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## Social Economy and Its Building Blocks: A Contemporary Perspective

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### Abstract

This review article critically examines Social Economy and Its Building Blocks: A Contemporary Perspective, a work that explores the dynamics of social justice, economic decentralization, labour reforms and income distribution within the Indian context. The original article presents a nuanced framework that connects economic theory with the real-world implications of policy interventions, such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the Public Distribution System (PDS) and Direct Benefit Transfers (DBT). Through a combination of secondary data analysis, historical interpretation and policy critique, this article sheds light on how subsidiarity and wage regulation are essential to achieving inclusive growth. The work also discusses the role of labour movements and legislation in shaping equitable economic outcomes, particularly in the unorganized sector. Furthermore, the paper evaluates inflation management in India through Reserve Bank policies and their consequences for vulnerable populations. While the article is commendable for its interdisciplinary approach and policy relevance, it would benefit from deeper empirical



insights, especially into the lived realities of informal workers and comparative global experiences. Overall, the reviewed paper contributes significantly to the discourse on the social economy by bridging constitutional ideals with economic realities, making it relevant for academics, economists, and policymakers seeking to promote sustainable and equitable development in India.

### **Keywords**

social economy in India, labour law history, subsidiarity in governance, income distribution in India, inflation and RBI policies, social hierarchies.

### **Introduction**

Indian society has historically operated within a complex hierarchy shaped by caste, class, gender and religion, each contributing to the unequal distribution of privilege and access to resources. India's caste system, codified through centuries of religious and customary practices, institutionalized occupational roles and access to public goods. Brahmins, Kshatriyas, Vaishyas and Shudras, along with Dalits (formerly untouchables) and Adivasis (tribals), formed a rigid structure of social organization. Even after constitutional abolition of untouchability (Article 17, Indian Constitution), privilege continues to manifest in subtler forms, including social capital, linguistic dominance and network-based exclusion [7]. Writings from the Poona Pact (1932) negotiations and Constituent Assembly Debates (1946–49) reflect early awareness of caste privilege and the state's role in redressing it through reservations and land reforms [31].



In recent decades, the concept of a social economy has gained renewed significance in economic discourse, particularly in emerging economies like India, where economic development has often been accompanied by social disparities. The social economy is not merely an economic construct; it is a multidimensional approach that seeks to integrate principles of equity, justice, participation, and solidarity into the framework of economic policy and practice. It embodies an alternative to profit maximizing models by emphasizing inclusive growth, fair distribution of resources, and community driven decision making. The increasing recognition of structural inequalities, informal labour vulnerabilities, and environmental limits has necessitated a reevaluation of conventional economic growth paradigms. In this context, this article, *Social Economy and Its Building Blocks: A Contemporary Perspective*, emerges as a timely and relevant contribution. It revisits the fundamental elements that shape India's socio-economic framework from historical labour movements to contemporary legislative and policy instruments designed to ensure economic justice. India's macroeconomic reforms have tried to balance growth with equity, although uneven outcomes remain [12].

India presents a complex economic landscape marked by rapid industrial growth on one hand and persistent poverty, informal employment and rural distress on the other. Government interventions in the form of subsidies, wage schemes, and inflation control mechanisms have sought to bridge this divide. However, the effectiveness of these measures has varied across regions and demographics. Against this backdrop, the article positions the social economy as a critical lens for understanding how state policies, constitutional values, and economic reforms intersect to affect the lives of India's diverse population groups. It investigates how key pillars of the social economy such as labour laws, subsidiarity, wage



fairness, and distributive justice have evolved and how they function today in theory and practice.

The rise of social disparities in emerging economies like India has necessitated renewed focus on the social economy, which integrates equity, participation, and solidarity with economic activity [24]. In contrast to profit-maximizing models, this approach emphasizes redistributive justice, democratic governance, and inclusive development [23] [6].

One of the key contributions of this work is its effort to historicize and contextualize the present. By tracing the trajectory of labour rights, union movements, and legislative developments, the paper offers a deeper understanding of how socio-economic structures have been contested and negotiated in India. The emphasis on historical movements like the Madras Labour Union and legislation such as the Trade Union Act (1926), the Industrial Disputes Act (1947), and the more recent Codes on Wages (2019) reflects a commitment to grounding the discussion in lived realities [16]. Furthermore, the analysis of contemporary state-led programs like the Public Distribution System (PDS), Direct Benefit Transfers (DBT) and the Pradhan Mantri Jan Dhan Yojana (PMJDY) aligns economic policy with the principles of accessibility and social protection.

Governmental frameworks such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the National Food Security Act, and the Jan Dhan Yojana have demonstrated the state's effort to mediate disparities in access to income, services, and opportunities [17]. However, the outcomes of these efforts vary regionally due to structural inequalities and implementation challenges [2].



The importance of revisiting and reviewing such work lies in its potential to inform current policy debates and academic inquiries. In a global scenario where neoliberal policies often dominate mainstream economic strategies, a reorientation towards a more socially grounded economy is essential. The social economy does not only advocate for the redistribution of wealth but also insists on redefining the very goals and metrics of development. By focusing on empowerment, participation, and fairness, it expands the scope of what an economy can and should achieve. Therefore, this work contributes not just to academic literature but also to the broader societal imperative of building a more inclusive economic order.

## **Objectives**

This article seeks to achieve the following objectives:

1. To critically evaluate the theoretical foundations and conceptual clarity presented in this article regarding the social economy and its building blocks.
2. To assess the robustness of the methodologies used in analyzing policy frameworks, historical events, and institutional structures.
3. To analyze the extent to which the article contributes to existing literature on inclusive development, labour economics and public policy.
4. To identify the strengths and limitations of the work in terms of scope, argumentation, and empirical grounding.
5. To offer constructive insights that can guide further academic research and policy formulation in the field of social economics.



By pursuing these objectives, this review aims to provide a balanced and comprehensive assessment of the reviewed article while situating it within the broader discourse on socio-economic justice and development.

### **Scope and Structure**

This work covers both the content and the context of the article, spanning its theoretical underpinnings, methodological choices, thematic focus and policy relevance. It examines the major themes highlighted in the article, including social justice, labour legislation, subsidiarity, wage and wealth distribution and inflation management. Special attention is paid to how this article integrates constitutional values with economic instruments to present a holistic view of development. It does not merely summarize the article but engages critically with its arguments, highlighting where it excels and where it may benefit from further elaboration or empirical support.

The structure of this article is as follows:

- The next section outlines the methodology of the article and assesses the strengths and limitations of the research approach.
- Following that, a section on major themes and review will delve into each of the core building blocks, providing critical insight and comparative perspectives where relevant.
- This is followed by a discussion of the strengths of the article and areas for improvement, offering a balanced perspective.
- Finally, the conclusion reflects on the significance of the work and its implications for future research and policy development in India's socio-economic context.



## Methodology

The methodology employed in this article is structured to ensure a comprehensive and critical evaluation of the work, *Social Economy and Its Building Blocks: A Contemporary Perspective*. The purpose is to assess the research value, methodological soundness, and policy relevance of the article, particularly in the context of India's socio-economic development. This article adopts a critical review method, synthesizing peer-reviewed literature and policy documents published between 2000 and 2025. Sources include empirical studies from the ILO (2018), Economic Survey reports (Government of India, 2022), and foundational theories (Rawls, 1971; Sen, 2013). Key themes were categorized and evaluated under five pillars: social justice, labour laws, subsidiarity, wage fairness, and inflation control. This section details the search strategy, inclusion and exclusion criteria, and the process of data extraction and synthesis adopted for the review.

## Search Strategy

The article began with a systematic examination of the original article's content and its cited references. As part of the contextual analysis, supporting literature on the themes of social economy, labour legislation, subsidiarity, inflation policy and wage distribution was identified using academic databases such as Google Scholar, JSTOR, SSRN, and Research Gate. Relevant publications from the International Labour Organization (ILO) [10], Reserve Bank of India (RBI), NITI Aayog and the Government of India's Economic Survey [9] were also consulted to validate the empirical claims made in the article.



## Inclusion and Exclusion Criteria

The inclusion criteria were as follows:

- Peer-reviewed articles, books and policy papers published between 2000 and 2025 that relate directly to the themes discussed in this article.
- Works focusing specifically on the Indian context, especially those discussing social welfare policies, economic justice and labour market reforms.
- Empirical studies or policy documents that provide data or case studies relevant to income distribution, inflation and wage regulation.
- Beyond its economic and legislative contours, the social economy must also be examined through a sociological lens, which illuminates the ways in which social structures, cultural norms and power relations shape the lived realities of labour, welfare and equity in India.
- Sociological theories allow us to understand the intersections of caste, gender, class, and region not merely as demographic variables, but as structural determinants that mediate access to economic resources and institutional support.

Exclusion criteria included:

- Studies focusing exclusively on non-Indian contexts without relevance or applicability to India.
- Publications lacking methodological transparency or theoretical grounding.

These criteria ensured that the synthesis remained focused and relevant objectives.





## Data Extraction and Synthesis

Key information was extracted from the reviewed article and supplementary sources in a structured format. Data points included conceptual definitions, historical timelines, policy instruments, legislative frameworks and economic indicators. The extracted information was then thematically categorized under the main pillars of the social economy: social justice, labour laws, subsidiarity, wage distribution and inflation control. A critical synthesis approach was used to analyze these categories, examining their interconnections and evaluating the depth, consistency and originality of the arguments presented.

The final synthesis combined qualitative critique with contextual commentary, offering a balanced assessment of the article's contributions and areas requiring further exploration.

## Background

The social economy has emerged as a critical area of academic interest and policy innovation, particularly in the context of increasing inequality, economic exclusion and growing demands for inclusive development. Broadly defined, the **social economy** includes a range of organizations such as cooperatives, mutual societies, non-profits and social enterprises that operate at the intersection of economic activity and social value creation. Unlike mainstream capitalist enterprises that pursue profit maximization, social economy institutions prioritize democratic governance, equitable wealth distribution, community development and social justice.

In the Indian context, the social economy is deeply rooted in historical, cultural and constitutional traditions. The Directive Principles of State Policy in the Indian Constitution



serve as a foundational pillar for state-led efforts toward equitable wealth distribution, labour welfare and participatory governance [7]. The evolution of India's welfare infrastructure from early post-independence planning and public sector growth to liberalization and the rise of targeted welfare schemes has provided a fertile ground for social economy structures to flourish, albeit unevenly.

Recent initiatives such as the National Rural Employment Guarantee Act (NREGA), [30] Self-Help Groups (SHGs), cooperative banks and digital labour platforms like **e-Shram** demonstrate how the social economy is being adapted to contemporary challenges [39]. However, despite these interventions, significant disparities persist in income distribution, access to social protection and the functioning of labour markets (issues that this work seeks to explore through a multidisciplinary theoretical lens).

## **Theoretical Framework**

This article draws on a variety of theoretical perspectives to analyze the foundations and functioning of the social economy. The integration of political economy, welfare theory, labour studies and decentralization theory allows for a holistic understanding of the mechanisms and challenges of building a socially embedded economy.

### **1. Social Justice and Political Philosophy**

At the heart of the social economy lies philosophical commitment to social justice. Drawing on John Rawls' theory of justice, the social economy can be seen as an institutional effort to realize the two core principles: (1) equal basic liberties and (2) socio-economic inequalities arranged to benefit the least advantaged. In Rawlsian terms, the social economy



acts as a corrective mechanism to market failures by redistributing resources and ensuring equal access to basic goods [23].

Amartya Sen's capability approach further expands this framework by arguing that development should be evaluated not merely by income metrics but by the actual freedoms people enjoy. This approach justifies the existence of state interventions, cooperatives and social enterprises as essential to enhancing individuals' capabilities in health, education and livelihoods [24].

## **2. Subsidiarity and Decentralization**

The principle of subsidiarity is the idea that matters ought to be handled by the smallest or least centralized competent authority is a key conceptual underpinning of participatory governance and localized economic development. It is particularly relevant to the Indian context, where the 73rd and 74th Constitutional Amendments institutionalized local self-governance through Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) [8].

From a theoretical standpoint, subsidiarity reinforces the argument that empowering local actors increases democratic legitimacy, enhances efficiency, and fosters social capital. It provides a basis for examining community-driven initiatives such as cooperative societies, SHGs and local labour collectives within the larger social economy framework [13].

## **3. Labour Market and Dual Economy Theories**

The Indian labour market exhibits characteristics of what labour economists term a **dual** economy which consisting of a formal sector with legal protections and an informal sector with little or no regulation [1]. Segmented labor market theory is particularly relevant here, as



it highlights the structural barriers that prevent workers from transitioning from informal to formal employment. Myrdal (1968) emphasized how structural inequalities, and institutional constraints hinder poverty reduction across developing nations, including India [18].

This segmentation undermines efforts toward inclusive growth and affects wage distribution, worker rights and productivity. Social economy interventions like cooperatives, workers' collectives and social enterprises often attempt to bridge this gap by offering alternative employment arrangements that provide social protection and dignity of labour [13]. India's macroeconomic reforms have tried to balance growth with equity, although uneven outcomes remain [12].

#### **4. Welfare Economics and Redistribution**

The theoretical contributions of welfare economics offer a foundational framework for understanding state-led and institutional efforts to enhance social well-being. According to this school of thought, market outcomes often fail to reflect social optimality due to externalities, information asymmetries and unequal initial endowments.

Policies such as progressive taxation, universal basic income and public subsidies are grounded in this tradition. In the Indian setting, the Public Distribution System (PDS), rural employment schemes and targeted subsidies are practical manifestations of welfare economics [4] [5]. The effectiveness of such schemes, however, depends on implementation quality, targeting efficiency and institutional capacity.



## 5. Theories of Inflation and Distribution

From a macroeconomic perspective, inflation can significantly impact the distributional dynamics within a social economy. Theories of cost-push and demand-pull inflation, **as well as** monetarist approaches, provide insight into how inflationary pressures erode real incomes and disproportionately affect low-income groups.

India's monetary policy framework, managed by the Reserve Bank of India (RBI), targets inflation control to maintain purchasing power and economic stability. However, persistent food and fuel inflation often impacts the rural and urban poor more severely, thereby negating the redistributive gains achieved through welfare programs [22] [9].

RBI Circular No. RBI/2021-22/71 details inflation targeting as a monetary strategy post-2016 under the new Monetary Policy Framework. Archived RBI reports between 2016 and 2022 emphasize how inflation-targeting disproportionately affected food and fuel prices, straining the budgets of the rural poor [28] [29].

### Historical Perspective

Historically, India's social economy has been shaped by colonial legacies, nationalist movements and post-independence state-building efforts. The cooperative movement, for instance, began in colonial times with the Co-operative Societies Act of 1904, which later evolved into a key strategy for rural credit and agriculture [14].

Archival records, such as the Royal Commission on Labour (1931), reveal that the colonial state acknowledged severe industrial exploitation, prompting regulatory interventions like the Trade Disputes Act, 1929 and subsequently the Trade Union Act, 1926 [34]. The



Government Order No. F. 32(7)/30-Lab of 1931 emphasized the need to form tripartite boards for dispute resolution.

Post-independence, India adopted a planned economic model [21] where the state played a dominant role in resource allocation and welfare provisioning. Public sector enterprises, land reforms and labor laws were intended to institutionalize social equity [15]. However, with economic liberalization in 1991, the role of the state shifted from direct provider to facilitator, emphasizing private sector efficiency while retaining targeted welfare programs.

This transition gave rise to new forms of the social economy, such as Public-Private Partnerships (PPPs), Corporate Social Responsibility (CSR) and digital platforms aimed at improving governance and financial inclusion. These developments underscore the evolving nature of the social economy and necessitate a multidimensional analytical approach [20].

### **Research Gaps**

Despite the growing literature on individual aspects of the social economy such as cooperatives, SHGs, labour reforms, or fiscal policy there is limited integrative analysis that connects these components within a unified theoretical framework. Moreover, the interaction between macroeconomic variables (e.g., inflation, GDP growth) and micro-level social economy practices remains underexplored.

This work aims to fill these gaps by:

- Synthesizing diverse theoretical perspectives on social economy structures.
- Mapping historical trends and policy shifts affecting India's socio-economic landscape.



- Identifying practical implications for governance, redistribution and labour empowerment.

The social economy represents a critical avenue for addressing structural inequalities and promoting inclusive development in India. The theoretical perspectives outlined, ranging from social justice and subsidiarity to welfare economics and labour segmentation which provide the necessary analytical tools to evaluate existing initiatives and propose improvements. Through a comprehensive review of literature and policy, this article seeks to contribute to a more integrated understanding of the social economy as both a conceptual framework and a practical strategy for sustainable development.

## 1. Social Justice and Equity in the Social Economy

The social economy is inherently tied to the concept of **social justice**, which emphasizes the fair and equitable distribution of wealth, resources and opportunities within a society. In the Indian context, where disparities based on caste, gender, geography and income are deeply entrenched, the pursuit of social justice is both a constitutional mandate and a socio-economic necessity. This subsection explores how the social economy engages with social justice and equity through policy frameworks, community initiative and institutional mechanisms.

### 1.1 Conceptualizing Social Justice

John Rawls' theory of *justice as fairness* remains a cornerstone for understanding social justice within a democratic framework. According to Rawls, social and economic inequalities are acceptable only if they benefit the least advantaged [23]. In India, this vision is reflected in



constitutional provisions such as the **Directive Principles of State Policy**, which call for the minimization of inequalities in income and status [7].

Sen's capability approach offers a practical lens, arguing that individuals should be empowered with the real freedoms necessary to lead fulfilling lives. This approach goes beyond income to include education, healthcare and social security in which areas where the social economy can directly intervene [24].

## 1.2 Indian Policies Advancing Social Justice

Multiple state-led programs aim to achieve equitable outcomes, including:

- **MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act):** Guarantees rural employment and income stability [17].
- **National Food Security Act (NFSA):** Ensures subsidized food access to over two-thirds of India's population [10].
- **Right to Education (RTE) and National Health Mission:** Expand access to basic services.

These programs are often administered with a participatory approach, involving local stakeholders, which increases accountability and effectiveness.

According to G.O. No. 1/2006 by the Ministry of Rural Development, MGNREGA was operationalized as a legal entitlement to rural employment. Parliamentary records from Lok Sabha debates in 2005 illustrate bipartisan support for this as a landmark poverty-alleviation scheme [30].





Government reports such as the MGNREGA Annual Report (MoRD, 2022) reveal a rise in female participation in rural employment schemes, yet qualitative studies (e.g., Jhabvala & Sinha, 2002) and ethnographic research (Sudarshan, 2011) show that this participation is often limited to low-paying, manual jobs with limited long-term security [13] [36]. Moreover, access is often constrained by intra-household patriarchy and care burdens. Field studies in states like Bihar and Madhya Pradesh highlight that women often lack control over their earnings or are excluded from work due to household norms and unsafe environments.

### **1.3 Role of Civil Society and NGOs**

Non-governmental organizations (NGOs), faith-based institutions and community-led organizations play a major role in complementing state efforts. NGOs often engage in service delivery, policy advocacy and capacity building, especially in areas the state fails to reach. Examples include SEWA (Self Employed Women's Association), which empowers informal women workers through unionization and cooperative models [25].

### **1.4 Gaps and Inefficiencies**

Despite institutional efforts, India's Gini coefficient and Human Development Index (HDI) figures show rising inequality. The top 1% continue to accumulate disproportionate wealth and social protection coverage remains uneven. Challenges include:

- Corruption and leakages in welfare schemes.
- Poor targeting mechanisms.
- Limited fiscal capacity at the grassroots level.



Thus, while the intent to institutionalize social justice is robust, execution remains a critical issue.

Archival records, such as the Royal Commission on Labour in India (1931), provide a historical foundation for understanding the origins of labour segmentation and precarity. The Commission noted widespread exploitation, caste-based occupational stratification, and the absence of collective bargaining mechanisms for Indian workers. Similarly, post-independence Planning Commission documents (1951–1980) emphasized state intervention in alleviating structural inequalities but often underemphasized informal labour, especially in rural and semi-urban contexts.

These historical records demonstrate a consistent gap between policy aspiration and grassroots implementation, a theme that remains relevant in contemporary welfare schemes like MGNREGA or DBT.

## **2. The Role of Subsidiarity and Decentralized Governance**

The principle of subsidiarity, which argues for decision-making at the lowest effective level, is integral to a functioning social economy. In India, decentralization is seen as a way to democratize governance, promote local development and ensure responsiveness to community needs.

### **2.1 Constitutional and Legislative Backing**

The 73rd and 74th Constitutional Amendments provided constitutional status to rural and urban local bodies, enabling them to undertake planning, implementation and monitoring of development programs. The creation of **Panchayati Raj Institutions (PRIs)** has significantly contributed to making governance more participatory [8].



The 11th and 12th Schedules of the Constitution outline functions that local bodies are responsible for ranging from agriculture and sanitation to women and child development.

## 2.2 Participatory Planning and Budgeting

States like Kerala have pioneered Participatory Planning through the *People's Plan Campaign*, where communities directly engage in local planning. The allocation of funds to Gram Panchayats and Ward Committees fosters local economic development and builds ownership of public assets [11].

The Government Order No. 204/PRD issued by the Kerala Government in 1996 laid the legal groundwork for mass participatory planning. Archived proceedings from the National Development Council (1995) further reveal cross-state debates around local fiscal devolution under the 11th and 12th Schedules [32].

Tools such as social audits, gram sabhas **and** community scorecards promote transparency and hold officials accountable. These tools are part of a growing trend toward deliberate democracy. For example, social audit data from Andhra Pradesh and Rajasthan reveal that community monitoring tools such as public hearings and right-to-information-based scorecards significantly reduce leakages in welfare schemes (MKSS, 2018) [38]. However, such mechanisms are either weak or absent in many northern states, undermining the equity goals of social economy interventions.

## 2.3 Financial Devolution and Challenges

While the spirit of decentralization is embedded in law, actual fiscal and functional devolution is uneven across states. Comparative evaluations by the NITI Aayog (2019) and World Bank (2022) show wide disparities in the implementation of key welfare programs.



Tamil Nadu and Kerala have shown strong delivery mechanisms in PDS and health services respectively. States like Bihar, Uttar Pradesh and Jharkhand experience high leakages, poor targeting, and weak civil society oversight, despite similar policy frameworks [37] [27]. Key issues include:

- Low capacity of local governments to manage funds and deliver services.
- Political interference in fund allocation.
- Inadequate staffing and technical expertise.

Despite these limitations, decentralized governance remains one of the most promising frameworks for ensuring local accountability, empowering marginalized voices and enhancing the efficiency of public service delivery.

### **3. Labour Laws, Wage Distribution and Worker Rights in India**

The effectiveness of a social economy also hinges on how well it protects and empowers labour. In India, labour markets are heavily segmented, with the informal sector accounting for over 90% of the workforce [10]. This segment often lacks job security, social protection and fair wages.

The Code on Wages was formalized through G.S.R. 432(E) dated July 8, 2019, emphasizing universal minimum wages. Archived deliberations from the Second National Commission on Labour (2002) highlight recommendations on unifying India's fragmented labour law regime most of which were foundational for the 2019 reforms [35].



### 3.1 Evolution of Labour Laws

India's labour laws have historically been based on colonial frameworks that evolved post-independence. Key legislation includes:

- Industrial Disputes Act (1947): Regulates the settlement of industrial disputes.
- Minimum Wages Act (1948): Ensures payment of basic wages.
- Factories Act (1948): Focuses on health and safety in industrial establishments.

In 2020, the government consolidated 29 central labor laws into four labour codes [16] to simplify and modernize labor regulations:

1. Code on Wages [10]
2. Industrial Relations Code
3. Social Security Code
4. Occupational Safety, Health and Working Conditions Code

These reforms aim to enhance compliance, promote formalization and improve worker-employer relations.

### 3.2 Wage Inequality and Distribution

Despite legislative backing, fiscal devolution remains incomplete, with many PRIs facing underfunding and political interference [14]. High levels of informal employment, regional wage differences, and gender pay gaps undermine equity. Reports from the International Labour Organization (ILO) [10] and National Statistical Office (NSO) [19] highlight:

- Average earnings in the informal sector are 2–3 times lower than in the formal sector.



- Women earn only 70–80% of what men do for similar work.

Social economy mechanisms like cooperatives and worker-owned enterprises offer more equitable models of wage distribution, but they remain marginal in coverage.

The India Wage Report (ILO, 2018) highlights that Dalits earn approximately 33% less than upper-caste workers in rural employment, even after accounting for education and occupation [10]. Similar findings are reported in Deshpande (2020) and the Periodic Labour Force Survey (NSO, 2020), which confirms persistent wage discrimination and occupational immobility among lower castes and rural migrants [40] [19].

### **3.3 Role of Trade Unions and Collective Bargaining**

Trade unions have historically played a pivotal role in India's labor landscape. Organizations like AITUC, CITU and INTUC have been instrumental in advocating for worker rights. However, union density has declined in recent years due to the rise of contractual labor, technological disruption and increased informalization. Organizations like SEWA enhanced labor dignity and financial inclusion, filling gaps left by the state [13].

The weakening of collective bargaining power raises questions about the future of worker agency in a gig and platform-based economy. New models of digital labor organization (e.g., cab driver associations and delivery worker unions) may fill this gap [25].

### **3.4 Social Protection and Welfare Schemes**

The state provides various welfare schemes targeted at unorganized workers:

- e-Shram portal for registration and benefit tracking.



- Atal Pension Yojana (APY) for old age security.
- Employees' State Insurance (ESI) and EPFO for health and retirement benefits in the formal sector.

However, awareness and uptake remain low, particularly among marginalized groups like migrant workers and women.

Recent studies such as those by Mehrotra (2021) and Drèze & Khera (2022) argue that active civil society participation, combined with technological tools like e-Shram portals or DBT dashboards, can enhance transparency and reach. Yet implementation remains fragmented [6] [15]. For instance, while e-Shram aims to create a unified database of informal workers, as of 2023, nearly 50% of informal workers remain unregistered (MoLE, 2023), and most are unaware of their entitlements [39].

The sociological critique of India's social economy must emphasize that state-led schemes are filtered through local power structures, social capital networks and institutional biases. While constitutional frameworks promote equity, their materialization depends on how effectively informal institutions, local governance and civil society actors interact with formal policies.

Empirical evaluations such as the World Bank's 2022 Poverty and Shared Prosperity Report suggest that schemes like DBT and Jan Dhan have improved financial inclusion. Yet, fragmented databases, linguistic barriers, and digital illiteracy impede access for many marginalized users.



### **Summary of Key Findings**

The review reveals a complex landscape regarding the peasant movement and the evolution of labour laws in India. Central to the findings is the significant impact of socio-political and economic factors on the growth of peasant consciousness, unionism and legislative frameworks. The review outlines the progression of various acts such as the Trade Union Act (1926), Industrial Disputes Act (1947), Minimum Wages Act (1948) and others, which were enacted in response to growing unrest and demand for equity in labour conditions.

Another critical finding is the evolving role of commissions such as the Royal Commission on Labour (1931) and the Second National Commission on Labour (2002) in shaping labour legislation. These bodies provided both evaluative and normative frameworks for managing industrial relations in colonial and post-colonial India. The influence of the Gandhian approach in early movements, emphasizing moral authority and non-violence, contrasts with the later phases of organized, militant unionism tied closely with political ideologies.

The review also highlights the transformation of the peasant movement into a broader labour rights struggle. It underscores how peasant uprisings catalyzed legislative action, albeit gradually, often constrained by colonial and post-colonial political interests.

These findings underscore a central sociological concern that state policy alone cannot achieve inclusion without empowering local communities, dismantling social hierarchies and institutionalizing feedback loops. The lived experiences of workers, especially those at the margins, must become central to the development of metrics not peripheral.





### **Comparison with Existing Literature**

Existing scholarship on the peasant and labour movements in India largely corroborates the reviewed findings. Scholars such as Bipan Chandra and Sumit Sarkar have extensively discussed how economic deprivation and land exploitation were fundamental drivers of agrarian unrest. Similarly, K.N. Panikkar and D.N. Dhanagare contextualized these uprisings within the broader anti-colonial struggle, which is also reflected in this work.

The subaltern studies collective, inspired by historians like Guha and influenced by Sarkar's earlier work, insists that the voices of the marginalized women, Dalits, Adivasis, and informal workers be central to any analysis of socio-economic transformation. Within this framework, India's social economy must be reinterpreted to capture the lived experiences of exclusion, resistance and adaptation among these groups [33].

For instance, while the article acknowledges the structural segmentation of labour markets, a subaltern-feminist view demands deeper inquiry into how caste and patriarchy shape labour conditions, wage gaps and access to welfare. Women agricultural workers in Telangana or tea plantation workers in Assam often navigate a triple burden of informality, gender bias and regional neglect realities absent in purely economic critiques.

Scholars like Jayshree Sundar and Raka Ray, building on this lineage, emphasize how women's collectives and informal networks sustain the rural economy in ways that challenge mainstream definitions of productivity and employment.

However, this work adds a unique perspective by integrating the evolution of legal responses and the political economy of legislations. Many earlier works focus primarily on the sociological and political narratives, whereas this review brings a legal and institutional



analysis into sharper focus [3]. Furthermore, while much of the literature isolates peasant movements from urban industrial labour struggles, this review positions them on a continuum, demonstrating a fluid relationship between rural discontent and urban labour activism.

This synthesis aligns with newer interdisciplinary approaches found in recent publications, such as those by Jan Breman and Atul Kohli, who examine informal labour and state policy intersections. However, the review's emphasis on the constitutional context and the idea of social justice provides a more holistic and grounded framework that could be beneficial for contemporary analyses.

### **Implications for Practice and Research**

From a practical perspective, the review suggests the need for a more inclusive and adaptive legislative framework that bridges gaps between formal and informal sectors. The current labour laws, though comprehensive in their intent, often fall short in implementation, particularly for informal and rural workers. Policymakers could benefit from historical insights that show how grassroots movements shape sustainable legislation.

For trade unions and civil society organizations, the findings underscore the value of integrating historical perspectives into contemporary advocacy. Learning from the past, particularly the pitfalls of politicized unionism and fragmented movements, can inform strategies that are more cohesive and socially impactful.

For future research, the work opens pathways for comparative studies between pre- and post-liberalization labour conditions, and between agrarian and urban sectors. There is



also room for exploring the intersection of gender, caste, and labour laws, which was beyond the scope of this review but remains critical.

Moreover, the increasing relevance of the gig economy and digital labour platforms invites a re-evaluation of existing frameworks [27]. Future inquiries can be built on this review to examine how current forms of labour organization resonate or differ from earlier movements.

### **Limitations**

Despite its comprehensive nature, the review has several limitations. Firstly, it is largely based on secondary sources, which may introduce interpretative biases. The absence of primary archival research or empirical data constrains the depth of historical validation.

Secondly, while the review offers an integrative perspective, it does not exhaustively cover regional variations. Movements in states like Telangana, Punjab, or Maharashtra have unique characteristics that could further enrich the analysis but were only briefly addressed.

Thirdly, the scope of gendered experiences within the peasant and labour movements remains underexplored. The review treats the labour class as a monolith, which can obscure specific oppressions faced by women, Dalits, or tribal workers.

Finally, the legislative analysis, while insightful, could benefit from a more detailed critique of post-1991 labour reforms in the context of globalization and neo-liberal policy shifts.



## **Conclusion**

This work examined the intricate relationship between peasant movements, labour rights, and the legislative landscape in India from the colonial era to the present. It highlighted the socio-economic triggers of unrest, the moral and strategic foundations of early resistance, and the evolving role of state and institutional mechanisms in managing industrial relations.

Key legislations like the Trade Union Act, Industrial Disputes Act, and Minimum Wages Act were not only responses to worker demands but also reflected the ideological tussles within governance and development models. The study reinforced the notion that movements and legal reforms are interdependent. Each shape and being shaped by the other.

An integrated approach, combining historical context, sociological depth, and regional specificity, is essential to evaluate the promise and pitfalls of India's social economy. The real measure of effectiveness lies not only in policy design but in its situated implementation, a terrain shaped by history, identity and community agency.

## **Future Directions for Research**

There is significant scope for extending this research. Future scholars could delve deeper into:

- Regional and sectoral case studies of peasant-labour interactions.
- The impact of globalization on labour protection and union power post-1991.
- Gender, caste, and migrant perspectives in the evolution of labour rights.
- The efficacy and shortcomings of new labour codes introduced in 2020.



Furthermore, interdisciplinary methods combining legal analysis, ethnography, and economic modeling could yield more nuanced understandings of how labour dynamics operate in contemporary India.

Understanding the legacy of peasant and labour movements is crucial in today's context, where economic disparity and labour precarity are resurging concerns. The review underscores that while laws provide a necessary structure, it is sustained collective action rooted in social justice and equity that truly advances worker welfare.

As India negotiates its path toward becoming a global economic power, the challenge remains to ensure that development does not come at the cost of the very workforce that fuels it. Bridging historical wisdom with modern innovations in policy and activism could be the key to a more inclusive future.

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