

ISSN: 2582-6433



# INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS

Open Access, Refereed Journal Multi Disciplinary  
Peer Reviewed 6th Edition

VOLUME 2 ISSUE 7

[www.ijlra.com](http://www.ijlra.com)

## **DISCLAIMER**

No part of this publication may be reproduced or copied in any form by any means without prior written permission of Managing Editor of IJLRA. The views expressed in this publication are purely personal opinions of the authors and do not reflect the views of the Editorial Team of IJLRA.

Though every effort has been made to ensure that the information in Volume 2 Issue 7 is accurate and appropriately cited/referenced, neither the Editorial Board nor IJLRA shall be held liable or responsible in any manner whatsoever for any consequences for any action taken by anyone on the basis of information in the Journal.

Copyright © International Journal for Legal Research & Analysis



IJLRA

## EDITORIAL TEAM

### EDITORS

#### **Megha Middha**



*Megha Middha, Assistant Professor of Law in Mody University of Science and Technology, Lakshmangarh, Sikar*

*Megha Middha, is working as an Assistant Professor of Law in Mody University of Science and Technology, Lakshmangarh, Sikar (Rajasthan). She has an experience in the teaching of almost 3 years. She has completed her graduation in BBA LL.B (H) from Amity University, Rajasthan (Gold Medalist) and did her post-graduation (LL.M in Business Laws) from NLSIU, Bengaluru. Currently, she is enrolled in a Ph.D. course in the Department of Law at Mohanlal Sukhadia University, Udaipur (Rajasthan). She wishes to excel in academics and research and contribute as much as she can to society. Through her interactions with the students, she tries to inculcate a sense of deep thinking power in her students and enlighten and guide them to the fact how they can bring a change to the society*

#### **Dr. Samrat Datta**

*Dr. Samrat Datta Seedling School of Law and Governance, Jaipur National University, Jaipur. Dr. Samrat Datta is currently associated with Seedling School of Law and Governance, Jaipur National University, Jaipur. Dr. Datta has completed his graduation i.e., B.A.LL.B. from Law College Dehradun, Hemvati Nandan Bahuguna Garhwal University, Srinagar, Uttarakhand. He is an alumnus of KIIT University, Bhubaneswar where he pursued his post-graduation (LL.M.) in Criminal Law and subsequently completed his Ph.D. in Police Law and Information Technology from the Pacific Academy of Higher Education and Research University, Udaipur in 2020. His area of interest and research is Criminal and Police Law. Dr. Datta has a teaching experience of 7 years in various law schools across North India and has held administrative positions like Academic Coordinator, Centre Superintendent for Examinations, Deputy Controller of Examinations, Member of the Proctorial Board*



## **Dr. Namita Jain**



**Head & Associate Professor**

*School of Law, JECRC University, Jaipur Ph.D. (Commercial Law) LL.M., UGC -NET Post Graduation Diploma in Taxation law and Practice, Bachelor of Commerce.*

*Teaching Experience: 12 years, AWARDS AND RECOGNITION of Dr. Namita Jain are - ICF Global Excellence Award 2020 in the category of educationalist by I Can Foundation, India. India Women Empowerment Award in the category of "Emerging Excellence in Academics by Prime Time & Utkrisht Bharat Foundation, New Delhi.(2020). Conferred in FL Book of Top 21 Record Holders in the category of education by Fashion Lifestyle Magazine, New Delhi. (2020). Certificate of Appreciation for organizing and managing the Professional Development Training Program on IPR in Collaboration with Trade Innovations Services, Jaipur on March 14th, 2019*

## **Mrs.S.Kalpana**

**Assistant professor of Law**

*Mrs.S.Kalpana, presently Assistant professor of Law, VelTech Rangarajan Dr. Sagunthala R & D Institute of Science and Technology, Avadi. Formerly Assistant professor of Law, Vels University in the year 2019 to 2020, Worked as Guest Faculty, Chennai Dr.Ambedkar Law College, Pudupakkam. Published one book. Published 8Articles in various reputed Law Journals. Conducted 1Moot court competition and participated in nearly 80 National and International seminars and webinars conducted on various subjects of Law. Did ML in Criminal Law and Criminal Justice Administration. 10 paper presentations in various National and International seminars. Attended more than 10 FDP programs. Ph.D. in Law pursuing.*



## **Avinash Kumar**



*Avinash Kumar has completed his Ph.D. in International Investment Law from the Dept. of Law & Governance, Central University of South Bihar. His research work is on "International Investment Agreement and State's right to regulate Foreign Investment." He qualified UGC-NET and has been selected for the prestigious ICSSR Doctoral Fellowship. He is an alumnus of the Faculty of Law, University of Delhi. Formerly he has been elected as Students Union President of Law Centre-1, University of Delhi. Moreover, he completed his LL.M. from the University of Delhi (2014-16), dissertation on "Cross-border Merger & Acquisition"; LL.B. from the University of Delhi (2011-14), and B.A. (Hons.) from Maharaja Agrasen College, University of Delhi. He has also obtained P.G. Diploma in IPR from the Indian Society of International Law, New Delhi. He has qualified UGC – NET examination and has been awarded ICSSR – Doctoral Fellowship. He has published six-plus articles and presented 9 plus papers in national and international seminars/conferences. He participated in several workshops on research methodology and teaching and learning.*

## **ABOUT US**

INTERNATIONAL JOURNAL FOR LEGAL RESEARCH & ANALYSIS ISSN 2582-6433 is an Online Journal is Monthly, Peer Review, Academic Journal, Published online, that seeks to provide an interactive platform for the publication of Short Articles, Long Articles, Book Review, Case Comments, Research Papers, Essay in the field of Law & Multidisciplinary issue. Our aim is to upgrade the level of interaction and discourse about contemporary issues of law. We are eager to become a highly cited academic publication, through quality contributions from students, academics, professionals from the industry, the bar and the bench. INTERNATIONAL JOURNAL FOR LEGAL RESEARCH & ANALYSIS ISSN 2582-6433 welcomes contributions from all legal branches, as long as the work is original, unpublished and is in consonance with the submission guidelines.

# **SOCIO-ECONOMIC CRIMES IN INDIA** **CAUSES AND REMEDIES**

AUTHORED BY - YATI YADAV  
& SUSHANT MISHRA

## **ABSTRACT<sup>1</sup>**

Socio-economic crime has stretched its lethal tentacles like an octopus in our nation and the rest of the globe. It affects our culture like cancer. Socio-economic crimes are different from regular crimes because they affect more than just one person or group of people's health or money. Socio-economic crimes affect the whole community. This list of socio-economic crime characteristics shows how it differs from other types of crime. This article discusses the exclusion of mens rea and conviction only based on actus reus in cases of socio-economic crimes.

The reasons for socio-economic crimes are examined here, including increasing consumerism, low pay and increased discretionary powers for government employees, a lack of morals and emotions of nationalism, little impact on the victim's position, lack of transparency in the government system, poverty, and low literacy rates, among other factors. Here, several strategies to combat this threat are also covered, including fines, seizure of the offender's property, quick trials, standardization and quality control, blacklisting, and other measures. In this article, the author will talk about the nature of socio-economic crime, its causes in India, and potential solutions.

## **Introduction**

Despite the current situation where corruption and hypocrisy seem to be the natural outcome of democracy, democracy can exist without such negative traits. The nation is being ruined by the detrimental effects of both monetary wealth and corrupt practices. Dishonest politicians exploit the common man by embezzling profits and disregarding our autonomy. The problem of socioeconomic

---

<sup>1</sup> This Research Paper article had been authored and co-authored by Yati Yadav and Sushant Mishra, 4<sup>th</sup> Year Law Students at Manav Rachna University's School of Law.

offenses requires immediate attention, not only for our country but for the entire world. Smartly restated: Crimes categorized as socio-economic offenses are those that have a detrimental effect on the well-being and financial stability of either the wider society or the whole nation's economy. Usually, these transgressions are carried out by individuals belonging to the upper echelons of society and from the middle-class stratum. They are primarily executed during the course of their regular employment, which may encompass occupations such as trading, professions, commerce, or business. Socioeconomic offenses are commonly referred to as white-collar crimes. It is dissimilar to "Blue Collar Crime," or other traditional modes of delinquency. White-collar crime is commonly known as Public Welfare Offences. The concept of "White-Collar Crime" first emerged in criminology with the publication of Sutherland's investigation on the matter in the American Sociological Review in 1941.

He says that "white-collar crime" is when people with good reputations and high social status commit crimes while doing their job. Right now, white-collar crimes aren't just limited to tech crime, healthcare fraud, and stealing ideas. They include lots of different wrong actions, like taking money from work, offering bribes, working with others to do bad things, hiding money illegally, breaking anti-monopoly laws, cheating on taxes, and not following rules.

## **Characteristics Of Socio-Economic Offences:**

The main traits of socio-economic offenses are as follows-

- 1) Socio-economic crimes are deemed more egregious than traditional offenses due to their ability to affect not only an individual's health and financial security.
- 2) In contrast to traditional crimes, socio-economic offenses are defined as unlawful acts carried out by members of society's middle and upper classes while engaged in their line of work.
- 3) In contrast to traditional crimes, socio-economic offenses are defined as unlawful acts carried out by members of society's middle and upper classes while engaged in their line of work.
- 4) Socio-economic offenses are committed via means other than physical force, such as trickery and fraudulent tactics. Crimes related to socioeconomic factors are not the result of emotional influence.
- 5) Socio-economic crimes are the result of a mind that is corrupted.

## Socio-economic crimes and Mens Rea

According to conventional criminal law, a person cannot be charged with a crime unless they had the intentional intent to conduct the crime. The law occasionally relaxes the mens rea requirement for holding people accountable for socio-economic crimes. They typically undermine interpersonal harmony and harm human values, welfare, and health. Socioeconomic offenses inevitably include some amount of guilty mentality, even though establishing them in court might be difficult. Even if it might be simple to prove actus reus in cases of this nature. It is essential to officially exclude cases of socioeconomic infringement from the mens rea duty as a result. Research Magazine, a publication of the USLR and USTM, is mentioned. In such cases, the burden of proof shifts from the prosecution to the accused, who is required to prove their innocence. To address socio-economic offenses, the Supreme Court considered the fact that mens rea is a crucial component of a crime.

### Main causes of Socio-economic crimes:

The root causes of socioeconomic crime can be traced back to the policy environment and outdated colonial laws that offer individuals in positions of power and decision-making a high degree of flexibility and opportunities to commit such offenses.

In a state-controlled mixed economy, the Indian government employees exercise their authority and judgment to construe laws and procedures in a manner that aligns with their interests. All of them add to the occurrence of prolonged administrative processes or bureaucratic hurdles. The barrier can be eliminated by the prompt availability of funds. It is sadly common in India for individuals to offer bribes to obtain essential documents such as birth certificates, passports, driving licenses, construction permits, tax assessments, ration cards, pension orders, death certificates, and more, as a means of circumventing legal regulations.

Poorly-drafted laws presented an opportunity for unscrupulous individuals in positions of authority to interpret them according to their personal inclinations and subjective whims.

The main causes of socio-economic offenses are outlined in the following list:

**Industrial Revolution:** The country changed as it moved from an agrarian to an industrialized state, which caused traditional offenses to be replaced by these new ones.

**World War II:** The terrible post-war circumstances in the countries caused changes in the way society generally functioned. New practices led to the emergence of fresh offenses.

- **Business:** The introduction of new businesses in the nation sparked intense competition among them. Everyone worked extremely hard to surpass one another.
- **Technology:** These crimes also have a connection to the beer-loving culture in our nation. The development of knowledge and technology is a result of a reduction in belief in the supreme deity.
- **Absence of morals:** As the fear of the unknown beyond our physical world diminished, moral and ethical standards began to deteriorate. The result of this has been an increase in falsehood, avarice, and the quest for material fulfillment.
- **Laissez-faire:** The country is now facing significant consequences that are easily observable due to the government's decision not to intervene. By focusing on accurate data and giving appropriate consideration, these illegal activities can be minimized throughout the nation.

The lack of organized and strong public discontent

### **Ineffective government function due to lack of transparency:**

The responsibilities of government have expanded significantly with the rise of industrialization, liberalization, foreign investment, multinational companies, and privatization. In addition to traditional duties such as maintaining law and order, providing healthcare and education, creating policies and laws, and managing defense and international relations, the state now faces a plethora of new challenges. Hence, excessive policy manipulation resulting from established protocols and regulations can cause a surge in corrupt activities. Consequently, the prevalence of corruption is higher among the upper echelons of the government, which impacts the allocation of import quotas, management of natural resources, and assignment of substantial contracts. The conduct of government employees during the awarding of contracts is not transparent enough. Corruption is thriving due to the excessive presence of inspectors. In India, a greater disparity between the availability and need for any economic good or service leads to increased corruption, creating an ideal breeding ground for white-collar offenses.

## **India's low literacy rate and Poverty:**

No doubt, the incidence of white-collar offenses in India is largely attributable to its high levels of poverty and low literacy rates. This is because a significant number of people who fall victim to the white-collar crimes committed by the privileged classes are also impoverished and lacking in education. Individuals in positions of significant power may commit fraudulent or scandalous acts unbeknownst to their faithful followers due to their lack of knowledge regarding political, educational, cultural, and economic rights. The World Bank and affluent countries such as the United States, United Kingdom, France, Germany, and Japan provide billions of dollars in loans to underdeveloped and destitute nations around the globe, leading to a correlation between poverty and corruption. These loans are designed to facilitate the building of crucial facilities, such as those for healthcare, sanitation, basic education, technological advancement, rural progress, and poverty reduction, among various other purposes.

It is important to identify the recipients of aid and to ascertain whether it reaches people who are lower down the hierarchy or those who are higher up.

As those who are economically and educationally disadvantaged are unable to question the unfair structures in place, a lack of education and financial stability are important factors that contribute to corruption. Raising the literacy rate is therefore essential. According to research, several areas have improved over the past ten years. Our parliament made a wise decision when it added Article 21(A) to the Constitution, which recognizes primary education as a fundamental human right and puts us on the correct course for advancement.

### **Insufficient moral education and nationalism**

Well-known philosopher C.S. believes that the most atrocious wrongdoing does not necessarily occur in the infamous criminal settings portrayed by Dickens. Lewes can be rephrased as "the town of Lewes" or "the locality of Lewes." This concept is established, supported, approved, and formulated by composed individuals sporting clean-cut appearances, who work in immaculate, comfortable, and well-lit workplaces, and do not need to raise their voices.

Insufficient moral education at the secondary and tertiary levels is also a notable cause of corruption. A gradual deterioration in ethical principles can be observed in the personal as well as societal aspects of individuals' conduct.

Individuals with a disregard for ethics continue to participate in fraudulent and other immoral business practices. The uttered phrases conveyed by C.S. Lewes are straightforward in depicting the characteristics of individuals who are involved in committing socio-economic crimes.

Corruption is exacerbated by the absence of a sense of national identity as individuals tend to focus on their own financial gain and self-interest at the expense of the country's welfare. During the war for independence, Indians demonstrated a remarkable degree of patriotism. Collectively, they collaborated in toppling the tyrannical regime of the British and its immoral officials. After gaining independence, Indians' absence of patriotic spirit became prevalent, which led to increased corruption in government and working sectors due to the lack of a strong sense of nationalism over the course of two decades. Moreover, there is evidence indicating that corruption proliferates as public servants, authorities, and politicians hold absolute and unchallenged power. When public officials have significant discretion and are not held accountable, it creates a breeding ground for corrupt behavior.

### **Slow sentencing process:**

As per King Solomon, individuals have wholeheartedly embraced wrongdoing because the punishment for such deeds hasn't been expedited. Delay in delivering justice can result in the denial of justice. One who has been accused or charged with a crime.

A small number of individuals who have committed socio-economic offenses are found guilty and penalized, which results in others being motivated to commit similar offenses. This also leads to an increase in crimes related to socio-economic status. In the absence of a robust legal system, certain individuals may be inclined to participate in corrupt activities as there is no mechanism in place to promote transparency, oversight, and responsibility. They engage in this behavior as they are aware of their impunity. To prevent corruption in the formulation and execution of public sector budgets, it is imperative to establish a legal and regulatory framework that supervises politicians and other individuals. Social and internal control procedures are indispensable for both civil society and

independent state auditing bodies. Individuals holding authoritative roles tend to be more prone to engaging in misconduct such as embezzlement of federal funds, election rigging, or other activities that provide personal gain at the cost of the masses if there is a lack of regulatory laws or insufficient enforcement of such laws.

## **Possible Remedies**

### **Punishment**

Bentham argued that rather than any spiritual or abstract attributes, the level of criminality should be determined by the extent of harm caused to society. In addition to his point of view, he claimed that to achieve the corrective and preventive goals of penalization, strict and appropriate punishment is required for crimes committed to enhance personal satisfaction, such as those falling under the category of socio-economic offenses. Unfortunately, it appears that these situations happen more frequently when the perpetrators are treated leniently and carelessly, and the penalty meted out is insufficient and out of proportion to the gravity of their transgression.

### **Imprisonment**

Imposing a mandatory sentence of imprisonment for socio-economic offenses with a set minimum term of time might be a workable answer to this problem. It is advisable to implement a minimum mandatory sentence in jail to strengthen the law in addition to calling for the harshest punishment possible. Adding such a clause to the plan, according to many, could make it more difficult for the court to issue rulings. The judicial system has yet to acknowledge the significance of handling crimes related to socioeconomic reasons in a different way than traditional crimes, even though there are relatively few instances of this happening.

### **Fines**

Crimes related to socioeconomic status are often motivated by excessive greed and a desire for financial gain. It is crucial to prevent these perpetrators from keeping the financial rewards of such crimes. Hence, these offenders must be also subject to appropriate and reasonable sanctions, in addition to the mandatory term of imprisonment. The punishment ought to match the advantages gained legally.

As per Bentham's belief, the use of the pronoun "I" plays a crucial role in suppressing the temptation to engage in an unlawful act. People must be motivated by the goal of committing less offense, rather than by the fear of punishment.

An excessive use of force is better than an inadequate penalty, as the latter fails to properly address the wrong that has been committed. The outcome of this action does not bring any advantages to both the public, who remains defenseless to the same crimes, or the offender, who does not undergo any positive transformation.

Charging a fee could be a supplementary punishment for individuals, but for businesses and organizations, imposing substantial penalties may be the sole way of imposing consequences. It may seem unusual, but it is indeed accurate that social and criminal justice must be equally considered when punishing those who commit socio-economic crimes. Failing to do so risks discrediting the justice system and eroding public trust in it.

### **Quality assurance and standardization**

Socio-economic offenses frequently occur within the realms of food, medicine, pharmaceuticals, and cosmetics. The rampant prevalence of contaminated food, counterfeit drugs, substandard beauty products, and other contraband has a significant adverse effect on the community's well-being and sanitation.

Regulations are put into place to ensure the safety of goods intended for human consumption in the areas of food, drugs, and cosmetics. Stringent quality control measures are enforced at both the manufacturing and distribution levels to monitor and maintain these standards. Complying with the minimum standards for purity and content will significantly assist in eliminating this epidemic.

To enhance and boost sales of their merchandise, manufacturers utilize various tactics, including the distribution of deceptive and inaccurate information, as well as the creation of fraudulent research studies and statistics. This generates a need for a specific item, which is then promoted and marketed, resulting in individuals being persuaded, fooled, and encouraged to make a purchase. It is crucial to carefully examine the falsehood and trickery present in dishonest propaganda and advertising activities. To safeguard the community against fraudulent activities and prevent the repetition of such

offenses, it is imperative to create mechanisms that guarantee the claims made in advertisements align with the actual qualities of the promoted products. These measures should supplement the existing quality control procedures.

Due to the development of technology and escalating rivalry, the malpractices changed with time. People's illicit activities used to be rather simple, but today they are getting more dangerous, complex, and sophisticated.

The widespread belief is that only traditional criminal offenses are significant, and individuals who commit such offenses must endure legal repercussions. People must understand the need of holding those responsible for unusual offenses accountable for their actions. The upkeep of the nation's social and financial framework is overlooked although common offences like murder and theft are well known.

## **Conclusion**

Socioeconomic crimes harm the whole community rather than just one person, having a significant negative effect on society. All people who own investments, such as shareholders, are affected. To boost their revenue, people engage in a variety of criminal behaviors, including contract violations, tax evasion, and black marketing. The only reason people are willing to perform these chores is to increase their financial gain.

Everyone must think about measures to protect the social and economic foundations of society. The psychological characteristics of persons who perpetrate the crimes must be taken into account when determining the seriousness of socioeconomic crimes and the related legal punishments. People need to understand how crucial it is to protect social and economic resources since they are just as important to our nation as any other resource.