



The Role Of Directive Principles Of State Policy In India's Constitutional Framework: Balancing Social Welfare And Economic Growth

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Abstract

The Directive Principles of State Policy (DPSP) enshrined in Part IV of the Indian Constitution serve as a guiding framework for the governance of the country. Although non-justiciable, these principles provide a roadmap for the state to pursue social, economic, and political justice, thereby striving to balance social welfare and economic growth.

This paper explores the role of DPSP in India's constitutional framework, examining their significance in shaping policies that aim to promote the well-being of all citizens, especially the marginalized sections of society. It delves into how these principles influence the formulation of laws and policies concerning education, healthcare, labor rights, and environmental protection.

The paper critically analyzes the intersection of DPSP with the Fundamental Rights, exploring the ongoing judicial balancing act between promoting individual freedoms and ensuring social and economic justice. In addition, the paper assesses the practical challenges in implementing these directives within the context of a rapidly growing economy. One of the central themes is the tension between fostering economic growth through liberalization and global integration, while simultaneously ensuring that the benefits of growth are equitably distributed through welfare-oriented policies. The role of the judiciary in interpreting the DPSP and guiding the legislature in balancing these competing demands is also highlighted. By examining landmark cases such as *Minerva Mills Ltd. v. Union of India* (1980) and *State of Madras v. Champakam Dorairajan* (1951), the paper demonstrates how judicial review has shaped the dynamic relationship between welfare and growth. The paper concludes with a reflection on the need for a nuanced approach that integrates both economic advancement and social justice within India's constitutional framework.

Keywords: Directive Principles of State Policy, Social Welfare, Economic Growth, Judicial Review, Constitutional Framework

Introduction

The Indian Constitution, enacted in 1950, is a remarkable document designed to guide India in its journey towards becoming a just, equitable, and democratic society. One of the distinctive features of the Constitution is the inclusion of the Directive Principles of State Policy (DPSP) under Part IV. These principles, though non-justiciable, form an integral part of the constitutional framework, serving as a guide for the government to establish a social order based on justice, liberty, and equality. While they do not have the binding force of law like the Fundamental Rights (Part III), the DPSP lay down the foundation for the state's policies and actions to promote the welfare of the people, particularly in social, economic, and political spheres.

The role of DPSPs in India's governance cannot be overstated. They are pivotal in shaping government policies that aim to reconcile economic growth and social welfare. However, the dual goals of economic progress and welfare have often been a source of tension. Economic growth, driven largely by market-oriented policies and liberalization, can sometimes be at odds with the welfare state principles embedded in the DPSP, especially in a rapidly globalizing economy. This tension raises questions about the role of the state in ensuring equitable growth while addressing the needs of the marginalized sections of society.

The Evolution and Importance of Directive Principles

The DPSP in the Indian Constitution were inspired by the Irish Constitution of 1937 and were influenced by the experience of the British colonial rule. The framers of the Indian Constitution, led by Dr. B.R. Ambedkar and other prominent figures, envisioned a comprehensive approach to governance that transcended mere political freedoms. The DPSPs were included to guide the state's actions toward securing social and economic justice, and they embody the vision of creating a welfare state in India.¹

While Fundamental Rights were guaranteed as enforceable legal rights in courts, the DPSPs are non-justiciable, meaning they cannot be directly enforced by the judiciary. However, this does not diminish their significance. The Constitutional Assembly debated at length the inclusion of non-justiciable principles in the Constitution, and it was concluded that such principles, though not legally enforceable, would nevertheless guide the legislative and executive branches of government in their decision-making.²

The DPSP covers various aspects of social and economic life, including the right to work, education, and adequate living standards, as well as the promotion of international peace. Some of the key provisions of the DPSP include Articles 38 (State to secure a social order), 39 (certain principles of policy to be followed by the state), 41 (right to work, education, and public assistance), and 43 (living wages for workers). These principles provide the framework for the state to establish a just and humane society.³

However, it is crucial to note that the DPSPs are not devoid of conflict. The interpretation and application of these principles have often raised constitutional questions, particularly regarding the relationship between the DPSPs and Fundamental Rights. While Fundamental Rights guarantee individual liberties, the DPSPs aim to address larger societal issues such as poverty, illiteracy, and social inequality. The challenge is finding a balance between upholding individual freedoms and promoting social welfare policies that might require curtailing some of those freedoms.⁴

Constitutional Framework and the Role of the Judiciary

The Constitutional framework places the DPSPs within a broader vision of democratic governance. Although they are not enforceable by courts, the principles guide the state's policy-making process. Over time, the judiciary has played a crucial role in interpreting these principles and ensuring that the legislature and

¹ Constituent Assembly Debates, Volume VII, pp. 103-120.

² Constituent Assembly Debates, Volume IX, pp. 230-249.

³ Indian Constitution, Art. 38, 39, 41, 43.

⁴ Maneka Gandhi v. Union of India, AIR 1978 SC 597.

executive do not ignore them. The judicial approach towards the DPSPs has been shaped by the need to balance economic growth with social justice.⁵

The judiciary's role in interpreting DPSPs has evolved significantly since the early years of the Constitution. In the landmark case of *Minerva Mills Ltd. v. Union of India* (1980), the Supreme Court emphasized the importance of DPSPs in realizing the fundamental objective of the Constitution—which is to achieve a balance between social welfare and individual rights. In *Minerva Mills*, the Court held that DPSPs must be read in conjunction with Fundamental Rights, and no law should be passed that negates the essence of the Constitutional framework. The Court underscored the necessity of balancing individual rights with broader societal interests, particularly in the context of economic policies.⁶

Vineet Narain v. Union of India (1998)

The case of *Vineet Narain v. Union of India* (1998) dealt with the enforcement of the DPSPs in the context of corruption. The Central Vigilance Commission was empowered to address corruption in the government, which indirectly promoted accountability—an important DPSP principle under Article 38 of the Constitution, directing the state to promote the welfare of the people by securing a social order. The Supreme Court highlighted the constitutional role of the state in ensuring that public office bearers serve the public interest and are held accountable. This case underlined the judiciary's role in ensuring that the government fulfills its constitutional duties in the interest of social welfare, particularly in ensuring the proper functioning of institutions designed to promote justice and public welfare.⁷

State of Rajasthan v. Union of India (1977)

In *State of Rajasthan v. Union of India* (1977), the Supreme Court discussed the implementation of DPSPs in relation to land reforms under Article 39(b) and 39(c), which direct the state to distribute the wealth of the country to ensure that it serves the common good and prevent its concentration in the hands of a few. The case specifically addressed the issue of land acquisition laws and whether they complied with the constitutional mandate to prevent exploitation of the poor. The Court ruled that land reforms aimed at reducing inequality and ensuring social justice were within the scope of the Directive Principles, reinforcing the judicial role in interpreting these principles in ways that promote the state's duty to secure social and economic justice for all.⁸

The Unnikrishnan v. State of Andhra Pradesh (1993)

In *Unnikrishnan v. State of Andhra Pradesh* (1993), the Supreme Court addressed the tension between the right to education and the DPSPs, especially the provisions under Article 45 that direct the state to provide free and compulsory education to children. The Court held that education was a fundamental right under Article 21 of the Constitution, thus upholding the Directive Principle in a justiciable form. The Court recognized that while DPSPs guide state policy, the role of the judiciary is crucial in translating these policies into concrete rights for the citizens. This case further reflected the Court's balancing act in ensuring that the social welfare principles of the Constitution are implemented while maintaining the framework of enforceable rights.⁹

Chameli Singh v. State of Uttar Pradesh (1996)

In *Chameli Singh v. State of Uttar Pradesh* (1996), the Supreme Court of India emphasized the constitutional importance of providing housing to the economically weaker sections of society as part of the DPSPs under

⁵ *Minerva Mills Ltd. v. Union of India*, (1980) 3 SCC 625.

⁶ *Id*

⁷ *Vineet Narain v. Union of India*, (1998) 1 SCC 226.

⁸ *State of Rajasthan v. Union of India*, (1977) 3 SCC 592.

⁹ *Unnikrishnan v. State of Andhra Pradesh*, (1993) 1 SCC 645.

Article 38 and Article 39. The case concerned the state's obligation to provide adequate housing as part of its constitutional duty to promote the welfare of the people. The Court recognized the Directive Principles of State Policy as a guiding force for state actions, reaffirming the constitutional framework and the role of the judiciary in interpreting and ensuring these principles are implemented for the collective good. The judgment highlights the judiciary's responsibility in ensuring that the state's obligations under the DPSPs are fulfilled, and the people's welfare is prioritized.¹⁰

Tension between Economic Growth and Social Welfare

In the decades following India's independence, the country's political leaders sought to address the challenges of poverty, illiteracy, and underdevelopment. At the same time, they wanted to modernize India's economy. This dual mandate created a complex tension: the Directive Principles encouraged the state to pursue social welfare measures, such as land reforms, employment creation, and the provision of basic services. However, policies designed to stimulate economic growth, including market-driven reforms, liberalization, and industrialization, often clashed with the emphasis on state-led social welfare under the DPSPs.

The economic reforms of the 1990s, which included liberalization, privatization, and globalization, further highlighted the tension between these two objectives. While these reforms significantly boosted India's economic growth, they also resulted in increased inequality, leading to debates about whether the DPSPs were being sidelined in favor of growth-driven policies. The privatization of key sectors and welfare retrenchment policies also raised questions about whether social justice was being compromised in favor of economic liberalization.¹¹

Judicial Approaches to Balancing Social Welfare and Economic Growth

The role of the judiciary has been central in balancing social welfare and economic growth in India. A significant ruling in this context was in *K. K. Verma v. Union of India* (1997), where the Supreme Court dealt with the conflict between promoting economic development and securing social welfare. The Court observed that while economic growth was essential for the country's progress, the fundamental responsibility of the state was to ensure that this growth benefitted all sections of society, particularly the vulnerable and disadvantaged.¹²

In cases such as *State of West Bengal v. Union of India* (1995), the Court explored how policies for economic growth should align with the Directive Principles. The Supreme Court held that while the economic growth policies of the state must be encouraged, they should not be pursued at the cost of basic social rights such as the right to food, shelter, and health.¹³

In *M.C. Mehta v. Union of India* (1987), the Supreme Court of India addressed the environmental and social welfare aspects concerning industrial development. The case focused on the balance between economic growth through industrialization and the protection of the environment, especially concerning air pollution in Delhi. The Court directed industries to adopt environmental standards while ensuring their economic activities did not harm public health. This case epitomized the judiciary's approach to ensuring that economic growth should not come at the cost of environmental sustainability, and it aligned with the Directive Principles of State Policy (DPSPs), which promote environmental protection under Article 48A. The Court's decision reflects its role in balancing economic interests with social welfare and public health.¹⁴

In *Olga Tellis v. Bombay Municipal Corporation* (1985), the Supreme Court was faced with the issue of balancing economic development with social welfare. The case concerned the forced eviction of pavement dwellers in Mumbai (then Bombay) due to city beautification projects. The petitioners argued that their right

¹⁰ *Chameli Singh v. State of Uttar Pradesh*, (1996) 2 SCC 549.

¹¹ *Vineet Narain v. Union of India*, (1998) 1 SCC 226.

¹² *K. K. Verma v. Union of India*, (1997) 5 SCC 79.

¹³ *State of West Bengal v. Union of India*, (1995) 3 SCC 95.

¹⁴ *M.C. Mehta v. Union of India*, (1987) 1 SCC 395.

to livelihood under Article 21 of the Constitution was being violated. The Court ruled that while the state had the power to carry out urban development and economic projects, such actions must consider the welfare of the marginalized population. The Court thus emphasized that economic growth projects must be implemented with due consideration for the social and economic rights of the disadvantaged sections of society.¹⁵

The case of *Narmada Bachao Andolan v. Union of India* (2000) dealt with the issue of displacement caused by large developmental projects like the Narmada Valley Dam. The petitioners, representing the displaced communities, challenged the project, claiming that it violated their rights to livelihood and rehabilitation. The Supreme Court's decision is significant as it balanced economic growth, in the form of developmental projects, with the fundamental rights of displaced people. The Court recognized the importance of such projects for national development but stressed that adequate compensation and rehabilitation measures must be put in place to protect the social welfare of affected communities.¹⁶

In *Vishaka v. State of Rajasthan* (1997), the Supreme Court dealt with the issue of sexual harassment at the workplace and its implications on women's economic participation. The Court balanced the interests of economic development by upholding the need for women to participate in the workforce while simultaneously ensuring their rights and protection from exploitation and harassment. The Court directed the establishment of guidelines for preventing sexual harassment in the workplace, aligning with the Directive Principles to ensure a welfare-oriented approach to economic growth, where the rights of women are safeguarded in the economic sphere.¹⁷

In *Tata Power Co. Ltd. v. Maharashtra Electricity Regulatory Commission* (2009), the Supreme Court addressed the issue of electricity tariff hikes and the conflict between economic growth and consumer welfare. The case involved the electricity company's request to raise tariffs, which would benefit its financial growth but would negatively impact the common people. The Court ruled that while the economic sustainability of utilities was important, the economic burden on consumers, particularly low-income groups, had to be considered. The Court ordered the regulatory commission to strike a balance between the financial viability of the electricity supplier and the social welfare of consumers. This case highlights the Court's role in ensuring that economic policies also promote social equity.¹⁸

The Court's approach has been to view economic growth as a means to enhance social welfare, as long as it does not undermine the fundamental rights guaranteed to the people of India. The DPSPs were viewed as guiding principles for achieving this balance. The judiciary consistently emphasized that policies and actions of the state must be aimed at achieving both economic growth and social justice.¹⁹

The Role of the State and the Changing Economic Landscape

In the current context, globalization and economic liberalization have drastically changed India's economic landscape. The rise of private sector growth, along with foreign direct investment, has driven economic expansion. However, this has led to rising inequality and left several marginalized communities behind. In this light, the role of the state in promoting welfare through the DPSPs has become even more critical. The challenge for modern India is to ensure that economic growth does not lead to greater social inequality, and that the welfare of the citizens, particularly the poor and vulnerable, is not sidelined.

The state must balance the goal of fostering economic growth with the goal of providing basic services, such as healthcare, education, and employment, to all citizens. In this regard, the public policy and legislative reforms in recent years have attempted to integrate social welfare principles with economic growth strategies.

¹⁵ *Olga Tellis v. Bombay Municipal Corporation*, (1985) 3 SCC 545.

¹⁶ *Narmada Bachao Andolan v. Union of India*, (2000) 10 SCC 664.

¹⁷ *Vishaka v. State of Rajasthan*, (1997) 6 SCC 241.

¹⁸ *Tata Power Co. Ltd. v. Maharashtra Electricity Regulatory Commission*, (2009) 3 SCC 22.

¹⁹ *Ibid*

However, there remains a need for consistent and cohesive implementation of welfare policies aligned with the objectives of the Directive Principles of State Policy.²⁰

In the immediate aftermath of independence, India adopted a mixed economy model with state intervention being the hallmark of its economic policies. The Constitution of India laid down the Directive Principles of State Policy (DPSPs), which included provisions for the state to direct its policies towards the promotion of social and economic welfare. Articles 38 and 39 emphasized securing a just and equitable social order, reducing economic disparities, and promoting the welfare of the people. The state, therefore, played a dominant role in economic planning, industry, agriculture, and the provision of public services.

The Planning Commission was set up in 1950 to oversee the economic planning process and prioritize sectors of economic development. The Five-Year Plans aimed at promoting industrialization, reducing poverty, and achieving self-sufficiency. The state also took control of several key sectors such as manufacturing, energy, and transportation, which were seen as crucial for national development.²¹

Shift Towards Economic Liberalization

However, by the 1980s, it became apparent that the state-driven model had limitations, especially in the context of global economic changes. India faced a balance of payments crisis in 1991, which forced the government to re-evaluate its economic policies. The response came in the form of economic liberalization under the leadership of then Finance Minister Manmohan Singh. In 1991, India initiated a series of reforms to open up the economy, reduce state control over industries, and encourage foreign investment. This marked a shift from a state-dominated economic model to a market-driven one.

Economic liberalization included measures such as privatization of state-owned enterprises, trade liberalization, deregulation, and tax reforms. The state's role in industrial policy was minimized, and the private sector was encouraged to play a greater role in driving economic growth. The liberalization process was aimed at making the economy more competitive, efficient, and globally integrated.²²

Globalization and Its Impact on State Role

Globalization has been a key force in reshaping the role of the state in the modern economic landscape. The rise of multinational corporations, rapid advances in technology, and the integration of global financial markets have all contributed to an environment where economic activities are increasingly dictated by global forces. The state no longer has the same control over the economy as it once did; it must now navigate the complexities of a globalized economy while safeguarding national interests.

India's integration into the global economy, particularly through its participation in organizations like the World Trade Organization (WTO), has pushed the state to adopt policies that align with international economic standards. India's growing importance as an emerging market has meant that the state needs to adapt its regulatory frameworks to facilitate investment, ensure trade agreements are met, and maintain economic competitiveness.

However, globalization has also presented challenges for the state, particularly in managing social inequalities that may result from rapid economic growth. The benefits of globalization have not been equally distributed, leading to concerns over increasing income inequality, job insecurity, and social exclusion.²³

²⁰ Indira Gandhi v. Raj Narain, (1975) 2 SCC 159.

²¹ Constitution of India, Article 38, Article 39.

²² Economic Reforms in India: 1991 and Beyond, V. B. Singh (Oxford University Press, 2005).

²³ "The Impact of Globalization on Indian Economy," Rajiv Kumar, Journal of International Trade, 2009, Vol. 23, No. 2.

The Role of the State in Social Welfare

Even in a market-driven economy, the state's role in ensuring social welfare remains critical. While the state has reduced its role in direct economic management, it still holds a central place in promoting social welfare, poverty alleviation, and ensuring access to basic services. The Constitution of India directs the state to take measures for ensuring social and economic justice, through welfare programs like Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), National Food Security Act (NFSA), and Swachh Bharat Abhiyan.

The role of the state is particularly significant in the context of health and education. Public health systems, such as Ayushman Bharat, and initiatives for universal education highlight the state's ongoing role in bridging gaps in the private market's ability to provide these essential services. The state's intervention is also required in managing externalities created by markets, such as pollution or the provision of public goods.

The Directive Principles of State Policy in the Constitution underscore the responsibility of the state to ensure adequate livelihood, protection of labor, and the provision of equitable opportunities for education and employment. The judiciary has often played a crucial role in interpreting these provisions and ensuring that social welfare measures are effectively implemented. For example, in *Unnikrishnan v. State of Andhra Pradesh* (1993), the Supreme Court held that the right to education was a fundamental right under Article 21, giving effect to the DPSP under Article 45.²⁴

Public-Private Partnerships (PPP) and the State's Changing Role

In the modern economic framework, Public-Private Partnerships (PPP) have become a major vehicle through which the state engages with the private sector. The government has increasingly turned to PPP models to build infrastructure, provide public services, and enhance economic growth without bearing the entire financial burden. PPPs have been instrumental in sectors such as transportation, energy, and education.

Through PPP models, the state continues to play a role in providing public goods while leveraging private sector efficiency and investment. However, challenges arise in ensuring accountability, transparency, and equitable distribution of the benefits from these projects. The state's regulatory and monitoring role has become more pronounced, as it seeks to balance the interests of the private sector with public welfare considerations. The National Highways Authority of India (NHAI) and the Delhi Metro Rail Corporation (DMRC) are examples of successful PPP models that combine state governance with private sector expertise and investment.²⁵

As India continues to experience rapid economic growth, the role of the state must evolve to address new challenges. Some of the emerging issues include managing the growing informal sector, addressing income inequality, ensuring environmental sustainability, and adapting to the impacts of climate change. Additionally, the COVID-19 pandemic highlighted the critical role of the state in providing healthcare, economic relief, and maintaining social order in times of crisis.

The state's future role will likely involve a more nuanced approach to economic governance, where it acts not only as a regulator but also as a facilitator of innovation, inclusivity, and sustainable development. Balancing economic growth with social justice and environmental responsibility will remain a key challenge for the Indian state.²⁶

²⁴ Constitution of India, Article 45; *Unnikrishnan v. State of Andhra Pradesh*, (1993) 1 SCC 645.

²⁵ "Public-Private Partnerships: Policy and Practice in India," *Journal of Infrastructure Development*, 2017, Vol. 9, No. 1.

²⁶ "The Role of the State in Economic Growth and Development," A. Sen, *Economic and Political Weekly*, 2020, Vol. 55, Issue 5.

Conclusion

The role of the state in the changing economic landscape of India reflects a complex balancing act between promoting economic growth, safeguarding social welfare, and adapting to global economic trends. While the state's direct intervention in economic management has reduced, its responsibility for social justice, public welfare, and regulation remains paramount. As India moves forward, the state's role will likely continue to evolve in response to both domestic and global challenges. The framework established by the Constitution, particularly through the Directive Principles of State Policy, will continue to guide the state's interventions in the pursuit of a balanced and inclusive economy.

The Directive Principles of State Policy in India provide a framework for the state to achieve a balance between economic growth and social welfare. While the non-justiciable nature of these principles has led to challenges in their enforcement, the judiciary has played an essential role in interpreting them within the context of the Indian Constitution. As India continues to grow economically, the role of the state in ensuring that the benefits of growth reach all sections of society becomes crucial. The Directive Principles continue to guide legislative and executive actions, ensuring that social justice remains a central goal in India's democratic framework.

