

Socio-economic offences in India

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This article is written by [Tarish Vats](#) from O. P. Jindal University. This article focuses on socio-economic offences and the deep impact of the same on society as well as on the committees which had been formed by the Government of India to address the plight which had been faced by society. The article also emphasizes the possible solutions and the laws which are made to solve the issue of socio-economic offence.

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Introduction

Socio-economic offences are those that have an impact on the social and economic well-being of society. These are non-conventional crimes in the sense that they lack mens

rea. These crimes have a societal impact. It does not target a single person, but rather a group of people who are likely to purchase such goods or services. Socio-economic crimes are a new type of criminality. In which persons from the upper and middle classes are involved and are committed in the course of their occupations.

Sutherland refers to it as white-collar crimes, while others refer to it as public welfare offences, statutory offences, strict liability offences, and so on. This type of crime has spread to varying degrees throughout the world. The gravity of such offences is quite severe. Though several lawmakers in India have been established who may be classified as socio-economic legislators.

Definition and nature of socio-economic offences in India

The idea of socio-economic offences in India outlined in [India's 47th Law Commission Report](#) is critical. According to the study, socioeconomic crimes are social offences that have an impact on the health, morals, social, or overall well-being of the community as a whole, rather than just the individual victim. Economic offences are those that are harmful to society's economy and endanger not only individual money but the entire economic structure of a country.

White-collar crimes are perpetrated by members of the affluent and well-to-do classes. A socioeconomic offence, on the other hand, maybe committed by anybody. Socio-economic offences not only broaden the scope of white-collar crime as understood by Sutherland and acknowledged by others, but also have broader implications.

Socio-economic crimes differ from traditional crimes because they do not, to a common mind, involve or carry with them any stigma, while traditional crimes, unlike the socio-economic crimes have a symbolic meaning for the public and carry stigma involving a disgrace, depravity, and immorality and are thought of as decidedly the behaviour of the lower class of people.

Usually, in these types of offences, the victim is mainly public at large, especially the consuming public, and even if there is no harm to any particular person, the harm is caused to the society which has a very large impact upon the society.

In the case of conventional offences, culpability is not absolute and is rather connected to the wrongdoer's intent. However, in the case of socio-economic offences, the government has a propensity to reduce the need for mens rea for criminal responsibility.

The harm caused by these offences is higher than that caused by ordinary crimes. They harm the morals, health, and welfare of the population as a whole, and they have the potential to destroy the economic fabric. As a result, the legislature's policy in such instances is not to be indulgent in terms of prevention, control, and punishment, and the perpetrator is not permitted to go unpunished.

Traditional crimes were thought to be the result of the wrongdoer's physical, environmental, or sociological maladjustments. As a result, in such situations, reformatory efforts must also be made; on the contrary, socioeconomic crime is the result of hunger for money rather than any maladjustment. As a result, in these situations, harsh and frightening punishment is seen as acceptable, and reformer initiatives are not implemented.

The Santhanam Committee Report, 1964

The Santhanam Committee on Corruption, established in 1964, merited recognition for its extensive investigation work and recommended report. The committee's name, Ministers, members of Parliament, and state legislatures were expressly mentioned in his code of behaviour for anyone in positions of power, authority, or trust in our society. There should be no use of position for personal or family gain, no activities driven by party, religion, caste, or community concerns, and no unofficial dealings with businessmen or hospitality or gifts taken from them or other private individuals.

In India, the [29th Law Commission Report](#) recommended that the [Santhanam Committee Report of 1964](#) be considered. According to the committee report, the Penal Code does not deal satisfactorily with activities that may be regarded as social offences due to the particular conditions under which they are committed and which have now become a dominating characteristic of some strong parts of modern society. Two characteristics could be seen in the majority of the detected offences: pecuniary advantage and unjust enrichment. It proposed that a new chapter be added to the IPC to deal with socio-economic offences.

Later, in the [47th Law Commission Report](#), a new composite category of socio-economic offences was established. The three primary types are unlawful economic operations, illegal commercial and related transactions, and avoidance of public taxes or monetary responsibilities. The notion of socio-economic crimes is highly significant in the Report, and the prominent aspects of these violations are explored in detail.

Features of socio-economic offences

- **Motive:** Unlike traditional crimes, the act of committing the crime is motivated by extreme greed or a desire for riches.
- **Emotion:** Whereas typical crimes are committed for emotional reasons, these sorts of offences have no emotional basis or relationship between the victim and the perpetrator.
- **Target victim:** In most cases, the victim is the state or a group of individuals, most notably those who are consumers of particular goods or services, shareholders or holders of other assets, and so on.
- **Mode of operation:** The primary motivator for committing such a crime is deception, not coercion.
- **Mental element:** Such offences are generally committed on purpose.
- **Protected interest:**
 - The preservation of individual members' property, money, or health, as well as national resources, as well as the broader economic system as a whole, from exploitation or waste by people or organizations, is a social interest.
 - Social interest in increasing the country's wealth through implementing rules governing taxes and dues, foreign exchanges, international business, and the like.

Categories of socio-economic offences in India

- Actions planned and carried out to impede or inhibit the country's economic development and health,
- Income tax evasion,
- Misuse of position and authority by public officials, which is most likely to result in corruption,
- All offences including breach of contract and delivery of goods that do not meet the requirements as promised,
- All black marketing and hoarding-related actions,
- Activities involving food and medication adulteration. Misappropriation and theft of government property and finances,
- The activities associated with the trafficking of licenses, permits, and so forth.

Causes of socio-economic offences

- **Industrial revolution:** The transition from an agricultural to an industrialised country brought about changes in the country, which resulted in offences shifting their pace from traditional to these new ones.
- **World War II:** Post-war conditions in the countries were deplorable, resulting in alterations in the regular functioning of society. As a result, new practices gave rise to new offences.
- **Business:** When new firms began to develop in the country, it generated a sense of intense competition among them. Everyone wanted to outdo each other in any way possible.
- **Technology:** One of the factors that influenced our country's preference for beer is also to blame for such offences. The rise of technology and scientific advancements has resulted in a decline in faith in the almighty.
- **Lack of morals:** As people's dread of the ultimate judgment or the world beyond all humanly things faded, so did their morals and ethics. As a result, there has been a rise in deception and greed and thirst for worldly satisfaction.
- **Laissez-faire:** The state opted to leave things alone, and the absence of public discontent resulted in serious consequences that are now visible in our country. However, with appropriate research and attention, these crimes in the country may be controlled.
- **Absence of intense and coordinated public resentment.**

Laws to combat socio-economic offences in India

Several Acts dealing with socio-economic offences were established to punish offenders. Furthermore, these Acts are formed to preserve the normal operations of commerce, contracts, and so on, and to allow them to take place without or with the least amount of malpractices. Among these Acts are:

1. The Drugs and Cosmetic Act, 1940
2. The Prevention of Food Adulteration Act, 1954
3. The Foreign Exchange Regulation Act, 1947
4. The Wealth Tax Act, 1957
5. The Income- Tax Act, 1961
6. The Essential Commodities Act, 1955
7. The Customs Act, 1962 8. Dowry Prohibition Act, 1961
8. The Prevention of Corruption Act, 1988, etc.

Mens rea in socio-economic offences

The Indian approach to the problem suffers from the same inconsistencies as the English technique, because our criminal code is based on common law and is constantly supplemented with common law principles. The Indian Penal Code includes offences for which no element of mens rea is required (waging war against the government is an example). Even in such cases, courts have adopted the mens rea doctrine. The majority of enactments focus their attention on the acts themselves, regardless of the mental goal. This is one of the reasons why some people refuse to call it a 'crime,' because it does not punish a guilty mentality. Many attempts have been made to distinguish this category of offences from those involving apparent criminality. Such efforts culminated in the categorization of these offences as "administrative penal law" and "public welfare offences."

Economic resource restrictions in a growing country like India have required the imposition of some social regulations to achieve planned growth (licensing, regulation, distribution of scarce commodities, etc. To some extent, strict accountability for establishing norms of behaviour is required. This is due to the goal of public welfare. Is it, however, always justified? It should be remembered that we are talking about the criminalisation of productive social and economic behaviour.

The common law mens rea requirement is a remnant of common law. As a result of this, the concept is not often followed in common law (like public nuisance, contempt of court, and libel). Because of this, the decision was justifiable.

- It was sometimes difficult to show mens rea,
- It was necessary to give the conduct a purposeful interpretation since they were penalised under social assistance laws,
- As a result of this, the punishment is typically low,
- They are mala prohibita offences and not mala in se offences.

Difference between socio-economic offences and white-collar crime

White-collar crimes are those perpetrated by a person in the course of his or her employment who belongs to the top class of society. It is a narrower idea as compared to socio-economic offences. Examples of white-collar crimes include multinational corporation tax evasion, the selling of substandard medications by a well-known manufacturer, and so on. All of these offences are also classified as socio-economic crimes. False return by a retiree, on the other hand, cannot be deemed a white-collar crime unless done by a member of the upper-class society. As a result, all white-collar crimes can be socio-economic offences, but not all socio-economic offences can be classified as white-collar crimes.

Approaches to socio-economic offences in India

The link between the economy and crime is inverse, which means that while economic conditions are good, the frequency of crime is relatively low, but when economic situations are bad, criminality rises. The link between economic structure and crime is direct and positive; that is, criminality, as an extension of regular economic activity, rises or falls in tandem with economic success or failure. The co-relationship between crime rate and poverty implies that crime is connected with poor regions due to their poor living conditions, harsh situations, and lack of resources.

Even the basic notion of crime has been altered by industrialisation and excessive consumerism. This has led to an increase in socio-economic crime throughout this time period. Financial frauds, tax evasion, and hoarding are among them. As well as other types of adulteration, during the computer era of the 21st century, cybercrimes have brought new aspects to white-collar crime. Social law has not been able to prevent these crimes owing to the inadequate execution of social reformative measures. The shifting patterns of criminal activity make it necessary to implement stricter legislation to combat socio-economic crimes. COFEPOSA and FERA rules have been in place in India for several

years, but the crime index about smuggling and foreign exchange breaches, which are negatively impacting the Indian economy, has not changed much. The criminal law enforcement agencies should, therefore, initiate drastic measures to curb this menace.

Conclusion

It is argued that the historical sequence of punishment and the social contexts in which it was used dictated the goals of punishment. The primitive society's idea of private revenge was the basis for the retributive doctrine. The expiatory view appears to have emerged as society evolved and priests began to rule it. The notions of prevention and deterrence emerged as social organization and the state grew in strength.

Most economic offences are not reported to law enforcement. People are ignorant of the gravity of economic offences because of the widespread failure to report them. The researcher considers that under-reporting of crime applies to all forms of criminal activity. In light of the widespread agreement that economic offences in particular and crime, in general, are harmful, it is believed that serious measures must be implemented to ensure the free recording of crimes.