

## SECTION 4

So far, in these lectures, we've been looking at crimes like robbery and murder – both from a historical viewpoint and also in contemporary society – and we've seen that the preoccupation in Western society with crime and with lawlessness is part of a long and continuous tradition, rather than something which is new and unique to modern society.

But over the past seventy years or so, there has been a massive increase in one type of crime, which is what's known as 'corporate crime'. Corporate crime is crime which, as the name suggests, is connected with companies, with business organisations. It includes illegal acts of either individuals or a group within the company, but what is important is that these acts are normally in accordance with the goals of the company – they're for the good of the company rather than the individual. It's been defined as, quote, 'crime which is committed for the corporate organisation' – the company – 'not against it', unquote.

Q31

So crimes like theft by employees – things like embezzlement or fraud against one's actual employer are excluded according to this definition. The employees may be involved but they're acting in the first place for the company – they may not even realise they're committing a crime or they may realise but they feel it's excusable because it's policy, or because otherwise they may lose their jobs. So here, really, we're talking about the links between power and crime.

Q32

Now, this is one area that much less is generally known about than conventional or traditional crime. It has been relatively ignored by the mass media – for example, it tends to be under-reported in comparison with conventional crime in news broadcasts, and in crime serials and films and so on – they very rarely deal with corporate crime. And it also tends to be ignored in academic circles – there's been far more research on conventional crime and far more data is available.

Q33

Q34

There are several reasons for this lack of interest in corporate crime, compared with other types of crime. It's often very complex, whereas with conventional crime it's usually possible to follow what's going on without specialist knowledge. As well as this, whereas conventional crime usually has a lot of human interest, corporate crime often has much less. The third reason, and possibly the most significant one, is that very often the victims are unaware – they think their misfortune is an accident or that it's the fault of no-one in particular. They're unaware that they've been victims of a crime.

Q35

Q36

So, when we look at the effects of corporate crime we may find it's very difficult to assess the costs. But these costs can be very considerable in both their economic and social aspects.

Let's look at the economic costs first. For example, if a company is producing fruit juice and it dilutes its product so that it's just a little below the concentration it should be, many millions of people may be paying a small amount extra for their carton of orange juice. Now small amounts like this may seem insignificant for individual customers – too small to worry about – but for the company this deception might result in massive illegal profit. However, all studies of corporate crime agree that the individuals are in fact deprived of far more money by such crime than they are by conventional crime like robbery and theft.

Q37

Q38

In addition to this, we have to consider the social costs of corporate crime and these are again very difficult to assess, but they are considerable. They're important because they can undermine the faith of the public in the business world and also, more importantly, because

### *Tapescripts*

the main group of people they affect are, in fact, not the richer sections of society but the poorer – so here companies are robbing the poor to benefit the rich.

There are two more points to do with corporate crime that I'd like to illustrate with reference to a specific event which occurred several years ago. This was an explosion of a large oil tanker which caused the loss of more than fifty lives of the crew. It was an explosion which never should have happened and a subsequent inquiry laid the blame not on anyone who had actually been on the tanker at the time, but on the owners of the tanker. They had deliberately decided not to carry out necessary repair work on the tanker as it was due to be sold, and it was this lack of repair work which was directly responsible for the explosion.

Now this illustrates two points to do with corporate crime. First of all, that it does not have to be intentional. The owners of the tanker certainly did not intend it to explode. But very serious consequences can result from people or organisations not considering the possible results of their actions seriously enough. The main crime here was indifference to the human results rather than actual intention to harm anyone, but that didn't make the results any less tragic.

Q39 &  
Q40

And this leads me to my second point – that corporate crime can have very severe consequences. It's not just a matter of companies making bigger profits than they should do, but of events which may affect the lives of innocent people, and yet very often companies, because they say they didn't intend to harm anyone, can avoid taking responsibility for the results of their actions. And that has been a very dangerous loophole in the law.

A further example of corporate crime was . . . (*fade out*)