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Organized Crime in India

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The period between the early part of the eighteenth century when the Mughal empire started its decline and the emergence of the British as the supreme power in the Indian sub-continent in the early part of the nineteenth century, was one of great turmoil, marked by civil strife and the absence of any kind of governance. This was the period when criminal gangs flourished. The 'Thugs' and the 'Pindaris' had free rein making the lives of people miserable and insecure. The 'Thugs' a religious brotherhood were robbers and ritual murderers, and the 'Pindaris' bands of dacoits coming from all communities whose only loyalty was to the leader of their band and their only object plunder, who prospered during periods of social and political unrest. The Pindaris were often patronised by rulers of small warring kingdoms to settle scores. The British mounted a vigorous campaign and eliminated the Pindaris and the Thugs. Historians have compared the Pindaris to the 'Free Companies' who scourged Italy in the later Middle Ages.

Thereafter, for the next 100 years British rule, designed to control the Colony (often described as the Jewel in the British Crown), kept the Indian sub-continent relatively free of organised crime. The only violence one heard of during this period was the sporadic violence of the freedom fighters. During this period of colonial rule the Indian sub-continent may not have seen much economic growth, but it cannot be disputed that there was law and order and the rule of law even if the laws were those meant to protect colonial rule.

A Statist Economy

In 1951, four years after independence, free India launched the Five Year Plans with the objective of accelerating economic growth and promoting an egalitarian society. These Plans were based on the Soviet concept of Five Year Plans viz., centralised planning by physical targets *a la* the *gosplan.* The main strategy was that government would occupy the 'commanding heights of the economy'. This meant that all crucial and some not-so-crucial sectors like running hotels, making watches or baking bread would be either state-owned or strictly controlled. This pattern of governing the economy came to be known as the Licence-Permit-Quota *raj*. The strategy also included a policy of autarky or self-sufficiency. As a result, the import of a large number of goods were banned and those that were allowed to be imported had to reckon with high import duties – in some cases the duty levied being more than the value of the goods being imported!

Thus between 1947 and 1989 political and economic power was concentrated in the hands of those in power. Not surprisingly this concoction ensured that instead of moving in the direction of economic growth and egalitarianism, India drifted into an economy of scarcities and shortages. It also gave birth to a new profession of breakers of such restrictions – the black-marketeers and the smugglers. Much like what happened in the Soviet Union, with this difference that India was a democracy with relatively free elections at periodic intervals and a relatively free press.

The New Class

The dispensers of economic goodies developed a cozy relationship with those who would help them dispose these goodies to the highest bidder. And, before long the 'New Class' (a phrase coined by Milovan Djilas) of corrupt businessmen, corrupt politicians and corrupt bureaucrats, was strongly entrenched.

In the beginning it was mainly the smuggling of gold. Indians have a huge appetite for gold and gold ornaments and that too the 24 carat variety. Large parts of rural India continued for many years after independence without banking facilities. It was the much maligned money-lenders who kept the rural economy going. Indian movies invariably depict the village money-lender as a grasping villain. During good harvests the farmer invested in gold ornaments and when the harvest was bad or during periods of drought the farmer sold or pledged the ornaments with the money-lender. The rural womenfolk who wore these ornaments (when they were not pledged to the money-lender) were often referred to as mobile banks! In the urban areas the numerous restrictions on industry and trade discouraged investment and those with spare cash preferred to buy gold also as a hedge against inflation.

Gold imports were banned. But the law of demand and supply cannot be denied and so emerged the gold smugglers who brought in large shipments in Arab dhows from Dubai. The first organised gangs were the gold smugglers. Not surprisingly the first 'crime syndicates' to emerge were dock based and their leader was one Haji Mastan who began life as a coolie or porter in the Bombay waterfront. He started with gold and went on to include anything that was in demand and was in short supply. He 'retired' to do 'social work' and went on to found a political party. The gang, that in a way took over from Mastan, was led by one Dawood Ibrahim. After many years in India he escaped the police dragnet and set up headquarters in Dubai. Though his Indian passport has been cancelled he continues to be in Dubai reportedly on a Pakistani passport.

Expensive Elections

With so much economic and political power in the hands of politicians, seeking electoral office became expensive business. India's parliamentary constituencies are huge averaging between 1 million and 2 million voters. The serious candidate needs large sums of money notwithstanding an election law which prescribes limits to moneys that can be spent by a candidate on his election campaign. While Corporate houses contributed to the coffers of parties and candidates these were wholly inadequate. Candidates turned to a Mastan or a Dawood for financial help. They were only too glad to oblige. Successful candidates were then under obligation to these crime syndicates and invariably extracted their *quid pro quo*. It was not too long before criminals who put politicians in power and manipulated them from behind no longer felt it necessary to be backstage. They came out into the open and got themselves elected to public office. India's Parliament and the various state legislatures have numerous members with criminal records. This is the reality of public life in India today.

So long as as the Permit-Licence-Quota Raj continued the New Class prospered even if the country didn't. Unfortunately for the former, the economy bankrupted sooner than they expected. With the dismantling of controls, the Indian *nomenklatura* and their criminal patrons saw lucrative sources of income disappearing in front of their eyes. *Something* had to be done quickly to save their privileged positions. One was to do everything possible to arrest the pace of economic reforms. This they did, but it was only a delaying action.

The Demolition of a Mosque in Disuse

The other fell literally into their laps - when the BJP, the party at present leading a coalition government at Delhi (the present government lost its majority by a solitary vote and is therefore a 'caretaker' government pending general elections scheduled for September and October this year) provided the criminal syndicates just the opportunity they needed when on 6 December 1992 their supporters demolished a mosque in disuse in a remote town in the northern state of Uttar Pradesh. This was the signal for brutal Hindu-Muslim riots in Bombay which lasted for fifteen days. Three months later a series of explosions rocked Bombay's business districts. A Commission of Enquiry held the Dawood gang operating from Dubai responsible for smuggling into Bombay AK 56 rifles, hand grenades and sophisticated explosives called RDX and masterminding the explosions.

The explosions served notice that the criminal gangs were very much a part of the public scene and that governments, parties and groups could ignore them at their peril. It is reported that the same gang also referred to as 'D Company' is engaged in gun-running and in supplying weapons to terrorists and other armed militant groups in India.

With the economy no longer vulnerable to misuse by crime syndicates the focus of organised crime has shifted to extortion and protection rackets in a big way. Also their operations are spreading to other parts of India including India's capital New Delhi.

The Film industry in India has largely been funded by these crime syndicates. Indian filmstars (heroes and heroines as they are called) are paid astronomical sums only a part of which is through regular banking channels. The larger part is in cash to escape paying taxes. And cash in such volumes is available only with crime syndicates. Ironically many of these films financed by them are cops and robbers stuff with the cops always coming on top. With the advent of TV and the failure of a number of movies at the box office a number of producers were unable to repay the monies to the mafia. A number of them were shot in broad daylight as a warning to others.

New Targets

The next target were those in the real estate business –the building contractors. As in the making of films in the construction of buildings too a large part involves cash transactions – again to avoid having to pay taxes. The building industry too went into a slump. A number of builders failed to repay their criminal financiers. And so we saw a number of builders being killed last year.

With the film industry and the real estate business in a slump, the new targets spread through the metros and large cities are successful professionals like doctors, architects, TV stars, upcoming businessmen and industrialists. Also in their purview are lottery and liquor contractors.

A recent case widely reported involved a successful businessman of Delhi who received a call asking him to call a Dubai number. When he did he was spoken to by a member of the Dawood gang who demanded protection money of USD5 million. This businessman got in touch with an 'influential' friend who was a minister in a state government and was shocked when he was advised by him to settle. This minister friend even offered to mediate with the extortionists! He later discovered that his friend had links with the 'D Company' based in Dubai.

The Politician-Criminal Nexus

Almost every political party in India has a nexus with one or the other criminal syndicates. The Dawood gang operates from Dubai; his one time associate and now rival Chota Rajan operates from Malaysia; a third gang led by one Ashwin Naik operates from Canada. Arun Gawli is a gangster operating from Bombay. He floated his own political party after splitting from a local political party in Bombay! This latter party no longer had use for Arun Gawli because they had refined the art of extortion by calling them 'donations' and organised their own muscle men.

Chandraswamy who is facing a number of criminal charges in the Delhi High Court is a notorious *guru* and a close friend not only of a former Indian Prime Minister, Mr. Narsaminha Rao (a member of the Indian National Congress), but also of the international arms dealer, Adnan Kashoggi. A report said: "Then prime minister's old friend, Chandraswamy, became powerful and openly patronised criminals. Inspired by their leader's connections with Chandraswamy, Rao's cabinet ministers also doled out sops to criminals and their associates." The report adds that a colleague of the Prime Minister even offered police security for the girl friend of a criminal!

Who are the members of the such gangs? A large number of them are youngsters in their twenties who are attracted by the prospects of good money and a good life. They are educated and some even come from good families. According to a member of the Dawood gang who recruits these youngsters "We don't have to go around hunting for new hands; they come to us on their own. Because of the magnitude of unemployment in the country".

Will Lacking

To sum up, the situation is serious. The police and other law-enforcement agencies are often ineffective because of the close links of their political masters with criminals and criminal gangs. An upright officer who refuses to tow the line stands the chance of being transferred if not suspended or dismissed on a trumped up charge. Judicial delays encourage the criminal because the victim of an extortion even if he takes the courage to complain has to wait for years and make innumerable visits to courts before he can expect a decision. The system of recruitment and promotions of civil servants has to be isolated from the politician in power. The election law has to be changed to ensure that those with criminal records or who have cases pending against them are not allowed to participate in the electoral process. India is undoubtedly a democracy; surely our elections are fair. But increasingly it would appear that we seem to be satisfied with the form of democracy without paying much attention to its substance.

I began this essay by referring to the situation in the period preceding British rule. But the British could suppress the thugs and the pindaris ruthlessly and enforce law and order. Today's thugs and pindaris are the result of excessive government. Governments have to shed their non-governmental activities and concentrate more on judicial reform, primary education and policies that would help entrepreneurial initiatives on a much larger scale so that India's young men and women do not fall a prey to the inducements of criminal syndicates. Above all, governments in India must be prepared to enforce the laws that are already there in the statute book. The instruments are there, but the will is lacking.

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