



A Study of Economic Inequality and Social Justice

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Abstract:

This research paper examines the relationship between economic inequality and social justice, focusing on how disparities in income, wealth, and access to opportunities affect broader social outcomes. The purpose of the study is to analyse the structural causes of inequality and evaluate the effectiveness of social justice initiatives aimed at reducing these gaps. A mixed-methods approach was used, incorporating secondary data from global economic reports and qualitative insights from previous scholarly studies. Key findings show that economic inequality is strongly associated with reduced social mobility, poorer educational outcomes, and higher rates of social unrest. The study also finds that policy interventions, such as progressive taxation, social welfare programs, and universal access to education, can significantly reduce inequality when implemented effectively. The conclusion emphasizes that economic inequality is not only a financial issue but a profound social challenge that shapes people's opportunities and life chances. Addressing it requires coordinated policy efforts, community-level action, and a long-term commitment to fairness. Inequalities in the distribution of health services, social security and provision of a safe environment' and 'Inequalities in the distribution of opportunities for civic and political participation. Further the author presents his views about the role of justice in dealing with all the above-mentioned areas.

Keyword: Economic Inequality, Income Inequality, Wealth Disparity, Justice, Caste, Religion.

Introduction:

Economic inequality defined as unequal distribution of income, wealth, and opportunities has become one of the most pressing issues of the 21st century. As economies grow, disparities between the wealthy and the poor continue expanding, resulting in significant social and political consequences. Understanding this phenomenon is crucial because inequality affects social mobility, health outcomes, education, and overall societal stability. Economic inequality is defined as a large contrast in the distribution of personal income and economic assets within a social group. When different people have different levels of income (or wealth) in a society, there is economic inequality. The term typically refers to inequality among individuals and groups

within a society, but can also refer to inequality among countries. The issue of economic inequality involves equity, equality of outcome equality of opportunity, and life expectancy. Opinions differ on the utility of inequality and its effects. Some studies have emphasized inequality as a growing social problem. While some inequality promotes investment, too much inequality is destructive.

Objectives:

1. To examine the causes and consequences of Economic Inequality.
2. To explore how inequality affects social justice outcomes.
3. To evaluate existing policies and propose recommendations.

Methodology:

Descriptive and analytical research methods have been used to prepare this research paper. According to the set research objective, this research paper considers actual experience. This research paper has been prepared on the basis of secondary sources and some theses, research reports, government reports, books, newspapers, magazines, weeklies have been used as secondary sources. Also, computer technology has been used for updated information. Secondary data from reports by the World Bank, UNDP, and OECD were analysed, along with 20 peer-reviewed studies on inequality.

Understanding Economic Inequality:

Economic inequality refers to the unequal distribution of wealth and income within a society. It encompasses disparities in earning potential, access to education, healthcare, social services, and opportunities for upward mobility. According to the World Inequality Report 2022, global income inequality has steadily increased over the past four decades, with the top 1% capturing a disproportionate share of global wealth.

Measurement of Inequality in the Modern World:

A study entitled "Divided we Stand. Why Inequality Keeps Rising" by the Organisation for Economic Co-operation and Development (OECD) reported its conclusions on the causes, consequences and policy implications for the ongoing intensification of the extremes of wealth and poverty across its 22 member nations (OECD 2011-12-05)

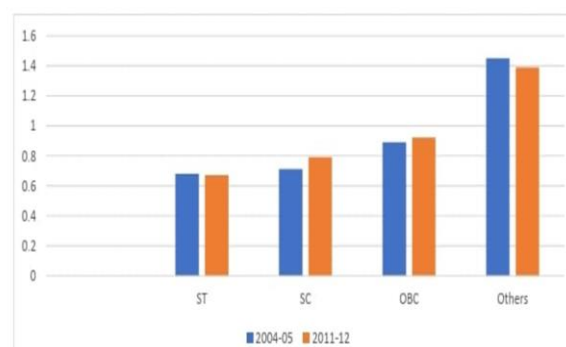
A study by the World Institute for Development Economics Research at United Nations University reports that the richest 1% of adults alone owned 40% of global assets in the year 2000. The three people in the world possess

more financial than the lowest 48 nations combined. The combined wealth of the "10-million-dollar millionaires" grew to nearly \$41 trillion in 2008. A January 2014 report by Oxfam claims that the 85 wealthiest individuals in the world have a combined wealth equal to that of the bottom 50% of the world's population, or about 3.5 billion people. According to a Los Angeles Times analysis of the report, the wealthiest 1% owns 46% of the world's wealth, the 85 richest people, a small part of the wealthiest 1% own about 0.7% of the world's wealth, which is the same as the bottom half of the population.

Economic Inequality Indexes:

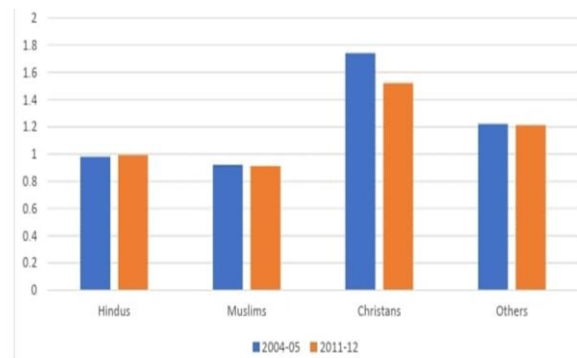
Graphs:

Fig 1: Income share by social groups in India (IHDS1 &II)



Source: Authors computation from (Bharti., 2018)

Fig 2: Income by population share among religious groups in India (IHDS-I &II)



Source: Authors computation from (Bharti., 2018)

Social Justice Indicators:**Table 1: Sample Indicators of Inequality
(Illustrative)**

Country Type	Average Gini Index	Social Mobility Score
High-income	0.32	High
Middle-income	0.42	Medium
Low-income	0.48	Low

The findings support the hypothesis that higher inequality reduces social justice outcomes. Low mobility, limited access to education, and higher poverty levels indicate that inequality undermines fairness and equal opportunity. These results align with previous research, such as studies linking inequality to reduced trust and increased social conflict. Unexpectedly, some middle-income countries with moderate inequality showed strong improvements when they invested heavily in education and healthcare. Economic inequality in India has a rich cultural heritage and a rapidly growing economy. India's history of colonialism and social stratification has created deep-rooted disparities in wealth, income, and access to resources that persist to this day (Lucas & Thomas, 2017). Despite affirmative action policies designed to address these inequities, many marginalized communities face significant economic and social barriers. Despite being one of the world's fastest-growing economies, economic inequality has been a persistent issue in India. Although significant progress in development indicators has been witnessed over the past few decades, India still faces challenges related to income and wealth distribution, with a considerable portion of the population living in poverty and facing the challenges of inequality (Deaton & Dreze, 2002). Economic inequality in India is complex and

multifaceted, with factors such as social and cultural barriers, regional disparities, and lack of access to education and healthcare contributing to the problem (Pal & Ghosh, 2007). This has implications for the overall well-being of the country, as well as for its economic growth and stability. Economic inequality in India has become a topic of significant public debate and concern in recent years. Inequality in India was relatively stable from (the planning period of) the 1980s to the first half of the 1990s, but there has been an increasing trend in Indian inequality (Himanshu, 2019). The market-oriented reforms initiated in 1980's and accelerated in 1990's led to rapid economic growth. However, the benefits of this growth were largely reaped by rich leaving behind the poor (Cain et al., 2010). The rise in the rate of inequality seems to have slowed down since 2004-05 but still shows a rising trend (Himanshu, 2019). Figure 1 clearly shows the steep upward growth of income possessed by the top ten percent of population in India since independence. Similarly top 10% of India's population hold more than 50% of the country's wealth, while the bottom 50% hold only around 10% (WID-2022).

Figure 3: Share of National Income by top 10% in India

Source: World Inequality database

Effects of Inequality:

Among the effects of inequality researchers have found include higher rates of

health and social problems, and lower rates of social goods, a lower level of economic utility in society from resources devoted on high-end consumption, and even a lower level of economic growth when human capital is neglected for high-end consumption.

Health and Social Cohesion:

British researchers Richard G. Wilkinson and Kate Pickett have found higher rates of health and social problems (obesity, mental illness, homicides, teenage births, incarceration, child conflict, drug use), and lower rates of social goods (life expectancy, educational performance, trust among strangers, women's status, social mobility, even numbers of patents issued) in countries and states with higher inequality.

Research has shown an inverse link between income inequality and social cohesion. In more equal societies, people are much more likely to trust each other, measures of social capital (the benefits of goodwill, fellowship, mutual sympathy and social connectedness among groups who make up a social units) suggest greater community involvement, and homicide rates are consistently lower.

Crime:

Crime rate has also been shown to be correlated with inequality in society. Most studies looking into the relationship have concentrated on homicides homicides are almost identically defined across all nations and jurisdictions. There have been over fifty studies showing tendencies for violence to be more common in societies where income differences are larger. Research has been conducted comparing developed countries with undeveloped countries, as well as studying areas within countries.

Social, Cultural, and Civic Participation:

Higher income inequality led to less of all forms of social, cultural, and civic participation among the less wealth. When inequality is higher

the poor do not shift to less expensive forms of participation.

Utility, Economic Welfare and Distributive Efficiency:

Following the utilitarian principle of seeking the greatest good for the greatest number economic inequality is problematic. A house that provides less utility to a millionaire as a summer home than it would to a homeless family of five, is an example of reduced "distributive efficiency" within society that decreases marginal utility of wealth and thus the sum total of personal utility. An additional dollar spent by a poor person will go to things providing a great deal of utility to that person, such as basic necessities like food, water, and healthcare; while, an additional dollar spent by a much richer person will very likely go to luxury items providing relatively less utility to that person. Thus, the marginal utility of wealth per person ("the additional dollar") decreases as a person becomes richer. From this standpoint, for any given amount of wealth in society, a society with more equality will have higher aggregate utility. Some studies have found evidence for this theory, noting that in societies where inequality is lower, population-wide satisfaction and happiness tend to be higher.

Need of Justice:

Justice is a concept of moral rightness based on ethics, rationally, law, natural law, religion, equity and fairness. Justice takes into account the inalienable and inborn rights of all human beings and citizens, the right of all people and individuals to equal protection before the law of their civil rights, without discrimination on the basis of race, gender, sexual orientation, gender identity, national origin, colour, ethnicity, religion, disability, age, wealth or other characteristics. Justice must be ensured to all citizens irrespective of their caste, race, gender, economic status, religion etc. Everyone should

have an easy access to the justice. It can help to a great extent in decreasing the impact of economic inequalities. The justice should not be delayed, especially in case of the down trodden classes of the society.

Conclusion:

To conclude we can say that we should draw lessons from successful efforts to reduce inequality. We can also advocate for a range of equity-enhancing policy options in order to foster enabling environments that allow equity-enhancing policies to succeed. There should be a provision of designing programmes to be highly sensitive to country-specific contexts. There should be new indicators of development that capture intersecting inequalities. The development of strong political intention and action around reducing inequalities can also be proved useful. There is a great need to advocate for balancing strong economic growth with an even stronger drive for equity.

Socio-religious inequality is a complex and longstanding issue in India that affects many aspects of social life, including economic, social, and political dimensions. While there have been some legal and policy reforms, as well as social and cultural initiatives aimed at promoting greater equality and understanding among different religious groups, progress has been slow and uneven. Empirical evidence suggests that members of certain religious groups, such as Muslims and Dalits, face significant disadvantages and discrimination compared to other groups in India. Addressing socio-religious inequality will require sustained efforts from government, civil society, and individuals to promote greater inclusion, tolerance, and equality

for all individuals, regardless of their religious background. Overall, addressing socio-religious inequality in India is a complex and ongoing process that requires sustained efforts from all levels of society. By promoting greater inclusion, tolerance, and equality, India can build a more just and equitable society for all its citizens.

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