

CHAPTER 7

ORGANIZED CRIME IN INDIA

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1. Introduction

There is very little official information about the nature and extent of organized crime in India. The problem of defining organized criminal enterprises is problematic for such crimes have complex formats and their operations spread all over the country and even have links abroad. This paper attempts to construct a broad picture of organized crime in India from various sources and media reports. The paper argues that organized crime in India should be conceived as some form of organized criminal activity since there are some distinct traditional crimes that fall in this genre. The paper describes organized crimes in such areas as dacoities, kidnapping for prostitution purposes, illicit liquor business and many others. As a case study it also describes the spread of organized crime in Bombay in real estate, smuggling, share market and illegal banking operations. Finally the paper also describes the nature of political corruption in the country and argues that most organized crimes are now linked to political corruption. It also suggests that the only way to control the crime is to take strong measures to bring political accountability. Several practical recommendations are also made.

Key Words: Organized Crime India Police Political Corruption

2. Country Profile

Ever since gaining independence from the British in 1947, India has emerged as a strong nation, seeking its tryst with destiny and rightful place in the galaxy of nations. It has established itself as a federal republic, with a lengthy, extensively debated written constitution, and a parliament where timely elections have often led to changes in the government. A country of almost 844 million people (1990 census), India is the world's seventh largest nation with an area exceeding that of western Europe. India also possesses abundant natural resources and its 25 states encompass everything from the tropical rain forests in the north-east to the verdant farming regions of the north and the arid steppe country to arctic cold of the Himalayas. Bombay and Calcutta are amongst the largest 10 cities of the world and with at least 17 cities with population exceeding 1 million, India is also getting highly urbanized. A series of economic reforms over the past 5 years have seen a dynamic economic growth and India's GNP grew by over 5.5% and the estimated middle class now equals almost the size in the US.

The land of every religion and officially recognized 18 languages, India consists of people whose roots go back to the Vedic civilization, and where Buddha, Gandhi and many others preached Ahinsa, the path of non-violence. Yet, its large diverse population and a short history of political unity has made India a difficult country to govern and administer. The initial impression of a "soft state" (Myrdal, 1968: 52-53) or a "functioning anarchy" (Galbraith, 1959) have not been dispelled despite eleven parliamentary and many more assembly elections. Renowned for its non-violent freedom struggle, unfortunately India is now seen as a land beset with terrorism, ethnic, religious and caste riots, violent elections and the place where criminal activities are reaching dangerous proportions.

What remains unnoticed is that India is the largest democracy in the world, has a parliamentary form of government with a written, extensively debated constitution. Despite difficult situations, time bound changes in government occur in contrast to most developing nations. It has free and strong democratic institutions; an independent (and often extremely critical) judiciary, an emancipated, vocal press and an established election process where the mandate of the government is periodically put to popular, universal vote. The government moreover, conducts its administration and other businesses on established laws, rules and procedures which are regularly tested for their "due process" in the courts. Naturally, running an "open"

government in a diverse and in many ways fragmented society is never easy. The widening gulf between the rich and the poor, the revival of religious fundamentalism and above all the growing protests against the failures to meet the burgeoning demands of the people, are indeed putting great strain on the democratic functioning of the government (Kohli, 1990). It is also apparent that several weaknesses have emerged in the governing structure that are encouraging the growth of organized criminal activities in the country.

In this paper we seek to describe some of the different forms of organized crimes and relate them to the shortcomings in the administrative functioning that are contributing to their increase. We will also explain the present and newly enacted legislations and finally describe the internal and international efforts undertaken to combat these organized crimes. We will also suggest some ways in which a greater control may be exerted on these criminal enterprises.

3. Definition, Nature and Extent of Organized Crime

The problem of defining organized crime in India is similar to the problem in any other country. There is no formal legal definition that categorizes organized criminal activity despite evidence of its existence. Even in law there is little to point out that may suggest how organized crime may be analyzed. The common notion of "organized crime syndicate or Mafia" made so popular by the American media and Hollywood does have its parallel in India though perhaps not in such virulent form. Media reports suggest the existence of organized Mafia in the coal fields of Dhanbad and in smuggling and the real estate business of Bombay.

Since there is no single definition that can be used to describe criminal activities as organized crimes we need to explore the literature to see how the notion of organized crime may be applied to the case of India. Definitions of organized crimes range from those that seek to describe its structure, composition, hierarchy and membership to those that focus not upon its actions but rather on the structure or nature of criminal and racketeering enterprises (Schatzberg and Kelly 1996: 16). Most statutes and scholars identify several features including corruption, violence, continuity, structure, discipline, bonding rituals, participation in legitimate business enterprises as elements in a general operational definition (e.g. Albin 1971; Bequai 19979; Block 1978; Caputo 1974; Chalidize 1977; Chambliss and Mankoff 1976; Dorman 1972; Fox 1989; Gasper 1969; Kelley 1987;

Servadio 1976; Yeager 1973).

In the US, where public outcry about organized crime syndicate has forced the governments to take action, every state has ended up creating its own definition of organized crime. Thus, Delaware defines it as "A group of individuals working outside the law for economic gain" while in Oregon "organized crime is a self-perpetuating, continuing conspiracy operating for profit or power, seeking to obtain immunity from the law through fear and corruption". There is thus little unanimity between the states of what constitutes organized crime. Different scholars too have used different definitions to describe the phenomenon. Maltz (1975: 76) suggests that "the objective of most organized crimes is power, either political or economic" and that "...the two are not mutually exclusive". Shaw and McKay (1941) focus upon the organizational nature of such crimes which "...involves the co-operation of several different persons or groups for its successive execution".

Donald R. Cressey argued in his report to the Task force on Organized crime (1967) that organized crimes in the US are formed into monopolistic corporations that he called a family, headed by a boss assisted by consiglieri, caporegime and soldati. However, Francis Ianni argues that the Italian American version of organized crime is a traditional social system "organized by action and by cultural values" (1972:108). Abadinsky (1981: 20) suggests that organized crime is usually non-ideological in character with a "willingness to use violence and or bribery to achieve ends...". Yet, reportedly organized crime in Japan is highly ideological and political (Kirk 1976). Mack (1973:103-104) has also argued that US model of organized crime is not to be found outside of north America and in Europe organized crime takes in all criminal operations, however small that "cover anything other than spur of the moment crimes". James Opolet (1979) reports that organized crime in Africa is usually engaged in smuggling activities where tribal loyalties transcend national boundaries and facilitate crossing borders for smuggling purposes. Chambliss too found that prostitution, gambling were professionally organized in Nigeria that operated with official protection. The main point appears to be that the criminality of persons in organized crimes differs from that committed by conventional criminals because the organization allows them to commit crimes of a different variety or even conventional crimes on a larger scale than otherwise possible.

4. Definition and Description of Organized Crime in India

On the basis of literature review we may therefore similarly define organized crime in India as a criminal / business / bureaucratic / political enterprise designed to make money or achieve power through illegal means, bribery and extortion. These enterprises are supported by poor enforcement of the law, political corruption and decline in the power of institutions like the courts, media and citizen watch groups that could otherwise keep it under check. The people engaged in such crimes include ordinary criminals, business persons, bureaucrats and politicians, each playing a distinct but complementary role in the organization of the criminal enterprise. The criminals usually provide the muscle power, carry out the threats, assaults and killings, including the collection and disposal of the property and usually act as the front men.

The business persons provide the seed money, take care of the operating costs and attempt to channel the profits into legitimate businesses. The bureaucrats assist by taking bribes to make decisions favorable to the syndicate, ensure that the enforcement agencies are neutralized and active, honest agents are marginalized through transfers and other means. Finally, the politicians, whose motive also includes the capture of power, play the role of god fathers to the criminals, willing bureaucrats and use their authority to provide illegal profits to the business persons. These roles differ and sometimes even overlap in one or more persons, like a corrupt politician giving favors to his relatives to make profit and using criminals associated with him to silence critics. In any case the outcome is deadly: huge profits running into millions of dollars worth are siphoned from the public exchequer, opponents and critics are brutally suppressed and such organized criminal activity extends its tentacles into every sphere of life, criminalizing and impoverishing the society to a dangerous level.

However, organized crime in many other forms also exists in the country and over the years has steadily assumed monstrous proportions. In this paper we will describe some examples of those organized forms of crime that are similar to Mafia' like operations: a well organized group using violence to achieve money or goods. We would like to categorize these other crimes as "organized criminal activities" that we argue are of the same genre. Group criminal activities, like dacoities, kidnapping, extortion, and even political corruption are also organized crimes since these are committed by a large group of people who are hierarchically organized, involves illegal and vio-

lent activities and whose main motive is money or power. Some of these are loosely organized, where the allegiance to the leader is transitory depending upon his / her power and influence while some others have even a formal corporate like organization in which a small group collectively controls and directs the criminal activities of its members. Therefore, when we describe the extent and nature of organized crime in India we would also take into account those enterprises that operate through an organized group activity and are criminal by nature.

Some of these organized crimes are even well defined in India like dacoity and perhaps kidnapping and abduction of women and girls too. Many other types like smuggling, drug offenses, prostitution, extortion, political corruption, assaults and murders that may be part of some organized crimes are not so classified. Some of these crimes, when defined in law are reported under different heads and there is no single place where statistics about organized criminal incidents are aggregated.

Thus, the well defined categories of crimes like homicides, robberies, thefts, cheating and so on are recorded individually for every incident which are reported nationally by the National Crime Records Bureau (NCRB). However, in its "Crime In India" published annually, there is no single heading for organized crime and there is no format where two different crimes committed as part of an organized crime racket could be linked together. Sometimes at the police station level or even at the state level special reports are prepared by the Criminal Investigation Departments about organized crimes but these are for internal consumption only and not made public. Thus, there is no source that could provide statistical data about organized crime in the country. Nevertheless, a broad picture could be constructed about these organized criminal activities from the incidents recorded by the different police agencies in the country. For instance, NCRB provides the following information in its 1993 annual report about Dacoity that by definition is a group crime, a robbery where five or more people are involved and Kidnapping or Abduction of women and girls which is likely to be an organized crime linked to prostitution:

Table 1

States	Dacoity	Rate	Kidnapping / Abduction of Women / Girls	Rate
Andhra Pradesh	680	1.0	472	0.7
Assam	725	3.1	1034	4.4
Bihar	2754	3.0	1335	1.5
Goa	13	1.1	19	1.6
Gujrat	338	0.8	923	2.1
Haryana	78	0.4	208	1.2
Himanchal Pradesh	12	0.2	167	3.1
Jammu & Kashmir	45	0.6	304	3.7
Karnataka	306	0.7	306	0.7
Kerala	53	0.2	85	0.3
Madhya Pradesh	260	0.4	996	1.4
Maharashtra	794	1.0	740	0.9
Manipur	48	2.5	77	4.0
Meghalaya	77	4.1	8	0.4
Mizoram	4	0.5	0	0
Nagaland	49	3.8	13	1.0
Orissa	307	0.9	432	1.3
Punjab	13	0.1	102	0.5
Rajasthan	90	0.2	2151	4.6
Sikkim	3	0.7	4	0.9
Tamil Nadu	155	0.3	757	1.3
Tripura	206	7.1	61	2.1
Uttar Pradesh	1778	1.2	2522	1.7
West Bengal	518	0.7	708	1.0
Delhi	27	0.3	580	5.7

There is a good deal of minimization of these crimes too (Saxena 1985; Verma 1993) and it is perhaps more appropriate to believe that a fair number of dacoities have been registered as robberies and kidnappings as “missing reports” to minimize the offence (Verma 1994). Nevertheless, the above figures do suggest that such forms of organized criminal activities are spread all over the country. Yet, investigative journalist accounts (India Today 1995) have also shown how girls are procured from Nepal to be ultimately sold to brothels in Bombay. Obviously, the nature and extent of organized crime in kidnapping and abduction of women for prostitution purposes or other kinds of organized crimes cannot be gleaned from the figures provided by “Crime In India” alone.

Likewise, there is limited statistics about the seizure of drugs and number of people arrested for its possession or trafficking within the country that is provided by NCRB.

Thus, we have the following information about drug related offences for the period 1988-1993:

Drug Type	Quantity seized	
	1988	1993
Opium	3304	3011
Heroin	3039	1088
Hashish	17523	8238
Methaqualone	1649	15004

Crime in India 1993, also reports that in 1988, 2350 persons were arrested for possession of drugs and in 1993 it went up to 13723. The number of prosecutions for drug trafficking also shows similar rise, 3704 in 1988 to 9964 in 1993. NCRB does not provide area wise breakup nor other details like monthly dis-aggregated statistics that may be analyzed together with media reports for information on organized crime in drugs. Again little generalization can be made on the basis of this limited aggregated data and at best one may conclude that organized crime in drug dealing obviously exists in the country though its nature and extent remains unknown.

Smuggling is another crime that functions only as an organized enter-

prise. Yet, little information is available about its extent in the country. Crime in India does not separately inform about official statistics on smuggling and there is no other source that maintains such data. Only a rough estimate could be given about its nature from the limited information provided in Crime In India. Thus, we learn that the Enforcement Directorate seized Rs. 451.93 lakhs in foreign currency, the Narcotics Control Bureau arrested 144 foreigners and convicted 274 for drug related smuggling offences in 1993 (NCRB 1995: 341). However, this tells nothing about the nature or extent of organized smuggling going on in the country. Similarly, even though we learn that 38240 murders were committed in the country, and the number of counterfeiting of currency were 3728 there is no information to suggest how many of these formed part of any organized criminal activity. Literature suggests and we too have argued that “political corruption” is another kind of organized crime in which prominent politicians operate illegal business enterprises engage in extortion, frauds and even murders but none of this information gets officially recorded in any systematic manner. NCRB provides information only about the cases registered under the Anti-Corruption Act that only gives individual counts of such cases registered in the country rather than providing information about the organization that lies behind it. Accordingly, very little crime statistics can be cited that could provide information about the nature and extent of organized crimes in the country.

Not only crimes by the individuals have increased drastically over the years but crimes by “gangs”, and inter-connected groups have also risen sharply. Riots, especially caste and communal clashes that have led to large scale killings and destruction of property are also organized criminal activities. In some parts of the country like Bihar, Uttar Pradesh, Andhra Pradesh and even Assam these groups have targeted certain minority sections of the society and have even organized their own “senas” or armed bands to subdue the other groups (Sinha 1991). The nature of such organized crimes varies from state to state and within any state also. Since there is little official information about the nature and extent of such organized crimes in India we will have to use different sources like media reports, journal articles and books to construct what would naturally be a rough picture. Hopefully, it would still be informative and at least indicative of the serious dimensions organized crime has assumed in India.

5. Different Forms of Organized Crimes in India

We will first describe those crimes that we have defined as organized criminal activity and then provide some information about the organized crime in well known areas as prostitution, illicit liquor, and smuggling. We will use the example of Bombay as a case study to describe the extent of organized crime and show how it has developed links in different areas and is posing a serious threat to the country's integrity.

A. Dacoity

Of the several kinds of organized crimes, house and road dacoity organized and carried out by large groups was known to have existed during the period of Buddha, has its roots in social banditry and is well defined in law also. Long distance travel, that is an essential part of religious traditions was never safe in Indian sub-continent and a king's popularity rested upon his efforts to keep the main routes safe from the depredations of these dacoits. From the period of Ashok to the Mughal empire, this form of organized criminal activity posed serious challenge to the state's authority. During the British period special efforts were made to deal with this form of crime and the Criminal Investigation Department (CID) was largely concerned with the investigation and prosecution of these gangs. For example, the British law enforcement agencies found sufficient evidence for a country wide organization that plundered pilgrims and travelers by winning their confidence and in most cases would also murder them. This group came to be known as Thugs and their eradication by colonel Sleeman is one of the success stories of the Indian police. The Indian Penal code enacted in 1861 recognized the existence of this form of organized crime and sections 395-399 defined its nature and punishments. Dacoity has been recognized as an organized crime, and defined as robbery committed by 5 or more people, usually with some form of violence or threat to life. The crime has been made punishable with severe penalty including life imprisonment to its perpetrators.

Historically, most of the dacoits were recruited from the margins of the village economy and documents from Bengal prisons in the early nineteenth century suggested that the largest occupational categories of these suspected offenders were laborers, fishermen, palanquin carriers, milkmen and cowherds (McLane 1985: 33). The official view slowly hardened to associate lower castes with such crimes and it became common to believe

that most dacoits came from the lower castes.

Unable to contain dacoities through ordinary police operations and legislation the British enacted some drastic legislation to deal with these forms of organized crimes. "...when we speak of professional criminals we . [mean] a tribe whose ancestors were criminals from time immemorial, who are themselves destined by the usage of caste to commit crime, and whose descendants will be offenders against the law, until the whole tribe is exterminated or accounted for in the manner of thugs" (Yang 1986: 109). This official British ideology formed the basis of the repressive Criminal Tribes Act (Act XXVII of 1871) providing for strong measures against almost 13 million people till its repeal in 1947 when India attained its freedom. The act empowered the police to register the members of these tribes, maintain surveillance and keep control over their movement. The regulations also gave powers to the police to inspect an offender's house for any stolen property and if any member was found outside the limits of his prescribed area of movement, to apprehend him without warrant. This act has been repealed yet, similarly organized criminal activities, many by members of these former criminal tribes continues even today. The Bawarias and Santhi's of Rajasthan are notorious for their brutality and lust for gold ornaments. They are known to operate around towns well connected with railways and travel long distance for their crimes.

Dacoity, consisting of as many as 30-40 members in the gang is still a serious problem in several parts of the country. Despite sustained police efforts large parts of central India, particularly the states of Bihar, Bengal, Orissa, UP, MP, Rajasthan and Andhra Pradesh are plagued by such gangs of dacoits. Mostly these gangs commit house, road or train robberies and occasionally also kidnap for ransom. The Chambal ravines of UP, MP and Rajasthan have been notorious for such kinds of crimes since these ravines provide excellent shelter to the gangs that can operate with impunity from their hideouts. Special police operations have been launched again and again but the menace of dacoits in these areas have not diminished. In 1993 the province of Bihar recorded the highest number of dacoities with 2754 incidents with Uttar Pradesh second with 1778 (NCRB 1994). Even large metropolitan centres are not safe from this form of organized criminal activity and Bombay recorded 117, followed by Calcutta 38 and Kanpur with 34 incidents in 1993. Dacoities are committed in railways too and NCRB reported 132 such incidents all over India in 1993. Dacoity remains a serious menace and challenge to the Indian police.

B. Kidnapping and Abduction

Since disposal of property, like jewelry and clothes is difficult many of these gangs have shifted operations from dacoity to kidnapping for ransom. Kidnapping of business persons, even children have been reported in newspapers again and again and this form of crimes have been seen in Delhi, large cities of UP, Bihar, Gujrat and even Bombay. In law kidnapping has been defined as a serious crime and the Indian Penal Code prescribes punishment extending to life to its perpetrators. Yet, few offenders proportionately get the punishment since most families, fearing for the safety of their beloved ones rarely inform the police. NCRB reported 19830 kidnappings in 1993, showing a rise of 43.3% over the decade and for which only 5083 offenders were convicted. The recent case of the kidnapping of industrialist Mukesh Jain from New Delhi (India Today 1993) has revealed how kidnapping has become a well organized crime. In this case the offenders had an organization running from Delhi to the states of UP and Bihar and despite the publicity of the case could not be arrested.

However, most of the kidnapping and abductions are of women and minor girls for the purpose of prostitution. Flesh trade has been flourishing in India in various places and in different forms, in the red light areas of cities like Bombay, Delhi, Madras, Hyderabad and many more to the dancing Devadasis of temples. The notorious markets of Dholpur in Rajasthan, Jangalpet in Andhra Pradesh, Muzaffarpur in Bihar are well known places for buying and selling of girls. Ashwini, a reporter from the Indian Express exposed this shameful racket by buying "Kamala" from these areas. Media reports (Blitz 1987) suggest that there are over 100,000 prostitutes each in Bombay and Calcutta while the Patita Udhara Samiti estimated the total number of prostitutes to be more than 25 lakhs in the country (Ghosh 1991: 60). With the threat of AIDs disease, the criminals have begun turning to minor girls and child prostitution too is another major form of organized crime about which there is little statistical data to analyze. However, media has exposed cases of young girls being sold as brides to the sheikhs and young boys as camel jockeys in the middle east, all of which does suggest the roots of organized crime in kidnapping and abductions.

C. Illicit Liquor

The distillation and distribution of illicit liquor is a very profitable business especially in states like Gujrat and Andhra Pradesh where total

prohibition has been imposed. Despite prohibition, liquor is of course freely available and generates huge profits to the organized crime. It has been alleged that the total turn over of the bootleggers in Gujrat is not less than 1000 crores (Ghosh 1991: 46). The "liquor syndicate" has even become a powerful political lobby in the state and reportedly caused the downfall of Oza ministry in the seventies. Even more lucrative form of organized crime in liquor is the smuggling from one state to another. Excise taxes vary from state to state and the differences in prices provide profitable incomes to these inter-state smugglers. The business is also profitable because the trade thrives on adulterated liquor on which there is no tax and little control is exercised by the excise departments. Every year, several deaths from drinking such spurious liquor are reported from different parts of the country but little action is ever taken since the crime is well organized.

The so called "spirit scandal" in Tamil Nadu and Kerala when excise authorities found documents showing selling of liquor in one state but without corroborating evidence of tax payments. It was revealed that thousands of gallons of spirit had flown into Kerala from Tamil Nadu on fictitious permits to make country liquor. This was being sold at exorbitant rates and was depriving both the governments of hundreds of thousands in taxes. In this T.K. Ramakrishnan, Kerala's excise minister himself was alleged to have played a prominent role in running this organized crime racket (Ghosh 1991: 45).

D. Organized Crime in Bombay

Other forms of organized criminal activity now exists in virtually every part of the country where it is seen in such crimes as gambling, illegal real estate transactions, smuggling, poaching, extortion and even money laundering. The coal fields of Bihar, the ports of Calcutta, Madras, Cochin or Diu, the industrial belt of northern India, the border with Nepal, Bangladesh and Pakistan are of course well known areas for these crimes. However, even the sandalwood forests of southern India where organized crime exists in forests produce, or the hills of Assam where poaching is notorious, to the little known region of Mirzapur in Uttar Pradesh where children are bought and forced to work in carpet factories, organized crime has taken deep roots in the country. However, amongst all the places, the case of Bombay for organized criminal enterprises is perhaps the most classic. Bombay also provides a good example of how wide spread it really is and how its tentacles have reached even the higher echelons of the Indian

society.

Bombay is the economic engine of the country. Situated on a small island of the Arabian sea, the metropolis is the home to the corporate world of big Indian names like the Tatas, Mafatlals, Godrej, Reliance industries and virtually every large business organization has a branch office in the city. Bombay also produces virtually everything ranging from vehicles to chemicals, to electrical appliances. The city is also home to the second largest film industry in the world, has a large gold bullion and diamond market and naturally attracts all who dream of making riches overnight. Accordingly, we will now describe different forms of organized crime in Bombay as a case study to suggest how serious is the situation in the country.

E. Organized Crime in Real Estate

Bombay has of course always been notorious for its gangs that found the crowded island a promising place of making quick profits. With burgeoning population, rapid industrialization and shortage of space, Bombay became from the early days of independence a place where urban land was a prized possession and a valuable property. Since the last two decades, land prices, always the highest in the country, have been rising still higher and have reached a stupendous stage. Prime land in Bombay is perhaps costlier than Hong Kong and with the new liberalization setting in, real estate has become a business running in billions of dollars. Reportedly, more than \$30 billion of investment proposals have been made in Bombay because virtually every company doing business wants office space in the city. The land tenancy act and the Bombay rent control act, the two main laws on real estate and housing are archaic and it is extremely difficult to do property deals legally. The government remains reluctant to make rules that can give powers to the landlords to change tenants, or change the nature of property since this action goes against the socialist stance of the government. Consequently, there is little investment in new affordable housing resulting in acute shortage of residential space for people streaming in Bombay from all over the country. Considerable legal difficulties exist too in evicting tenants who have been living there for generations and paying little more than a token in rent. The growth in slums, the rising costs of land space and the absence of any governmental desire to deal with this issue has consequently made the real estate market appropriate and extremely lucrative for organized crime to step in and exploit. Several gangs have flour-

ished in Bombay that specialize in forcing the tenants to move out through threats, assaults and even killings or capturing disputed properties. "Leading gangsters of Bombay's underworld such as Haji Mastan Mirza, Karim Lala Pathan, Yusuf Patel, Vardarajan had done remarkably well in land and house property deals" (Ghosh 1991: 40).

In this situation, Bombay's ailing textile mills, established during British period have further given impetus to these organized criminal activities. These mills occupy hundreds of acres in central Bombay, land that is now worth more than 7500 crores of rupees. Consequently, most factory owners, unwilling to modernize rather want to sell the land that can fetch them more profits than their textile business. The government is unwilling to grant them permission to close the factories since that would render thousands of workers jobless. The absence of legislation that can force workers to relocate or to terminate their services have further compounded the issue. The owners are not investing in their factories to make them competitive, there is little economic incentive for them to do so and these units are slowly going into a loss.

Consequently, several of these business houses have been utilizing criminal gangs to terrorize the workers unions and drive them out so that they may ultimately close the factories. Media reports suggest that the gangs of Gowli, Sudhir Naik and that of Dawood Ibrahim have been active in supporting one mill owner or the other (Rahman 1994a). The recent murder of textile mill owner Sunit Khaitan and JMP Biscuitwala have exposed the involvement of organized crime in real estate matters of Bombay. The political involvement of Maharashtra state's former chief minister, Sharad Pawar with giving patronage to these gangs and industrialists has also been alleged by Bombay's municipal commissioner Khairnar (Rahman 1994b). The powerful textile union leader Datta Samant too has leveled charges that mill owners under value their lands, keep the income tax authorities away and use gangs to silence the workers. Money is paid as graft to the politicians who grant licenses to convert property and deny compensations to the workers. Since the stakes are unusually high and there is little administrative initiative to tackle the matter, it appears that organized crime would continue to dabble in real estate dealings of Bombay.

F. Smuggling & Terrorism

Apart from the organized rackets in real estate, Bombay is also notorious for its organized crime in smuggling. Ever since India attempted to

discourage consumption of foreign goods by levying heavy import duties, smuggling of electronic items, textiles, toys became a remunerative enterprise. Similarly, there is a heavy demand for gold in the country which produces barely 2 tons of gold per annum while the consumption is estimated to be over 100 tons a year (Asia Inc. 1995). This has created a profitable market for smugglers operating from the middle east, especially Dubai where gold prices are much lower than India. Rags to riches stories of people who profited from smuggling have become notorious in Bombay. Amongst all the smugglers, the name of Haji Mastan stands out as one who attained notoriety by his phenomenal rise from a dock coolie to a person who started financing film productions and contributing to political parties. His name became synonymous with smuggling in the seventies and even a few movies were made on his life story.

At present, Dawood Ibrahim is another person who started from petty smuggling crimes to become perhaps the biggest don of Bombay's underworld (India Today 1995). His rise is reportedly based upon his gold smuggling operations that quickly established him as a powerful financier in several kinds of illegal enterprises. His links with real estate business, film finances and "supari" or contract killings have made him a notorious personality in India. Dawood reportedly has not only cornered the smuggling racket but has become the don who settles financial disputes outside the legal framework, also finances film productions and is courted by well known film personalities. He is reportedly also muscling his way into the lucrative Bombay real estate market and has connections with the leading politicians of India (Rahman and Katiyan 1993). Public outcry and pressure by the enforcement agencies have forced him to base his operations from Dubai where he regularly hoists parties for cricket and film world personalities and continues his criminal operations brazenly. He created a stir when a contingent of Bombay film stars attended his son's birthday at Dubai recently (Ghosh 1991: 42).

The reach of his organized criminal activities were recently seen when he organized attacks on Bombay's economy as a retaliation against Bombay riots that hurt the Muslims. In march 1994, powerful bombs exploded at Bombay stock exchange killing more than 300 people. At the same time there were 11 other blasts that rocked different parts of Bombay including famous hotels, Air India buildings and many other important installations. The subsequent investigations revealed that Dawood Ibrahim supplied RDX explosives and arms through smuggling channels to the Memon brothers

who used criminal gangs to bomb these installations (India Today 1994). The links between Dawood Ibrahim's organized crime syndicate have been firmly established by the recent confessional statements of Yakub Memon who was a participant in the bomb blast case in Bombay (Ghimre and Rahman 1994).

Moreover, the recovery of some of the arms from the house of Sanjay Dutt, the leading film star of Bombay has further linked the association between smuggling, international terrorists, domestic Mafia', money laundering, drug distribution networks, corrupt bureaucrats, politicians and even film stars. Sanjay Dutt assisted in hiding some of the deadly weapons used by these offenders in his house and the investigation has further revealed how their money is being laundered to finance films through such producers as Hanif and Samir (Khatiyani and Rahman 1994). Bombay remains the conduit for smuggled goods into the country and organized crime in this business is likely to remain well entrenched.

G. Hawala Transactions: Organized Crime in illegal Banking

The world's underground banking Systems go by several different names like, chop, fei chi'ien, hundi and so on that account for around \$100 billion to \$300 billion in illegal money transfers (Asia Inc. 1995). Most of these banks are based upon family or gang alliances and carry out their operations with an unspoken but unambiguous covenant of retributive violence. In India this system is known by the name of Hawala or reference through which dollars, are moved from Bombay to Hong Kong, gold from Singapore to Vancouver or armaments from Karachi to Delhi all transactions based upon the "word" or reference of the trader without any paper receipts. All these operations are intricate, crime laced operations, involving several people from a host of nations and even secret enforcement agencies like the Inter-Services Intelligence (ISI) of Pakistan. Reportedly, even small time operators like Bharat operating from north America are estimated to transfer more than \$60 million illegally to India. In 1993, one Dinesh Goel arrested by Delhi police admitted to have transferred almost \$1.45 billion in Hawala payments to his clients in Dubai (Asia Inc. 1995). The suspicion of Hawala operations led to the raid on Jam brothers in 1991 in which \$250,000 were recovered in cash. What is more significant is the recovery of two coded diaries and account books that contained 115 names of India's who's-who to whom payments had been made by these brothers. The subsequent investigation has unearthed perhaps the biggest case of

political corruption in the country in which more than 14 cabinet ranking ministers are involved and so are virtually politicians of every party except the communists (Hindu 1996).

It is not only a banking operation for such huge amounts undoubtedly involve "enforcers", criminals who make the deliveries, or do the recovery from recalcitrant clients. Instances of Hawala funded killings in the Indian sub-continent are not unknown and the links with terrorists groups operating in Punjab, Kashmir, Assam and Tamil Nadu are openly admitted. Mohammed Aslam (alias Sheroo) reportedly killed custom's informer Amar Survana for \$1 1290 contract while Nagaland's Selim has been involved with the United Liberation Front of Assam (ULFA), extorting money from tea gardens to smuggle weapons (Asia Inc. 1995). Dawood Ibrahim's men carried out the Bombay's bomb blasts that we discuss below. The links of Hawala transactions with even large business houses and Indian industry has also been alleged by Delhi University's professor Gupta (1992) who suggests that most flourishing professionals, senior state officials, politicians and others engaged in high positions have made ample use of Hawala operations.

H. Organized Crime in Share Market

Bombay is also the home of India's leading and Asia's oldest share market. Share markets in India have generally functioned outside the public scrutiny since most of the brokerage has remained in the hands of specific castes that have used their own accounting systems to maneuver the markets. In the last 5-6 years, due to the economic liberation policies followed by the governments these markets have suddenly been flooded with funds and led to a much larger participation by new groups. The resultant speculations and illegal transactions have exposed several scams revealing the extent and nature of organized crimes in this sector. The case of Harshad Mehta is illustrative of the scale of profits and organization that extended to large business houses, banks, politicians and international connections. Backed by several financial institutions Mehta started buying almost any share offered in the market and soon drove the share market index to dizzy heights. Overnight fortunes were being made without any economic activity to back the results. Ultimately, when the enforcement authorities started probing into the share transactions and sources of funding the dam burst open revealing the organization that stretched from Mehta to leading banks both national and foreign, role of public financial institutions and political

bigwigs. Mehta's allegations that he paid the prime minister 1 crore shed light on the involvement of people at the very top of the society. Inquiry into the scam is still going on and though Mehta is facing a large number of charges little headway has been made into the role of bankers and politicians.

I. Organized Political Crime

Perhaps the worst aspect of organized crime in India is the intrusion that it has made in the arena of politics of the country. Every political party uses criminals and anti-social elements for booth capturing, intimidating rivals, collecting funds and exercising control over the electorate. Even as early as 1970s a minister in Bihar, Kapil Deo Singh openly admitted on the floor of the assembly that "I am honest enough to declare that I keep goondas [anti-social elements]. For, without them it is virtually impossible to win elections" (Ghosh 1991: 13). The number of criminals who have been elected on party tickets in the last few elections is so staggering that "criminalization of politics" is now an accepted phenomenon in the country. Congress (I) member of parliament Prakash Yadav was arrested from a Calcutta brothel in 1987 and was involved in leading gangsters to attack teachers of a Patna college in Bihar. His father became a cabinet minister of food and supplies in the last government in 1992 where he used his connections and power to engage in a massive fraud of fake supplies in fertilizers. This fraud involving 133 crore rupees is now under investigation. Suraj Deo Singh was a notorious muscleman and "don" of Dhanbad's coal belt and yet he was openly patronized by the former prime minister Chandra Sekhar Singh. In the state of Uttar Pradesh, Virendra Pratap Sahi is a member of the legislative assembly and has more than 63 criminal cases including murder pending against him in the courts. Sarju Prasad Singh is a member of Janata Dal party and has been charge sheeted for land grabbing, assaults and kidnapping of a minor girl, a case that occurred when he was a member of the assembly. The former chief minister Veer Bahadur Singh shared the dias with Bhukkal Maharaj against whom proceedings were going on under the National Security Act for forcibly preventing bidders from taking part in an auction of liquor shops. The present defence minister of India, Mulayam Singh Yadav openly attends parties hosted by one Arun Shukla, alias Annaa who is involved in 79 cases since 1973 and is facing murder charges in 5 cases. In the recent elections Annaa also campaigned for Yadav in the district of Etawah, moving around in jeeps with armed gangs. Annaa's brother

Chotey and his brother-in-law S.C. Misra both were given party tickets and have won with comfortable margins. In Madhya Pradesh state, the minister Narsingh Rao Dixit allegedly entertained dacoits while Ashok Vir Singh, with 32 cases registered against him was made the program chairman for implementing prime minister's 20 point economic program.

In Porbandar, the birth place of Mahatma Gandhi, of the 108 candidates in the 1990 municipal elections, 70 had criminal antecedents (Ghosh 1991: 22). In Guj rat state, Babu Satyam Bhaiya a gangster convicted for life in a murder case still managed to obtain parole that was extended again and again on the recommendations of congress (I) party's MLAs. While on parole he committed several cases of extortion and even kidnapping for ransom and managed to elude the police. In remote Tripura state, the minister Surajit Dutta admits being a "mastan" a don and is known to have lost his right arm while making bombs. The case of Devendra Pandey and Bhola Pandey is of course notorious. They both hijacked an Indian airlines plane on December 20, 1978 and yet their cases were withdrawn by the congress (I) government which also gave them tickets to be elected to UP Vidhan Sabha, the upper house. Open use of these gangsters in capturing booths during elections and intimidating opponents was even shown on the national TV in a program entitled "Booth Capturing". In this "professional booth capturers" were interviewed who admitted making a living by stamping the ballot papers for those who paid them. The show even displayed one such action where these criminals, while hiding their identities still dared to demonstrate how booths are captured! In the recent national elections of 1996, violence and booth capturing was reported (Ramachandran 1996, Indian Express 1996, Singh 1996).

6. Measures to Combat Organized Crimes

Although, there is a lack of systematic effort by the law enforcement agencies to combat organized crimes, yet several measures have been taken to deal with it. Every state has created an economic offences wing in the police department and at the federal level too Government of India has established new specialized police agencies such as the Narcotics Control Bureau, The Directorate of Enforcement, the Directorate of Revenue Intelligence empowered the customs, excise and border patrol units to combat the prowess of the smugglers and other organized crime syndicates. To encourage officers government has also provided certain percentage of seized goods as reward for their efforts and consequently the number and value of

seizures have gone up considerably while at the same time controlling the corruption within the ranks of enforcement agencies. The Enforcement Directorate seized Rs. 451.93 lakhs in foreign currency, the central Board of Direct Taxes seized Rs. 396.46 crores of assets, while the directorate of Revenue Intelligence seized Rs. 38396 lakhs in 1993. The Narcotics Control Bureau also arrested 13723 persons for drug related offences, while 1234 were arrested for smuggling related offences (NCRB 1995).

A. Legislative Measures

The government has also empowered the enforcement agencies with several laws that provide for the seizure or forfeiture of property of those indulging in these dangerous criminal activities. The police departments have also been utilizing some other laws that were designed to deal with terrorist activities and threats to nations security. Thus, Maintenance of Internal Security Act (1975), National Security Act (NSA) or the Terrorist and Disruptive Act of 1984 (TADA) have been used to detain known smugglers like Haji Mastan or even film stars like Sanjay Dutt who aided Dawood Ibrahim's attack on Bombay's stock market. In addition, the government has sought to make smuggling less lucrative by reducing the import duties on a large number of consumer items. Further, new legislation permits individuals to import upto 5 kg. of gold, a move that has suddenly brought the gold prices in India crashing down. Smuggling of gold has now lost its profit margin and with new liberalization policies, other consumer items have also began flooding the Indian markets. These moves are certainly going to dent the organized criminal activities in smuggling of gold and consumer items and thus reduce the power of such figures as Dawood Ibrahim and their likes.

In a more unusual move the Supreme Court of India has entertained several public interest litigation about politically organized criminal activities and forced investigative agencies to report progress made directly to the courts. This has resulted in the filing of several cases against a large number of prominent politicians including the former prime minister. The so called Hawala case involving illegal business transactions, the telecom scam where telecom licences were sold for kick backs, the housing scam where an organization of bureaucrats allotted out of turn government houses for large amounts, the fodder scam where a group under the patronage of the chief minister cheated the government treasuries through fake bills amounting to 1500 crores and many more. For the first time, action appears

to have been taken against the politicians who were heavily engaged in organized crimes of cheating, forgeries, bribery and kick backs that has resulted in the loss of around 50,000 crores (Express News Service 1996). The activism of the apex court has forced the police agencies to take begin taking cognizance of crimes committed by the powerful sections too and restored much needed faith in the criminal justice system of the country.

B. Comparative Evaluations of Various Anti-Organized Measures

Despite changes in the law, empowerment of the police agencies and providing incentives, the government has not been very successful in combating the organized crimes in the country. Traditional forms of organized crimes like dacoities, kidnappings and extortions remain a major concern. Smuggling, poaching and organized plunder of Indian artifacts still goes on. Rapid urbanization and inability of the government to meet the housing shortages has continued to make real estate transactions a major arena for organized crimes. Above all, political corruption despite well publicized exposures like the Bofors, Harshad Mehta, Hawala, fodder scam, the telecom scam and many others remains a serious threat. A large number of criminals continue to get elected to positions of power and despite public outcry the political parties have not been able to join hands in cleansing the politics of the country. Bribery and corrupt practices amongst the politicians is now virtually expected by the citizens and very little is being done to combat this form of organized crime that abets other forms. Citizen forums have been demanding new legislation to deal with political corruption and the criminalization of politics. In the national Parliament too, these issues have figured again and again but all the political parties are reluctant to devise legislation and make honest attempts to keep away the criminal elements from the political arenas. Considering that all parties are equally affected and the courts have been active in pursuing a rule of the law, there is hope for laws to curb election expenses that encourage corrupt practices, however this is unlikely to come without more public pressure.

C. International Cooperative Efforts

In the sphere of smuggling, terrorism and money laundering, the government of India has been promoting international cooperative efforts to deal with these crimes that often have their roots outside the country. The successful extradition of Babloo Srivastava, a notorious killer and kidnapper, the arrest of Memon family, involved in Bombay blasts, the tracing of

money laundered by Prakash Yadav in the fertilizer scam, the foreign links in the Bofors scandal, Hawala case and fodder scam are pointers that international cooperation is necessary if any success is desired in combating organized crimes.

7. Conclusion

Even though there is meager information about organized crime in the country nevertheless, the picture that we have constructed from different sources is suggestive of the fact that the problem is alarming. Organized criminals have now penetrated in the political sphere and their crimes are now threatening the very fabric of the society. Since all political parties have developed links with the underworld, the violent lawlessness, brutality, terror, and assaults on the people have begun destroying the orderly nature of Indian society. Law enforcement agencies have been compromised, courts are clogged and ineffective and the whole system of criminal justice in the country has lost its integrity. There is growing evidence of politically motivated criminality in the form of atrocities on weaker sections, murders of personal and political foes, smuggling, drug peddling, liquor trafficking, gun running and prostitution that has assumed dangerous dimensions. Undoubtedly, all these criminal enterprises are becoming vast businesses organized by men of power and influence. Since most of it is linked to political corruption and the criminalization of politics, the only way to deal with it will be through reform of the political process. In this a code of conduct for the political parties that can assist in keeping the criminal elements away, electoral reforms that could ensure that such elements cannot seek political power and the accountability of the politicians to the people and their commitment to the due process of law may be some measures that could prevent organized crime from destroying the country. There is a long way to go and strong measures need to be taken immediately.

Recommendations

We wish to make the following suggestions for combating organized crimes in India and hope that these recommendations for combating the menace of organized crime in India.

- 1) Organized crime has direct links to the socio-economic-political structure of the society. Therefore, an open democratic society, in which government and bureaucracy are accountable for their functions is the best safeguard

- against institutionalized crime.
- 2) The police departments need to develop specialized units that can devote full time attention to deal with specific crimes.
 - 3) The police also need to train and encourage devoted officers to develop expertise in accounting, economics, law, computers and other subjects so as to be conversant with money laundering and illegal transactions.
 - 4) The police departments need to work closely with other government agencies like the Internal Revenue Service, Narcotics control Bureau, Enforcement Directorate, Customs and even with leading banking institutions.
 - 5) There is an urgent need to create and develop a customized data bank that contains information about all the cases related to the organized crime syndicates, the names of victims, offenders, suspects, nature of crime etc. The local police has to be trained to identify crimes related to well known organized crime syndicates and pass this information on a regular basis to the specialized units.
 - 6) The legislature needs to be informed about the urgency of making laws that give more powers to the enforcement wings and those that assist in seizing property accumulated from organized crime operations.
 - 7) The police also needs to keep the media well informed so that public exposure of those involved in organized crimes can also act as a strong deterrence.

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