is viewed as a multi-dimensional phenomenon that incorporates the economic, social and legal viewpoints

²²Granville Austin, *The Indian Constitution: Cornerstone of a Nation*, 1st ed. 1966, pp. 50-72.

²³Sudhir Krishna Swamy, *Democracy and Constitutionalism in India*, 1st ed. 2009, pp. 112-130.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

under the law and ensure that no one is discriminated against on basis like, caste, religion, sex and place of birth.²⁴ Nevertheless, the Constitution is also aware of the fact that formal equality is not enough in a highly unequal society. Thus, it embraces the concept substantive equality that enables affirmative action and special treatment of historically disadvantaged groups Scheduled Castes, Scheduled Tribes, and Other Backward Classes. These actions are designed to address structural injustices and commitment to inclusive engagement in economic life.

The Directive Principles of State Policy(DPSPs) are a valuable addition towards social justice as they provide a guideline in the aspects of governance and economic policy. Articles 38 and 39 guide the State to facilitate welfare and equitable allocation of material resources to avoid concentration of wealth.²⁵ Articles 41-46 focus on the duty of the State in offering the right to work, education, public assistance as well as safeguarding the weaker groups.²⁶ Non-justiciable though DPSPs have had a much greater impact on legislation in the form of labour legislation, land reform, and government welfare programme and have thus given India a strategy of inclusive growth.

3.2 Redistribution and Economic Rights

Stake of equality, redistribution and the economic rights is the core aspect of constitutional economics. Legal approach to inequality reduction and social justice includes redistribution in the form of taxation, subsidies and welfare. The judiciary has acknowledged as part of the right to life in article 21 economic rights like the right to livelihood, education and health. Large cases such as *Olga Tellis v. Bombay Municipal Corporation* and *Unni Krishnan v. State of Andhra Pradesh* are examples of how the role of law in inclusive development has expanded socio-economic rights.²⁷

Constitutional economics can therefore help us to understand that legal structures are not only a regulatory instrument, but a kind of activist instrument of economic justice. Within an Indian context, the Constitution serves as an interface between economic development and social justice in that the Constitution entrenches equity, redistribution, and welfare in its law. Thus, social justice is a fundamental part of sustainable economic development in India, as inclusive growth is completely based on the constitutional values.

²⁴Constitution of India 1950, Arts. 14, 15 and 16.

²⁵Constitution of India 1950, Arts. 38 and 39.

²⁶Ebid, Arts. 41 to 46.

²⁷*Olga Tellis v. Bombay Municipal Corporation*, AIR 1985 SCC(3) 545 ; *Unni Krishnan v. State of Andhra Pradesh* (1993) 1 SCC 645.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

3.3 Conclusion and Analysis

Essentially, economic development is never regarded as a discrete objective in the Indian constitutional framework; it integrates it with the principle of social justice. With equality policies, welfare-based Directive Principles and with judicial acknowledgement of social-economic rights, the Constitution aims to make growth inclusive and favorable to all classes of society and more so to the downtrodden. It advocates a balanced solution under which efficiency is balanced by equity using redistribution, affirmative action, and state intervention. In these ways, constitutional economics in India has turned development into a rights-based and justice-based process and thus inclusive growth is not a policy option, but a constitutional requirement in the key to sustainable and inclusive progressive development.

Chapter 4: Law as a Catalyst for Economic Development and Social Welfare

4.1 Rule of Law and Market Functioning

The law is very important in enhancing the development of an economy because it provides a stable and predictable environment within which people, organizations and institutions operate. An effective legal system will guarantee legal certainty which implies that laws are transparent, consistent and uniformly applied. This is reliability that creates confidence in the institutions, including courts, regulatory and administrative agencies.²⁸

By ensuring that individuals have confidence that contracts are going to be enforced and that their right over property will be safeguarded, the individuals are more ready to invest, develop and engage in economic activities. In India, we have institutions such as the judiciary, Reserve Bank of India as well as statutory regulators that play a significant role in ensuring order in the economic front and confidence in the market. The State must intervene in the market to correct market failures and also facilitate inclusive growth using regulation and welfare laws.²⁹ On the one hand, free markets can promote efficiency, but they also promote inequality and social exclusion. Economic freedom is limited by laws such as the labour regulations, environmental regulations, consumer protection laws, and competition laws to bring social justice.³⁰

²⁸Douglass C. North, *Institutions, Institutional Change and Economic Performance*, 1st ed. 1990, pp. 3-20.

²⁹David M. Trubek and Alvaro Santos, *The New Law and Economic Development: A Critical Appraisal*, 1st ed. 2006, pp. 45-67.

³⁰*Supra* n. 1.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

4.2 Regulation and Incentives

Taxation, subsidies and social welfare programs such as Public Distribution System (PDS), MGNREGA and social security legislations can reduce poverty and bring about a fair distribution of resources. The moral and legal basis of such welfare-oriented legislation is given by the Constitution of India and Directive Principles of State Policy in particular. Economic development is also affected by the law through the creation of incentives that would affect how people and companies behave. The laws with incentives will promote desirable economic behaviors and deter malpractices.³¹

As an example, investment and industrial growth encourage is enhanced through tax incentives and places on industries of exploitation and pollution discourage penalties under environmental and labour laws. Laws that safeguard the rights of the creators to the intellectual property inspire innovation, and the reforms in the area of the ease of doing business encourage the entrepreneurs. Therefore, law does not simply control the economic activity but it directly guides it in achieving national objectives of development. Arguably, law is an effective tool of development, as law is used to bring about a stable institution, facilitate welfare and redistribution, and enhance the incentives so that economic agents act in social and economic ways.³²

4.3 Graphs

Graph: SDG Goal-wise Performance in India (2018–2023-24): Progress Towards Inclusive Growth³³

³¹Ebid, Arts. 38 and 39.

³²Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, 1st ed. 2000, pp. 35-60.

³³NITI Aayog, *India Accelerates Progress towards the SDGs Despite Global Headwinds*, Press Information Bureau (12 July 2024).

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>



❖ Explanation of the Graph:

The graph shows the performance of India on 16 Core Sustainable Development Goals (SDGs) in the year 2018 to 2023-24 according to the SDG India Index published by NITI Aayog. The bars indicate goal-wise scores (0-100), in Aspirant, Performer, Front Runner, and Achiever stages. As demonstrated in the data, most SDGs have a steady increasing picture over the years, with the overall national score rating increasing by 57 in 2018 to 71 in 2023-24. There are important improvements concerning such goals as No Poverty, Decent Work and Economic Growth, Climate Action, and Life on Land. This has been enhanced by specific government actions such as welfare programs, infrastructure upgrades, financial inclusion and environmental programs.

The graph captures both sectoral progress and the broad-based policy push toward sustainable and inclusive development. The chart suggests an evident pattern of encompassing growth fueled by the state-based welfare and regulatory systems. According to the law, and economics approach, the change in the SDG score shows how the institutional mechanisms, law, and public policy interventions can rectify the market failures and other socio-economic inequalities.

Firstly, remarkable advances have been made in Goal 1 (No Poverty) and Goal 8 (Decent Work and Economic Growth), which suggests the enhancement of redistribution policies and the increase of access to economic opportunities. The measures of legal-financial inclusion (e.g., direct benefit transfer and access to banking) have decreased the transaction costs and leakages boosting the efficiency of welfare. Second, Goals 6 (Clean Water and Sanitation) and 7 (Affordable and Clean Energy) are being developed, which shows that externalities and the problems of public goods can be addressed by regulatory frameworks and state-provided

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

essential goods. The industries are usually under-invested in the free market, which is sufficient to intervene by the state.

Third, the sharp rise in Goal 13 (Climate Action) reflects increasing alignment between environmental law and economic incentives, particularly through renewable energy expansion and sustainability regulations. This means that there is a change towards the inclusion of the environmental externalities in designing the policies. Nevertheless, more modest scores in such domains as Gender Equality and Reduced Inequalities indicate that there exist still structural and legal issues, such as implementation loopholes, social norms, and inaccessibility to justice. This reveals that though the economic growth has been growing fast, equality is still unequal. On the whole, the graph indicates that the SDG development in India is not just dependent on the effect of economic growth, but intentional legal and policy structures to create inclusive development. It highlights the role of effective governance, efficient regulation and accountability by the institutions in ensuring the realization of sustainable and just.

4.4 Conclusion and Analysis

According to the views of law and economics, the presence of law in economic development can be explained in three basic functions that include minimizing uncertainty, implementing corrective actions, and structuring incentives. Legal certainty guarantees predictability, reduced transaction costs as well as trust, thus promoting investment and economic action. Simultaneously, free market can result in inequality, exploitation, and undesirable externalities causing distortion between the efficiency and equity, therefore, State laws in the form of labour law, environmental law, and competition law to stabilize efficiency and equity. Moreover, law also affects behaviour by providing incentives and penalties through taxation, subsidizing, and punishing people and companies to achieve social desirability.

Therefore, the law is not a passive regulator, but an active tool of economic policy. It promotes stability that encourages growth, promotes equity through redistribution and creates economic behaviour that is oriented towards national development. A proper legal system is, thus, a mandatory tool towards inclusive and sustainable economic development.

Chapter 5: Critical Policy Concerns in Inclusive Growth

5.1 Social Welfare and Economic Inclusion

The idea of inclusive growth implies economic development that brings the poorest people,

marginalised people and vulnerable groups better off.³⁴ The laws and policies that are meant to enhance inclusive growth in India include the MGNREGA (employment guarantee), the Right to Education Act (free education)³⁵, and the National Food Security Act (subsidized food)³⁶. These laws accord people with legal rights, which transform welfare guarantees into legal obligations on the State. This strategy has additionally been upheld by the courts as Article 21 (Right to Life), among other constitutional provisions, are used to extend rights on food, work, and education. Indians have a good inclusion legislative framework on paper.

5.2 Implementation and Access Challenges

Nevertheless, practice is filled with numerous difficulties. The most significant problem is access to benefits. This is often the case since due to strict documentation procedures or database error or ignorance people are unable to collect the services and money they deserve. As an illustration, lack of records or incorrectly matched records could deny some families access to a subsidised food or even enrolment to school. This demonstrates that it is not sufficient to have a law; the accessibility of the same should be made simple to all people with the help of policy.

Funding and implementation is another problem. Various welfare laws are making promises of reaping advantages but without providing a stable funding. It results in either delays, under-payment or under-delivery. To make inclusive growth effective, the government should strategize budgets, provide satisfactory control and monitoring and be capable of making funds accessible to the intended beneficiaries.

The other issue is State-Centre coordination. Even though the laws are created on a national level, states have the role of enforcing them. Benefits across states are uneven as a result of either difference in administrative capacity, political priorities, or resources. There should be policies to guarantee improved coordination and minimum services in all the regions.³⁷

Inclusive growth also must concentrate on the quality rather than on the quantity. Legislation has boosted employment, education access and food supply, yet problems exist on work competencies, educational achievement and nutritional quality.

5.3 Graphs

Graph: Rising Gross Enrolment Ratio (GER) and Gender Inclusion in Indian Higher Education

³⁴Supra n. 1.

³⁵Mahatma Gandhi National Rural Employment Guarantee Act 2005; Right of Children to Free and Compulsory Education Act 2009; National Food Security Act 2013.

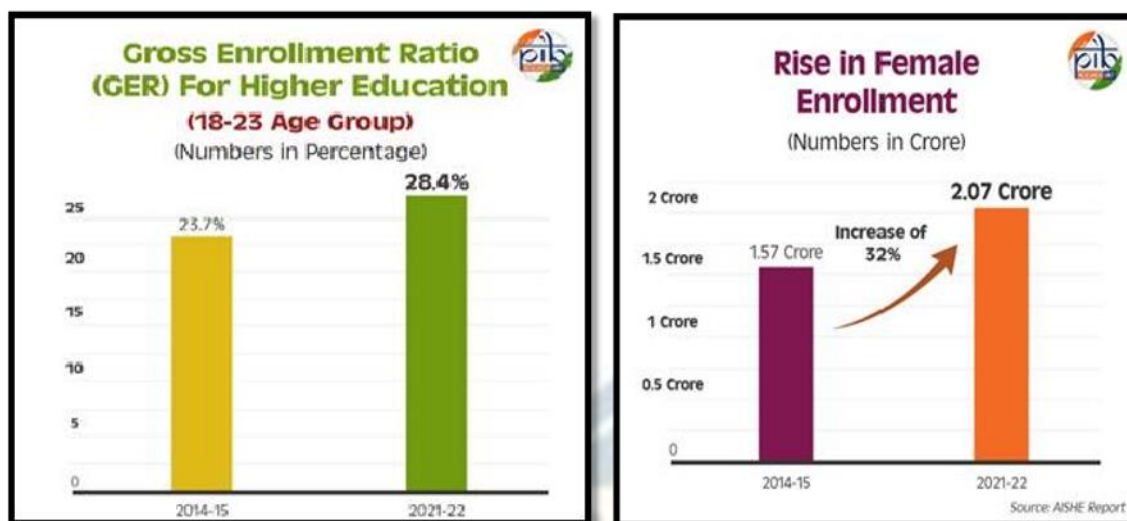
³⁶People's Union for Civil Liberties v. Union of India (Right to Food Case), W.P. (C) 196/2001; Unni Krishnan v. State of Andhra Pradesh (1993) 1 SCC 645.

³⁷Planning Commission of India, Eleventh Five Year Plan (2007–2012): Inclusive Growth, Vol. I 2008, pp. 1-12.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

under NEP 2020³⁸.



❖ Explanation of the Graph:

The graphs show that there is a positive trend regarding access to higher education in India and this indicates progress towards inclusive growth. Gross Enrollment Ratio (GER) of the 18-23 age category rose by 23.7 to 28.4 in 2014-15 to 2021-22, which means that the part of youth moving to higher learning is larger. This is indicated by accessibility and growth in learning facilities. Meanwhile, the number of women has improved by a considerable share, as the number of persons attending schools has grown by 32 percent, from 1.57 crore to 2.07 crore.

This stresses the decrease in gender inequalities and inclusion of women in higher education. Socially, in terms of social justice these trends indicate that government policies (such as NEP 2020) are contributing to:

- Lessening education disparity, particularly gender marginalization. Encouraging parity of knowledge and skill acquisition.
- Enhancing women power, which has the long-term outcomes to the economic development and social fairness.
- On the whole, the statistics indicate that India is heading towards a more inclusive and equitable society.

These statistics show there is a distinct structural growth of higher education in India and the consequences are big in the terms of inclusive growth and social justice. Inclusion of higher

³⁸Press

Release:

Press

Information

Bureau

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2101363®=3&lang=2>.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

figures in the Gross Enrolment Ratio (GER) of 23.7 to 28.4 is a sign of the increased accessibility since a higher percentage of the youth are accessing higher education. This tendency is an indication of higher levels of university and college growth, a stronger policy incentive with NEP 2020, scholarships, and the gradual shift towards education democratisation. It is worth mentioning that rural and first-generation learners would have been able to participate in this expansion significantly. Additionally, the 32 per cent increase in female enrolment illustrates that gender inclusion is high, meaning that traditional obstacles, including patriarchy, early marriages, and movements, have been minimised. The change has been brought about by government programs, into the scholarships of women, and various campaigns.

This shift is evident in the growing number of women who are in the fields of study like medical sciences and social sciences. In terms of the economy, education is an important lever of inclusive growth, which contributes to the development of human capital, the improvement of the rate of employment, and the decrease of income disparities. With people having more and more access to education, especially women, economic growth will become more comprehensive and balanced as opposed to biased. Legally, such developments come in line with the constitutional vision of equality and social justice, which strengthens the principles incorporated in Article 21A (Right to Education), 14 and 15 (Right to Equality), and the Directive Principles of State Policy, which postulate that the State should facilitate social and economic welfare.

5.4 Conclusion and Analysis

From a law and economics perspective, the paragraph highlights that inclusive growth in India is based on a rights-based welfare model, where laws convert social benefits into enforceable entitlements. Nevertheless, the significant problem is the implementation gap- barriers to access, the issues of documentation, the constraints of financing, and ineffective coordination of the Centre-State decrease the real efficiency of these laws.

In addition, concentrating on numerical growth without any quality results is confining the actual contribution to human growth. This demonstrates how on the one hand, it has a strong legal design but on the other hand, institutional inefficiency and governance issues make transactions costs more expensive besides the benefits not reaching the target groups.

Inclusive growth in India, therefore, cannot be actualized through legislation but by ensuring its

efficient implementation, adequate funding and accountability principles. It is imperative that attention should be redirected towards the formulation of legal rights and their successful implementation and quality results, so that economic development could be truly inclusive and cover even the poorest parts of the population.

Chapter 6: Legal and Institutional Changes needed to promote Inclusive Growth

6.1 Policy Gaps in Inclusive Growth

Several institutional and legal reforms are required in order to transform India into a stronger and more socially inclusive state. Inclusive growth implies that economic growth should be quantified to benefit every part of society particularly the poor, women, the youth, and the marginalised group.³⁹ Though there are numerous welfare legislations in India like MGNREGA, Right to Education Act (RTE), National Food Security Act (NFSA) as well as social security acts, due to loopholes in the approach, financing and administration, inequality persists.⁴⁰ Diplomatic reinforcement of such laws with the provision of good budget assurances, deadlines, and monitoring will make sure that such benefits like wages, education, food, and health care are available to citizens when and where it is due.⁴¹

6.2 Accessibility and Institutional Reforms

The second thing that should be done is simplification and standardization of access rules. The welfare programs fail the majority of people because of complicated paperwork and strict requirements. The legal changes must permit inconsistent demonstrations, automatic registration, and less complex errands. This will assist the poor, migrants and other vulnerable population who are frequently hindered by issues in accessing government services. Also, higher number of informal Indian employees requires government safeguarding against the laws of universal social security which entails pensions, health insurances, accident insurances, and skill development, to narrow the gap in terms of income and opportunity.⁴²

It is also important to strengthen institutions. The local government like the Panchayats, the State labour department and the education authorities would have to be strengthened with trained officers, technology, and accounting apparatus. The corruption and leakages in the delivery of welfare can be mitigated through transparent monitoring and feedback mechanism

³⁹Supra, n.36.

⁴⁰Ministry of Rural Development, Annual Report 2022-23, Government of India, 2023, pp. 45-53.

⁴¹Government of India, Report of the Committee on Social Security for Unorganised Workers, 2008, pp. 10-25.

⁴²National Sample Survey Office, Report No. 583: Employment and Unemployment in India, 2018, pp. 50-62.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

by citizens.

6.3 Digital Inclusion and Future Challenges

On the same note, digital systems should not be discriminatory (they should be made inclusive) to ensure even the individuals who do not have access to a smart phone or the internet can gain access to welfare programs and there should be powerful laws on data protection to maintain privacy. The legal support is also needed in quality education and the development of skills to curb inequality. Connecting education with professional training and the demands of the industry will enhance the level of employability and future income. Lastly, India has to solve new problems like urban poverty and exposure to climatic conditions by incorporating certain laws and programs to safeguard the livelihood and basic standards of living.

Thus, to make India a safer and more inclusive place in terms of inequality reduction and inclusive growth, legal rights must be empowered, accessibility needs to be made easier, social security must be broadened, institutional capacity must be enhanced, digital inclusion must be enacted, and legal provisions must be adjusted to new societal and economic dynamics. Such actions will assist in making sure the economic development serves all citizens and makes India better and more balanced in 2025-26 and further.

6.4 Conclusion and Analysis

India has implemented a holistic legal system that fosters inclusive development, but it suffers from structural and administrative deficiencies. There are challenges like complicated access protocols, lack of funds and poor institutional capacity, which create a disparity between the right to delivery and actual delivery. This implies that the issue is not that of a lack of policy, but rather a lack of governance and execution. Therefore, in order to render inclusive growth meaningful, it will be necessary to concentrate on institutional efficient activities, accountability, and responsiveness to the changing circumstances.

Empowering the implementation mechanisms and equality of access will help the legal framework bring out its goal of balanced and sustainable economic development.

CHAPTER 7: Conclusion

The Indian constitutions and development policy have at its core the idea of inclusive growth and social justice. In terms of the law and development, economic growth cannot be assessed just by the improvements in the GDP or the growth in industrial production, but it should also

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

© 2026 International Journal of Advanced Legal Research

be determined in terms of the fairness with which the fruits of growth are shared by all the society around. The butting force in this comes through Indian law whose role is to shape institutions, safeguard right, rectify market failures, and also make sure that the development is extended to the neediest areas of the population.

The inclusive growth of India is supported by the strong normative base that the Constitution of India promises of justice, equality, and dignity. Basic civil and political freedoms are offered as the main prerequisites in the provisions of the fundamental rights, whereas the State should uphold social and economic justice as dictated by the Directive Principles of State Policy.

With time, such ideals in the constitution have been converted to welfare-based laws in the form of laws that assure jobs, promote education, establish food security policies, and social security initiatives.

Legally speaking, such laws are an indication of a shift in the model of development towards the rights intensive and welfare state directed model. Judicial interpretation has also enhanced this method by shifting the boundaries of Article 21 to cover right to livelihood, education, health, and food. The judges have helped the State to make sure that welfare policies are not discretionary actions of the State but are legal requirements. This judicial practice portrays law as an intermingling instrument to encompass social justice in economics progression.

Nevertheless, implementation experience indicates that legal systems are not enough to ensure growth inclusivity. There are endemic problems including poverty, inequality, informal jobs, regional inequalities and social exclusion that, till this time, constrain development. Laws do not get their desired effect on the ground due to weak institutional capacity, insufficient funding, executive inefficiency, and over-reliance on executive discretion. In addition, new issues include challenges in digital exclusion, poverty in the city, and climate vulnerability that require ongoing changes in the law and policy.

Legally, to achieve inclusive growth, not just welfare legislation is necessary, but strong institutions, good governance, accountability systems and the involvement of the people. Laws should be changed so as to be concerned with not just redistribution but to provide opportunities by ensuring good education, talents and livelihoods are sustained. To minimize inequality and facilitate the progress of the state in the long-term, it is necessary to adjust the law in accordance with economic realities and needs of people.

Conclusively, law continues to be an effective tool in ensuring inclusive growth and social justice although its success lies in proper implementation, institutional formidableness and perpetual reforms. India has to have a balanced incorporation of the tenets of law rights, economic policy as well as social justice so that development in the country becomes inclusive and sustainable.

CHAPTER 8: Policy Implications

In the inclusive growth and social justice analysis on the law and development approach, some key policy implications come out concerning India. Although there is a good constitutional and legal framework which gives a robust constitutional and statutory anchor to inclusive development, policy reforms are also necessary to make the legal assurances reality and be translated into actual and fair developments. A major policy implication is that there is need to shift focus to outcome-based governance as opposed to their symbolic legislation. The welfare laws also need to have proper guidelines to be put into practice, to carry out measurability (targets) as well as periodic evaluation mechanisms to determine the real social and economic impact of the welfare law.

The other important policy implication is associated with monetary commitment and budgetary planning. The rights-based welfare laws place legal requirements on the State, and these are not scales that can be completely filled without reasonable financial resources that have the power to finance these requirements.

Policies should, therefore, guarantee sustainability in funds in the long term by providing special fund streams, visibility in budgeting, and funding at the right time. The connection between welfare output and fiscal responsibility will enhance the level of trust of the population and efficiency of delivery.

Another policy issue is the enhancement of both the central and state institutional capacity. Inclusive growth laws entail the use of a competent institution, trained staff, and administration that is efficient enough to implement those laws. The priority of the policies should be to enhance coordination between the Centre and the States, to empower the local governments, and making investments in digital and administrative buildings. Well established institutions minimize cases of leakages, enhancing performance of services and ensuring that laws are uniformly applied in all regions.

The problem of access and inclusion has a significant policy implication, as well. The

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

vulnerable populations are frequently marginalized due to complicated procedures, strict eligibility rules, and the use of digital platforms only.

The policymakers need to streamline processes, enable most documents to be flexible and offer the offline alternative to the digital systems. To convert lawful rights into practical benefits, particularly by the migrants, informal workers and marginal groups, it is necessary to make them accessible. The implications that another sensitive implication is the need to extend the social protection frameworks and adopt the informal sector and emergent forms of employment. There should be policies to encourage the univariate social security schemes covering health, pensions, and insurance regardless of one being in employment or not. This will minimise inequality and will bring a stable economic environment in a rapidly shifting job market.

Thus, these policies of inclusive growth need to deal with emerging and developing challenges, including climate change, urban poverty, and technological shock. Climate resilience, sustainable livelihoods, and digital inclusion should be included in the development planning through legal frameworks. This progressive nature will make the inclusive growth applicable and in tune with the modern realities.

CHAPTER 9: Scope and Limitations

Scope of the Study:

The proposed research paper analyzes the idea of inclusive growth and social justice based on the law and development perspective. The area of the research will cover the analysis of the Indian constitutional system, especially the Fundamental Rights and Directive Principles of State Policy that is the basis of the welfare-oriented administration. The paper evaluates how these constitutional ideals can be put to reality by means of key social and economic legislations that seek to minimize inequality and foster a fair development state.

The paper targets specific legislations, namely the employment, education, food security, and social protection as such fields influence directly the economic inclusion, as well as the human development. It also focuses on the contribution of the legal institutions including the judiciary and the administration in ensuring and prescribing the development-oriented laws. A thorough way of interpreting the role of courts in promoting inclusive growth is through judicial interpretations that enhance the socio-economic rights under Article 21.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

In addition to that, the study contains a policy-driven examination of the latest legal and institutional changes until 2025-26 such as the implementation of digital welfare delivery, social security expansions, and governance changes. The research will assess the use of law as an instrument in achieving a balance between economic growth and social justice by taking a doctrinal approach. The range is also restricted in the analysis of the legal and policy framework instead of the quantification of economic outcomes using statistical data.

Limitations:

There are some limitations associated with the study. First, the study is doctrinal and qualitative and it mainly uses secondary sources which are statutes, case laws, government policies and scholarly publications. Consequently, it lacks empirical information or field surveys, which may offer a more in-depth examination of the implementation issues in the real world.

Second, the analyses are limited to the Indian legal system and this makes a comparison to other nations, which could have adopted alternative legal strategies on inclusive growth, impossible.

Third, the research concentrates on a sample of legislations, given that inclusive growth and social justice concept is broad and therefore the study fails to extensively address all segments of welfare (medicine, housing or environmental protection).

The second weakness is that there is a constant development of laws and policies. The relevance of some of the conclusions made in this study can change depending on government priorities, economic conditions or judicial interpretations post 2025-26. Conclusively, although the study is a narrow study of law and policy on inclusive growth and social justice, its results need to be understood in the view of its doctrine and the dynamism of the law and development.

Bibliography:

- Amartya Sen, DEVELOPMENT AS FREEDOM, 1st ed. 1999, Oxford University Press, New Delhi.

For general queries or to submit your research for publication, kindly email us at ijalr.editorial@gmail.com

<https://www.ijalr.in/>

- John Rawls, A THEORY OF JUSTICE, 1st ed. 1971, Harvard University Press, USA.
- Deepak Nayyar, INCLUSIVENESS IN INDIA: GROWTH AND EQUALITY, 1st ed. 2016, Oxford University Press, New Delhi.
- R. Nagaraj (ed.), INEQUALITY AND SOCIAL DEVELOPMENT IN INDIA: IS INCLUSIVE GROWTH POSSIBLE?, 1st ed. 2013, Orient Blackswan, New Delhi.
- Upendra Baxi, THE INDIAN SUPREME COURT AND POLITICS, 1st ed. 1980, Eastern Book Company, Lucknow.
- Niti Bhasin, “Inclusive Growth for Social Justice: An Imperative for India’s Development”, INDIAN JOURNAL OF HUMAN DEVELOPMENT, Vol. 9 No. 2 2015, Sage Publications, New Delhi.
- Gopal Prasad and Vishal Gupta, “Democracy and Inclusive Development in India”, ECONOMIC AND POLITICAL WEEKLY, Vol. 47 No. 23 2012, Sameeksha Trust, Mumbai.
- Shree Nidhi, “Inclusive Justice: Understanding Intersectionality in Legal Decision Making in India”, JOURNAL OF INDIAN LAW AND SOCIETY, Vol. 6 2015, National Law School of India University, Bengaluru.
- Arjun Kshirsagar and Sam Cleary, “Digital Public Infrastructure and Informal Workers in India”, WORLD DEVELOPMENT JOURNAL, Vol. 158 2022, Elsevier, Netherlands.
- Poonam Pradhan Saxena, “Social Justice and Constitutional Economics in India”, ANNUAL SURVEY OF INDIAN LAW, Vol. 45 2009, The Indian Law Institute, New Delhi.
- Planning Commission of India, Inclusive Growth and Development in India, Government of India Report.
- World Bank, Inclusive Growth Framework.
- NITI Aayog, Strategy for New India @ 75.
- NITI Aayog, India Accelerates Progress towards the SDGs Despite Global Headwinds, Press Information Bureau (12 July 2024).
- Ministry of Rural Development, MGNREGA Annual Report.
- Ministry of Education, Right to Education Act Implementation Report.