

Unit 1.4 LEGAL REGULATIONS AND ECONOMIC JUSTICE

Introduction

Economic justice is a core objective of the Indian Constitution and forms an inseparable part of its legal and constitutional framework. India's Constitution does not view law merely as a mechanism for maintaining order; rather, it treats law as a powerful instrument for transforming society. Legal regulations in India are consciously designed to correct historical inequalities, prevent economic exploitation, ensure fair distribution of resources, and promote inclusive growth. The idea of economic justice flows directly from the Preamble, which commits the State to securing justice—social, economic, and political—for all citizens.

Unlike laissez-faire constitutions that restrict State intervention in the economy, the Indian Constitution adopts a balanced approach. It allows regulation of markets, industries, property, labour, and trade to ensure that economic development does not benefit only a privileged few but contributes to the welfare of society as a whole.

Meaning of Economic Justice

Economic justice refers to a condition in which all individuals have fair opportunities to earn a livelihood, access resources, and enjoy a reasonable standard of living. It does not imply absolute equality of income or wealth, but it strongly opposes extreme concentration of economic power and systemic exploitation.

In the Indian constitutional context, economic justice includes:

1. Right to adequate means of livelihood
2. Fair wages and humane working conditions
3. Prevention of concentration of wealth
4. Protection of vulnerable and weaker sections
5. Equal access to justice regardless of economic status

The Constitution treats economic justice not as a charity-based concept but as a legal and moral obligation of the State.

Legal Foundations of Economic Justice in the Constitution

Directive Principles of State Policy (Part IV)

The most direct constitutional expression of economic justice is found in **Part IV of the Constitution**, which contains the Directive Principles of State Policy. Although these principles are not enforceable by courts, they are declared to be **fundamental in the governance of the country**, and it is the duty of the State to apply them while making laws.

Article 38 directs the State to promote a social order based on justice—social, economic, and political—and to reduce inequalities in income, status, and opportunities. This provision reflects the constitutional belief that economic inequality is not merely a social problem but a legal and governance issue requiring active State intervention.

Regulation of Livelihood, Resources, and Wealth

Article 39 plays a central role in shaping India's economic legal framework. It directs the State to ensure that both men and women have the right to an adequate means of livelihood and that ownership and control of material resources are distributed to serve the common good. It further mandates that the economic system should not lead to concentration of wealth or means of production to the detriment of society

These principles provide the constitutional basis for:

1. Land reform laws
2. Nationalisation policies
3. Regulation of monopolies
4. Competition law
5. Public sector enterprises

Thus, economic regulation is not viewed as an exception to freedom but as a constitutional necessity.

Labour Welfare and Human-Centred Economic Regulation

Economic justice in India places strong emphasis on labour welfare. Articles 41 to 43 require the State to secure the right to work, public assistance in cases of unemployment, just and humane conditions of work, maternity relief, and a living wage for workers.

These provisions justify extensive labour legislation such as:

1. Minimum Wages Act
2. Factories Act
3. Maternity Benefit Act
4. Employees' Provident Fund laws

The constitutional philosophy underlying these laws is that economic growth loses its legitimacy if it is achieved by exploiting labour or degrading human dignity.

Access to Justice as a Component of Economic Justice

Economic justice is meaningless if access to justice is denied due to poverty. Article 39A mandates the State to ensure equal justice and provide free legal aid so that economic or other disabilities do not prevent citizens from seeking justice.

This provision has led to:

- Establishment of Legal Services Authorities
- Lok Adalats
- Free legal aid schemes

The Indian Constitution thus recognises that justice must be economically accessible, not merely theoretically available.

Protection of Weaker Sections and Inclusive Growth

Article 46 directs the State to promote the educational and economic interests of Scheduled Castes, Scheduled Tribes, and other weaker sections, and to protect them from social injustice and exploitation.

This principle underlies:

1. Reservation policies
2. Scholarships and welfare schemes
3. Protective labour laws
4. Targeted development programmes

Economic justice, therefore, is corrective as well as distributive in nature.

Environmental Regulation and Sustainable Economic Justice

Modern constitutional interpretation recognises that economic justice must be sustainable. Article 48A obligates the State to protect the environment and safeguard forests and wildlife.

This has influenced environmental regulations governing:

1. Industrial pollution
2. Mining and natural resource extraction
3. Sustainable development policies

Economic growth is thus constitutionally conditioned by ecological responsibility.

Judicial Interpretation and Expansion of Economic Justice

Although Directive Principles are non-justiciable, Indian courts have consistently interpreted Fundamental Rights in harmony with them. Over time, courts have read economic entitlements into Article 21 (Right to Life), expanding it to include:

1. Right to livelihood
2. Right to shelter
3. Right to health
4. Right to education

This judicial approach ensures that economic justice does not remain merely aspirational but gradually becomes enforceable through legal interpretation.

Economic Regulation, Markets, and the Role of the State

Indian constitutional philosophy rejects both unregulated capitalism and rigid socialism. Instead, it adopts a **mixed economy model**, where:

- Markets operate freely
- The State regulates to prevent abuse
- Public interest overrides private profit when necessary

Legal regulations governing banking, insurance, competition, natural resources, and infrastructure are constitutionally justified as instruments of economic justice rather than restrictions on freedom.

Economic Justice in the Era of Liberalisation

Post-1991 economic reforms introduced liberalisation, privatisation, and globalisation. However, even in a market-oriented economy, constitutional obligations of economic justice continue to guide regulation. Courts have repeatedly emphasised that:

1. Economic freedom must be fair and reasonable
2. Regulation must be proportionate
3. Public interest cannot be sacrificed for private gain

Thus, constitutional values continue to shape modern economic governance.