



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Economic Elite or Elite Deviance

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ABSTRACT

In the shadowy corridors where corporate ambition meets legal evasion, the case of Vijay Mallya stands as a symbol of the growing crisis of white-collar crime in India. This paper investigates the collapse not only of a business empire but also of regulatory vigilance, ethical accountability, and public trust. Moving beyond the headlines, the study frames Mallya's case within the theoretical constructs of white-collar crime (Sutherland), strain theory (Merton), and elite deviance, drawing attention to the structural silences that allow such crimes to unfold. Apart from that this case can be studied from both the pre-sective of conflict and functionalist. One says that it is exploitation and other says that crime is normal in societies. In this paper the case is tried to study from both the perspective.

Keywords - White Collar Crime, Ethics, Societal Structure, Class, elite deviance.

Introduction

Sutherland was the first criminologist who drew attention in 1939 to the nature and effects of white-collar or occupational crime in society. Occupational crime refers to "those illegal activities that occur in connection with a person's job or work." The conventional term 'white-collar crime' is narrower. It makes reference to the socio-economic status but not to the occupational status of the offender. According to Sutherland's original definition, white-collar crime is "a violation of the criminal law by a person of the upper socio-economic class in the course of his occupational activities." Sutherland added that "the upper socio-economic class is defined not only by its wealth but also by its respectability and prestige in the society" (Sutherland, 1949).

Marshall Clinard (1952) has defined white-collar crime as "a violation of the law committed primarily by groups such as businessmen, professional men, and politicians in connection with their occupations." Frank Hartung (1950) defines white-collar crime as "a violation of law regarding business which is committed for a firm by a firm or its agents in the conduct of its business." White-collar crime includes misrepresentation in advertising, violation of labour laws, violation of copyright and patent laws, and financial manipulations. However, all crimes committed by high-status people are not white-collar crimes. Only that crime which is specifically 'job-oriented,' i.e., which occurs during the course of a person's job, is white-collar crime. A rich businessman who criminally assaults his lady secretary commits a crime but not an occupational crime to be termed as 'white-collar crime' (Ahuja, 2001).

Methodology

To prepare this paper, secondary sources are mainly used. Secondary sources such as books, journals, articles, newspapers and interviews.

Objective of the study

- To examine the case as a representative of White Collar Crime.
- To evaluate the implications of corporate ethics.

Theoretical Framework

Sociological analysis of Vijay Mallya's case can be understood through the lens of conflict theory, particularly its emphasis on inequality, class dynamics, and systemic injustice.

R.K. Merton's Strain Theory provides a useful sociological lens to interpret the Vijay Mallya case, particularly in the context of ambition, opportunity, and deviance. According to Merton, societal structures promote culturally approved goals (such as wealth and success) but may not provide equal access to the legitimate means of achieving them. When individuals or groups face a disjunction between societal expectations and institutional means, they may experience strain, leading some to adopt illegitimate methods to attain success. In Mallya's case, the drive to sustain a luxurious lifestyle and high-profile

business empire—symbolized by Kingfisher Airlines and lavish branding—can be seen as a manifestation of conformity to culturally valued goals. However, as financial pressures mounted and legitimate business strategies failed, he arguably shifted toward “innovation,” a mode of adaptation identified by Merton, where the goal is maintained but achieved through unethical or illegal means—such as fraudulent loans, willful defaults, and misuse of public funds. Thus, Merton’s theory helps to frame the case not merely as individual moral failure but as a reflection of systemic tensions within capitalist structures that glorify success, often at the cost of ethical compromise.

Conflict theory asserts that power in society is unequally distributed, allowing the elite to influence institutions and evade consequences (Ahuja, R., 2001). Mallya’s position as a wealthy and influential businessman enabled him to access economic and political networks that protected him from immediate prosecution. His ability to flee the country and delay extradition proceedings exemplifies the power imbalance between the elite and the general population. His alleged financial crimes, which include misappropriation of public funds and fraud, reflect how structural advantages can shield high-status individuals from the law (Sutherland, 1949).

Conflict theory also draws attention to class divisions and the exploitative nature of capitalism. Mallya belonged to the upper class and utilized his position to accumulate wealth while avoiding accountability. The collapse of Kingfisher Airlines not only caused massive unemployment among its workers but also led to significant financial loss for taxpayers, as public sector banks had extended him large loans. The case underscores how the burden of elite financial malpractice is often borne by the working and middle classes (Barak, 2015).

Structural factors within the financial and legal systems also contributed to the persistence of Mallya’s alleged misconduct. Loopholes in banking regulations, inadequate corporate governance mechanisms, and delayed legal processes are part of the structural injustice that allowed this white-collar crime to flourish. Such cases expose systemic weaknesses in institutions meant to ensure transparency and accountability, revealing how elites manipulate these systems for personal gain (Friedrichs, 2010).

Discussion

The case of Vijay Mallya, a well-known Indian business tycoon and former Member of Parliament, is one of the most high-profile examples of white-collar crime in India. Mallya has been at the center of a complex legal battle involving allegations of financial fraud, irregularities, and money laundering. His case includes a trail of unpaid debts, misappropriation of loan funds borrowed from several national banks, and the eventual collapse of Kingfisher Airlines.

These alleged offenses were committed in connection with his occupational role as a business executive and not as a private individual, which classifies them as white-collar crimes under the definitions given by Sutherland and Ahuja. The misuse of his position, the breach of trust involved in loan defaults, and financial manipulations align directly with the characteristics of white-collar crime—crimes committed by high-status individuals in the course of their professional duties.

Hence, the Vijay Mallya case represents not only a violation of law but also a significant breach of corporate and public trust, making it a classic example of white-collar crime in modern India.

Vijay Mallya, born on December 18, 1955, in Kolkata, India, is the son of industrialist Vittal Mallya. He took over the United Breweries Group (UB Group) in the 1980s and transformed it into one of India’s leading spirits companies. Under his leadership, the company introduced Kingfisher beer, which became a household name across the country. Mallya gained recognition not only for his business ventures but also for his lavish lifestyle and investments in sectors such as real estate, engineering, aviation, and entertainment (Ahuja, 2020).

In 2005, Mallya launched Kingfisher Airlines, a luxury airline positioned as a symbol of elite air travel. However, despite initial success, the airline began to suffer heavy losses due to mismanagement and rising debt. In 2012, Mallya resigned from the airline’s board after it failed to meet its financial obligations and defaulted on several loans (Sharma, 2017).

In September 2021, legal proceedings in the case of Vijay Mallya were still ongoing. Mallya, a prominent Indian businessman and former chairman of Kingfisher Airlines, faced serious allegations of financial misconduct. He was accused of defaulting on loans worth approximately ₹9,000 crore (around \$1.4 billion), obtained from several Indian banks, and was charged with financial irregularities. In 2016, amidst rising legal scrutiny, Mallya fled India and sought refuge in the United Kingdom. Subsequently, he was arrested in the UK in 2017 based on an extradition request filed by Indian authorities.

The Indian government initiated formal legal processes to secure his extradition to India in order to stand trial. The case moved through multiple hearings in UK courts. However, the extradition process experienced considerable delays due to legal complexities and repeated appeals by Mallya challenging the order. This delay reflects the broader difficulties in prosecuting transnational white-collar crimes, especially when involving powerful individuals with significant resources (Ahuja, R., 2001).

Here we can refer the concept of deviance, given by Emile Durkheim. In general, deviance refers to any behavior, belief, or condition that violates the norms, values, or expectations of a society or social group. It is not necessarily criminal but is considered non-conforming or outside accepted standards within a given context. Basically it is against the societal norms or rules and regulations. According to Durkheim, deviance as a normal and necessary part of any society. He defined deviance not merely as rule-breaking behavior but as actions that challenge the collective conscience—the shared values and norms that hold society together. He stated “Crime is normal because a society exempt from it is utterly impossible... it is necessary because it serves a social function.” Deviance is a universal concept. Durkheim’s perspective helps us understand how elite financial misconduct—like in the Mallya

case—acts as a social signal of systemic flaws in regulatory and moral frameworks. Public reaction and legal actions against such deviance reinforce collective expectations of accountability and can catalyze institutional reforms.

Conclusion

The Vijay Mallya case exemplifies the need to examine white-collar crimes through a sociological lens. It underscores how financial fraud is not merely an economic issue but is deeply embedded in societal power structures and systemic inequalities. Understanding the social context of such crimes can help policymakers, regulators, and civil society actors create more effective mechanisms to prevent future occurrences.

This case also highlights the intersection of business, law, and society. It reminds us of the importance of ethical business conduct and the need for legal frameworks that treat all individuals equally, regardless of their social or economic status. Mallya's alleged actions caused substantial financial damage and employment loss, affecting thousands of people. Therefore, holding white-collar criminals accountable is essential not only for justice but also for the maintenance of public trust in institutions.

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