

**CRIME, INVESTMENT & WOMEN EMPOWERMENT: HOW NEW INDIA IS
NAVIGATING THE RULE OF LAW ON THE RIGHT SIDE...DECODING THE
RECENT NCRB DATA**Issue No. 32, FY23
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As per the latest National Crime Records Bureau (NCRB) report, total crimes in India declined by 7.6% to 61 lakh in 2021. Crime rate registered per lakh population has declined to 445.9 in 2021 from 487.8 in 2020. The Indian Penal Code (IPC) defined crimes declined by 13.9% to 36.6 lakh (driven largely by a decline in disobedience to order duly promulgated by Public Servants that indicates that Indians now respect law more) while SLL (Special & Local Laws) crimes increased marginally by 3.7% to 24.3 lakh. Interestingly, Special & Local Laws deal with a specific subject enacted by the Parliament or a state, while IPC crimes deal with crimes that are clearly defined and characterised into specific buckets. If we dig deeper, SLL crimes were mostly concentrated in liquor and gambling related issues across states. The analysis reveals that there is concentration of crimes with top five states accounting for ~52% of total crime reported. However, the good thing is that situation has improved in certain states with significant reduction in total crimes in recent times.

As crimes increase economic uncertainty, discourage long-term investment and new employment opportunities and erode the rule of law, it is often considered a major impediment to economic growth and development. However, if we see state wise data it is seen that the connection between economic development and crime is not the same everywhere. Overall, there is indeed a negative correlation between crime rate and GSDP growth in most of the states, though there are some exceptions also (i.e. showing contradictory relationship). **Low crime incidence leads to higher growth in 9 states (out of 21 states) while in 7 states low crime and low growth is positively connected. Kerala is the only state in our analysis where low economic growth coincides with high crime prevalence.**

We analysed crime against women as they have increased in 2021 by 15.3% to 4.3 lakh cases from 3.7 lakh cases in 2020. Strikingly, if we strip out the violence perpetrated at home against women (maximum in West Bengal), the crimes against women seemed to have expanded by around 12%. It seems that the pandemic led behavioural shift might have accentuated domestic violence to some extent.

Studies have revealed that there is a negative relation between the extent of violence that women face and female-to-male labour force participation rate. Our data also shows a low negative correlation between the two. **Seven States namely, Himachal Pradesh, Chhattisgarh, Tamil Nadu, Jharkhand, Karnataka, Gujarat and Uttarakhand lie in the most favourable place with low crime rate against women and high female WPR. However, there are others like Odisha, Rajasthan, Telangana which have more than average crime rate against women, and also have higher female WPR. This paradox might be explained by the fact that large crime rate against women is not the deciding factor anymore as women empowerment in the last several years seems to have resulted in women taking independent decisions in terms of being the sole bread winner of the family.**

From policy perspective it is essential that efforts are made to reduce crime against women as it is a strong factor influencing women's willingness and ability to step out for work. It discourages women from participating in the workforce. Thus, safety of women and girls should be prioritised with involvement of state, institutions, communities and households. This, in turn, will enable them to join workforce and contribute to national output.

Another trend is the safety of women in metropolis areas. Against the popular belief that women are safer in metro cities as police is more active or efficient there, the data reveals a different story. While the crime against women in India increased by 15.3% to 4.3 lakh in 2021, it has increased by 22.9% to 43,414 in 19 metro cities (of course domestic violence could have contributed). Delhi accounted for one-third of crimes committed in metros followed by Mumbai and Bengaluru. The top three metros have a share of 52% in crimes against women among 19 metros. Even the charge sheeting rate in case of metros is only 75.7% (in Delhi it is 71.1% as compared to 82.9% in Mumbai) as compared to 77.1% in the case of all-India. Having stated the current status of crime in India, one more fact needs to be highlighted. FIR registration rate in India is only 35%. While most of the oral complaints (92%) are dismissed, in the case of written complaints the FIR registration rate was 61%. Thus it can be said that the actual number of crime cases may be more than what the official figures state, some of the complaints could not get registered for lack of evidence or some other reason. In any case, many crimes would have gone unreported. Thus it is imperative to incentivise reporting of crimes.

CRIMES IN INDIA

- ◆ Total crimes in India declined by 7.6% to 61.0 lakh in 2021. The IPC crimes declined by 13.9% to 36.6 lakh while SSL (Special & Local Laws) crimes increased marginally by 3.7% to 24.3 lakh.
- ◆ IPC crimes decline in India was largely due to huge decline (by 47.4% to 3.2 lakh) in the cases registered under Disobedience to order duly promulgated by Public Servant (Sec. 188 IPC).
- ◆ While the total crimes declined, the crimes of violent/serious nature whether it was theft, Forgery, Cheating, Fraud, Cruelty by Husband, Kidnapping, Liquor & Narcotic Drugs crimes increased in double digits in India.
- ◆ State wise data indicate that top five states accounted for ~52% of total crime in the country with Tamil Nadu on the top at 7.6 lakh. While crime has declined sharply in Tamil Nadu (by 45%) and Uttarakhand (39%), it has increased in Odisha (15.8%) and Madhya Pradesh (11.2%).

CRIME AND ECONOMIC GROWTH

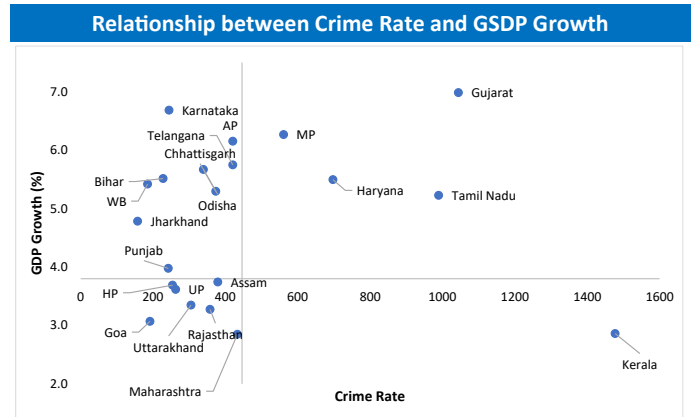
- ◆ Crime is often considered a major impediment to economic growth and development because it tends to increase economic uncertainty, discourage long-term investment and new employment opportunities and erode the rule of law. At the same time, lack of economic growth in connection with high economic and social inequality tends to increase levels of crime and violence. However, the connections between economic development and crime are not the same everywhere.
- ◆ We endeavoured to see the link between crime prevalence and economic growth. Using state-wise data (for 21 major states) of real GSDP growth (last 5-year average) and Crime Rate (calculated as Crime Incidence per one lakh of population) for 2021, we estimated that there is negative correlation between crime rate and GSDP growth in most of the states. Though there are some exceptions also (i.e. showing contradictory relationship).
- ◆ Low crime incidence leads to higher growth in 9 states (out of 21 states) while in 7 states low crime and low growth is positively connected. Kerala is the only state in our analysis where low economic growth coincides with high crime prevalence.

Crimes in India (in Lakh)				
Major Crimes		2020	2021	% Change
A1	Theft	4.9	5.9	19.0
A2	Hurt	5.8	5.9	1.2
A3	Rash Driving on Public way	3.1	3.5	11.2
A4	Disobedience to order duly promulgated by Public Servant	6.1	3.2	-47.4
A5	Forgery, Cheating & Fraud	1.3	1.5	19.1
A6	Causing Death by Negligence	1.3	1.5	15.3
A7	Cruelty by Husband or his Relatives	1.1	1.4	22.1
A8	Criminal Intimidation	1.2	1.2	7.1
A9	Kidnapping and Abduction	0.8	1.0	19.9
A10	Burglary	0.9	1.0	13.4
A11	Remaining IPC Crimes	16.1	10.6	-33.8
A	Total IPC Crimes	42.5	36.6	-13.9
B1	Liquor & Narcotic Drugs – Related Acts	9.3	10.9	17.4
B2	Other Regulatory & Enforcement – Acts	8.0	8.0	-0.3
B3	Arms/Explosive - Related Acts	0.7	0.8	8.3
B4	Environment & Pollution– Related Acts	0.6	0.6	4.4
B5	Children Related – Acts	0.5	0.6	14.4
B6	Remaining SSL Crimes	4.3	3.4	-20.9
B	Total SSL Crimes	23.5	24.3	3.7
A+B	Total Crimes in India	66.0	61.0	-7.6

Source: NCRB; SBI Research

State-wise Crimes in India (in Lakh)							
State	2020	2021	% Change	State	2020	2021	% Change
Tamil Nadu	13.8	7.6	-45.1	Karnataka	1.5	1.6	9.1
Gujarat	7.0	7.3	4.6	Telangana	1.5	1.6	7.7
UP	6.6	6.1	-7.6	Odisha	1.3	1.6	15.8
Maharashtra	5.4	5.4	0.3	Assam	1.2	1.3	9.6
Kerala	5.5	5.2	-5.4	Chhattisgarh	1.0	1.1	7.2
MP	4.3	4.8	11.2	Punjab	0.8	0.7	-11.2
Rajasthan	2.6	2.8	9.3	Jharkhand	0.6	0.6	-4.4
Bihar	2.6	2.8	9.5	Uttarakhand	0.6	0.3	-39.2
AP	2.4	2.2	-6.7	HP	0.2	0.2	-8.7
Haryana	1.9	2.1	7.3	Remaining	3.3	3.7	11.6
West Bengal	1.8	1.8	-0.3	All India	66.0	61.0	-7.6

Source: NCRB; SBI Research



Source: SBI Research

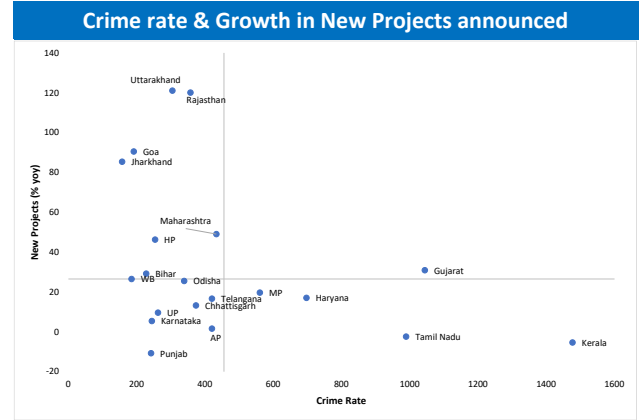
Low Crime	High Growth	9 states
Low Crime	Low Growth	7 states
High Crime	High Growth	4 states
High Crime	Low Growth	1 states

CRIME RATE & NEW PROJECTS ANNOUNCEMENT

- ◆ One would expect that high crime level to result in lower investment as there is an increase in expected cost resulting from crime which diminishes private investment. State wise data of crime rate and growth in number of new project announcements in FY22 compared to FY21 also shows negative correlation of 0.36.
- ◆ The plot between the two shows that many states including Rajasthan, Uttarakhand, Goa, Jharkhand, Maharashtra and Himachal Pradesh, Bihar and West Bengal lie in the most favourable quadrant where states have low crime rate and higher growth in new investment projects.
- ◆ Interestingly, Gujarat and Maharashtra accounted for 28% of the total number of projects announced and 33% of the total investment amount announced in FY22.

CRIME RATE & FEMALE WORKER POPULATION RATIO

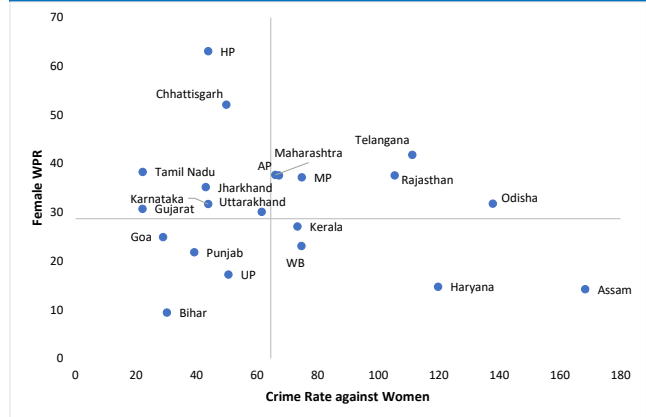
- ◆ Crime against women also increased in 2021 by 15.3% to 4.3 lakh cases against 3.7 lakh cases in 2020.
- ◆ Majority of cases under crime against women under IPC were registered under ‘Cruelty by Husband or His Relatives’ (31.8%) followed by ‘Assault on Women with Intent to Outrage her Modesty’ (20.8%), ‘Kidnapping & Abduction of Women’ (17.6%) and ‘Rape’ (7.4%). The crime rate registered per lakh women population increased to 64.5 in 2021 compared to 56.5 in 2020.
- ◆ Studies have revealed that there is a negative relation between the extent of violence that women face and female-to-male labour force participation rate.
- ◆ State-wise crime against women and Female Worker Population Ratio for age group 15 and above as per the latest PLFS report for FY20 in India also shows a low negative correlation. Seven States namely, Himachal Pradesh, Chhattisgarh, Tamil Nadu, Jharkhand, Karnataka, Gujarat and Uttarakhand lie in the most favourable place with low crime rate against women and high female WPR.
- ◆ However, there are others like Odisha, Rajasthan, Telangana which not only have more than average crime rate against women but also have higher female WPR. Incidents of cruelty by husband or his relative has increased by more than the total crime against women in 2021. If we exclude this, growth in crime against women becomes 12.3% as against 15.3%. **West Bengal accounts for maximum incidents of cruelty by husband or his relative, closely followed by UP, Rajasthan and Assam.**



Source: SBI Research; Projects Today; NCRB

Low Crime	High investment growth	9 states
Low Crime	Low investment growth	7 states
High Crime	High investment growth	1 states
High Crime	Low investment growth	4 states

Crime rate against Women & Female Worker Population Ratio



Source: SBI Research; PIB; NCRB

Low Crime	High Female WPR	7 states
Low Crime	Low Female WPR	4 states
High Crime	High Female WPR	6 states
High Crime	Low Female WPR	4 states

Crime against Women in 2021	
Total crime against Women	428278
% increase	15.3
Cruelty by Husband or his relatives	136234
% increase	22.1
Crime against women excl. cruelty by husband/his relative	292044
% increase	12.3

- ◆ Crime against women can be considered a strong factor that can influence women’s willingness and ability to step out for work. It discourages women from participating in the workforce.
- ◆ Safety of women and girls should be prioritised with involvement of state, institutions, communities and households. This in turn will enable them to join workforce and contribute to national output.

ARE WOMEN SAFE IN METRO CITIES?

- ◆ It is normally presumed that women are safer in metro cities or police is more active or efficient in metro cities. But the data reveals a different story. While the crime against women in India increased by 15.3% to 4.3 lakh in 2021, it has increased by 22.9% to 43,414 in 19 metro cities. Delhi accounted for one-third of crimes committed in metros followed by Mumbai and Bengaluru. The top three metros have a share of 52% in crimes against women among 19 metros.
- ◆ The efficiency of police in disposal of cases is indicated by charge sheeting rate (means percentage of cases charge sheeted out of total true cases). Chargesheet refers to a formal police record showing the names of each person brought into custody, the nature of the accusations, and the identity of the accusers. Once the chargesheet has been submitted to a court of law, prosecution proceedings against the accused begin in the judicial system.
- ◆ This charge sheeting rate in case of metros is only 75.7% (in Delhi it is 71.1% as compared to 82.9% in Mumbai) as compared to 77.1% in the case of all-India.

FIR REGISTRATION RATE IN INDIA (2021)

- ◆ The police department in India received ~1.75 crore complaints in both oral and written forms. Of which, police registered cases (i.e. FIR) only in 61 lakh cases (i.e. in cognizable crimes — where the police have the power to arrest without a warrant). This indicates that FIR registration rate in India is 35%. While most of the oral complaints (92%) are dismissed, in the case of written complaints, the FIR registration rate was 61%. Written complaints to SP/senior officials have FIR registration rate of only 10%.

Crime Against Women: Metro Cities vs. All India (2021)					
	Crime		Growth (% YoY)	Crime Rate	Chargesheeting Rate
	Number	Share			
Metro	43414	-	22.9	80.3	75.7
Delhi	13982	32%	42.9	184.6	71.1
Mumbai	5543	13%	20.9	65.1	82.9
Bengaluru	3127	7%	14.5	77.1	73.1
India	428278	-	15.3	64.5	77.1
UP	56083	13%	13.6	50.5	76.5
Rajasthan	40738	10%	18.0	105.4	54.5
Maharashtra	39526	9%	23.7	66.0	82.4

Source: NCRB; SBI Research

Total Complaints Received and Cases Registered under IPC and SLL - 2021			
Type of Complaint	Total Complaints	FIRs Registered	FIR Rate
1 Oral Complaints	8585351	690094	8%
1.1 Narrated to O/C / SHO	930369	621456	67%
1.2 Distress call over phone/Dial 100 etc	7654982	68638	1%
2 Written Complaints	8894954	5406216	61%
2.1 To O/C / SHO	4709804	3496161	74%
2.2 To SP/Senior Officers	1275123	127955	10%
2.3 Electronic Form	681373	200953	29%
2.4 Court Complaints	111812	105939	95%
2.5 NHRC & SHRC	22855	885	4%
2.6 Commissions for SCs	7348	208	3%
2.7 Commissions for STs	2747	84	3%
2.8 National/State Commission for Women	36855	1237	3%
2.9 Children Welfare Boards/Commission	2332	333	14%
2.10 Complaints Initiated Suo-moto by police	1497410	1366458	91%
2.11 Any Others Written Complaints	547295	106003	19%
Total (1+2)	17480305	6096310	35%

Source: NCRB; SBI Research

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Contact Details:

Dr. Soumya Kanti Ghosh
Group Chief Economic Adviser
State Bank of India, Corporate Centre
M C Road, Nariman Point, Mumbai - 400021
Email: soumya.ghosh@sbi.co.in, gcea.erd@sbi.co.in
Phone:022-22742440
🐦 : kantisoumya