

WHITE COLLAR CRIMES IN INDIA: A SET BACK FOR PROGRESSIVE NATION BUILDING

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Abstract

Presently the increasing rate of white-collar crimes in India has induced a massive impact on the economic wellbeing of the country. In India, bank frauds, evasion of tax and economic threats have been considered for hindering the economic infrastructure of the country. On this note, the government of India must take essential actions in order to reduce the rate of increasing number of white-collar crimes in India. However, through analysing the prior studies it has been anticipated that white collar crime is riskier to the economy of a country compared to ordinary crime. On this note, it has been detected that white collar crime can put the employees in danger through providing an unsafe operation condition. However, in this research study a secondary qualitative method of data collection has been employed to gather and interpret information regarding the purpose of the study. Apart from that, thematic analysis has been incorporated to outline the key findings of the study. However, the findings of the study have highlighted that white collar crime has induced a massive impact in resisting the economic growth of India. In addition to that, corruption is another major factor that has significantly enhanced the rate white crime. Despite the fact white collar crime hinders the economic infrastructure of a country, it has also accounted for imposing a massive burden on the society due to bribery and cybercrime.

Keywords: White Collar crime, India, Bank Fraud, Bribery, Cybercrime, economy, socio economic, Tax evasion.

INTRODUCTION

The “white collar crimes” generally comprise securities fraud, corporate fraud, money laundering including embezzlement. In addition to this, the white-collar crime can be considered as the nonviolent-based wrongdoing that most probably financially reinforces its perpetrators. On this note, the aforementioned crime could comprise wage theft, bribery, insider trading, fraud, Ponzi schemes, money labour racketeering, and identity theft including forgery. It can also be stated that the white-collar crime mostly overlaps with this corporate crime and in order to bring India’s economic infrastructure on the right track it is necessary to diminish the increasing rate of this kind of crime. In this study, a brief discussion about

“white collar crime”, its impact upon the economy of India and the main reason behind the increasing rate of this type of crime will be discussed.

Research objectives

The aim of this research study is to measure the impact of white-collar crime in the economy of India. However, in accordance with the aim of the study the researcher has developed some research objectives that will assist the researcher to achieve the expected outcome of the study. The objective of the research study is:

- To explore the significance of white-collar crime in resisting the economic development of India

- To detect the root of the causes that have influenced the increasing rate of white-collar crime in India
- To investigate the way the increasing rate of white-collar crime can be reduced in India
- To detect the role of government in minimizing the rate of white-collar crime in India

Literature Review

Impact of white-collar crimes on economy of India

Several experts have agreed that the impact of white-collar crime upon the economy is more expensive than the other types of ordinary crime. This specific crime can be able to endanger several employees by unsafe conditions of working, injure customers due to dangerous products including that might also be able to cause pollution related issues for this community. These particular crimes are recognized as more severe towards society than any other patterns of ordinary that are happening every day. As in white collar crimes, the losses of finance are much loftier including that it also can cause major damage to public morals. It generally threatens the economic infrastructure of India through economic thefts, banking frauds along with tax evasion and many others.

On the other hand, it not just puts an impact upon the financial condition of a country or else a human being; however, it also has a pessimistic effect upon the society. The several patterns of crimes such as corruption, bribery, along with money laundering all have put an impact upon the society in a pessimistic way. The above-mentioned crime has created a major hindrance in building progressive nation along with better economic infrastructure. White collar crimes are mainly referring to those patterns of crimes that are associated with several persons of higher social status. The prominent position of offender's that provides better opportunity regarding such patterns of crimes through committing a breach of liability endowed on them.

In this context, they have crucially ushered at an enhancing rate including the advent of technological advancements along with

industrialization. In the wake of evolution, there has been tremendous loss in the Indian economy due to some loopholes in the internal system that has given a path regarding the enhancement of white-collar crimes. It poses a remarkable loss towards the Indian economy as the loss of finance cost included in these white-collar crimes is numerous times more considerable than several other ordinary crimes that have taken together. The white-collar crime not just put an impact upon a country's financial status or else it also can put a pessimistic impact upon Indian society. The several patterns of crimes mainly as money laundering, corruption along with bribery has caused a massive affect upon the society in a pessimistic way. In turn, several employees suffer financially along with that buy less products and services. In addition to this, business organizations that have been the major victim of this white-collar crime might suffer severe losses and they must also declare them as bankruptcy. On the other hand, their creditors never get paid, co-workers lose their precious jobs along with those investors generally lose their own money.

The main reasons behind the increasing rate of white-collar crimes

The basic perception is that these types of crimes are happening due to greed or else economic instability. However, these crimes are also increasingly occurring due to circumstantial pressure or else the inherent attributes of getting much more than several others. Therefore, it can be stated that behind the occurrence of this pattern of crime there can be numerous reasons and in India nowadays the white-collar crimes are continuously increasing. Lack of consciousness of several people can be one of the major reasons behind the occurrence of white-collar crime. The nature of white-collar crime is unique from the other traditional crimes including that the public rarely understand that though these public are the worst sufferers of this crime.

On the contrary, necessity might be another attribute of committing these crimes and the public are committing the crimes in terms of satisfying their own ego or else to help their family. Human beings from the higher status have enough financial support, however; still those higher-class people commit these types of crimes at the time they are out of greed. On the other hand, white collar crime generally happens

due to the craving to beat their rivals along with that to do better than them. In order to gain success better than their rivals, white collar crimes such as bribery, forgery along with frauds have continuously been committed. In addition to that, another cause behind the occurrence of white-collar crimes might be the technological reasons. Few of the public justify themselves by committing these crimes as they generally feel that the regulations of the government do not have a clear understanding about the practical issues of competing in the independent enterprise system.

The role of Government in reducing the increasing rate of white-collar crime in India

There has been enough prevalence regarding white collar crimes over a specific time frame in India and it is spreading just as a rapid fire in several environments of society. However, corruption can be considered as the main species of this type of crime and it has always been the most talked about conflicts in several environments- economic, social along with political and it can also be illustrated that not any effective actions have been undertaken to curb this jeopardy. The Indian Government needs to perk up particular governance along with undertaking stringent measures against such kinds of offenders. In addition to this, the private sectors need to implement necessary measures in order to prevent the fraud including concentrating upon the ethics in order to curb them.

On this note, both sectors need to collaborate with each other to reduce risks of frauds in India regarding the improvement of them including their nation. Few of the legislations have been taken in order to mitigate the increasing cases of white-collar crimes cases in India. The government has created several patterns of legislation in order to critically identify these types of crimes. The legislations are Companies Act, 1960, Prevention of corruption Act, 1988, IT Act, 2005, Commodities Act, 1955 along with that Prevention of money laundering Act, 2002 and all these legislations contain a critical punishment for these crimes. The white-collar crimes can be considered as the vital crimes that can harm the entire economic infrastructure of the economy. The Indian Government needs to be more careful regarding the occurrence of these crimes as it has the ability to destroy the whole economy. Courts are mainly utilizing

different types of treatments towards the white-collar lawbreakers and trial courts mainly in India sometimes lose to realize the gravity of these types of crimes.

Gap of the research study

Lack of primary and numeric information is one of the major gaps of this research study. Apart from that, the prior researchers have not induced an essential overview regarding the purpose of this research study. In addition to that, the impact of white-collar crime in the economy of India has not been addressed in a succinct manner. As a result, it has restricted the researcher to gain sufficient and reliable data that would have assisted the researcher to achieve the expected outcome of this research study.

Methods and materials

One of the most important aspects of any research study, materials and techniques has a direct influence on the study's conclusion. Aside from that, the researcher has decided to use a secondary way of data collecting in order to acquire and analyze data from secondary sources of information. A secondary qualitative technique was used to gather this data, and the researcher used papers published within the previous five years as a source of data. Apart from that, the sources have been obtained from peer reviewed journals, articles, websites, ProQuest and Google Scholar. On the other hand, thematic analysis has been selected for this study as the researcher has interpreted the collected information through generating themes regarding the purpose of this research study.

Result

White collar crime in India

The phrase "white-collar crime" has not yet been used in Indian criminal laws. On the other hand, the term of white collar crime is not new in criminal jurisprudence of India. It has been used in its popular sense for a variety of crimes, such as corporate criminality and environmental crimes by corporations, occupational or profession-related crimes, tax-evasion crimes, and IPR crimes since its inception. In addition to

that, progress in technology and science has helped create "mass society," which has a vast working class and an elite ruling class. This has led to the formation of monopolies, an elite managerial class, and complex institutional structures. Ethical behavior must be strictly adhered to in order for the new social, political, and economic systems to run smoothly. In addition to that, white-collar and economic offenses are on the rise due to a lack of understanding of this requirement by all segments of society, making enforcement of laws that are not properly deterrent more difficult. It is more risky to commit this sort of crime, not only because the money losses are greater, but also because the public's morals are irreparably damaged. Law Commission of India proposed in 1966 that certain social and economic offences be added to the Indian Penal Code.

Proposal to incorporate some social and economic crimes in Indian Penal Code" was included in the 29th law commission report of India. White-collar crime has been a major focus of the Santhanam Committee's report, according to the law commission's findings. In order to be clear, the Santhanam Committee did not use the phrase "white-collar crime" as a synonym for or substitute for "economic crimes". Instead of include "white-collar crimes," the Law Commission of India decided to use the term "economic crimes". In its final report, the law panel addressed a number of concerns pertaining to so-called "white collar crime." In Sutherland's view, white-collar crime is defined as a crime committed by a person of high social status in the course of their employment. The term "white-collar crime" was used to describe crimes committed with the assistance of the accuser's office, calling, profession, or vocation. However, the term excluded crimes like murder, adultery, and intoxication, even when committed by someone of high repute and social status, because they had nothing to do with their profession. The severity of sanctions imposed for economic and corporate offenses in India varies widely. Anecdotal evidence is used here, although definite numbers or instances are not possible due to the lack of official scientific investigations in this area. IPC penalties are not need to be reproduced here, but it is sufficient to grasp that the variety of punishments and judges' discretion to pick, and further, to quantify, is on the high side, which leads to "unjust" or

"disparity" in sentencing comparable or identical offenses. The recent decriminalization of corporate crimes under the Companies Act, 2013 is one such example, and tax laws and consumer lawsuits are appropriate instances to further investigate the aforementioned issue, as well as monetary penalties. Despite the fact that several special statutes, such as the ones listed above, have provisions for imprisonment, the majority of them are boilable and compoundable.

Outcome of the study

In accordance with the findings of the research study it has been anticipated that the increasing rate of white-collar crime has imposed a massive impact on the Indian economy. On the other hand, due to economic uncertainty and corruption the development of India has also been restricted. Apart from that, due to the inclusion of white-collar crime the corporate sectors of India are facing issues on its capitalization due to lack of investment on the capital market. Moreover, the inclusion of white-collar crimes also threatens the economy of India by imposing bank frauds, economic thefts and evasion of tax. In addition to that, it also has a significant impact on society, as various crimes such as bribery, money laundering and corruption have affected the wellbeing of society.

Recommendation

- The government of India is incorporating several acts such as Income tax 1961, IT act, 2005 and Prevention of money laundering act, 2002 in order to minimize the risk of white-collar crimes.
- Despite the implication of these laws the white-collar crimes in India are still enhancing in India up to a significant manner.
- Prior researchers have also commented that the government of a country can easily reduce the increasing rate of white collar crime through the inception of effective law and legislations.
- The inception of effective taxation system can also reduce the rate of tax evasion which can easily support a country to sabotage the increasing rate of white collar crime.

- The government of India needs to be more effective in sabotaging the threat of white-collar crimes to improve the development phase of India.

Conclusion

Currently, India's economic well-being has been adversely affected by an increase in white-collar crime. Economic risks in India have been attributed to bank frauds, tax evasion, and economic dangers in the country's infrastructure. White-collar crime has been shown to be more costly to the economy than other forms of criminal activity, according to a number of academics. In addition to affecting a country's or a person's financial situation, it also has a negative influence on society. Corruption, bribery, and money laundering are just a few of the crimes that have weighed heavily on society. However, according to findings of the study it can be simply concluded that white collar crime has highly disrupted the evolution phase of India.

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