

# From Marginalised to Mainstream- Social Justice Approach in Bridging Rural-Urban Income Gap

Snehal Rakesh Kamble

Student Department of Law, Savitribai Phule Pune University

**Abstract**— India has undergone a tremendous economic development in last 75 years and it has faced a dramatic economic growth in last 20 years, but at the same time it has stark economic contrast, despite its significant and notable progress in many sectors, several of its parts especially rural areas, which in comparison of urban areas faces more economic hurdle because of lack of industrial development, educational and health facilities, poor infrastructure and prevalent socio-economic issues. Earlier we certainly had inequality of many different kinds by caste, class, location and so on but now we've had an extreme accentuation of these. Income inequality is also a prominent and utmost important factor that adversely leads to economic disparity and social stratification between rural and urban areas. According to Oxfam Report of 2021 it takes 941 years for a minimum wage worker to earn what a top executive at Indian leading garment company earns in one year, this concentration of wealth is also a reason for widening this gap. The prominent reasons for rural-urban income gap are political instability, high concentration of land ownership, distortionary public policies, systematic discrimination, high dependency ratio, market imperfections, stagnant wages, migration in search of better economic opportunities and difference of infrastructure are the key factors for creating income disparity/wealth gap between rural and urban areas. Most of the people in rural area are significantly dependent on seasonal agricultural product unlike urban areas which created a platform for manufacturing, services like healthcare and IT and opportunities in the informal sector.

The research primarily attempted to address the rural-urban income gap through the lens of social justice and recommend solutions such as equal access of resources, equity over equality to make policies for targeted population to overcome historical disparities, especially for Dalits, Adivasis and traditional dwellers who are still marginalized and have lack of political voice, also the representation of rural people in policymaking, additional rural employment programs shall be designed to equate with urban sectors so that they are not treated as lower-class than urban employment, to foster more

standard educational and health facilities because education is key to retrench the casteism, classism and gender inequalities which leads to marginalization of certain group of people and compound rural disadvantage, stronger infrastructure to accompany the economically, socially, and geographically marginalized communities into the mainstream through equal access of resources, opportunities and education.

**Index Terms**— Income inequality, social justice, marginalized, economic disparity, social stratification.

## I. INTRODUCTION

*“Political democracy cannot last unless there lies at the base of its social democracy.”*

*Dr. B. R. Ambedkar*

In an increasingly urbanized world, the urban expansion and spatial inequality are two long standing themes. Since independence India's economy has transformed from an agrarian economy to world's one of the largest economies and is still changing and progressing despite its rapid growth it is paradoxically the home to the largest concentration of rural poor. Rural-urban income gap leads to rural poverty which becomes a pressing challenge in India's developmental journey. Rural population in India was reported at 63.13 % in 2024, according to the World Bank collection of development indicators, but significant portion of them is socially and economically marginalised.

The urban-rural income gap is a vital measure of balanced development, directly influencing social equity and harmony. In India, this gap has widened with rapid growth and urbanization, leading to unfair distribution of resources and social instability. Income disparities affect purchasing power, education, healthcare, and overall wellbeing, limiting human development. Narrowing this gap is essential for sustainable growth, social justice, and long-term

stability and very crucial as it promote an increase in consumption demand, expand the domestic demand market, and drive balanced economic growth. It also would facilitate the rational flow and optimal allocation of human resources, thus improving overall economic efficiency and competitiveness.<sup>1</sup> Notably in central and eastern states of India where the population of Tribal and Dalit communities is relatively high, have a higher concentration of poverty, hunger and opportunity deficiency, the underlying cause of this is of two folds firstly, the disproportionate focus of state and market on more better-endowed regions and politically powerful areas i.e. urban areas and Secondly, the Patriarchal and feudal social normative practices which are still prevalent in many parts of rural areas in India, particularly the gender inequalities in household as well as in social space, caste discrimination, inter-generational social and economic exclusion, which not only affect one generation but transmitted inter-generationally.

If we delved into the statistical data of urban-rural income gap, on several parameters, Rural India shows a development deficit and lag behind its urban counterpart on most parameter. A few examples, 27% of students in rural India complete upper secondary schooling, compared to 48 % of urban India[UNESCO World Inequality Database on Education (WIDE), from India's DHS/NFHS-5, 2020]<sup>2</sup>, estimated Infant Mortality Rate (38.4 vs 26.6 per 1,000 live births), Under-five mortality Rate (45.7 vs 31.5 per 1,000 live births), Per Capita State Domestic Product, Children under 5 years who are stunted (37.3% vs 30.1%), Children under 5 years who are underweight (33.8% vs 27.3%)(from India's DHS/NFHS-5, 2020)<sup>3</sup>, financial inclusion- Household availing banking services (77.4% vs 80.9% among women), Population below the poverty line (NITI Ayog's National

Multidimensional Poverty Index, 2023)<sup>4</sup> etc. rural poverty fell from 32.59% (2015–16) to 19.28% (2019–21) vs urban from 8.65% to 5.27%, but the gap remains large despite progress. These gaps translate into youth from these communities being unable to connect with the modern economy. This stark divide unable us to understand that rural poor are disproportionately excluded from economic growth, remaining marginalised from mainstream economy.

This research emphasizes that bridging the rural–urban gap is vital for India's democracy, social harmony, and sustainable development, as it helps reduce overcrowding in cities, urban stress, and the overuse of resources. It adopts a social justice approach to narrow the income divide, aiming not only to alleviate poverty but also to dismantle systemic inequalities that drive social and economic exclusion. To achieve this, the research employs an analytical and policy-oriented inquiry, integrating qualitative perspectives with empirical evidence from national and international surveys.

## II. ANALYTICAL FRAMEWORK

### Understanding Social Justice

Social justice is commonly interpreted as equal rights, equal opportunities and equal treatment without discrimination on the basis of race, caste, religion, sex, gender, and place of birth. According to United Nations, “social justice means fair and compassionate distribution of fruits of economic growth. Though the term social justice is not defined anywhere in The Constitution of India but enumerated social justice in its preamble in form of “socialist” and as “secure to all its citizens justice, social, economic and political”, it is the ultimate goal of Constitution and foundational stone of Indian constitution. Social justice is the idea

<sup>1</sup> Xiaoi Wen et al., Rural Digitization and the Urban–Rural Income Gap: A Perspective of Factor Flow, 9 *Front. Sustainable Food Sys.* (2025), <https://www.frontiersin.org/journals/sustainable-food-systems/articles/10.3389/fsufs.2025.1647632/full>

<sup>2</sup> WIDE Education Inequalities, *Education Inequalities: India—Completion of Upper Secondary Education (2020)*; *Nat'l Family Health Survey (NFHS-5), Phase II* (Int'l Inst. for Population Scis. 2021); *India: National Family Health Survey (NFHS-*

*5), 2019–21* [FR375] (Int'l Inst. for Population Scis. & ICF 2022).

<sup>3</sup> *India: National Family Health Survey (NFHS-5), 2019–21* [FR375], *supra* note 2.

<sup>4</sup> NITI Aayog, *National Multidimensional Poverty Index: A Progress Review 2023* (Aug. 2023), <https://www.niti.gov.in/sites/default/files/2023-08/India-National-Multidimensional-Poverty-Index-2023.pdf> (last visited Aug. 28, 2025).

of creating a society that based on principles of equality and fraternity, upholds human rights and recognises the dignity of every human being.

According to John Rawls (considered to be a prominent political philosopher, known for his work on social justice and political liberalism) social justice is the idea of distributive justice, which emphasizes the fair distribution of social goods and resources among members of a society. Rawls has given three principles of justice, firstly, the greatest equal liberty principle: means everyone should have the same rights to the broadest basic freedoms, as wide as the same freedoms for all people. This principle is the most basic right that everyone should have (Human Rights), secondly, The Difference Principle; means the greatest benefit should be provided to disadvantaged group for instance India's Reservation system, inequalities in society are acceptable if they benefit marginalised class for their upliftment, there should have fair equality of opportunity and not just bare equality and thirdly, everyone should have fair chance to access the opportunity.<sup>5</sup> Rawls developed his theory of justice by using his creative concepts of original position and veil of ignorance which means if rules are made under the veil of ignorance i. e. who don't know about where he born whether he is poor or rich, male or female, privileged class or marginalised class then they might be fair and just for everyone.

Dr. B.R. Ambedkar emerged as the most important person who bring the social justice by using the law and the constitution. His idea of social justice extended beyond the legal equality to encompass economic empowerment, gender justice and caste annihilation and has significant focus on marginalised and oppressed class and to dismantle the caste hierarchy which denied the equal status to millions. Apart from that He prioritises liberty, equality and fraternity as a cornerstone of social justice. The two principles on which social justice rests is firstly, every person is valuable in society and the ultimate aim of society is development of each and every individual, people should not put society before themselves, people must follow the society for their own benefit and to the

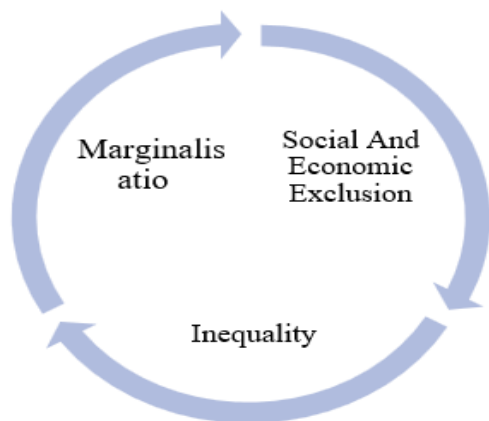
extent of absolute requirement, society is for people not people for society and secondly, equality, liberty and fraternity must guide the way people in society interact with each other. Principles of Rawls theory of justice and Ambedkar's view of social contributes to come-over the contemporary challenge of rural-urban income gap by making policies which especially benefit the marginalised communities in rural areas.

#### Interlinkage between Marginalisation, Exclusion and Inequality

Marginalisation, social and economic exclusion and inequality are very closely intertwined with each other, it's the cycle in which marginalisation of particular subject of society encounter social and economic exclusion, which often contributes to inequality between these particular groups and the privileged group, which ultimately results again in marginalisation. Marginalization is the condition where a population, group, or individual exists on the periphery of mainstream society or between two different cultures, without being fully part of either. It is an essential process of sidelining the specific individuals/community and keep them at periphery of social space, which particularly include rural labour, farmers, Dalit communities, Tribal communities, women and other vulnerable groups, it reduces their ability to involve in political, social and economic sphere of society, and segregate certain individual or group of individuals from the mainstream where they denied the basic life facilities such as education, health facilities, infrastructure and resources, which effectuate their exclusion from mainstream economy. Significantly, in rural areas which is despite numerous policies and initiatives are far away from mainstream economy having insufficient access to modern market often lacking decent educational and health facilities, poor infrastructure, high dependency on low-paying agricultural labour, mismanagement of lands, lack of political voice can ultimately be attributed to income disparity between rural and urban regions.

<sup>5</sup> M. Yasir Said & Yati Nurhayati, A Review on Rawls Theory of Justice, *Int'l J. Law, Envtl. & Nat. Res.* (2021), <https://www.researchgate.net/publication/351178494>

A REVIEW ON RAWLS THEORY OF JUSTICE  
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Unlike urban areas, social exclusion and historical caste and gender-based discrimination is still prevalent in rural areas, which excludes the specific communities and women from social and economic landscape. Another factor for such income disparity is concentration of political power and focus of state on urban areas, which now become a areas of interest because of its reach and ample market, centres for economic activities, higher population(more voters), generate greater revenue, nuclei of industries, trade, services and production, considerably very influential regions from state's perspectives, migration of rural population towards urban areas in exploration of secure jobs, and comfort, often attributed to ignorance of state towards rural regions as they contribute less compared to urban areas in the wheel of nation's economy. Owing to this factors, rural population is increasingly marginalised and notwithstanding to decline of poverty rate of rural areas the income disparity between rural and urban regions are still widening. This ultimately resulted in driving rural population towards deeper marginalisation.

#### Structural Inequalities in Rural and Urban Regions- Education, Health and Infrastructure.

Rural areas are lagging behind from urban areas in access to quality education, health facilities, decent infrastructure, leading to income inequality due to

poor educational and health facilities with poor infrastructure. The three-fold factors education, health and infrastructure are significant aspects of life and key to societal development. However, disparities are visible between rural and urban areas and has emerged as a persistent challenge for India, affecting quality and availability of educational and health facilities to the individuals living in this area. Access to decent educational and health facilities are the fundamental right of people guaranteed to everyone by the Constitution and also play a fundamental role in overall development of individual. This rural-urban gap can result in serious consequences such as limited job opportunities, low productivity in absence of skilled knowledge, high rate of mortality and morbidity<sup>6</sup> in absence of access to decent health facilities, economic disparity and reduces social mobility, it also restricts access of opportunities to rural student, limiting their potential and hindering their ability to compete in global economy.

Urban areas have ample of resources as compared to rural areas, densely populated, hub of industrialization and powerhouse of technology, trade and productivity, have well equipped educational institutions and medicinal institution, quality education, high-rise infrastructures that leads to highly qualified and secured job opportunities, which assists urban population to grab opportunities of jobs and education with standard health facilities, however, on the other hand the rural areas which often characterized as natural landscapes, agriculture, and lesser population significantly contribute to weaker infrastructure. Infrastructure plays an important role in building strong foundation for educational and health benefits. Substandard infrastructure such as inadequate roads, electricity supply, clean water supply limits the access to education and ultimately results in worsen the health of individual leading to increase disease burden, reduce life expectancy perpetuating poverty cycle.

According to Annual Status of Education Report (Rural), 2023 "Beyond Basics"<sup>7</sup>, despite overall,

<sup>6</sup> Chandan Kumar, Piyasa & Nandita Saikia, An Update on Explaining the Rural–Urban Gap in Under-Five Mortality in India, 22 *BMC Public Health* 2093 (2022), <https://doi.org/10.1186/s12889-022-14436-7>.

<sup>7</sup> ASER 2023, *ASER 2023 Unveils Educational Challenges and Pathways for Rural India's Youth*

(June 10, 2025), <https://www.schoolserv.in/ASER-2023-Unveils-Educational-Challenges-and-Pathways-for-Rural-Indias-Youth/> (last visited Aug. 30, 2025)

86.8% of 14-18-year-olds are enrolled in an educational institution, the report highlights disparities in educational access and outcomes, with 32.6% of 18-year-olds not enrolled in educational institutions, compared to 3.9% among 14-year-olds. attribute high dropout rates among older students to socio-economic disparities and inadequate schooling quality, exacerbated by limited awareness of career prospects, including insufficient infrastructure and resources, child labour is also the barrier 55% of children not used to attend class because they are working, substandard teaching quality, most of them are first generational learner and even not in position to read and write in their own mother tongue.

According to National Family Health Survey, (NFHS-5), 2019-21<sup>8</sup>, though India has overcome the health crisis from NFHS-4, significant health disparity is still existing between rural-urban region. Urban areas are covered with ample health care institutions, high qualified and educated health care specialist, well equipped machineries, on the other hand in rural areas people still used to travel to urban areas for major medical issues as they do not have a better and decent health care set-up. The above report shows the disparities in maternal care during and post-delivery, child nutrition, screening for cancer among adults also shows a higher disparity between rural and urban areas. Only 0.7%- 0.8% women undergo screening for breast, cervical and oral cancer in rural areas, this gap illustrates how limited access to preventive healthcare results in widening the health disparity. Lack of knowledge and education of use of sanitation, toilets, hygiene (particularly women during menstruation period, in rural areas they use clothes instead of sanitary pads) and other communicable disease also leads to health disparity in rural regions. In rural areas people also connect many skin diseases like leprosy, chickenpox with spiritual power which exacerbate the health condition of patient, hence to provide the education about these diseases and to institute the affordable and decent health facilities in rural areas is more important. Lack of affordable healthcare, poor infrastructure, and weak government focus force many

rural children into labour instead of education. These factors steadily widen the rural–urban income gap.

#### Income Disparities Between Rural and Urban Households

Because of the struggle for independence, rural development and the rural–urban income gap were long ignored; even after independence, despite policies, the divide persists as a major barrier to social justice. The India Human Development Survey (IHDS)<sup>9</sup>, reflect data showing inequality at lowest end, rural households earn only about Rs. 3,300, while urban nearly Rs. 11,500, at the median level, urban households report an income of Rs. 51,200 and ₹22,400 in rural, at higher end, rural incomes average Rs. 1,10,633, whereas urban households earn about Rs. 2,10,000, the mean income in rural areas is Rs. 36,755, while in urban areas it stands at Rs. 75,266, again reflecting a two-to-one ratio. Urban households dominate the higher income categories. Urban households compose only 9 per cent of the lowest income quintile, but represent the majority (56 per cent) of the top income quintile. The typical urban household earns more than twice the income of the typical rural household<sup>10</sup>. This distributional pattern highlights that the disparity is not confined to the poorest sections but persists across all income levels, reinforcing the structural disadvantages faced by rural communities.

The Household Consumption Expenditure Survey (HCES) 2023–24, conducted by the Ministry of Statistics and Programme Implementation, which is also used to measure poverty, inequality, and social exclusion. shows the average monthly per-capita consumption expenditure (MPCE) in rural and urban India in 2023-24 has been estimated to be Rs. 4,122 and Rs. 6,996, respectively without taking into account of the values of items received free of cost by the households through various social welfare programmes. Considering the imputed values of items received free of cost through various social welfare programmes, these estimates become Rs. 4,247 and Rs. 7,078 respectively, for rural and urban areas. At

<sup>8</sup> India: National Family Health Survey (NFHS-5), 2019–21 [FR375] *supra* note 2.

<sup>9</sup> Rural–Urban Income Differences | India Human Development Survey (Int'l Univ. of Maryland),

<https://ihds.umd.edu/index.php/rural-urban-income-differences> (last visited Sept. 4, 2025).

<sup>10</sup> Human Development in India: India Human Development Survey (IHDS 2004–05).

all-India level, the urban-rural gap in MPCE has declined to 71% in 2022-23 from 84% in 2011-12 and it has further reduced to 70% in 2023-24. among the 18 major states, the urban-rural gap in average MPCE has declined in 18 states. Consumption inequality, both in rural and urban areas, for almost all the 18 major states has declined in 2023-24 from the level of 2022-23.<sup>11</sup> Though there is significant enhancement in rural areas since 2011-12, many states in India, like Meghalaya the rural-urban MPCE gap is widest (104%), followed by Jharkhand (83%) and Chhattisgarh (80%).

Periodic Labour Survey, 2024<sup>12</sup> held by the Ministry of Statistics and Programme Implementation (MoSPI), provides crucial insights into India's evolving labour market dynamics across both rural and urban sectors. A large portion of the rural workforce remains engaged in low-productivity or subsistence work, raising concerns about underemployment and the prevalence of informal, insecure jobs over quality, skill-intensive employment. A large proportion of the unemployed workforce consists of youth, though in urban areas youth unemployment is comparatively higher than in rural areas.

### III. SOCIAL JUSTICE APPROACH TO NARROW RURAL-URBAN INCOME GAP

The economic and income differences between urban and rural areas extend beyond geography and strike at the heart of social justice. The rural-urban income gap is not only a barrier to economic growth but also a violation of constitutional principles. The Directive Principles of State Policy in Part IV of the Constitution require the State to minimize inequalities, promote welfare, and safeguard the interests of weaker sections. Despite these mandates, the gap remains wide. Rural India, dependent on agriculture, faces poor productivity, lack of industrialization, and hurdles in accessing quality education and healthcare. Urban areas, on the other hand, benefit from better infrastructure, higher employment opportunities, and

concentrated economic activity. As a result, development remains uneven, with prosperity concentrated in cities. "Urban India has climbed to the peaks of progress, but rural India remains trapped in the valleys of neglect." This unequal journey is not only an economic issue but a moral question of social justice whether India can progress while leaving half its people behind. Social justice approach emphasizes not only economic redistribution but also the empowerment of marginalized communities by reducing structural inequalities and creating conditions where rural citizens are active contributors to national development, as a moral and democratic necessity.

#### Equity over Equality

Equality provides everyone a shoe but equity provides a shoe that fits everyone. Equality essentially focuses on providing equal access to resources, opportunities, and rights, regardless of individual needs or circumstances. In contrast, equity focuses on fairness by giving everyone the resources and opportunities they need to achieve success while considering their unique challenges. An equality-based approach distributes resources evenly, without considering the unique needs of different regions or communities, an equity-based strategy targets resources in areas or communities facing greater challenges. This way, resources are provided to individuals based on their unique needs. This ensures that they have the tools needed to overcome obstacles and achieve success. Providing equal resources and opportunities regardless of past background of population, is not sufficient as rural areas historically remain unconnected to mainstream economy of the nation, facing unique social, economic, and political challenges due to heightened marginalisation unique to their geography and communities, providing same benefits would be of no use, prioritising development of rural India over urban is crucial for directing them towards mainstream.

<sup>11</sup> *Household Consumption Expenditure Survey: 2023-24* (Press Information Bureau, Govt. of India), <https://www.pib.gov.in/www.pib.gov.in/Pressreleaseshare.aspx?PRID=2097601> (last visited Sept. 4, 2025).

<sup>12</sup> Key Employment-Unemployment Indicators, PLFS 2024, MOSPI, [https://www.mospi.gov.in/sites/default/files/publications\\_reports/Key\\_employment\\_unemployment\\_indicators\\_PLFS\\_2024\\_final.pdf](https://www.mospi.gov.in/sites/default/files/publications_reports/Key_employment_unemployment_indicators_PLFS_2024_final.pdf) (last visited Sept. 4, 2025).

Special assistance through affirmative actions should be provided to rural population so that they could contribute to urban areas to lower its population stress and overcrowding, as rural people moving to urban areas striving for enhanced quality of livelihood and career opportunities, economic security, better opportunities, stable employment etc. the outflow of youth and talent towards urban areas leave rural areas stagnating, and becoming a significant burden on urban areas. Adopting equality in developing the rural areas and treated both on same footing despite the historical disadvantages underwent by rural areas, will further widen the income disparity, as urban areas with their abundant resources advance rapidly, while rural areas progress slowly. To confer more for disabled one to stand alongside with abled one to enable them to jointly contribute in economic development is an ultimate goal, so equity should be preferred to achieve this goal, social justice demands an equitable approach, where rural areas, impoverished from basic needs and resources are given proportionally greater support to overcome historical disadvantages. Equity, not mere equality, can bring the marginalised rural population into the mainstream of development and reduce income inequality.

#### Redistribution of Resources

The rural-urban divide affects many dimensions of social justice, ranging from income differential, skill distribution and firm performances, child poverty, youth participation, population changes, subjective well-being and even political voting power. The industrial and job agglomeration and concentration of skills and resources, opportunities in urban areas boosts productivity and attracts workers from peripheral rural residents to core urban areas. Under this scenario, income differentials between urban and rural areas increase and lead to the appearance of long-lasting income gaps among geographies/ areas.<sup>13</sup>

This persistent disparity can be reduced through redistribution of resources, which involves reallocating wealth, income, and opportunities to correct historical imbalances. By supporting disadvantaged groups and neglected regions, redistribution ensures fairness and allows rural populations to share in national development. Ultimately, it upholds the constitutional promise of equality and a dignified life for all.

#### 1. Redistribution of Agricultural Land

Agriculture is the backbone of rural income nearly 80-85% of rural income generated from agriculture and subsidiary works, but the persistent disparity between land holdings becomes a major hurdle. The essential reason for escalation of income inequalities in rural sector is concentration of agricultural lands, earlier, before the abolition of the zamindari system large portion of agricultural land was in the possession of few landlords(zamindar), who appropriated a large portion of the agricultural production, remaining population including peasants and small farmers left with little or no land for cultivation, they often used to borrow money from this landlords for their survival or farming, and when they unable to repay it by the reason of crop failure, high interest rates, low productivity they forced to sell even the small portion of land to landlords, which further concentrated the land ownership to few landlords. Thus, legislative measures were undertaken to abolish landlords (zamindari system) and other intermediate and ceilings on holding were fixed. These legislation for land reform significantly impacted to broke the concentration of land, but unfortunately proved to be inadequate and defective, their implementation was also scuttled at various levels.

In rural areas, while some farmers work on expansive fields stretching to the horizon, many others tend to tiny plots that seem barely large enough to support a family. This stark contrast tells the story of land

<sup>13</sup> Gianmarco Ottaviano, Takatoshi Tabuchi & Jacques-François Thisse, Agglomeration and Trade Revisited, 43 *Int'l Econ. Rev.* 409 (2002); Masahisa Fujita, Paul R. Krugman & Anthony Venables, *The Spatial Economy: Cities, Regions, and International Trade* (2001); *Gravity and Potential Models in Economic Geography*, 50 *Ann. Ass'n Am.*

*Geographers* 4, <https://www.tandfonline.com/doi/pdf/10.1111/j.1467-8306.1960.tb00364.x> (last visited Aug. 31, 2025); Diego Loras-Gimeno, Gonzalo Gómez-Bengoechea & Jorge Díaz-Lanchas, Fiscal Redistribution and the Narrowing Urban–Rural Income Gap, 16 *Reg. Sci. Policy Pract.* 100045 (2024).

distribution in India, a tale of fragmentation, inequality, and the urgent need for reform.

80% of farmers holds small piece of land and control only about 35% of the total cultivated area in India. Conversely, the remaining 20% of holdings primarily medium and large farms command approximately 65% of the cultivated land. This disparity illustrates the extreme fragmentation of Indian agriculture.<sup>14</sup> Till now some sort of redistribution occurs now through the federal income tax and government anti-poverty programs, but it does not settle the question of how much redistribution is appropriate, and whether there is a need of more redistribution. By virtue of land reforms, land ceilings Acts, tenancy reforms, co-operative farming and consolidation of land holdings we disrupted the concentration of agriculture land, but its not an ultimate solution, in many states large farmers retained control, they use various other ways to retain control like “benami transfer” to broke up the large land into pieces and retain control by dodging the Laws. Hence, mere enactment of laws is insufficient, stricter implementation of this should be done, adequate political and administrative support must be available. NABARD (National Bank for Agricultural and Rural Development) also plays a pivotal role in India's rural and agricultural sectors, giving some sort of relief to small farmers, as evidenced by its extensive financial initiatives and developmental projects over the years.

## 2. Redistribution of Fiscal Resources

Taking more from rich and giving to poor to bring both on equal footing. Redistribution of wealth to curtail the disparity between rural-urban areas by favouring of poor can be made through fiscal policies. Taxes, expenditures and subsidies are the major instruments of fiscal policy. Though the progressive taxation, by reducing the cost of essential goods and services, such as fertilizers, agricultural equipment, subsidies on food, direct money transfer through policies like PM- Kisan Yojana, pensions etc. government can bridge the income gap between rural-urban areas. Some advocate measures such as

redistribution of assets and wealth in favour of the poor via higher tax rates for the rich. In order to reduce inequalities, richer sections have to pay much more taxes. The tax/GDP ratio has to be raised with a wider tax base and removing exemptions for corporate. One of the distortions in India is that the share of direct taxes is much lower than that of indirect taxes. It is known that indirect taxation is regressive in nature. Fiscal instruments like public investment in physical and social infrastructure can be used to reduce inequality. Redistribution of fiscal resources can be accomplished through intergovernmental fiscal transfers from the central government to states and from states to local areas, guided by recommendations of the Finance Commission and the State Finance Commissions. Union has more power to generate tax as compared to state, but states have more expenditure and responsible for development of both urban and rural sectors, as urban areas have ample supply of resources, special attention need to be provided to urban areas.

The redistribution of fiscal resources ensures alleviation of inequality and resources and helps to balance disparity between rural-urban regions. On the other hand, it also leads complexities in its administration. According to “Economic Survey 2016–17 (Press Information Bureau, Government of India, Ministry of Finance)” reveals that large-scale Redistributive Resource Transfers (RRT) from the Centre to certain states which have slow economic development, to their upliftment, poverty reduction, or better governance outcomes. However, the survey shows adverse result, states receiving greater transfers often displayed weaker fiscal effort, reflecting an overdependence on central support. The UBI (Universal Basic Income) can also be the solution for this problem in which part of RRT's or gains from resources are provided as a UBI directly to households in relevant states. This shows that redistribution, if not accompanied by accountability and capacity-building, may fail to bridge the rural–urban divide. This approach aligns with the constitutional vision of social and economic justice, ensuring that redistribution

<sup>14</sup> *Understanding the Distribution of Land Holdings in India* (Agriculture Institute, Nov. 24, 2023), <https://agriculture.institute/indian-agricultural-development/distribution-of-land-holdings-india/> (last

visited Sept. 4, 2025); J. Dennis Rajakumar et al., *A Study of the Agrarian Structure and Transformation of the Institutional Framework of Agriculture Sector Using Data from Agricultural Censuses*.

becomes a tool for empowerment rather than dependency.<sup>15</sup>

#### Inclusive Growth- Enhancing Education, Health and Skills in Rural Areas

One of the principles of social justice is inclusive development, no one should lag behind from the mainstream development. However, inclusive growth is possible only when everyone grabs the same opportunities of jobs, quality education, affordable health facilities. Urban areas are at peak of overall economic and social development with optimum and advanced educational and health institutions, infrastructure, enabling faster and more effective process of skill development. On the other hand, rural areas are still struggling to get better electricity and clean water, not able to enrol their children to school because of poverty. Though many of rural areas have schools but the teaching quality is so inferior, that children of 14-18 years not competent to do basic third standard mathematics, most of them cannot write in their own mother tongue. Urban areas, where children from 14-18 years dreaming for getting admission abroad and developing their skills, rural children struggling to write English, and solving 3<sup>rd</sup> standard math problem. This stark contrast in teaching quality between rural-urban areas shows how disadvantaged the rural areas. Most of the children considerably, women from rural sectors cannot enrol in schools because of poverty, as they work to assist their household. The persistent challenge that rural areas face even in this digital era is discrimination on the basis of caste and gender, the individuals who come from lower class not permitted to be enrolled in schools and denied basic health facilities, girl child are forced to be married when they turn to 14-15 years. Many children prefer to do generational work under their parents by dropping out the school, unaware about future goals and about career development, this cycle continues generation to generation hence, many areas are still backward. The rural areas even have lack

of basic health facilities, many women gave birth to child in house itself for avoiding the high expenses of hospitals and avoid going to hospitals until the patient's health condition deteriorates, that's how hard poverty hit to rural areas. This deficiency in basic facilities resulted in enormous decline in productivity, causing regression socially, economically and politically.

Education is the essential way of realizing the social and economic rights, without education people tends to see their circumstances as inevitable, rather than recognizing state's responsibility to improve their life. Sometimes this become an advantage to gain political power over these individuals which additionally helps in widening the rural-urban disparity, unlike rural areas, people in urban areas are in some degree aware about their rights and show courage to stand against wrong. To develop the rural areas, and to integrate them into mainstream, the education, health and infrastructure must be improvised, the state should take initiatives to strengthen the quality of teaching and health services, the tertiary care hospitals of Government often situated at cities only, and also not consistently maintained, sometimes become hurdle for rural people to travel to cities for gaining better health services. State should extend advanced medical institution to rural areas also. In this context, NGO's can play pivotal role in enhancing the education and health, simply building educational and health institution is insufficient, raising awareness about its importance among uneducated people is equally important, state can engage NGO to spread awareness among these population, many NGO's<sup>16</sup> also working for illuminating the light of education to grassroot level also. Many of them also work for raising awareness of health care among rural people, essentially women, they engage campaign for health check-ups and helps recognizing the importance of health care, for instance, use of sanitary pad, use of condoms for family planning helping maintaining population, awareness related to cervical cancer and

<sup>15</sup> *Redistributive Resource Transfers (RRT) Should Be Significantly Linked to Fiscal and Governance Efforts on the Part of the States: Economic Survey 2016-17* (Press Information Bureau, Govt. of India), <https://www.pib.gov.in/newsite/PrintRelease.aspx?relid=157798> (last visited Aug. 31, 2025).

<sup>16</sup> *Top 10 NGOs Providing Education to Kids in Rural Areas* (NGOBOX, Oct. 6, 2022), [https://ngobox.org/full-news\\_Top-10-NGOs-Providing-Education-toKids-in-Rural-Areas-NGOBOX\\_24672](https://ngobox.org/full-news_Top-10-NGOs-Providing-Education-toKids-in-Rural-Areas-NGOBOX_24672) (last visited Sept. 1, 2025).

AIDS etc. this collaboration of NGOs and state can enhance educational and health condition in rural areas in a significant way.

#### Policy Impact on Rural Development

Income inequality is enduring wound, Government interventions have provided some relief nevertheless, it has not fully healed. Major goal of rural development policies and programmes is to reduce poverty in rural areas, create jobs, and end hunger and malnutrition. Economic planners think that the challenge of rural development is not only about development of rural regions but the development of rural communities to dismantle illiteracy and poverty and support the process of developing self-reliant and self-sustaining healthy contemporary communities. While the government has been given top attention to rural development and is spending hundreds of crores via different programmes, the problem is that not all the money allotted under the rural development plans reaches the recipient. Did the policy achieve its stated goals? Though policies made measurable improvements in rural areas in income, infrastructure and access to services but significant gap still apparent in education and health facilities. Moreover, many times these resources cannot get optimally used by the reason of systematic drawbacks like corruption, the funds not reached the areas they were intended to impact, rural people having lack of knowledge, not receive the expected benefits, remain economically, socially, and educationally marginalized, despite significant investments in development programs. Government is not making long term policies for education, health and new job opportunities, that can surely improve the rural conditions, rather it focus on short-term measures like pension and subsidies which even rarely reach to grassroot level. Many of policies fails to achieve the aim for which they are enacted and the sustainable development.

Despite government's abundant policies and programmes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), for better employment, Pradhan Mantri Gram Sadak Yojana (PMGSY), Credit cum Subsidy Scheme for Rural Housing, Rajiv Gandhi Grameen Vidhyukthikaran Yojana, for better infrastructure, National Land Records Modernization Program, Deen Dayal Upadhyaya Gram Jyoti Yojana, Integrated Child Development Scheme, Atal Pension Yojana for social

security, the income gap between rural-urban areas still persist, the major and prevalent reasons are poor infrastructure and lack of education, merely spending 100 of crores on rural development plans is of no use, this must have a knock-on effect of reducing migration, limiting child labour, easing poverty, and making villages more self-sufficient. Decent education make individual aware of his rights and better health facilities increases productivity, and better infrastructure such as roads, electricity, clean water, well-built schools and affordable and standard health care services enable individual to stay in village instead of migrating to cities, it awakens the energy to develop while staying within the village itself. Fostering awareness among people about education, health and development of rural areas through education itself can contribute to the effective implementation of policies.

#### IV. RECOMMENDATIONS AND CONCLUSION

"From marginalised to mainstream" is a journey marked by challenges, but not impossibility. Historical discrimination continues to endure like an old tree with deep roots, and despite reservations and rights-based legislations introduced since 1950, large sections of rural India still struggle to enter the mainstream. Even after nearly seventy-five years, caste and gender-based discrimination persist, and the rural-urban development gap remains stark. Urban areas, with abundant resources, progress swiftly, while rural regions lag despite numerous state policies. The problem often lies not in policy design but in their implementation. Many schemes, such as PM-Kisan Yojana and Jan Dhan transfers, are based on direct cash benefits or subsidies. However, placing resources in the hands of individuals without adequate awareness or structural support is like giving a violin to a handless person.

Nearly 83% of India's population dependent on agriculture, strengthening this sector is crucial, as it forms the backbone of the rural economy. Enhanced agricultural productivity not only ensures food security and combats poverty but also stimulates allied activities like dairy and poultry, drives infrastructural demand, and promotes social and economic growth. Sustainable rural livelihoods also reduce migration pressures on cities, helping to balance development. Ultimately, agricultural progress serves as the engine

of rural transformation and national prosperity. True development, however, finds meaning only when it embraces every section of society; uplifting one group while neglecting another is neither sustainable nor humane.

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