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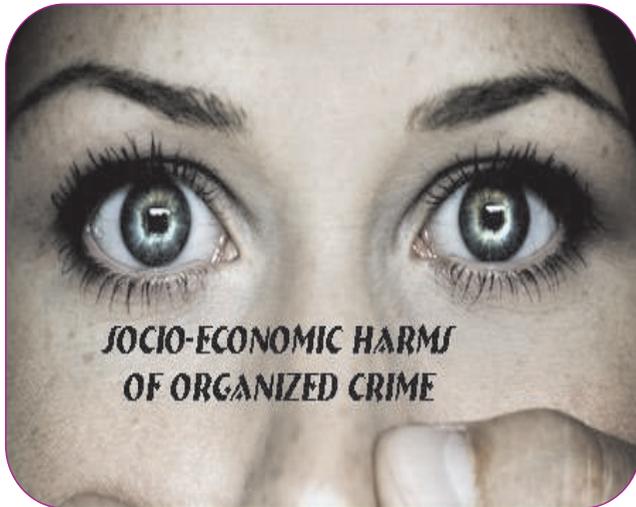
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## SOCIO-ECONOMIC CRIMES IN INDIA:-PRIVILEGED DEVIANCE



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### ABSTRACT: -

**F**rom 1939, when Edwin H. Sutherland first used the term white collar crime in his address to American sociological society,<sup>1</sup> and also widened the scope of the discipline and bring as privileged deviance or upper-world crimes in business and government institution under powerful vested interest.

**KEYWORDS:** American sociological society ,Socio-Economic Crimes, social standing .

### INTRODUCTION :

His definition draws attention to social standing of white collar criminals and special opportunities for crime which come from specific occupational positions. White collar crime has revealed the role of power useful for the criminal behaviour.

### Evolution of privileged deviances (white collar criminals)

In India Kautilya's Arthashastra recognised the power which was misused for the personal interest. The king can do no wrong placed the ruler in privileged position. Without fear of punishment. Because power and money among the rulers established higher

rates of criminality which directly affects on society. The criminal acts which are the results of deliberate decision making of those who occupy structural positions. Because of economic, political power, access to money able to influence on law enforcement agencies also. Which result in privileged crime which according to Sutherland consider as white collar crimes.

White collar crimes is a financial crime committed by upper class members of society for personal or organisational gain. White collar criminal are individuals who tend to wealthy and highly educated and socially connected. In this way members of the privileged socio-economic class engaged in criminal behaviour such as crimes by privileged person such as tax evasion, financial fraud, corporate crimes, manipulating balance sheet, etc.

### Indian position about socio-economic crimes i.e privileged deviance-

The report of Santhanam committee<sup>2</sup> consider offences which prevent or obstruct the economic development of country and effects to economic health. It would appear that emergence and growth of white collar and economic crimes and our system, laws themselves are not sufficiently deterrent. Ultimately its effects are on the economic development of country, public finance, industry, trade of the country. Also white collar crimes are anti-social acts which injure to whole society. Those person who commit the offence are guilty of social or economic offences. Social offences are offences which affect the health or material welfare of the community as a whole and not merely of individual victim. In same way economic offences are those which affect the country's economy and not merely wealth of individual victim. for

example socio- economic crimes such as black-marketing, adulteration of food and drugs, theft and misappropriation of property.<sup>3</sup>

The growth of socio-economic crimes in modern and technological era but such evils do not find adequate response, due to our minds are familiar with on traditional or conventional offences which are tangible offences. But we are not realising non-conventional crimes intangible offences which have no immediate tangible object of the harm visible to the mind.

According to Taft criminologist<sup>4</sup> "Today crime is distinguished as blue collar crime and white collar crime and no collar crime is a crime of under privileged." White collar crime is upper or middle class crime who break the laws. So the laws, welfare states need weapon to fight with socio-economic offence different from ordinary offences. An anti-social activities which deliberate violate the economic laws which causes extra hazardous activities which effects national health or wealth on big scale.

Indian firms has been affected by several types of white collar crimes like investment, banking, credit card, online transaction, medical scam, housing and job racket etc. Indian firms have indicated their vulnerability to corruption and bribery. More white collar criminal are expert in using technology to conduct their activities. Till November 2012 police have booked 9625 cases to economic offences and loss of property in economic offences is very high.<sup>5</sup>

The police are not well versed in dealing with rising number of such white collar crimes. In 2011 during a panel discussion on Entrepreneurships and social change, chairman of Godrej and Dr. Narayan Murthy, chairman of Infosys lamented the prevalence of large scale white collar crimes in India.<sup>6</sup> Increasing crime rate is a deterrent to the growth of economy. Corporate frauds rose by 45% in India in last two years.<sup>7</sup> It arose out of corruption, money laundering, tax evasions, weakness internal control which causes wider financial market instability.

The economic offences wing, there are more than 1500 cases, these economic crimes causes damages to economy of the country affect the growth and development of the country. There is a high incidence level of economic crime because of corrupt and weak of government machinery and bureaucracy. The national Institute of finance and public policy, New Delhi had estimated in 1996-97 that total amount of undisclosed income of country was Rs 500,000 crore. Directorate of Enforcement state that every day Hawala Transaction in India is about 100 crore. In voluntary Disclosure of Income Scheme implemented during 1996-97 ,Rs 31,000 Crore of black money was disclosed and regularised by government<sup>8</sup>.

The supreme court of India in Ram Narain poply vs CBI<sup>9</sup> has observed that the white collar crimes lead to economic disaster. Socio-economic crimes and white collar crimes are intersecting circles.

Ramllinga Raju chairman and founder promoter of Satyam computer services, falsified accounts of thousands of crores, Satyam computer services was an IT major. It was listed on the New York Stock Exchange with over 45,000 employees and \$ billion in reported turnover. In this case ten accused including Raju himself were convicted.This fraud in company with masked the falsification.<sup>10</sup>White collar frauds have occurred shareholder and employee has suffered.

White collar crimes is a crime and is unique in its features. Each crimes has its own distinctive features. White collar crimes causes great injury to society. The perpetrators escape punishment due to weakness in administering the laws.

White collar crime globally frowning offence in India CBI has formed an "Economic Intelligence Wing" to tackle it. CBI recruited a senior official of Reserved Bank of India as a technical officer.

Corporate affair ministry white collar crime investigation agency SFIO found that in sharda scam four companies collected 96% money from small investor, lakh of investors in West Bengal were lured into illegal money pooling activities, which is consider as "economic murder" of entire community.<sup>11</sup>

## REGULATORY AUTHORITY TO CONTROL THOSE CRIMES

In India it is alleged that there is nexus between corporate and government officials including enforcement agencies, criminals and politician. Judiciary is unable to respond adequately.

Presently there are many acts and legislations to control socio-economic crimes i.e white collar crimes

such as prevention of corruption Act 1988, Company Act (Amendment) 2013, Money Laundering Act, RBI regulation, SEBI act etc.

The various agencies like CBI, CVC, Enforcement Directorate, Income Tax, RBI, Lokayukta, Lokpal institution, Income Tax Department, are existing to check the white collar crimes.<sup>12</sup>

But because of increasing number of those crimes such as 2G spectrum, IPL match fixing, Adarsh Land scam, sharda scam, corruption charges against ministers and bureaucrats shaken the nation and loss the faith on those agencies. Because of those crimes which rendered the enforcement of the laws more difficult.

### CONCLUSION-

Government department especially customs, income tax, police which is necessary to identify and collect information. But there is lack of co-ordination and sharing of information. The ministry of Home Affairs (MHA) is responsible relating to internal security of nation. Also the law and punishment should be deterrent. The white collar criminals are so powerful that official investigating and prosecuting agencies are seldom in a position and power.

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<sup>1</sup>David Weisburd and Elin Waring, White Collar Crime and criminal careers, Cambridge University Press, 2001.

<sup>2</sup>Report of Santhanam committee 1962, government of India.

<sup>3</sup>47th report of Law commission of India, Government of India.

<sup>4</sup>Article on White Collar Crime, Corporate Espionage by C.S.Saibal C pal Adv, article ID 65806

<sup>5</sup>white collar crime on the rise, in Times of India, December 25th, 2012 ).

<sup>6</sup>Article from Pinkerton, consulting and investingation, FICCI, India Risk Survey, 2011.

<sup>7</sup>Economic Times Article on Corporate Fraud in India, 14 Jan 2015.P.No 1

<sup>8</sup>Crime Corruption and development, by D. Narasimha Reddy, Deep and Deep publication, New Delhi, 2001.

<sup>9</sup>Shodhganga.inflibnet.ac.in at 9.38 pm on 11-1-2016

<sup>10</sup>The incredible story of India`s white collar crime, Times of India(newspaper) 9-4-2015

<sup>11</sup>www.indiankanoon.org 13-1-2016 at 9.06 pm

<sup>12</sup>Law and society white collar crime, article from legalgensis.blog.com on 12-1-2016 at 7.57 pm

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