



ILE MULTIDISCIPLINARY  
JOURNAL

VOLUME 3 AND ISSUE 1 OF 2024

INSTITUTE OF LEGAL EDUCATION



ILE MULTIDISCIPLINARY  
JOURNAL

WHILE THERE'S RESEARCH THERE'S HOPE

ILE MULTIDISCIPLINARY JOURNAL

APIS – 3920 – 0007 | ISSN – 2583-7230

(OPEN ACCESS JOURNAL)

Journal's Home Page – <https://mj.ilededu.in/>

Journal's Editorial Page – <https://mj.ilededu.in/editorial-board/>

Volume 3 and Issue 1 (Access Full Issue on – <https://mj.ilededu.in/category/volume-3-and-issue-1-of-2024/>)

### Publisher

Prasanna S,

Chairman of Institute of Legal Education (Established by I.L.E. Educational Trust)

No. 08, Arul Nagar, Seera Thoppu,

Maudhanda Kurichi, Srirangam,

Tiruchirappalli – 620102

Phone : +91 94896 71437 – [info@ilededu.in](mailto:info@ilededu.in) / [Chairman@ilededu.in](mailto:Chairman@ilededu.in)



© Institute of Legal Education

**Copyright Disclaimer:** All rights are reserve with Institute of Legal Education. No part of the material published on this website (Articles or Research Papers including those published in this journal) may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher. For more details refer <https://mj.ilededu.in/terms-and-condition/>



## ENVIRONMENTAL ECONOMIC CRIME WITH SPECIAL REFERENCE TO INDIA

**AUTHORS** – GAYATHRI K S\* & T. VAISHALI\*\*, LL.M SCHOLAR\* & ASSISTANT PROFESSOR OF LAW\*\* THE TAMIL NADU AMBEDKAR LAW UNIVERSITY, CHENNAI, TAMIL NADU, INDIA.

**BEST CITATION** – GAYATHRI K S & T. VAISHALI, ENVIRONMENTAL ECONOMIC CRIME WITH SPECIAL REFERENCE TO INDIA, ILE MULTIDISCIPLINARY JOURNAL, 3 (1) OF 2024, PG. 303-308, APIS – 3920-0007 | ISSN – 2583-7230.

### ABSTRACT

Environmental Economic Crimes are illegal activities that harms the environment for financial gain which creates a detrimental effects not only on ecosystem but also in economy of a state. These crimes are often overlooked, yet they pose significant risks by exploiting natural resources, and penal laws of India. As the awareness grows globally, so does the recognition of the far-reaching impact of these crimes, which transcend national boundaries and undermine sustainable development efforts. Despite extensive environmental protection legislation enforcement of such legislation face numerous challenges such as weak implementation, institutional limitations and corruption. The transboundary nature of these crimes presents unique enforcement challenges, as perpetrators exploit loopholes, complex trade network and corruption in multiple jurisdictions. This paper explores the critical legal and regulatory gaps within existing frameworks in India and focuses on the need for stronger cooperation and harmonised policies combat cross-boarder environmental economic crimes.

**Keywords:** *Economic Crime, Cross-border environmental crime, Wildlife trafficking,*

### INTRODUCTION

The environmental economic crimes are the illicit activities that exploit natural resources and degrade ecosystems for financial gain which poses a potential risks not only to the environment but also economy of the state. The environmental crimes are white collar crime which is often said to be a low risk, high reward crime. The rise of globalisation and technological advancements has led to increased cross-border trade and economic activities. These crimes are far-reaching, transcending national boundaries which disrupt the ecological balance and also inflicts severe economic losses on the nations revenue. The reports state that the the environmental crime is the fourth largest crime sector and in few decades it may skyrocket upto 2 to 3 times the global economy.<sup>1</sup> The reports state that the the environmental crime is the fourth INTERPOL and

UNEP now estimate that the natural resources worth as much as USD 91 Billion to USD 258 Billion annually are being stolen by criminals, depriving countries of future revenues and development opportunities.<sup>2</sup>

To combat the financial flows from the illegal wildlife trafficking Wildlife Protection Act,1972 and The Environment Protection Act 1986 were enacted. Additionally, The Customs Act, 1962 plays a pivotal in regulating the movement of goods across the borders. Despite of legal framework weak implementation, institutional inefficiencies often hinder the efficacy of the laws. Furthermore the transboundary nature of the environmental economic crimes accelerates the challenges. This paper examines the legal and regulatory inadequencies in India and it advocates for harmonised policies and collective action

<sup>1</sup> Strategic Report: Environment, Peace and Security – A Convergence of Threats.

<sup>2</sup> Nellemann, C. (Editor in Chief); Henriksen, R., Kreilhuber, A., Stewart, D., Kotsovou, M., Raxter, P., Mrema, E., and Barrat, S. (Eds). 2016. The Rise of Environmental Crime – A Growing Threat To Natural Resources Peace, Development And Security.



among the nations to address the challenges posed by these crimes, ensuring environmental conservation and sustainable economic growth.

### OBJECTIVE OF THE RESEARCH

1. To study about the implementational challenges and institutional inefficiencies affecting enforcement.
2. To identify and assess the money laundering risks relating to the illegal wildlife trade.
3. To highlight the financial flows associated with the illegal wildlife trafficking and other environmental crime

### UNDERSTANDING ENVIRONMENTAL ECONOMIC CRIME

Environmental crimes can be defined as “illegal acts which directly harm the environment. They include: Illegal trade in wildlife; smuggling of ozone-depleting substances(ODS); illicit trade in hazardous waste; illegal, unregulated and unreported fishing and illegal logging and the associated trade in stolen timber.”<sup>3</sup> The environmental economic crime are often categorised as the White-Collar Crime due to its non-violent nature. These crimes are the unlawful activities that exploit the natural resources and degrade the ecosystem for financial or economic gains. These crimes often involve large-scale operations, making them a significant challenge for law enforcement agencies in India. Moreover these crime intersect with organised crime networks undermining the rule of law and the national security.

India is considered to be one of the mega biodiverse countries of the world. This diversity, is under stress from poaching and organised wildlife trade with global ramifications.<sup>4</sup> Addressing economic

Environmental Crimes is crucial for ensuring sustainable development, as it involves protecting natural resources and ecosystem for future generations. These crimes pose a significant threat to economic stability by causing financial losses, reducing government revenues and undermining fair resource distribution. Recognising the nature and the impact of these crimes, it enables the state and the enforcement agencies to take actions. India's rapid industrialisation and urbanisation have intensified challenges to effective implementation of laws to combat these crimes.

### ECONOMIC MOTIVES BEHIND ENVIRONMENTAL CRIMES

Environmental crimes are primarily driven by the potential for significant financial gain with comparatively low risks of detection and punishment. These crimes exploit natural resources and ecosystems, generating illicit revenues that often fuel organised crime networks and corrupt practices. The economic motives behind such crimes are diverse and interlinked with both local and global markets. The government must strengthen enforcement, impose stricter penalties and reduce profitability of these crimes by cutting off demand. Promoting alternative livelihoods for vulnerable communities and ensuring sustainable economic development can also help mitigate the root causes. Additionally, international cooperation and transparency in trade and supply chains are essential to curb the global market drivers of environmental crimes. The reasons of economic motive behind environmental crimes are as follows:

#### 1. High Market Demand for Natural Resources and Wildlife Products

The illegal trade in wildlife, timber and minerals fuelled by lucrative international markets. Products like ivory, rhino horns, tiger skins and pangolin scales fetch exorbitant prices, particularly in regions where these items are valued for traditional medicine, luxury goods or status symbols. Similarly, the demand

<sup>3</sup> Debbie Banks, Charlotte Davies, Justin Gosling, Julian Newman, Mary Rice, Jago Wadley and Fionnuala Walravens.

ENVIRONMENTAL CRIME: A threat to our future

<sup>4</sup> A Hand book for Wildlife Crime Investigation Officers, 1st Edition, 2013.



for rare woods such as rosewood and sandalwood, drives illegal logging activities.

## 2. Smuggling and Trade Networks

Weak border controls and regulatory loopholes encourage smuggling of natural resources and wildlife. These activities are often linked to transnational organised crime despite having international conventions there exists jurisdictional issue to deal with these crimes.

## 3. Corruption and weak Governance

In regions with weak governance, environmental crimes become a source of income individuals groups in position of power. Corrupt practises such as bribery and manipulation of permits and clearance enables the offenders to easily bypass the regulations and continue their activities without fear of prosecution.

## 4. Globalisation and Economic pressure

Globalisation has increased cross-border trade and economic activities, intensifying the demand for natural resources. This demand coupled with competition to supply goods at lower cost and leads to over exploitation, illegal extraction of the resources.

## 5. Lack of Viable Livelihood

In many developing regions, local communities engage in environmental crime like poaching or illegal mining due to poverty and lack of employment opportunities. These activities provide immediate financial relief, even though they contribute to long term environmental degradation.<sup>5</sup>

## LEGAL FRAMEWORK IN INDIA

India has developed a robust legal framework to address economic environmental crimes reflecting its commitment to conserving biodiversity and protecting natural resources. The Wildlife Protection Act, 1972 serves as a cornerstone by safeguarding endangered species and regulating hunting, poaching and

trade in animal products. It also establishes protected areas like national park and wildlife sanctuaries to ensure the preservation of critical habits. The Environment Protection Act, 1986 empowers the central government to take comprehensive measures against environmental damage acting as an umbrella legislation for other environmental laws. It ensures coordinated enforcement across different sectors while regulating hazardous substances imposing penalties for violations.

## THE ROLE OF CUSTOMS ACT , 1962

The Customs Act, 1962 plays a pivotal role in regulating the transboundary movement of goods, including wildlife and related products, by empowering authorities to seize illegal shipments. The Indian Customs Act, 1962 plays a vital role in combating environmental economic crimes. Under Section 11 (c)<sup>6</sup> of the customs act it empowers the Central Government to prohibit smuggling. Further the provisions such as Section 110<sup>7</sup> of the Customs Act empowers customs officials to seize goods and suspected to be smuggled or violating statutory provisions. This include consignments that contravene environmental laws such as illegal wildlife products or restricted hazardous substances. Seizure not only prevents further environmental damage but serves as a deterrent to the offender. Upon confirming such illegality, the authorities confiscate goods ensuring their removal from trade under Section 111<sup>8</sup> of the Act.

The Customs Act imposes stringent penalties for violations including fines and imprisonment. Under section 112<sup>9</sup>, it penalises those who involve in improper importation of goods and Section 114 prescribes penalties for exporting goods in contravention of the law. These penalties to an extent ensures accountability for individuals and organisation engaged in illegal trade. Section 113<sup>10</sup> and 114<sup>11</sup> of the act enables punishment for the goods which are exported

<sup>6</sup> Section 11(c), Customs Act, 1962

<sup>7</sup> Section 110, Customs Act 1962

<sup>8</sup> Section 111, Customs Act 1962

<sup>9</sup> Section 112, Customs Act 1962

<sup>10</sup> Section 113, Customs Act 1962

<sup>11</sup> Section 114, Customs Act 1962

<sup>5</sup> Charles w. Schmidt, Environmental Health Perspectives, Volume 112, Pg no 2, Feb 2004



improperly which includes the prohibited goods. Given the transboundary nature of many environmental crimes, the Customs Act facilitates collaboration with international and national enforcement bodies. INTERPOL coordinates global operations targeting wildlife trafficking and illegal trade in environmentally sensitive commodities. Directorate of Revenue Intelligence (DRI) is a specialised agency under the Customs Act, focusing on detecting and preventing large-scale smuggling activities including environmental economic crimes. CITES compliance in India as a signatory to the Convention of International Trade in Endangered Species (CITES) uses the Customs Act to enforce trade restrictions on listed species. The Customs Act further empowers customs officials to work with local authorities and intergovernmental organisations to enhance enforcement efforts. This collaboration is essential for addressing gaps in intelligence, harmonising policies and tackling corruption that often facilitates cross-border environmental crimes.

Despite this comprehensive framework, enforcement challenges persist due to overlapping jurisdictions, limited resources and corruption. Strengthening coordination among enforcement agencies, increasing penalties to deter offenders and leveraging advanced technologies like satellite monitoring and blockchain are essential for more effective implementation. Promoting public awareness and community participation in conservation initiatives can further enhance the impact of these laws. Lack of clear demarcation of responsibilities between the agencies further exacerbates the problem, resulting in delayed action or ineffective enforcement. Additionally, the corruption within administrative and enforcement structures undermines the rule of law allowing offenders to evade penalties or exploit loopholes.

### CHALLENGES IN ENFORCEMENT

Enforcement of laws against environmental economic crimes faces significant challenges

that hinder effective action. A critical issue is the lack of expertise and resource among enforcement agencies in detecting environmentally harmful goods. Many of these items, such as restricted chemicals, counterfeit wildlife products or illegally sourced timber, require specialised knowledge and advanced technology to identify which are often unavailable or under-utilised. Customs and enforcement officers may also lack adequate training in interpreting environmental laws, identifying endangered species listed under CITES or recognising hazardous waste shipments further complicating detection efforts. Additionally, enforcing international treaties such as CITES, Basel Convention and Convention on Biological diversity at the domestic level presents difficulties. These include ambiguities and overlaps between international obligation and local laws, jurisdictional challenges arising from the transboundary nature of these crimes and limited awareness among the local authorities about treaty obligations.

Another significant challenge is the involvement of the informal sector and black markets in environmental economic crimes. These unregulated networks operate outside formal oversight, making them difficult to monitor and control. Economic Pressures, including poverty and lack of livelihood push many individuals to illegal activities such as poaching and unregulated logging complicating the enforcements efforts. Addressing these challenges requires investing in capacity building programs, deploying advanced deduction mechanisms and aligning international treaty obligation with domestic laws.

### POLICY RECOMMENDATIONS

Strengthening coordination among enforcement agencies is crucial for overcoming these challenges. Establishing centralised mechanism for data sharing and inter-agency communication can ensure better alignment of efforts and avoid duplication of work.



Collaborative task forces comprising representatives from various agencies can focus on complex, transboundary crimes like wildlife trafficking and hazardous waste dumping. Moreover, involving judicial bodies such as the National Green Tribunal in oversight roles can promote accountability and streamline legal processes for environmental violations. Increasing penalties for environmental crimes is essential to deter offenders effectively.

Many penalties for environmental crimes is essential to offenders effectively. Many penalties under existing laws are insufficient compared to financial rewards of these crimes is essential of these crimes, making them low risk, high-reward for the perpetrators. Substantial fines and the extended imprisonment terms and the confiscation of profits derived from such activities can act as strong deterrents. Ensuring such shift in the prosecution and enforcement of penalties can further reinforces the seriousness of these offences. Promoting public awareness, community participation in conservation initiatives and educating these communities about the significance of the bio-diversity and the consequences of environmental degradation can empower them to act as the saver of the community.

Community-led conservation projects such as eco-tourism restoration programs can create economic incentives for preserving natural resources. In present era the public campaigns using social media, schools to mobilize citizens to report environmental violations and hold authorities accountable. By addressing the challenges through coordinated efforts, stringent penalties, technological innovation and community engagement, India can combat these organised crime to contribute the long-term economic and social sustainability.

## CONCLUSION

The use of custom laws play up hotel rooms in combating economic environment and

crimes, particularly those with a transboundary nature such as wildlife, trafficking, illegal, logging and hazardous waste, smuggling. Customs agencies act as a gate keeper at national borders, ensuring the compliance with International treaties like Convention on International Trade in Endangered Species and the Basel Convention. These laws empower customs authorities to monitor, inspect and sees illegal consignments, making them a critical component of efforts to curb environmental crimes. Strengthening the application can disturb global trafficking networks and provide legal pathways to prosecute offenders. However, the effectiveness of custom laws is often in the insufficient enforcement, lack of coordination between authorities and environmental agencies. To address these challenges as an integrated legal and policy response is essential. This involves organising environmental and customs laws, ensuring consistency across national and international frameworks and fostering inter-agency collaboration. Such integration can prevent legal loopholes that are frequently exploited by the perpetrators of environmental crimes. Moreover, combating these crimes requires enhanced technological support such as the use of data analytics, block chain to track and trace illegal consignments. Investing in facility building of the customs officials including specialises training on identifying and handling environmentally sensitive materials is equally critical.

Public awareness and the stakeholders involvement also play a significant role. Educating local communities, industry players and consumers about the impacts of environmental crimes can reduce the demand for illicit goods and foster collective accountability. Similarly, encouraging corporate social responsibility and sustainable business practises can help to mitigate the exploitation of natural resources for profit. Strengthening the synergy between legal frameworks, enhancing enforcement mechanisms and fostering



international cooperation can safeguard the environment from the illegal exploitation.

