

WHITE COLLAR CRIMES: THEORIES OF CAUSATION



“And what if I did doctor the documents?
I’m a doctor.”

WHITE COLLAR CRIME

- ❖ In 1939, distinguished criminologist Edwin Sutherland used the phrase “white collar crime” to describe the criminal activities of the rich and powerful.
- ❖ He defined it as “ **a crime committed by a person of respectability and high social status in the course of his occupation**”

Afterward, he himself modified it and gave an updated definition to this term as “A person of upper socio- economic class who violates criminal law in their course of occupation or professional activities.”

In simpler words, white collar crimes are the ones which are related to the corporate sectors of a country and are generally committed by the rich classes or the business class of the society.



VYAPAM SCAM

PF SCAM



2G SCAM



CWG SCAM

THEORIES OF CAUSATION

1. CULTURE AND WHITE COLLAR CRIME (WCC)
2. DETERRENCE THEORY/RATIONAL CHOICE THEORY
3. STRAIN THEORY AND WCC
4. LEARNING THEORY AND WCC
- NEUTRALISING AND JUSTIFYING WCC
- CONTROL THEORY AND WCC
7. SELF CONTROL AND WCC
8. ROUTINE ACTIVITIES AND WCC
9. CONFLICT THEORY AND WCC



10. INTEGRATED EFFORTS FOR
EXPLAINING WCC
11. SYSTEMS THEORY

Financial difficulty

Keeping up the lifestyle, lies, pride and greed

1 CULTURE AND WCC

❖ **JAMES COLEMAN (1987)** : Industrial capitalism promotes a culture of competition

There is coincidence of motivation and opportunity.

Competition culture-success, fear of failing , insecurities of career and role. To compete bend or break rules.

❖ **GREED EXPLAINS WC MISCONDUCT.**

GREED MOTIVATES CRIME EVEN AFTER NEED HAS BEEN SATISFIED (BRAITHWAITE 1991)

COMMON GOAL: TO ACHIEVE MATERIAL THINGS AT ANY COST

Competition culture: ego seeking worker. As competition stiffens while trying to move up the ladder (PYRAMID) some may violate the law.
More executive compensation more crime.

POVERTY: It provides power to commit those offences as there are limited responses to these offences.

CRITICISM: All do not commit and hiding crime wouldn't be necessary.

2 DETERRENCE THEORY/RATIONAL CHOICE THEORY AND WCC

ASSUMPTIONS: Punishment deters, individuals r rational huma beings

JOHN BRAITHWAITE 1982: WC criminals r more deterable as they hv more to loose.

- ❖ Stiffer sanctions might deter
- ❖ Research study Elis & Simpson : 4 factors that may prevent corporate misconduct: A. Certainty of Informal sanctions, B Beliefs about immorality C. Corporate climate D. Pressure from the boss
- ❖ RATIONAL CHOICE THEORY: Informal sanctions work (reprimanding coworkers)
- ❖ Lack of cetainty of punishment: Failure to identify crimes in workplce, lack of formal efforts to respond to fraud, inadequate control mechanisms, lenient sanctions-its cheaper to break the law than follow it.
- ❖ CRITICISM: Deterrrrence strategies not enough, consider values of individuals, business and communities.

3 STRAIN THEORY

CLASSICAL STRAIN THEORY, INSTITUTIONAL ANOMIE THEORY,
GENERAL STRAIN THEORY.

CLASSICAL STRAIN THEORY: ROBERT MERTON: Source of strain – interactions between the social and economic structures.

ROBERT MERTON

Anomie happens when desires or needs though limited are not satisfied in socially acceptable ways.

The link between desires and means has led to this theory being called **Strain theory** and it is also known as '**means –end theory**'

Modes of Adaptation: Conformity, Innovation, Ritualism, Retreatism and Rebellion.

FIVE ASSUMPTIONS:

- . Capitalism: Goal-Financial success**
- . Individuals socialised-legitimate means**
- . Face strain/barriers**
- . Adapt by changing goals or means**

LANGTON & PIQUERO: WC Professionals r conformists;
Innovators use illegitimate means (Emezzers,)cyber crime;
Ritualist companies pay fines as cost of doing business and keep on violating the law;
Realiststs r WC workers who r in the workplace but r not a part of workplace drunk;
Rebels r collective embezlers, failure developed as a goal to get bail out for failed business from the Government.

Conformity : Goals accepted

Means Accepted

Innovation : Goals accepted

Means Rejected drug dealers, bank robbers

Non criminals: Entrepreneurs, athletes

Ritualism : Goals Rejected

Means accepted

**Retreatism : Goals rejected
isolated cabin in Montana)**

Means rejected (Unabomber, Ted Kaczinski,

**Rebellion : Goals rejected
revolutionaries)**

Means rejected (desire for substituting them,

INSTITUTIONALISED ANOMIE

Societal institutions promote crime by promoting values related to financial success but not promoting values for using legitimate means.

GENERAL STRAIN THEORY

Robert Agnew: Crime adaptation to stress and strain

The failure to achieve positively valued goals: Not promoted

Removal of positively valued stimuli, stress of maintaining status after moving up the ladder

Confronting negative stimuli; Face unpleasant events in life like work settings

DIFFERENTIAL ASSOCIATION THEORY (Social Process: learning Theory)

Edwin H. Sutherland 1883-1950 (Principles of Criminology)

The nine principles of differential association theory which specify the process by which a particular person comes to engage in criminal behaviour are as follows:

1. Criminal behaviour is learned
2. Criminal behaviour is learned as a result of interactions with others.
3. Learning criminal behaviour occurs within intimate personal groups
4. Learning criminal behaviour involves learning techniques of committing crime as well as specific directions of motives, drives, rationalisations and attitudes.
5. The specific directions of motives and drives is learnt from perceptions of various aspects of the legal code as favourable or unfavourable.

- 
6. A person becomes criminal when he or she perceives more favourable than unfavourable consequences to violating the law. This is the principle of differential association.
 7. Differential associations may vary in **frequency, duration, priority and intensity**.
 8. The process of learning criminal behaviour by association with criminal and anti- criminal patterns involves all the mechanisms that are involved in any other learning process.
 9. Criminal behaviour is not excused by general needs and values as the non criminal behaviour also expresses the same needs and values

RELEVANCE TO WCC

Learn from peers how to commit, why to commit, why laws are inappropriate

.Intern learning from Dentist to do unnecessary procedures to meet targets.

.MBA students- decision to market recalled drug influenced by corporate climate and coworkers attitude

Learn skills and motives-healthcare fraud because of structural aspects of health care programs

MBA students a law driven approach to business ethics

NEUTRALISATIONS : Gresham Sykes and David Matza 194

Mental strength to commit crime, accounts help minimize criminal labels

Accounts: Denial, justifications and excuses

CONTROL THEORY : TRAVIS HIRSCHI; Bond to society

Attachment , belief, Involvement and commitments

ROUTINE ACTIVITY THEORY: Motivation, Guardian, Vulnerable Target

CONFLICT THEORY: Law as an instrument of power