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INEQUAL DISTRIBUTION OF WEALTH IN INDIA: A STUDY

Kaustuv Shome¹ and Mr. Sukhwinder Singh²

¹Final year student, B.B.A.LL.B(Hons),
 Law College Dehradun, Uttaranchal University.
²Asst. Professor, Law College Dehradun,
 Uttaranchal University.

“What are we having this liberty for? We are having this liberty in order to reform our social system, which is full of inequality, discrimination and other things, which conflicts with our fundamental rights.”

~ Dr. B.R.

Ambedkar

ABSTRACT:

Our constitution talks about equality before law and equal protection of law. Now, the preamble of our constitution states that our nation is sovereign , socialist, secular, democratic and republic. Each of these afore-mentioned words has their individual perspective over the society. The framers

of the constitution were well aware of the condition which the nation was going through during the era of independence and to some extent they well predicted what threats the constitution of India is going to face in distant future. In this article we will critically examine the provision of constitution which deals with socialism, democracy, sovereignty and secularism in the nation. Through this study we will get to know what exactly our nation is going through in present days. In this study we shall be able to understand the present status of the constitution which is essential for making all the positive change required to upheld the supremacy of the constitution which the framers had in their mind while framing it. If one goes through our constitution thoroughly he will get know and understand the vivid perspective of our supreme law of the land but in order to understand the reality of its application one has to observe patiently, because our well equipped constitution provides solution for all types of inequality but its applicability in reality is of utmost uncertainty. Within this article the true essence of the presence of judiciary superseding over the nation is highlighted eminently.

KEYWORDS: *Inequality, Wealth, Distribution, Protection, Constitution.*

1. INTRODUCTION

Economic inequality is the hindrance to the process of growth and development in India. Even though there is an economic growth in India, it is not able to reduce the growing inequalities of the Indian society. Our

reduce the extent of regional and sectoral inequalities. Domestic and foreign investments are not directed to backward regions of the country. Already developed states are found to be preferred destination of investment.¹

Meaning of inequality

In India four forms of inequalities are found.
 a) Inequality of income,

c) expenditure,
 d) Inequality of asset holding, and
 e) Regional inequality.
 Inequality of the distribution of wealth and income refers to a situation in which small section of society share large part of nation income whereas large sections of society are devoid of

¹ <https://www.gktoday.in/gk/economic-inequality-in-india/>

development strategies failed to | b) Inequality of consumption | income. There is an unequal distribution of income. Inequality in consumption expenditure referred to a situation in which a large percentage of total consumption expenditure is incurred by a small percentage of population. Inequality of consumption expenditure shows that a large percentage of bottom population has to struggle to survive, whereas small percentage of top population enjoys a lavish lifestyle. Regional inequality refers to inequality of growth process across various states in the country and different region within a single state. Some states or region are far more prosperous than the others.

2. NATURE AND EXTENT OF ECONOMIC INEQUALITY IN INDIA

In India inequality of income is calculated based on the data on consumption distribution (provided by NSSO) and income tax data. To examine the distribution of income in India, a Committee was appointed by the Government under the chairmanship of Prof. P.C. Mahalanobis. The committee submitted the report in 1964. Besides this Committee, National Council of Applied Economic Research (NCAER), Reserve Bank of India, World Bank and many economists have undertaken important research studies relating to distribution of income. However, these studies relate to different periods of time, and are based on different methodologies. The results of these studies are not strictly comparable. Higher Lorenz ratio or Gini-coefficient points to a greater degree of inequality. Gini index in India was 33.4 in 2011-12 which points to an alarming magnitude of inequality in India.²

3. RURAL AND URBAN BREAKUP

In India there are inequalities of income are found in rural and urban areas as well. Per capita income in rural areas is less than the per capita income in urban areas. However the inequality levels in rural areas are less than the inequality at urban areas.

4. CAUSES OF INEQUALITY OF INCOME AND WEALTH IN INDIA

- Inequality in the ownership of assets,
- Laws of inheritance,
- Cost of professional training,
- Inflation,
- Unemployment,
- Tax evasion,
- Corruption and smuggling,
- Greater Burden of indirect taxation or regressive tax structure.

N.C. Saxena, an individual from the National Advisory Council, recommended that the extending salary difference can be represented by India's severely formed agrarian and country wellbeing nets."Unfortunately, agriculture is in a state of collapse. Per capita food production is going down. Rural infrastructure such as power, road transport facilities are in a poor state," he said. "All the safety net programmes are not working at all, with rural job scheme and public distribution system performing far below their potential. This has added to the suffering of rural India while market forces are acting in favour of urban India, which is why it is progressing at a faster rate."³

5. GOVERNMENT'S POLICY TO REDUCE INEQUALITIES OF INCOME AND WEALTH

Ever since independence, government has been focussed on reduction of inequalities of income and wealth in the country.

² <https://www.gktoday.in/gk/economic-inequality-in-india/eco/news>

³ Income gap rises in india: NSSO *Livemint*.

i. Land Reforms

Land reforms have been introduced to remove inequality in the ownership of land. Land in excess of the ceiling limit has been distributed among the tenant farmers, and among the small and marginal holders.

ii. Expansion of Public Sector

Government pursued a policy of assigning a 'flagship-role' to the Public Sector. Many commercial banks were nationalised in 1966-68. However, since 1991, there has been reversal of the government policy. Privatisation has become the centre stage of growth-strategy. This is because public sector has only yielded inefficiency and bankruptcy.

iii. Encouraging Small Scale Industry

The Government is providing support to develop small scale industry.

iv. Poverty Alleviation Programmes

Government should frame poverty alleviation programmes particularly those which provide gainful employment to the economically weaker section of the section of the society.⁴

6. CONSTITUTIONAL PROVISIONS PROVIDING FOR EQUAL DISTRIBUTION OF WEALTH

- Article 21 of our Constitution deals with protection of life and personal liberty and reads thus: "No person shall be deprived of his life or personal liberty except according to procedure established by law."
- This article, drafted in clear and simple language, has been the subject matter of extensive litigation. Its scope has been expanded over the last 50 years and life and liberty now include education, health and even roads in hilly areas. The article prohibits deprivation of life or personal liberty except according to procedure established by law. In a sense, it corresponds to the Fifth and Fourteenth Amendments to the United States Constitution, the relevant portions of which read:
- "Nor be deprived of life, liberty or property without due process of law..." and "... nor shall any State deprive any person of life, liberty or property without due process of law."
- ☐ In *Olga Tellis v. Bombay Municipal Corporation*, it was held that the breadth of the privilege to life presented by article 21 is wide and extensive. It doesn't mean just that life can't be quenched or removed as, by the inconvenience and execution of capital punishment, with the exception of as indicated by system set up by law. That is nevertheless one part of the privilege to life. A similarly significant aspect of that privilege is the privilege to vocation on the grounds that no individual can live without the methods for living, that is, the methods for employment. On the off chance that the privilege to job isn't treated as a piece of the established ideal to life, the least demanding method for denying an individual of his entitlement to life is deny him of his methods for work to the point of revocation. That, which alone makes it conceivable to live, leave aside what makes life reasonable, must be esteemed to be an essential segment of the privilege to life. The right to reputation is a facet of right to life under article 21. Adverse remarks by a Commission of Inquiry about a person without hearing him violates principles of natural justice and renders the action non est as well as the consequences thereof.⁵

⁴ <https://www.gktoday.in/gk/economic-inequality-in-india/>

⁵ *State of Bihar v. Lal Krishna Advani*, (2003) 8 SCC 361; *State of Maharashtra v. Public Concern for Governance Trust*, 2007 (1) SCALE 72

7. CURSE OF IN EQUAL DISTRIBUTION OF WEALTH : POVERTY

- The United Nations Committee on Economic, Social and Cultural Rights defines poverty as a human condition characterized by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights. Poverty has been and remains a constructed social and economic reality. The poor are not poor simply because they are less human or because they are physiologically or mentally inferior to others whose conditions are better off. On the contrary, their poverty is often a direct or indirect consequence of society's failure to establish equity and fairness as the basis of its social and economic relations.⁶
- Accordance with the Universal Declaration of Human Rights⁷, International Covenants recognizes that freedom from fear and want can be achieved only if everyone enjoys economic, social and cultural rights, in addition to civil and political rights. The expanding difference between the rich and the poor is a noteworthy destabilizing impact on the planet. It delivers or worsens local and national clashes, ecological corruption, wrongdoing and viciousness, and the expanding utilization of illegal medications. These consequences of extreme poverty affect all individuals and nations. Increasingly we are becoming aware that we are all members of a single human family. In a family the suffering of any member is felt by all, and until that suffering is alleviated, no member of the family can be fully happy or at ease. Maybe a couple can take a gander at starvation and extraordinary neediness without inclination a feeling of disappointment.
- Every man and lady has the human ideal to a way of life satisfactory for wellbeing and prosperity, to sustenance, dress, lodging, medicinal consideration and social administrations. These essential human rights are characterized in our Constitution. On 10 December 1948, the United Nations General Assembly embraced and broadcasted the Universal Declaration of Human Rights "as a typical standard of accomplishment for all people groups and all countries". Article 1 of the Universal Declaration of Human Rights peruses in this way: "All people are brought into the world free and equivalent in pride and rights. They are invested with reason and still, small voice and should act towards each other in soul of fraternity."
- The human right to live in dignity, free from want, is itself a fundamental right, and is also essential to the realization of all other human rights – rights that are universal, indivisible, interconnected and interdependent. The right to be free from poverty includes the human right to an adequate standard of living. Poverty is a human rights violation. The right to be free from poverty includes:

The human right to an adequate standard of living;

The human right to work and receive wages that contribute to an adequate standard of living;

The human right to a healthy and safe environment;

The human right to live in adequate housing;

The human right to be free from hunger;

The human right to safe drinking water;

The human right to primary health care and medical attention in case of illness;

The human right to access to basic social services; The human right to education;

The human right to be free from gender or racial discrimination;

The human right to participate in shaping decisions which affect oneself and one's community.⁸

- Very little attention has been paid to poverty and the extreme poverty in the logic of human rights; the explanation for this is unhappily simple. A poor person hardly exists and can only lay claim, modestly, to 'poor' rights. We have gradually become accustomed to consider the poor person as

⁶ Voice of Justice by Dr Justice AR. Lakshmanan, Universal Law Publishing Co. Pvt. Ltd., Delhi (2006), page 121

⁷ Statement to the 49th session of the United Nations Commission on Human Rights

⁸ Voice of Justice by Dr Justice AR. Lakshmanan, Universal Law Publishing Co. Pvt. Ltd., Delhi (2006), page 121

having exhausted his entitlements. As for the extremely poor, they do not exist at all, at best they may benefit from charity. Even the help they receive is, in most cases, an additional token of exclusion from a society that makes them feel guilty. The public authorities ignore them.

- If injustices and discriminations in society are the main reasons for poverty, then as an effective operational mechanism, the human rights-based approach to development demands:
- Participation and transparency in decision-making – this implies making participation throughout the development process a right and the obligation of the State and other actors to create an enabling environment for participation of all stakeholders;
- Non-discrimination – this implies that equity and equality cut across all rights and are the key ingredients for development and poverty reduction;
- Empowerment – this implies empowering people to exercise their human rights through the use of tools such as legal and political action to make progress in more conventional development areas;
- Accountability of actors – this implies accountability of public and private institutions and actors to promote, protect and fulfil human rights and to be held accountable if these are not enforced.

8. CONCLUSION

There are many forms of government likely democratic, socialistic, monarch; communist among them we follow the democratic form of government. We have the largest democracy in the world with the largest youth population.

Our nation is unable to provide employment to the maximum number of youth and this is becoming the root cause of economic inequality. In our country just to win elections the ministers in the government and opposition party creates political agendas which further deviates the youth from raising valid question to raising modes of violence, claiming their rights. If we even try to analyse our true problem I am sure we can very easily solve the real problem of economic disparity and inequality. All we need to do is to start thinking rationally and stop reacting irrationally.



Kaustuv Shome

Final year student, B.B.A.LL.B(Hons), Law College Dehradun, Uttarakhand University.