Preventing corporate crime

Anne Alvesalo, **Steve Tombs**, **Erja Virta** and **Dave Whtye** argue that situational crime prevention should be used to prevent corporate crime.

Crime prevention theory and practice in contemporary liberal democracies has been dominated in the past two decades by a mode of crime control known as 'situational crime prevention' (SCP). SCP stresses the importance of three features of a 'crime': a suitable target, a likely offender, and the absence of a capable guardian (Felson, 1993).

Notwithstanding its theoretical contradictions and counter-productive effects in practice in relation to street crime, here we sketch out some arguments in favour of applying SCP to corporate crime (for a fuller discussion, see Alvesalo et al. 2006). We will explore the applicability of three central tenets of situational crime prevention theory before considering the extent to which a key criticism of SCP in the context of street crime (its socially disruptive effects) applies to corporate crime prevention.

Suitable targets

Many forms of corporate crime take place in fixed locations: factories, building sites, retail outlets, offices and so on. This makes it amenable, first of all, to the forms of visual surveillance that seem to be failing our city centres and our residential areas. Although 'surveillance' and its associated technologies in the context of the workplace are used overwhelmingly to discipline the relatively powerless (Sewell and Wilkinson, 1992), we would argue that there are conditions under which surveillance could also be used to expose the crimes of the relatively powerful. For example, it is common practice for workplace safety representatives to keep written and even photographic records of hazards, and for environmental campaigners to monitor and film polluting plants in the same way, and even to carry out water and air quality laboratory analysis. This type of surveillance is comparable to the kind of 'responsibilised' monitoring that local communities have been encouraged to undertake by police officers as part of Neighbourhood Watch schemes, and now as vigilant monitors of anti-social behaviour and community disorder.

Likely offenders

If there is one feature of the literature on corporate crime that is consistent, it is that corporate crime is routinely observable across industrial sectors and across different types of profit-seeking organisation: the likely offenders we are dealing with here, are, in most advanced industrial societies, ubiquitous.

Despite its seminal influence on the development of situational crime prevention, there is no shortage of critical comment on the cogency of deterrence theory. But if rational choice theory is fundamentally flawed when applied to most individual human subjects, it may be much more appropriate for understanding the crimes committed by managers and directors working within the framework of the modern corporation, or crimes produced by the corporate entity itself. If we view corporations as amoral, profit-seeking actors, they may come close to the rational self-maximising calculators dreamed up by neo-classical theory (Sutherland 1983). The likely offenders in corporate crimes, then, appear as close to the neo-liberal dream of the identikit, rational, self-maximising offender as we are likely to get.

There is no claim being made here that business is always conducted rationally according to some precise calculus. Neither are all the variable conditions under which corporations conduct business amenable to such a claim. But the *logics* of self-interest and calculability are, by definition, embedded in capitalist corporate structures.

Capable guardians

Although routine activities theory assumes that we all have the potential to commit criminal acts, it also posits that we have in our midst those who have the authority and moral substance to be capable guardians (Felson, 1995). In the case of corporate crime the capable guardians of offenders are often the most capable offenders themselves. We need look no further than the role of Arthur Andersen (not to mention what amounted to virtually all of Wall Street's leading investment banks, and most notably JP Morgan Chase and Citigroup; Tombs, 2004), in the Enron frauds for illustration here. Indeed, we might say that many of the current guardians in the regulatory mix are the least capable. Capability, however, is crucially linked to wider relations of power.

We can illustrate this latter point with reference to the regulation of health and safety crimes in the UK. Since 1974 self-regulation has underpinned the system of health and safety regulation in the UK, placing a key onus upon the balances of power – within and beyond workplaces – between capital and labour. The guardianship of the state regulator the Health and Safety Executive (HSE) is often questioned, even if the degree to which the formal

mandate of HSE can actually be met has always been limited largely due to the resources available to it. Thus, for example, workplaces in the UK can expect a health and safety inspection on average once every 20 years (Centre for Corporate Accountability, 2002). Yet within workplaces, workers and their representatives are also assigned a key role as capable guardians. If legislation – notably the 1977 Safety Representatives and Safety Committees Regulations – grants formal roles to trade union representatives in the organisation of health and safety, the extent to which this role can be performed adequately depends upon the balance of power within and around the workplace, and in particular to the level and strength of workers' organisation. In this context, it is important to note that the overwhelming evidence is that the one most effective means of making workplaces safer is for these to be unionised and to have union-appointed safety representatives – such workplaces are likely, on average, to have 50% fewer injuries (James and Walters, 1999: 83; and UK Parliament, 1998). This underscores the fact that securing corporate compliance – here in the form of safer and healthier working environments – is based upon redressing imbalances of power between workers and managements in a way that allows the guardians to remain capable.

More generally, shifting balances of power to give more control responsibilities to the most capable guardians – those groups that organise workers, consumers and the public – can provide an effective means of controlling corporate crime.

Reconnecting the 'social' to situational crime prevention

It is commonplace to note in criminology that the development of a situational crime prevention approach can undermine or pre-empt more socially situated modes of intervention (for example, van Swaaningen, 2002). However, for us, in the case of corporate crime prevention, such a comparable (and regressive) uncoupling of social intervention is not inevitable. Indeed, there are several reasons to expect the *reverse* to be the case with respect to *corporate* crime prevention.

First, attempts to control corporate crime are likely to generate the opposite of the 'fortress mentality' effect. The involvement of state institutions and other agents in new forms of monitoring of organisational practices is likely to make more public, rather than private, the mechanisms of prevention. Second, situational crime prevention applied to corporations is more likely to entail the re-engagement of local populations with the political process, perhaps involving – as part of a 'responsibilisation process' – demands for progressive social change upon state and political institutions by local publics, workers' groups or social movements. Third, social movements around corporate crime tend to be connected to wider projects of social justice or equality (Alvesalo and

Tombs, 2002). Thus, in principle at least, corporate crime prevention provides an opportunity for mobilising communities in more progressive and social connective modes of collective action.

■

Anne Alvesalo and Erja Virta are researchers at The Police College of Finland; Steve Tombs is Prof of Sociology at John Moores University; Dave Whyte is Reader in Sociology at the University of Liverpool.

References

Alvesalo, A., Tombs, S., Virta, E. and Whyte, D. (2006), 'Re-Imagining Crime Prevention: controlling corporate crime?', *Crime, Law and Social Change*, vol. 45, 1-25.

Alvesalo, A. and Tombs, S. (2002), 'Working for Criminalisation of Economic Offending: contradictions for critical criminology'?, *Critical Criminology*, vol. 11, 21-40.

Centre for Corporate Accountability (2002), *Safety Last: the under-enforcement of health and safety law*, London: CCA and Unison.

Felson, M. (1995), 'Those Who Discourage Crime', in Eck, J. and Weisburd, D. (eds) *Crime and Place*, New York: Criminal Justice Press.

Felson, M. (1993), *Crime and Everyday Life*, London: Pine Forge.

James, P. and Walters, D. (eds), (1999), *Regulating Health and Safety at Work: the way forward*, London: Institute of Employment Rights.

Sewell, G. and Wilkinson, B. (1992), 'Someone to Watch Over Me: Surveillance, Discipline and the Just in Time Process', *Sociology*, vol. 26, 271-289.

Sutherland, E. (1983), *White Collar Crime: the uncut version*, New Haven: Yale University Press.

UK Parliament (1998), *Hansard*, 20 May: Column 934, London: UK Parliament.

van Swaaningen, R. (2002), 'Towards a Replacement Discourse on Community Safety: lessons from the Netherlands', in Hughes, G., McLaughlin, E. and Muncie, J. (eds), *Crime Prevention and Community Safety: new directions*, London: Sage.

Tombs, S. (2004), 'The 'Causes' of Corporate Crime', *Criminal Justice Matters*, vol. 55, Spring.