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# **NAVIGATING THE SHADOWS: UNRAVELLING THE WEB OF WHITE-COLLAR CRIME THROUGH DIFFERENTIAL ASSOCIATION THEORY AND STRAIN THEORY**

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## **Abstract**

This paper explores the intricate dynamics of white collar crime through the lens of two prominent criminologists being Edwin Hardin Sutherland who coined differential association theory and Merton who came up with the Strain theory, that explains the criminal behaviour.

White collar crime happens to come out as a serious issue in our society. As white collar crimes are indirect in nature and they do not cause direct physical harm to the individuals it is regarded or perceived as a less harmful offence by the society as compared to the traditional or street offences. But as a matter of fact, as per the routine information provided by Federal Bureau of Investigation the loss caused by white-collar crimes are considerably much more than that caused by traditional ones. Moreover, unlike the street crimes that affects hardly one or two victims, white collar crime creates a bigger impact on the society comprising of large number of victims. White collar crimes are considered to be financially motivated offences, non-violent in nature and to be done by people possessing “high-respectability and social status” which has continued to be a notable challenge for the law enforcement agencies.

This study seeks to unravel the complex motivations and societal influences that underlie white-collar criminal behaviour. By bridging the gap between these two influential theories, this paper contributes to a more holistic framework for comprehending the motivations and mechanisms behind white-collar criminal behaviour.

**Keywords:** *White collar crime; High respectability; societal influences; motivations*

## ***INTRODUCTION***

What is crime? As the traditional definition says ‘an act can be considered as a crime if its forbidden or punishable by law’ so despite the fact that there is no comprehensive or statute specific definition of the term ‘crime’ or a ‘criminal’ or how can one differentiate a crime from a tort, we can come to a conclusion that an act can be considered to be a crime only if that particular act has been so specified as crime by law and in order to curb the same the law comes up with sanctions and criminal prosecutions. In addition to the flaw in the definition, its vitally important to keep in mind that an act maybe absolutely unjustifiable, indefensible, vicious or depraved but it’s absolutely unimportant and irrelevant, as it cannot be a called as crime if it is not written in the black and white letters of the statute<sup>1</sup>.

White collar crime was first introduced by the father of American Criminology ‘Edwin Hardin Sutherland’, in 1939.<sup>2</sup> He defined it as “Crime which is committed by a person who is having high social status and also having respectability which is acquired by him in the course of his occupation”.<sup>3</sup> As the name white-collar crime itself suggests crime committed by the white-collar people i.e. people who are wealthy enough due to their skill sets (excluding the manual labour) and highly paying jobs. The two unobtrusive areas of crime are corporate crime and white collar crime because of the very nature of it. As both the crimes can be committed in a private space by an individual or by an organization without any kind of violence, public interference or any kind of physical injury to any person.

## ***CHALLENGES FACED BY ENFORCEMENT AGENCIES***

Due to the tendency of these crimes being associated with the occupational work it gets difficult to catch hold of the criminals. Most of the times, victims are unaware of the crime as its not immediately apparent and they discover it at the later stage when it gets really complex to find out the criminal due to the sophisticated schemes used by them to conceal their identity behind such cover-ups. Also a major reason behind the invisibility of white collar crime and corporate crimes is media as media coverage plays a vital role in unearthing and exposing various kinds of

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<sup>1</sup> Katherine S. Williams, Textbook on criminology (Oxford University Press) (2008)

<sup>2</sup> White-collar crimes and contribution of professor Sutherland in the development of the white-collar crimes Legal Service India - Law, Lawyers and Legal Resources, <https://www.legalserviceindia.com/legal/article-7541-white-collar-crimes-and-contribution-of-professor-sutherland-in-the-development-of-the-white-collar-crimes.html> (last visited Nov 16, 2023)

<sup>3</sup> (Sutherland 1949, p. 9)

crime and helps in spreading awareness regarding the same. Due to lack of political and social interest, the complex nature of it and powerful lobbying faction, media doesn't find it newsworthy or headline grabbing which is why it doesn't publish the same unlike the publication of traditional or street crimes. Despite being the most serious crime, as it affects the society at large and at once, due to lack of media coverage people see it as less serious.<sup>4</sup>

The paper deals with the question what leads a person to commit a white collar crime?

It's even more difficult to track down why do people take part in such activities. Is it because of some genetically or biological factors or physical-mental illness or socio-economic conditions of an individual or influence of peer groups or other facets or a fusion of all the above facets that makes a person commit a criminal act?

There are various American sociologists like Edwin Hardin Sutherland and Merton who have come up with theories like 'Differential Association theory' and 'Strain theory', describing various reasons behind such criminal act or criminality.

### ***DIFFERENTIAL ASSOCIATION THEORY***

This generally deals with the concept of learning of criminal behaviour from intimate peer groups by way of interactions or communication. Sutherland came up with a detailed analysis of such kind of learning. According to him criminal behaviour develops from the learning that takes place out of personal interactions with peer groups. Such a learning involves techniques that are being used to commit an offence, their perspectives, the rationalizations or reasoning given by people to justify such a behaviour and their values which influences, a person, enough to commit a crime. According to his theory committal of a crime also depends on the quantum of interaction that individual has with people who support or approve deviance/ criminal behaviour and on the quantum of association of that individual with criminal activities. In a nutshell a person pursues criminal activity if he discovers that plethora of enumerations favourable to violation of law overweighs the enumerations unfavourable to violation of law.<sup>5</sup> Also the frequency, priority, intensity and duration of interactions either regarding approval of the criminal behaviour or violation of law or regarding disapproving the criminal behaviour, may affect the criminal activity. i.e. to say frequency of exposure to any kind of behaviour is directly proportional to the effect of the same on an individual. According to him not all associations or interactions are equal,

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<sup>4</sup> Brian K. Payne, White-collar crime: A text reader (SAGE) (2012)

<sup>5</sup> Katherine S. Williams, Intelligence and Learning, in Textbook on criminology

some definitions or rationalizations may have a higher level of influence on a person and some may not such as interactions having a longer duration and consistency are more likely to give birth to a criminal as compared to the interactions or associations which are irregular or infrequent having a lesser impact on the individual. Associations and interactions with people for whom one holds in high regard are more likely to have an influence on that individual as compared to interactions with people for whom one has low regards.<sup>6</sup> This series of social interactions through which such behaviours and definitions are extracted is known as “Sutherland’s Differential Association Theory”. He further stated that an individual learns criminal behaviour in the same way as he learns any other non-criminal behaviour. Sutherland's theory focused on the premise that white-collar crime is fundamentally a learned behaviour. According to him, individuals involved in white-collar criminal activities not only acquire the knowledge of how to execute such offenses but also develop the necessary skills, motives, and attitudes through the process of social learning. In essence, Sutherland argued that the commission of white-collar crimes is not merely a result of chance or circumstance but is rooted in a systematic acquisition of both the techniques and the underlying rationale for engaging in such illicit activities.<sup>7</sup>

#### *Criticism of the theory*

Although Sutherland’s theory of differential association has made valuable contributions towards the perspectives and reasons behind the criminal behaviour, it is not without its criticisms. And it is of paramount importance to assess these criticisms and acknowledge that criminal behaviour is influenced by a multitude of complex factors and not social learning alone.

The limitations of this theory were:

- Lacks explanation behind the non-criminal behaviour: the theory deals with factors such as learning from peer groups about the criminal behaviour and their rationalizations and motives towards the same, leading to criminality but fails to address why some individuals who even after getting exposed to such differential associations do not engage themselves in criminal behaviour or while some individuals who are least exposed to such differential associations become criminals.

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<sup>6</sup> Differential Association theory in criminology and sociology Criminology Web, <https://criminologyweb.com/differential-association-theory-sutherlands-sociology-and-criminology-of-deviance-explained/> (last visited Nov 16, 2023)

<sup>7</sup> Differential Association theory StudySmarter UK, <https://www.studysmarter.co.uk/explanations/psychology/forensic-psychology/differential-association-theory/> (last visited Nov 16, 2023)

- Lacks preventive mechanisms: the theory has very well addressed the reasons behind criminal behaviour but didn't mention about how to prevent such criminal behaviour i.e. the theory failed to address rehabilitative approach.
- The theory explains that someone who has associates with criminals learns how to commit crime and become offenders but doesn't address the fact that why in the first place does an individual associate to such criminals.
- Neglects the biological and psychological factors: the theory has categorically mentioned that criminal behaviour is learned and fails to explain the biological and psychological factors such as mental illness, personal life problems, impulsivity, genetical predispositions that may play a major role in criminality.
- Neglects structural and societal factors: the theory only talks about the learning of criminal behaviour and its rationalizations that takes place in peer groups but doesn't mention about the societal factors such as poverty, inequality, racism that can significantly lead to criminal behaviour<sup>8</sup>.

### ***STRAIN THEORY***

This theory was first coined by Merton as 'classical strain theory' in an article published in American Sociological review as "Social Structure and Anomie" in 1938. His theory specifically deals with the mental stress and strain which leads a person to commit crime. According to him, crime happens to be an outcome of the pressure or the burden which is termed as 'stress' which arises due to the goals/ standards set by the society and due to the absence and unavailability of reasonable opportunities to attain those goals. The mental stress occurs due to imbalance in the societal standards, the socio-economic factor and the contemplation of high financial status as definition of success. And as per Merton, all of these factors results in 'Anomie' i.e. "normlessness" wherein people tend to disregard the norms and values which were being followed by the society.<sup>9</sup> According to the theory an individual commits crime to attain economic success i.e. the 'American Dream'. A set of standards such as Wealth, prosperity, ownership, equality of opportunity constituted to the 'American Dream'<sup>10</sup>.

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<sup>8</sup> Some popular criticisms of Differential Association SpringerLink, [https://link.springer.com/chapter/10.1007/978-94-011-9015-2\\_5](https://link.springer.com/chapter/10.1007/978-94-011-9015-2_5) (last visited Nov 16, 2023)

<sup>9</sup> Katherine S. Williams, Anomie, Strain and Juvenile Subculture, in Textbook on criminology

<sup>10</sup> Merton's strain theory of deviance ReviseSociology, <https://revisesociology.com/2016/04/16/mertons-strain-theory-deviance/> (last visited Nov 16, 2023)

The theory stems from four postulates:

- Society establishes culturally approved goals that its members are encouraged to strive for. These goals often include success, wealth, and social status.
- Alongside cultural goals, society provides institutionalized means or socially accepted methods to achieve those goals. These means typically include education, employment, and other conventional avenues for success.
- The postulate of conformity suggests that the majority of individuals in society will conform to both the cultural goals and the institutionalized means. Conformists accept and pursue success through the approved channels
- The central concept in Merton's theory, strain arises when there is a disjunction between culturally approved goals and the legitimate means available to achieve them. This strain occurs when individuals face barriers or limitations in achieving success through approved channels.<sup>11</sup>

As per Merton's Strain Theory there are total 5 approaches of people by which they try to curb out the economic gap or imbalance in societal standards and those are enlisted here-in below:

The very first approach is the *Conformist approach* wherein an individual conform to the economic goals stipulated by the society and look forward to lawful as well as reasonable means to successfully attain those goals.

For ex: In order to achieve financial stability and match the societal standards, I worked really hard to improve my programming skills.

The second approach is the *Innovator approach* wherein an individual conform to the goals stipulated by the society but look forward to unlawful and unreasonable means to attain those goals.

For ex.: In order to achieve financial stability and match the societal standards, I started dealing into drugs.

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<sup>11</sup> Chapter 4 distribute - sage india, [https://in.sagepub.com/sites/default/files/upm-assets/76592\\_book\\_item\\_76592.pdf](https://in.sagepub.com/sites/default/files/upm-assets/76592_book_item_76592.pdf) (last visited Nov 16, 2023)

[https://in.sagepub.com/sites/default/files/upm-](https://in.sagepub.com/sites/default/files/upm-assets/76592_book_item_76592.pdf)

The third approach is the *Ritualist Approach* wherein people do not conform to the goals stipulated by the society but follow the lawful and socially acceptable means to attain the goals. For ex.: a student with no inclination towards music and with no career plans related to the music industry, enrolled for the music course as that's what the entire batch did.

The fourth approach is the *Retreatist Approach* wherein people who neither conform to the goals stipulated by the society nor do they follow lawful or socially acceptable means to achieve those goals.

For ex.: an alcoholic who doesn't wish to do a normal job to earn livelihood rather prefer sitting at home unemployed.

The fifth and the last approach is the *Rebel Approach* wherein people discard the option of conforming to the financial goals and the means of attaining it which is stipulated by the society and interchange or swap the same with their goals and their ways of attaining it. For ex.: a terrorist who has nothing to do with the financial success and the society made goals rather prefer creating terror in people and achieving political power by doing so.<sup>12</sup>

#### *Criticism of strain theory*

Indubitably Merton's strain theory has made valuable contributions towards explaining the reasoning behind criminality but like any other theory Merton's theory also had certain limitations and faced criticisms and those were:

- Ignores non-financial goals: The theory emphasizes on the financial goals and economic success and the means to achieve the same but neglects the non-financial goals such as personal happiness, community involvement etc which may lead to criminality.
- Merton's theory categorically talks about criminal behaviour arising out of imbalance in societal standards and the means to achieve it. But the theory fails to explain other forms of deviance such as malicious and symbolic crimes. The theory only focuses on the crimes that are being committed to achieve economic success.
- Merton's theory fails to address about the how individuals are socialized into accepting

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<sup>12</sup> Merton's strain theory | definition, typology & examples - study.com, <https://study.com/academy/lesson/mertons-strain-theory-definition-examples-quiz.html> (last visited Nov 16, 2023)

the goals that are being set by the society or how the norms and values are transmitted across generations.

- Merton's theory focuses and categorically explains about the problem of strain resulting into crime but doesn't talk about any preventive measures or doesn't recognise rehabilitative approach.
- Merton's theory fails to address that not every individual has equal opportunity to achieve the goals set by the society by opting for lawful or reasonable means. And the factors of inequality in opportunity are socio-economic status, race and discrimination.
- The theory oversimplifies the multiplexity of criminal behaviour and neglects other factors that may lead to criminality such as vengeance, thrill-seeking, depression or personal satisfaction.<sup>13</sup>

## **CONCLUSION**

### *How both the theories explain criminality better*

The decision making processes of white collar criminals are shaped by an integration of both the theories. As per Merton, American dream is the goal of society and individuals choose varying means to achieve the same and as per Sutherland, crime is result of social learning that takes place in peer groups when such groups regard unethical behaviours.

Individuals who are exposed to groups/associations that support criminal behaviour and disregarding the law may at the same time encounter strain due to societal pressure and competitive nature of their occupational environments, increasing the probability of them opting for criminal attitudes. Such conjunction of influences can lead to the motivations and rationalization of white-collar crime as a viable solution to cope up with strain and pressures they face. By identifying the interplay between learned behaviours and external pressures, this approach contributes to a better understanding of why individuals in respected positions may opt to participate in illicit activities for financial gain within their professional environment.

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<sup>13</sup> Criticism of Merton's strain theory: A sociological ... - owlcation, <https://owlcation.com/social-sciences/Sociology-Essay-Strain-Theory-and-the-Functionalist-theory-of-Deviance-and-Crime-A-Critique-of-Mertons-Strain-Theory> (last visited Nov 16, 2023)