ORIGINAL RESEARCH PAPER
VOLUME-6 | ISSUE-8 | AUGUST - 2017 | ISSN No 2277 - 8179 | IF : 4.176 | IC Value : 78.46
INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH

COGNIZABLE ECONOMIC CRIMES: SPATIO-TEMPORAL TRENDS IN THE MAJOR CITIES OF INDIA

Geography

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ABSTRACT

Economic crimes involve pecuniary losses through illegal means. This academic endeavour has a thrust on economic crimes like robbery, theft along with cheating and criminal breach of trust. Statistics of the National Crime Records Bureau during the period 2001 to 2015 reveal that the stage of economic development of a city influences the type of economic crime. Spatio-temporal variability of the selected economic crimes in the major metropolitan cities of India have been analysed. Emphasis has been laid on changing patterns of economic crimes i.e. the rampant occurrence of white collar crimes replacing the old-style robberies. Spatial deviations of such crimes have been measured by standard scores. The humble academic effort thus calls for adopting necessary technological and institutional measures to combat such socio-economic torments in the most populous Indian cities.

KEYWORDS:

pecuniary losses, cheating and criminal breach of trust, standard score, variability, white collar crimes

Introduction: Cognizable crimes are those offensive activities which are against the Indian decrees and are investigated by a police officer without any permission of the court. Economic crimes involve illegal possession of material goods or financial benefits. Irrespective of the stage of societal development, economic crimes have the largest share in total crimes committed in India. This is because both the rich and the poor in growing desire to accumulate wealth (Harriot, 2002). Although the lower income group or the economically weaker section of the society are apparently thought to be associated with economic crimes as thefts, robbery, burglary, snatching, pick pockets etc. However, recent times spurt in the number of financial scams by giant corporate houses with political indulgence, reveals that, elite class with high economic and social status are no bar from getting involved in economic crimes. Such crimes are known as 'white-collar crimes'. To achieve the status which consumer goods provide, both rich and the poor attempt to procure them even through illegal means if the legal ways of getting them are arduous, time-consuming or constrained by the State or dominant groups (Shaban, 2010). Hence, being the most dominant type of crime in a developing country, economic crimes know no limitations so far as the offenders are concerned.

Study Area: The present study involves spatial and temporal variability in the eight major metropolitan cities of India, which represent the epitome of urbanization in the country. These cities are—Delhi, Ahmedabad, Mumbai, Pune, Bengaluru, Hyderabad, Chennai and Kolkata. Fig. 1 shows the spatial location of the cities under probe for the present study:

Major Indian Cities under Study

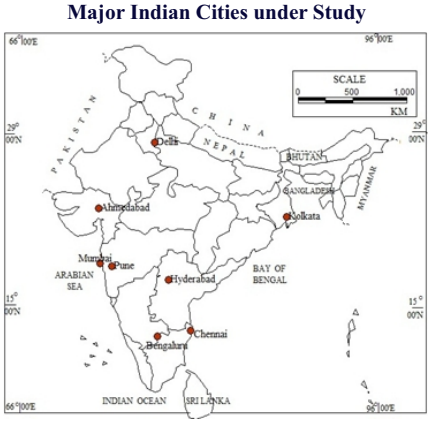

Fig. 1 *Source: Oxford Atlas, 68th Edition*

These urban cores experience large volume of economic transactions every day. Hence, the scope of anomalous economic transactions is also equally high. Such types of transactions as forbidden by law result in economic crimes. Economic crimes in these big cities have wide range of repercussions. Pecuniary losses have trickle-down outcome and affect every sector of the economy directly or indirectly, especially at grass-root level. Therefore, highly urbanized centres have been chosen for the present study.

Objectives: The paper attempts to fulfil the following objectives:

- To classify different types of economic crimes along with nature of victims and offenders
- To study and compare the spatial variability of these economic crimes in the cities under probe
- To assess the decadal (2001-2011) and quinquenial (2010-2015) growth rate of different types of economic crimes in the study area
- To understand the temporal shifts in crime pattern of the cities in question

Materials and Methods: The database comprises of information from secondary sources. The National Crimes Records Bureau (NCRB) archives the crime related data of different cities concerned. Three types of economic crimes under different Sections of the Indian Penal Code (IPC) have been studied for this purpose, which are:

a) Robbery under the Section 390
b) Theft under the Section 378
c) Cheating and Criminal Breach of Trust under the Sections 420A and 495 respectively

The work has focused on both spatial and temporal dimensions of economic crimes. Two major spatio-temporal aspects of studying trends and patterns of economic crimes have been considered. These include—a) Spatial Deviation, b) Spatio-temporal variability of the economic crimes, if any. In order to find out the spatial deviation of each of the economic crime the standard score technique has been applied. Temporal analysis has been done on the basis of growth rate of these economic crimes. Decadal as well quinquennial growth rates have been calculated for each of the cities for the periods between 2001-2011 and 2010-2015. Such a temporal categorization has been done because decadal growth rate reflects long period change and quinquennial growth would represent growth in a more recent time frame.

Results and Discussion: The various aspects of spatio-temporal dimensions of economic crimes have been discussed under the following heads:

A Schematic Classification of Economic Crimes in Urban India: In the Indian context, economic crimes may be classified into three broad categories on the basis of the scale of their impact. These categories include—a) Petty Economic Crimes, b) Felonious Economic Crimes

and c) White Collar Crimes. Petty economic crimes include those crimes which do not have large scale economic impact either on individuals or groups. Ordinary thefts, snatching, pickpockets may be included under this category. Usually in case of petty economic crimes the offenders belong to economically backward population. This group of people take up such activities many-a-times out of need. In other instances, sometimes abject poverty results in psychic anomalies in their minds which culminate into greed. Such greed out of poverty makes them opt for anti-social activities of this kind. The second category of economic crimes has serious impact in the society and economy. Examples of such serious nature of crimes are robbery. Robbery in common language means to deprive a person of his/her property by force. The chief distinguishing element in robbery and theft is presence of imminent fear of violence in latter. The essence of the offence of robbery is that the offender for committing the crime voluntarily attempts to cause death or hurt or wrongful restraint (Gaur, 2010). Thus, robbery may be rightly called one of the felonious economic crimes. Most of the robberies are carried out by organized gangs, who act as professional criminals. The victims of the robbery are general public as well as corporate organizations like banks, shops and offices etc.; whereas general public include pedestrians as well as residents. Acts of robbery are generally not instantaneous but pre-organized. Instances of cheating and criminal breach of trust in economic aspects are called white-collar crimes because these are committed by the so-called elite class persons belonging to the upper echelon of the societal rung. They commit such crimes solely out of gluttony to accomplish luxurious and material gains. White collar crimes are also influenced by the political economy and vice-versa. Victims include economically weaker sections who fail to understand the intricacies of malicious financial transactions and commitments. White collar crimes are more harmful to the society than other economic crimes because financial losses from this category of crime than petty thefts or robberies (Paranjape, 1973) A schematic classification of economic crimes thus may be worked out from the following flow diagram:

Classification of Economic Crimes and Offender-victim Charact eristics

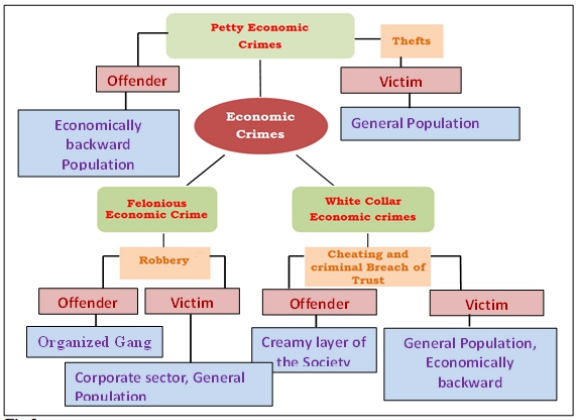

Fig.2 *Source: Compiled by authors*

Spatial Variation of Economic Crimes in the Major Indian Cities: Spatial deviation of economic crimes like robbery, thefts along with cheating and criminal breach of trust have been analysed using the technique of Standard Scores. The values of the standard scores as derived by the formula:

$$Z\ score = \frac{X - Xmean}{\sigma}$$

[where, X= number of economic crimes,
X mean= Mean of economic crimes, σ= Standard Deviation]

The standard score values, represented as z-scores show deviation of the reported incidences of crimes from that of their average values. Deviations lesser than the mean generates a negative value of z-score, while those above mean generate a positive deviation. So far as the crime of robbery is concerned in Fig.3, it is evident that the spatial deviation is on the higher side for extremely big cities like Delhi and Mumbai, it is closer to mean (which is represented by the zero line) in the cities like Ahmedabad, Bengaluru and Pune. Again, Ahmedabad and Pune show values lesser than the mean but extremely closer to it. As for Kolkata, Hyderabad and Chennai, the values of standard score is much lesser than the average of all these eight cities. The values closer to zero also indicates that number of crimes in these cities is more or less closer to the average. An extreme positive value like that of Delhi indicates an alarming situation and need governmental concern along with strict implementation and execution of legal measures to combat the situation. A similar picture is also revealed in Fig. 4 which depicts the case of thefts. Delhi has value of standard score higher than the average, while techno industry based and commercial cities like Bengaluru, Hyderabad and Ahmedabad, Mumbai respectively, record such crimes closer to the average of all the eight cities under probe. On the contrary Kolkata and Pune have recorded lower than average incidences of thefts compared to the other cities. From Fig. 5, it is evident that the high-tech and highly commercial cities again have very high incidences of cheating and criminal breach of trusts. These cities include Bengaluru, Delhi and Mumbai. Incidences are pretty lower in cases of Ahmedabad, Hyderabad, Chennai and Pune; while the number of those incidences in Kolkata is closer to the average of the eight cities under study.

Spatial Variation of Economic Crimes in the Major Cities of India, 2001-2015

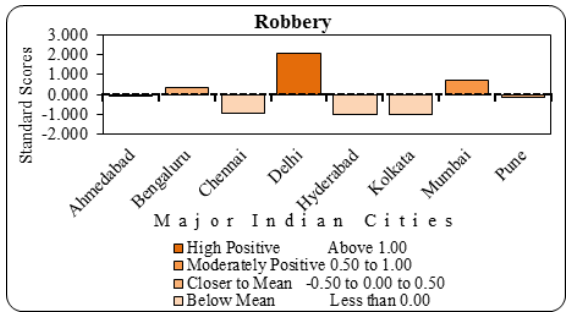

Fig. 3

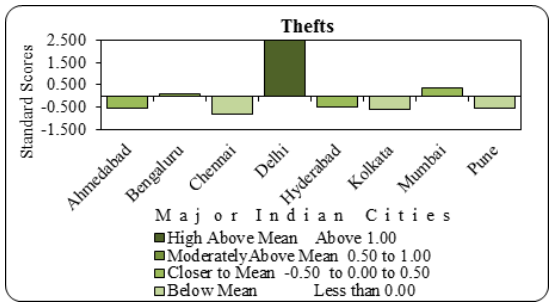

Fig.4

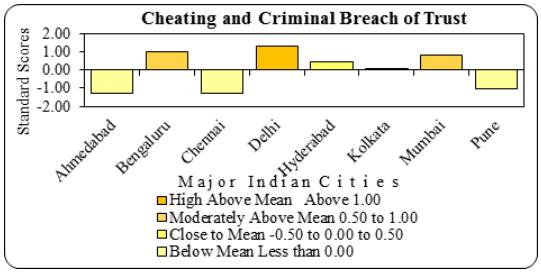

Fig.5

Data source: Computed from data provided by NCRB, 2001-2015

Temporal Variation of Economic Crimes in the Major Indian Cities: In order to assess the temporal variation, growth rate over time and annual variation in each of these cities have been assessed. From Table 1, it is evident that decadal growth rate from 2001 to 2011, decadal growth rate of felonious crimes like robbery has been positive, except that of Kolkata, which shows a decline. The quinquennial growth rate between 2010 and 2015 also shows a similar trend of positive growth indicating rise in the number of robbery. Chennai, however, shows minor decline.

Incidences of thefts have shown minor rise in most of the cities within the said decade. The rise is high in the city of Bengaluru compared to other cities, while Kolkata once again shows a decline in the number of thefts. But in recent times between 2010 and 2015, the city of Kolkata has shown a rise, while those cities which had exhibited decadal growth of thefts indicate a decline in the quinquennial period. These cities include Ahmedabad, Chennai, Hyderabad and Mumbai. So far as cheating and criminal breach of trust are concerned in the decadal period all the cities show rise, but in the recent times Ahmedabad and Chennai show a decline.

Table 1: Decadal and Quinquennial Growth Rate of Economic Crimes in the Major Indian Cities, 2001-2011

Cities	Robbery		Thefts		Cheating and Criminal Breach of Trust	
	2001-2011	2010-2015	2001-2011	2010-2015	2001-2011	2010-2015
Ahmedabad	14.13	8.47	0.08	-3.09	5.68	-1.56
Bengaluru	10.67	0.80	5.30	0.38	5.34	0.35
Chennai	1.59	-0.06	2.84	-1.88	2.34	-2.36
Delhi	1.42	13.37	1.56	0.76	0.52	5.61
Hyderabad	5.29	3.72	4.69	-1.62	3.36	0.33
Kolkata	-13.74	2.76	-1.33	1.48	5.61	1.48
Mumbai	1.41	7.54	1.16	-1.17	4.16	1.60
Pune	18.73	2.71	6.50	0.37	7.18	0.97

Source: Data source: Computed from data provided by NCRB, 2001-2015

Annual Percentage Share of Different Economic Crimes in the Major Cities of India, 2001-2015

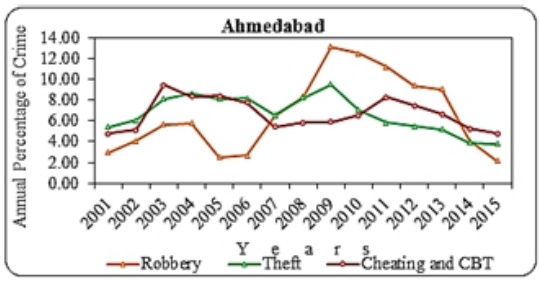

Fig.7 (a)

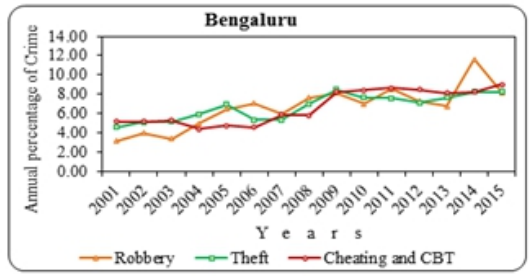

Fig.7 (b)

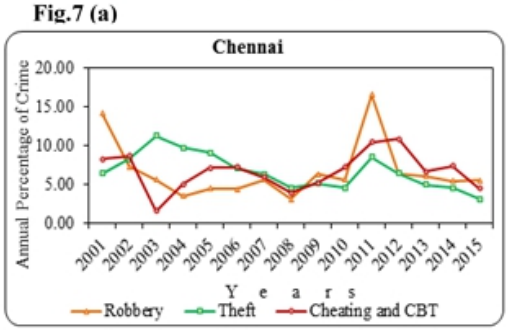

Fig.7 (c)

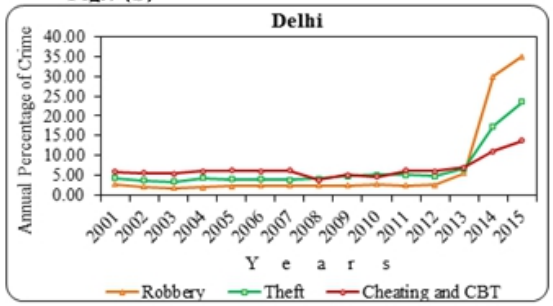

Fig.7 (d)

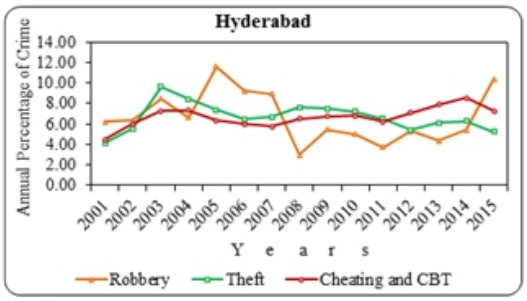

Fig. 7 (e)

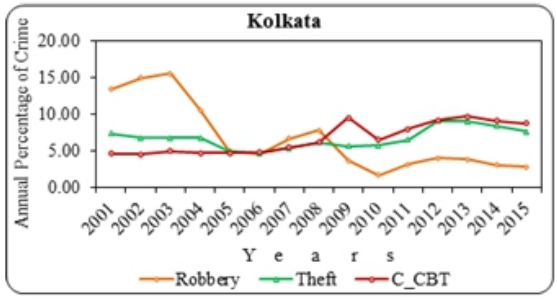

Fig. 7 (f)

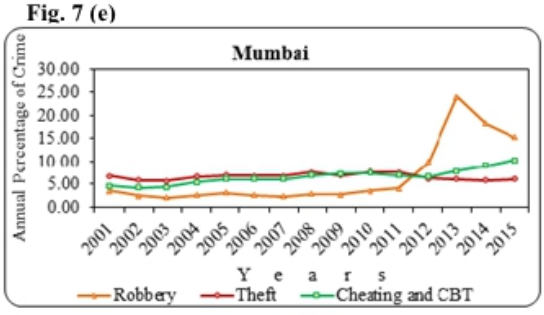

Fig. 7(g)

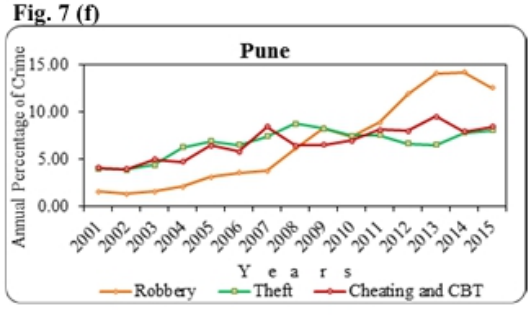

Fig. 7 (h)

Data source: Computed by authors from data provided by NCRB, 2001-2015

An interesting factor comes up that Delhi shows highest incidences of all the economic crimes as evident from the standard score values, whereas both the decadal and quinquennial growth is low. But growing cities like Ahmedabad, Bengaluru and Pune have low standard score values but high decadal and quinquennial growth. This implies that in recent times, these cities have shown higher incidences of crime, while big cities experience steady occurrence of a typical crime that becomes dominant crime of the area. In Fig.7 (a-h), annual fluctuations of robbery, theft along with cheating and criminal breach of trust have been depicted. Robbery has shown a moderately declining trend in Ahmedabad and Kolkata. In Chennai and Hyderabad fluctuating trend of the said crime has been observed. In Delhi, Mumbai, Pune and Bengaluru, a steady rise in robbery incidences have been observed. Rise in the robbery is higher than that of the rise in thefts as well as cheating and criminal breach of trust. This is because thefts are old form of economic crimes and being a petty crime it occurs more or less in a certain proportion in every city. Hence, such a type of crime maintains a steady state of occurrence; while cheating and criminal breach of trust have more or less steady rise in number in all the cities under probe.

The temporal trends of economic crimes indicate a shifting pattern of crimes. In Ahmedabad, thefts were overtaken by robbery between 2007 and 2013; again between 2014 and 2015, thefts along with cheating and criminal breach of trust. In Bengaluru, a prospering urban centre has rising trends of all the three crimes and no perceptible shift in crime pattern has been observed. Similar trends have been observed in Chennai also. Delhi initially recorded more incidences of cheating and criminal breach of trust, in recent times from 2013-2015, it has been taken over by dacoity and robbery. Thefts have been the dominant crime in Hyderabad and no perceptible shift in the crime pattern of this city has been observed. In Kolkata, the dominant crime of robbery has been most seemingly replaced by thefts as well as cheating and criminal breach of trust. Mumbai and Pune represent a similar picture like that of Delhi, wherein, white-collar crimes and thefts have been reduced by robbery.

Impact of Economic Crimes

Having wide scale occurrences, economic crimes make themselves most common ones which people are generally feared of. One of the major impacts of economic crimes are financial losses. Sometimes, victims are also physically hurt in case force and coercion are applied to extort money in form of robbery. Whereas, in case of white collar crimes, these are silent crimes and no such evidence of physical injury is observable in wide scale. White collar crimes diminish public morale (Ahuja, 2000). This is because most of the offenders belonging to this category of crime are from the upper echelon of the society and in perception are believed to be free from vices of criminality. According to Sutherland (1956), a white collar offender does not identify himself/herself with ordinary criminal and share similar sentiments, but believes that whatever he does is for the good of the business. Such crimes generate feelings of tremendous insecurity and fear in case of monetary investments. The overall trust on private financial system by the general mass collapses. Mistrust by the public of this kind also pervade into other transaction sectors which are based on the social capital of trust. Other impacts of economic crimes include people's protective psychology. General public become over cautious about protecting their personal belongings. Access to public spaces where some or the other incident of theft or robbery have occurred often become restricted in the apprehension of recurrence of crime.

Major Findings: The major findings of the study include the following:

- Large urban centres have greater shares of economic crimes. Cities of Mumbai—the commercial capital and Delhi—the adminis trative capital, thus may be regarded as dens of economic crimes. On the other hand growing urban centres like Pune, Ahmedabad have their economic crime concentration around the average of these cities.
- Kolkata being one of the premiere urban centres in the eastern India too shows a lower concentration of economic crimes, even lower than the all cities average. West Bengal since the last decade is undergoing economic sluggish growth for several factors like shutting down of industries, poor agricultural produce etc. A large section of people are joining the unorganized sector in absence of job creation in the organized sector. So, overall, wealth accum ulation in the local economy is low in Kolkata in comparison to other cities. Hence, there is very little wealth that can be fetched by illegal means by the organized gangs. For this reason, serious economic crimes like robbery have declined. For the same reason again, thefts have become dominant.
- In recent times, white collar crimes like cheating and criminal breach of trust have shown rising trends in all the cities as evident from the decadal and quinquennial growth rate and annual percentage shares. Cheating and criminal breach of trust manifest in the forms of financial frauds, monetary investment scams, extortion in camouflage of offering jobs or other benefits etc. These also take place over the virtual media. Hence in tech cities, these crimes can pose real threats to both cyber security as well as economic safekeeping.
- White collar crimes have therefore become a new form of organized crime, which apprehended to replace the traditional forms of organized crimes like robbery and other gang activities of anti-social nature.
- All the types of economic crimes viz. robbery, thefts, cheating and criminal breach of trust are present in all the cities in different proportions. In certain cities like Delhi, Mumbai, Ahmedabad, Kolkata have more or less shifting but dominant crime pattern. Like in Delhi, Mumbai and Ahmedabad robbery is the most dominant crime. In Kolkata also robbery had been dominant, but gradually it gave way to petty thefts and white collar crimes. Thus appropriate and target crime specific policing may be implemented to combat the crimescape scenario. But in Hyderabad, Bengaluru and Chennai, no discernable crime has been found. This indicates that all these crimes are equally dominant and no target crime specific policing technique may be applied. But overall, monitoring of the parallel economy must be paid attention.

Concluding Remarks

The direct impact of economic crimes, especially those of white-collar crimes in forms of financial frauds give a boost to the parallel market in the economy which is detrimental for the lower and middle income groups. It also affects the fiscal system of the country in an adverse way. Economic crimes are the direct results of both greed and need specific delinquent instincts in the given urban areas under study. In the competitive world of the present era, everybody yearns for what the other has despite they have accumulated enough for themselves. In certain situations, their hankering goes to such an extent that they take up illegitimate means to fetch the desired material demands. Such deviant instincts are boosted by greed. But petty thefts many-a-times are need specific. Economic class inequalities are so wide that, abject poverty compels certain groups to take up such crimes. In big cities like Delhi, Mumbai, Bengaluru such class divides are so glaring that the have-nots in order to rise up the social ladder, take up illegitimate means of acquiring material wealth. Probably, for this reason, in cities with widening inequalities, economic crimes are also high. Sometimes factor like crime prone environment is also responsible for petty economic crimes. In such areas crimes are professional activities and even children are trained for delinquent activities.

It may be therefore concluded that economic crimes are holding a large proportion of any urban centre's crime scenario having offenders from varied socio-economic backgrounds—from poor households to big-shot corporate houses. At the same time range of crimes classified under economic categories is also varied. These range from petty thefts and snatching to life threating robberies as well as large scale financial rip-offs. Therefore for a brighter financial face of the country in the world platform, strict control on economic crimes needs to be adopted by persons responsible for policy framing and maintenance of law and order.

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