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IDENTIFYING GAPS IN INDIA'S LEGAL FRAMEWORK AND POLICY RESPONSES TO WHITE-COLLAR CRIME AND CORRUPTION

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Abstract: **This white-collar crime and corruption are real threats to the India economy and governance structure. This article critically analyses the legal provision and policy measures in India, which explore the existing limitation that prevent effective response to these crimes. They are used to review legislations, enforcement structures and institutional frameworks and to assess bottlenecks of implementation. The given policy implications address recommendations for policy change and augmentation of the legal arsenal of India to seek the top-tier approach at whittling down white-collar crime and corruption.**

Keywords: **White-collar crime, corruption, legal framework, India, policy responses.**

1. INTRODUCTION

White-collar crime pertains to crime that results from the use of fraud, dishonesty or defrauding individuals or companies, thus it is not violent. In India, corruption in its different forms, fraud, and embezzlement issues directly affect people's trust and impede development. Although India has set a number of laws that prevent these offenses, there is still a legal void and policy drawback that fails tofacilitate efficient enforcement. The purpose of this article is to define these gaps and to present recommendations for their mitigation. White-collar crime in India refers to business and professional crime involving money, violence not being part of it since it's committed by persons of high standing in society or business community. Such crimes comprise of bribery, bribery-related scams, theft embezzlement/missing funds, cash laundering, stock fraud, and tax avoidance fraud. Such offenses are known to go further in the following ways: discredit and demoralize the public, affect the economy negatively and compromise the governance systems. Despite numerous attempts to curb these crime through legal provisions including the Prevention of Corruption Act[1], the Prevention of Money Laundering Act[2] and the Companies Act[3] there are still loopholes in the legal provision and policy measures that restrict strict enforcement (Jain, 2020).

A range of problems is attributed to such issues as lengthy and intricate procedures within the legal framework of the countries as well as the diversification of investigative bodies and their jurisdictions, which result in improper cooperation

[1] Prevention of Corruption Act, 1988
[2] Prevention of Money Laundering Act, No. 15 of 2002, India Code (2002).
[3] Companies Act, No. 18 of 2013, India Code (2013).

and longer time needed to prosecute. Moreover, the legislation is not sufficient due to the outdated regulation of new types of white-collar crimes when new technologies are actively used. For instance, such crimes as cyber fraud and financial scam are on the increase while the laws and laws relating to them can barely cope up with the growth in technological systems. Another is the weak enforcement agencies which lack the necessary experience and equipment to probe the complex, abstract financial crimes. Additionally, lack of complementary preventive measures to the punitive measures Ngugi&Wahome observed that the effects of these laws have been moderate. And though they exist they discourage only to a small extent because trials in the region take so much time with very low chances of conviction. Corrupt practices also affect the enforcement and investigation agencies to deliver justice on offenders. Hence India necessitates a multi faceted strategy, which involves legal changes in existing laws and regulatory environment to decentralize procedures, improve cross-legal coordination, and having separate courts for continuing financial crimes enactments (Dey & Ganapathy, 2019).

2. LITERATURE REVIEW

The literature about the phenomenon of white-collar crimes and corruption in India has evolved widely and attracted significant interest among theorists and practitioners. Currently there are two major legal weapons against corruption they are The Prevention of Corruption Act, 1988 and the Indian Penal Code. This has been further affirmed by scholars such as Gupta GPA (2021) who argue even though these laws adopt a broad approach, they do not work because there are tendencies of incomplete implementation.

Khanna (2018) established that corruption has become endemic in the socio-economic system of operations in India, which requires approach with a clear anti-corruption framework that goes far beyond a list of legal measures. Policy responses such as the Central Vigilance Commission (CVC) and the Lokpal exist to fight corruption yet they are confined by the shortcoming in authority and resource (Rao& Singh, 2020).

3. OBJECTIVES

1. To identify gaps in India's legal framework related to white-collar crime and corruption.
2. To analyze the effectiveness of existing policy responses.
3. To propose recommendations for enhancing the legal and policy landscape in combating white-collar crime.

4. METHODOLOGY

The scope of the research would also substantially conform to the doctrinal research approach which entails the analysis of laws, policies and other relevant literature. Resulting from the analysis of the provisions of the existing laws including the PCA, IPC and the Companies Act, 2013 the following concerns Additionally, secondary sources, including reports from regulatory bodies and scholarly articles, provide context and insights into the challenges faced in combating white-collar crime and corruption.

5. RESULT AND ANALYSIS IN THE LEGAL FRAMEWORK

This research aims to explore the existence of Legal Definition ambiguities.

This brings out the fact that one the major deficiencies of legal system in India is the lack of clear definitions in law of some of the most important terms used in the context of white collar crimes. For example, the PCA fails to define the term ‘public servant’ and therefore any attempt to define the term is all over the place. This vagueness will in particular hamper actual enforcement of the law since offenders may easily find or invent ‘loopholes’ (Gupta, 2021).

Successful laws, on the other hand, are most often characterized by a paucity of legal precedent, which is a less-frequent situation in practice.

The legal regulation of corruption mainly concerns corrupt activities of public officials, although the area of corporate fraud and misbehavior is not covered sufficiently. Although some protection is granted by the Companies Act of 2013, the approach does not suit the complexity of the corporate fraud situations, particularly those involving stakeholders at the company (Chaudhary&Kaur, 2020).

Another major problem or concern on the same topic is Insufficient Whistleblower Protections

Whistle blowing is very important to unearth so many white collar crimes; but the Indian laws to protect such whistle blowers are still lacking. Despite being enacted in 2014, the Whistleblowers Protection Act[4], has no proper provisions for effective implementation and protection of whistleblowers are often threatened with retaliations (Rao& Singh, 2020). This lack of protection for the whistle blowers hinders people who want to volunteer information that would help eliminate corruption in the country (Singh & Sharma, 2021).

5.1 Result and analysis in Policy Responses

Lack of efficiency of the institutional environment

To fight corruption India has set up different institutions The Central Vigilance Commission (CVC) and the Lokpal, but these remain ineffective because of less power and resources. For instance, the CVC cannot prosecute cases on its own and mostly requires the services of the CBI that has been accused of political influence (Verma, 2019).

Some of the problems facing the various regulatory bodies are inadequate co-ordination.

Still, another notable deficit in the anti-white-collar crime efforts is the poor coordination of the different regulatory organizations hence producing fragmented responses to the offenses. This structure causes redundancies, delayed investigations and complications arising from matters of jurisdiction, and compromised data sharing accordantly by National Crime Records Bureau (NCRB) (2021).

Insufficient Public Awareness and Engagement

Public engagement in combating corruption is crucial, yet awareness of legal provisions and avenues for reporting corruption remains limited. The government's outreach efforts have been insufficient to educate citizens about their rights and the mechanisms available for reporting wrongdoing (Khanna, 2018).

6. RECOMMENDATIONS FOR IMPROVEMENT

6.1 Suggestions of improvement

1. Legal Reforms

Clarifying Definitions: Proper interpretations of legal provisions should be given in cases where such provisions include the provisions of the PCA and other statutes are found to have the potential of yielding different interpretations Expanding the Scope of Laws: The legal regulation should be developed to zone corporate fraud and overextend the accountability in all industries.

2. In the below posts, there are specific suggestions made for ways for strengthening whistleblower protections: Robust Protections: Chapters in the Whistleblowers Protection Act should be strengthened and penalties for retaliation against whistleblowers should be improved so that people can blow corruption without being fired.

3. Strengthening institutional capacity- Empowering Regulatory Bodies: The CVC along with Lokpal both should be given more power to investigate and prosecute independently.

7. CONCLUSIONS

This research identified several challenges that the Indian legal system and the policy entails in fighting white-collar crime and corruption. These are legal and definitional vagueness, lack of sufficient legal protection of whistleblowers, and presence of weak institutional arrangements. To strengthen the fight against white-collar crime, comprehensive legal reforms and enhanced policy measures are essential. By addressing these gaps, India can foster a more transparent and accountable environment that deters white-collar crime and corruption.

[4] Whistleblowers Protection Act 2014.

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