International Journal of Social Science Research and Review

http://ijssrr.com
editor@ijssrr.com
Volume 8, Issue 6
June, 2025
Pages: 169-184

Criminological Analysis of Economic Crimes in Light of the Theory of Neutralization Techniques

Hussaindad Kamran[1]; Khadem Husain Habibi[2]; Wahidullah Hamidi[1]; Hassanreza Shayanfar[3]

[1] Ph.D Student in Criminal Law and Criminology at AhlulBayt International University, Tehran, Iran

[1] Faculty Member, Faculty of Law and Political Science at Khatam Al-Nabieen University, Ghazni Branch, Afghanistan

[2] Ph.D. in Criminal Law and Criminology, University of Tehran, Iran

[2] Faculty Member, Faculty of Law and Political Science at Khatam Al-Nabieen University, Ghazni Branch, Afghanistan

[3] Ph.D Student in Criminal Law and Criminology at Mazandaran University, Iran

[3] Faculty Member, Faculty of Law and Political Science at Khatam Al-Nabieen University, Ghazni Branch, Afghanistan

E-mail: Kamranlaw1@gmail.com, Habibi1393@gmail.com,Wahid.19hamidi@gmail.com, hassanrezashayanfar@gmail.com

http://dx.doi.org/10.47814/ijssrr.v8i6.2774

Abstract

Economic crimes are among those offenses that, even in their simplest forms, challenge economic systems and, in the long run, hinder effective governance. Perpetrators of such crimes often possess distinctive characteristics such as exceptional intelligence, ingenuity, and astuteness. These traits, combined with the inherent complexities of economic crimes—such as their sophisticated nature, the lack of immediate tangible consequences, and the absence of a clearly identifiable victim—have rendered them a significant international concern. Given their characteristics, offenders may present various justifications during the commission of the crime, in their defense, or even post-trial. This study examines the criminological aspects of economic crimes through the lens of the Neutralization Techniques Theory, introduced by David Matza and Gresham Sykes in the 1960s. According to this theory, offenders acknowledge engaging in criminal and deviant behavior; however, they employ various justifications to rationalize their actions. These techniques include denial of responsibility, denial of injury, denial of the victim, condemnation of the condemners, and appeal to higher loyalties—collectively known as neutralization techniques. While these techniques are not exhaustive, they can be expanded upon based on their fundamental principles. Furthermore, considering the characteristics of both offenders and economic

crimes, it appears that these techniques can extend to the outright denial of the crime itself. Nevertheless, applying this theory to the analysis of economic crimes presents certain challenges, including difficulties in determining the exact timing of neutralization strategies, the neglect of external contributing factors, and a lack of comprehensive applicability. Using a descriptive-analytical approach and library-based data collection, this study aims to explore these aspects in greater depth.

Keywords: *Economic Crimes; Neutralization Techniques; High Intelligence; Complexity*

Introduction

Economic crimes are a relatively new concept in criminal law literature, attracting increasing attention due to their significant impact on security, social stability, and the rule of law. These crimes have become a subject of discussion in various legal systems worldwide. However, the term "economic crimes" was first introduced in 1905 when Dutch criminologist Bonger distinguished between street crimes and economic crimes (i.e., offenses committed by business entities and corporations). Later, in 1940, Sutherland introduced the concept of "white-collar crimes," which had previously been overlooked in criminological studies. The delayed academic focus on these crimes and their perpetrators stemmed from the conventional assumption that individuals with power and wealth were primarily victims rather than offenders. However, criminological research has since demonstrated that those in positions of economic and political influence are also capable of committing crimes within the scope of their professional activities (Ebrahimi & Sadeghi Nejad Nayini, 2014: 148).

Numerous definitions of economic crimes have been proposed[1]. A more comprehensive definition describes them as offenses against public and governmental assets, disrupting the national economic system on a large scale. These crimes distort the integrity of economic activities, leading to unfair enrichment and the accumulation of vast wealth by a select few. Such individuals often exploit political influence, leverage connections with governmental officials, or misuse privileged access to economic, political, and informational resources to unlawfully amass wealth through public or governmental funds and illicit opportunities (Sharifi & Sheidaian, 2017: 154).

Some scholars argue that economic crime is primarily a criminological concept rather than a well-defined legal category in criminal law. In French legal literature, these offenses are often referred to as "business crimes," encompassing a set of regulatory frameworks designed to ensure transaction security and legal compliance, particularly concerning individuals who may attempt to circumvent these laws. This category also includes offenses related to production, distribution, and consumption, covering financial and economic crimes, violations of economic structures, commercial transactions, market competition, and consumer rights (Ebrahimi & Sadeghi Nejad Nayini, 2014: 148-149).

Unlike other offenses studied within the field of criminal sciences, economic crimes possess a set of distinctive characteristics:

a. The damages resulting from economic crimes are typically indirect, with no clearly identifiable victims. This distinguishes them from conventional offenses where harm is often immediate and directly inflicted upon individuals.

[1] Definitions such as "Economic crime refers to illegal acts committed within the scope of economic activities with the aim of obtaining economic advantages" and "Economic crimes are prohibited acts that harm and endanger the economic interests protected by society" have been proposed.
For further information, see: Mahdavipour, Azam. Differential Criminal Policy in the Realm of Economic Offenses, 1st Edition, Tehran, Mizan Publishing, 2011.

b. Economic crimes often involve multiple perpetrators collaborating to ensure the success of the criminal act. However, this does not imply that all such offenses necessarily require multiple individuals for their commission.

c. From a criminological perspective, crimes can generally be categorized into violent offenses and deceptive offenses. Economic crimes predominantly fall within the latter category, relying on fraud, manipulation, and the exploitation of intellectual capabilities rather than physical force. The instruments used in such crimes are often obscure, intangible, or difficult to quantify in terms of their role in facilitating the offense.

d. Economic crimes are not confined to a specific geographical location. Their scope frequently extends beyond local and national jurisdictions, affecting multiple regions simultaneously. As a result, a vast number of individuals may become victims of these crimes without being aware of their victimization or of each other's existence.

e. The ramifications of economic crimes extend far beyond financial losses, posing serious obstacles to economic security, financial transparency, and the rule of law. These crimes contribute to the expansion of underground economic activities, ultimately diminishing legitimate economic productivity. For instance, the rise in illicit activities such as smuggling leads to reduced government revenues. To compensate for tax evasion and customs fraud, governments may be forced to increase tax rates, placing additional financial burdens on lawful economic participants.

f. With the rapid advancements in global economic structures over recent decades, economic crimes have gained increasing prominence. While some offenses, such as bribery, have a long historical precedent, others—such as collusion in government contracts, illicit commissions, embezzlement within private corporations, customs and tax fraud, and budget-related offenses—have emerged as contractual or regulatory violations rather than traditional crimes.

g. One of the most significant aspects of economic crimes is that victims are often unaware of their victimization. Many individuals may never realize they have been affected, particularly in cases involving public health violations, food safety breaches, and other offenses impacting physical and mental well-being.

h. Economic crimes are often structurally intricate, requiring extensive planning and strategic concealment. Perpetrators typically invest significant time and effort in designing schemes that ensure the seamless execution of their offenses without detection. These criminals often operate under multiple identities, establish shell companies, employ sophisticated accounting mechanisms, and launder illicit gains through legally structured entities. Such operations may span several months or even years before detection (Mahdavipour, 2011: 40-47).

Financial crimes are among the closest legal categories to economic crimes; however, key distinctions exist between the two. Financial crimes primarily involve offenses related to property, whether property serves as the object of the crime or as an instrument in its commission. In some instances, these offenses are also referred to as "crimes against property," a term that specifically applies to criminal conduct targeting property or, more precisely, financial rights. In other words, in crimes against property, the property itself constitutes the subject of the offense. Despite this distinction, financial crimes and crimes against property are often conflated and used interchangeably.

Economic crimes, on the other hand, extend beyond the mere unlawful acquisition or transfer of wealth. They encompass acts that disrupt the broader system of production, distribution, and consumption of goods and services. This fundamental difference distances economic crimes from crimes against property and instead aligns them more closely with financial crimes. In economic crimes, the legal focus is not solely on the unlawful interference with financial assets but also on the broader consequences of such acts on economic stability. Conversely, financial crimes are primarily concerned with the direct infringement of property or financial rights as recognized by law.

Some legal scholars reject any practical significance in distinguishing financial crimes from economic crimes, arguing that economic crimes are a broader category that inherently includes financial crimes. According to this perspective, while all financial crimes qualify as economic crimes, not all economic crimes constitute financial crimes (Mahdavipour, 2011: 50). The primary practical implication of this distinction lies in the identification of victims: financial crimes typically victimize individuals, whereas economic crimes primarily affect society and governmental institutions. Given the widespread and often irreparable harm that economic crimes inflict upon economic systems, offenders may seek justification to alleviate their sense of guilt or evade criminal justice consequences.

Certain criminologists link these rationalizations to learning theory, suggesting that offenders acquire neutralization techniques and their application from social interactions. Conversely, scholars like George Vold categorize neutralization techniques within the framework of control theory (as cited in Salimi & Davari, 2014: 431). Others associate these techniques with labeling theory, asserting that offenders employ them in response to the imposition of a criminal label (White & Haines, 2016: 197-918).

Regardless of the theoretical perspective, the application of neutralization techniques to economic crimes warrants further examination. The following sections will explore economic crimes through the lens of neutralization theory, concluding with a critical assessment of the limitations and challenges associated with this theoretical framework in explaining economic offenses.

1.The Rationale Behind Economic Crimes in Light of Neutralization Theory

The Neutralization Theory, introduced by David Matza and Gresham Sykes in the 1960s, explores the psychological and social mechanisms that offenders use to rationalize their criminal actions. Matza, through his studies on juvenile delinquents, collaborated with Sykes to develop this theory. According to their perspective, offenders are not completely detached from societal values; rather, they acknowledge the immorality of their actions and remain aware of the dominant norms and ethical standards. However, Matza argued that the process of engaging in criminal behavior must be analyzed in the context of specific situational factors that individuals encounter. These environmental influences shape behavioral tendencies, particularly through peer groups and social structures that either reinforce or mitigate deviant conduct (Vold, 2014: 280-281).

Such social structures, despite their potential positive functions in fostering social cohesion and emotional stability, may also create an environment conducive to criminal activity. If individuals lack active engagement in employment, education, or stable social roles, these networks can persist over time, increasing the likelihood of deviant behavior (Najafi Abrandabadi, 2008: 328-329). In this regard, those who successfully integrate into structured social roles, such as employment and family life, may distance themselves from deviant networks. However, when individuals—especially those involved in economic crimes—possess high levels of intelligence and strategic thinking, coupled with external environmental pressures, they may find themselves drawn toward illicit financial activities.

From this perspective, neutralization techniques function as a means of circumventing legal, social, moral, and cultural constraints. According to this theory, offenders acknowledge the illegality of their conduct but employ cognitive justifications to mitigate personal guilt and social condemnation. The five core techniques of neutralization include:

1. Denial of Responsibility – Shifting blame to external factors.

2. Denial of Injury – Arguing that no real harm was caused.
3. Denial of the Victim – Justifying the crime by portraying the victim as undeserving.
4. Condemnation of the Condemners – Questioning the legitimacy of law enforcement or judicial authorities.
5. Appeal to Higher Loyalties – Prioritizing personal obligations over legal or ethical duties.

However, these techniques are not exhaustive. Researchers such as Kaptein and Helvoort have expanded upon them, categorizing neutralization strategies into two main branches, which further divide into four subcategories, twelve secondary components, and sixty specific techniques (as cited in Gholami Doon & Javadi Hosseinabadi, 2020: 214).

Upon analyzing these mechanisms, it appears that neutralization techniques are primarily employed before the commission of a crime, as they facilitate the offender's psychological readiness to engage in unlawful behavior. However, their application may extend beyond this initial stage. Thus, the following discussion will critically examine the extent to which neutralization theory applies not only before economic crimes occur but also during and after their commission, addressing its relevance in shaping both offender behavior and criminal justice responses.

1.1. Denial of Economic crimes

The denial of crime technique involves rejecting the reality of an offense, either through actions, thoughts, or verbal expressions. This strategy minimizes or trivializes the harm caused, making it appear insignificant or negligible. While offenders often resort to this technique, its significance increases when legislators fail to criminalize foreseeable harmful behaviors or do so inadequately (Rahiminejad et al., 2015: 215). In cases where no legal framework explicitly prohibits certain acts, offenders can easily justify their conduct. Conversely, if legislation is vague or ineffective, offenders exploit these loopholes to evade accountability.

Economic crimes, by their nature, often lack immediate visibility, making their detection and reporting significantly lower compared to other forms of crime. Consequently, public perception regarding economic crimes tends to be less sensitive (Ebrahimi & Sadeghnejad Nain, 2014: 156). This lack of awareness allows offenders to effectively deny involvement even when accused. Unlike violent crimes, where harm is immediate and tangible, the impact of economic crimes unfolds gradually over time. For instance, consumer fraud, deceptive advertising, or corporate misconduct do not produce instantaneous victims; rather, consumers—and ultimately the national economy—realize their victimization only long after the offense has occurred.

Furthermore, the consequences of economic crimes often do not appear directly linked to the initial offense. A wealthy nation plagued by corruption and financial mismanagement may gradually experience an economic crisis, leading to poverty, social unrest, organized crime, environmental degradation, and public health risks. However, establishing a direct causal relationship between crimes such as embezzlement, bribery, and financial favoritism and these broader social consequences is scientifically complex. As a result, offenders can exploit this causal ambiguity to deny their criminal responsibility.

One of the most crucial factors in the denial of economic crimes is the individual characteristics of offenders. Economic criminals often possess high intelligence, adaptability, and strategic thinking skills, enabling them to exploit legal and regulatory loopholes (Hatami, Iman et al., 2019: 99). They frequently operate within organized networks, leveraging insider knowledge to manipulate market conditions and regulatory gaps. Even when their actions technically constitute crimes, these legal ambiguities often make prosecution difficult.

Socially, these offenders blend seamlessly into mainstream society, making them among the most dangerous figures in organized crime hierarchies. They utilize their intellect and social acumen to strategically deny wrongdoing. Given their high adaptability and cognitive skills, economic offenders easily exploit the denial technique to evade responsibility.

While neutralization theory traditionally suggests that offenders acknowledge their crimes but justify them through rationalizations, some economic criminals do not even perceive their actions as criminal. This perspective aligns with Matza and Sykes' theories but also suggests an expanded dimension of neutralization techniques, where denial is not just a defense mechanism but an entirely different cognitive framework through which offenders genuinely dissociate themselves from criminal labels.

2.1. Denial of Victimization in Economic Crimes

Denial of the victim is another key technique within neutralization theory, allowing offenders to acknowledge their criminal actions while rejecting the legitimacy of their victims. This strategy shifts the offender's moral and cognitive perspective, minimizing the harm inflicted upon others. The technique operates in two primary forms:

1. Offenders may argue that certain victims engaged in inappropriate or unethical behavior and therefore deserved the consequences. In such cases, offenders reinterpret their actions as retribution rather than criminal behavior. This mindset portrays victims as wrongdoers, implying that economic crimes against them serve as justified punishment or even a form of self-defense.
2. When victims are physically absent, anonymous, or unidentifiable, offenders can easily disregard their rights and commit financial crimes without moral conflict. This scenario is particularly relevant in corporate fraud, tax evasion, and large-scale financial manipulation, where the harm is distributed across numerous individuals or institutions rather than affecting a single identifiable person.

In the first case, victims exist but are deemed deserving of harm, while in the second, victims are either invisible or ignored altogether. Economic criminals often romanticize literary archetypes like Robin Hood, justifying their crimes under the belief that they are merely redistributing wealth from corrupt elites. A common phrase used by offenders to rationalize their actions is: "They had it coming." (Rahiminejad, Aghayari & Gholipour, 2015: 98). Thus, denial of the victim frequently follows denial of the crime, further reinforcing offenders' justifications for their actions.

Economic offenders may escalate their rationalizations to the extent that they not only deny the victim's suffering but also argue that the victim deserved the crime. Given the unique characteristics of economic offenses, this technique is particularly effective in financial fraud, deception, and corporate misconduct. In such cases, offenders exploit trust and intelligence to manipulate victims into willingly surrendering their assets, believing they are making informed decisions. This explains the high dark figure of economic crimes, as many victims refrain from reporting incidents due to shame, social stigma, or fear of being perceived as gullible.

With the globalization of economic crimes, international organizations have increasingly recognized their cross-border impact in recent decades. Advances in technology, financial mobility, and international trade have facilitated offshore fraud, tax evasion, and money laundering, transforming economic crime into a transnational issue (Rostami Tabrizi, 2018: 138).

Multinational corporations, in particular, prioritize public trust as essential to their survival. As a result, these entities often avoid reporting financial crimes to law enforcement to protect their reputation and stakeholder confidence. Economic criminals exploit this reality by further justifying their actions in two primary ways:

1. Blaming the victims – Offenders argue that corporations or financial institutions engaged in unethical practices, making them deserving targets of economic crimes.
2. Distancing from individual harm – When committing financial crimes against a government or corporation, offenders claim their actions do not harm individual citizens, only affecting abstract entities such as the state or private institutions. This moral detachment allows them to deny the existence of real victims.

Ultimately, the denial of victimization serves as a powerful psychological tool, enabling offenders to neutralize guilt, evade accountability, and sustain criminal behavior within economic systems.

The denial of victimization by offenders and the underreporting of victimization by victims contribute significantly to the dark figure of economic crimes, keeping many offenses hidden within the realm of undetected criminal activities. Empirical research highlights this phenomenon:

> "A 1997 study conducted by the Institute of Forensic Police and Criminology at the University of Lausanne, involving 21,314 employees in Switzerland, revealed that 887 individuals had committed fraud, particularly insurance fraud, without being detected by law enforcement authorities. Another study conducted the same year, examining 113 Swiss companies, found that 62% had experienced economic crimes, particularly bribery, yet had chosen not to report their victimization." (Ibrahimi, Shahram & Sadeghi Nejad Nayini, 2014: 158).

From this perspective, Gary Becker posits that criminal behavior mirrors economic decision-making, while societal reactions function as economic policy measures. According to Becker, criminals are not irrational or psychologically deviant, but rather rational actors who base their decisions on a cost-benefit analysis. Criminals are akin to entrepreneurs, driven by profit motives. Before executing a criminal act, they gather information, conduct risk assessments, and make strategic decisions, much like investors navigating market conditions. Consequently, crime is neither an extraordinary nor inherently dangerous act but follows the logic of supply and demand within an economic framework (Adabi, Criminal Sociology, 2019: 192).

Economic offenders integrate denial of victimization into their rationalizations, reinforcing their belief that they are not criminals in a moral or psychological sense. Even if they acknowledge their actions as criminal, they dismiss the existence or legitimacy of victims altogether.

Economic offenders leverage high intelligence and strategic acumen to employ unconventional methods that often leave victims unaware of their victimization. In many cases, their success depends on this lack of awareness. For instance, if an offender steals one million dollars from a single individual, the victim is likely to take immediate action. However, if the offender steals one dollar from one million people, most victims perceive the loss as negligible and fail to report it. This phenomenon explains why many victims of economic crimes remain oblivious to their victimization.

Despite the increasing focus on victim protection in criminology and criminal law, economic crime victims require differentiated policies tailored to their specific vulnerabilities. Such policies must address both crime prevention (through the protection of high-risk targets) and enhanced punitive measures for offenders (Mahdavi Far, 2021: 955). In this context, differential criminal policy must consider:

1. The victim's reluctance to report the crime due to concerns about social stigma, reputation, and credibility.

2. The offender's intelligence and ability to exploit legal loopholes.
3. The legislative and regulatory blind spots that facilitate financial exploitation.

When an individual—whether a high-ranking government official or a low-level bureaucrat—engages in economic crime, the structural characteristics of the offense can elevate them from a mere offender to a figure of systemic corruption. Such cases erode public trust in political and economic institutions, undermining confidence in both macro and micro-level policies.

For policymakers and criminal justice actors, the first and foremost priority should be ensuring an environment of security and stability for economic crime victims, particularly those whose financial standing and reputational capital are at risk. The socio-economic turbulence caused by widespread economic corruption fuels a demand for greater security and institutional integrity (Sabouri Pour & Mousavi, 2022: 73-78).

Therefore, victim-centered protective measures must be embedded within judicial processes, ensuring that victims and citizens alike are safeguarded from economic instability and systemic exploitation.

3.1. Denial of Responsibility in Economic Crimes

One of the techniques of neutralization, introduced by David Matza and Gresham Sykes, is known as denial of responsibility. Through this technique, offenders justify their actions by claiming that their behavior resulted from coercion, accident, or circumstances beyond their control. For instance, individuals involved in large corporate or organizational crimes often minimize their role, asserting that they were merely following orders from higher authorities. The most common justifications they use include phrases like, "I didn't mean to do it" or "It wasn't my intention" (Rahiminejad, Aghayari & Gholipour, 2015: 96).

In essence, denial of responsibility is a cognitive strategy that allows offenders to evade accountability by attributing their actions to external factors, such as:

1. Obligation to obey superiors
2. Lack of autonomy in decision-making
3. Ignorance of legal provisions
4. Unawareness of the consequences of their actions
5. Alternative justifications for the criminal act
6. Trivialization of their role in the offense

This technique is particularly prevalent in cases where multiple contributing factors can be cited to obscure individual culpability. For example, government officials may claim that complex or ambiguous regulations led to unintentional violations, thereby deflecting responsibility for their misconduct (Gholami Doon & Javadi Hosseinabadi, 2020: 218).

Given that economic offenders often possess advanced knowledge and high cognitive abilities, their crimes seamlessly integrate into daily economic activities. The economic landscape itself provides individuals with information, resources, and opportunities that may inadvertently facilitate criminal behavior. Consequently, economic crimes require specialized expertise in financial, commercial, and economic domains to be effectively executed.

Contextualizing Denial of Responsibility in Economic Crimes

Economic offenders frequently rationalize their behavior by pointing to their social environment, family conditions, negative peer influences, or educational background as decisive factors in their criminal conduct. They portray themselves as victims of circumstance rather than perpetrators, arguing that they had no real agency in their decisions.

A notable example of this phenomenon is commission-based payments (kickbacks), where an individual receives a percentage of a transaction's value, a fixed amount, or goods/services as compensation from the seller to incentivize purchases. While such practices are often illegal, offenders employ neutralization techniques to justify their actions. They may claim:

The economic climate is unfavorable, making additional financial compensation necessary.

The payment was merely a gift or token of appreciation, rather than a bribe.

The sum was received as a customary gratuity for facilitating transactions (Jeshan & Saibani, 2019: 73-74).

Despite knowing the illegality of such conduct, offenders may feign ignorance of the law or exploit legal loopholes to construct plausible defenses. In some cases, these justifications may even lead to legal exoneration.

As economic transactions increasingly transcend national borders, individuals and corporations may circumvent legal frameworks under the pretext of remaining competitive in global markets. For instance:

1. A company might bypass trade regulations to prevent falling behind competitors.
2. A businessperson could bribe customs officials to expedite the importation of goods, later justifying their actions by claiming that the market faced shortages and urgent action was necessary to meet consumer demand.

By leveraging denial of responsibility, offenders may insist that their actions were purely consumer-driven and that they bear no personal liability. This illustrates how cognitive rationalizations enable individuals to engage in economic crimes while preserving their moral self-concept and avoiding legal repercussions.

Considering that perpetrators of economic crimes often collaborate to ensure a favorable outcome, it is common for an arrested individual facing charges to downplay their role in the offense, presenting themselves as the lowest-ranking member of the organization. For example, in an insurance fraud case, multiple individuals were involved, including assessors, insurance claims experts, brokers, bankers, and repair shop owners. This scheme lasted over 22 months, during which approximately 20% of the claimed damages were paid. Undoubtedly, this crime could not have been committed without the cooperation of all participants. However, this does not imply that all economic crimes necessarily require multiple participants. In some cases, only two individuals collaborate, yet the scheme remains complex. For instance, two individuals spent 14 months planning to deceive a large number of land investors. Although only two perpetrators were involved, the case was complex due to the large number of victims, the use of multi-layered shell companies, the geographical scope, and the duration of the fraudulent activities (Mahdavipour, 2011: 42).

Thus, in organized economic crime cases where multiple perpetrators hold varying degrees of responsibility, determining who is accountable becomes challenging. When responsibilities are delegated among individuals, assigning blame becomes complicated. Additionally, economic criminals often transfer all their duties and responsibilities to others to evade the consequences of their actions.

Given these circumstances, economic offenders typically employ a multi-stage denial strategy. Initially, they outright deny the crime. If this tactic fails, they resort to denying the victimization, claiming that their actions do not harm society but rather target a corrupt government. For example, they may argue that they evade taxes because they do not wish to support a corrupt system, or that even if they perform their duties correctly, only a few elite individuals at the top of the government will benefit, without any real loss to the state. If this argument proves ineffective, they employ a denial-of-responsibility strategy, asserting that the law was ambiguous and that they were unaware of any wrongdoing. Alternatively, they may claim that they used their intelligence and reasoning to justify their actions in a way that leads to acquittal. In cases of group offenses, they often shift responsibility onto one another, and if they do admit to wrongdoing, they minimize their culpability by emphasizing their subordinate role within the group.

From a criminological perspective, crimes can be categorized based on the means of commission into two groups. The first category includes violent crimes, which involve force and power, often manifested through weapons such as guns and knives. These offenses, sometimes referred to as "calcium-based crimes," involve tangible and detectable means, making it easier to determine responsibility based on physical evidence. The second category consists of deceptive and fraudulent crimes, which rely more on intellectual ingenuity and manipulation. The means of committing such offenses are often intangible or ambiguous, making it difficult to assess their impact. Examples include tax fraud, financial misrepresentation, electronic money laundering, computer-based deception through manipulation of financial data, and financial information theft. In these cases, the perpetrator is often an expert in the methods they employ, making it challenging for authorities to identify their tools or establish responsibility. Consequently, denial of responsibility is a viable neutralization technique frequently used by economic criminals.

4.1. Denial of Harm Resulting from Economic Crimes

In this technique, perpetrators assume that their crimes cause little or no harm to victims. By employing this strategy, offenders downplay the severity of their criminal acts. For example, theft may be framed as borrowing, implying that nothing substantial is lost. Similarly, group altercations may be described as mere verbal disputes or private conflicts between individuals. A common phrase used by offenders in this context is: "I really didn’t mean to do this or harm anyone" (Rahiminejad, Aghayari, & Gholipour, 2015: 97).

Through the denial of harm technique, offenders can justify their actions with relative ease. For instance, a thief might rationalize stealing international aid intended for refugees by arguing that, given the large volume of humanitarian assistance available, such an act does not significantly impact the government. Likewise, an individual misusing public property for personal benefit may argue that, while they used a government vehicle, they paid for the fuel themselves.

Another example involves state-appointed officials engaging in collusion during transactions. Since transactions between private individuals and corporate entities often face stricter scrutiny than those involving the government, some parties exploit this relative lack of oversight. By colluding, they inflict financial losses upon the state. Furthermore, it is conceivable that government representatives responsible for transactions may conspire with counterparties to generate illicit gains for themselves and others, thereby causing financial damage to the state (Bahremand & Habib, 2017: 100).

When examining the use of harm denial techniques—particularly in economic crimes—legal loopholes must also be considered. Even with well-defined laws, if economic crimes are not perceived as serious or if significant legal gaps exist, offenders exploit these deficiencies to rationalize the supposed harmlessness of their actions.

Given the inherently complex nature of economic crimes, offenders invest significant time in planning and strategizing their execution. Consequently, they skillfully exploit legal loopholes and use every possible means to justify their actions, minimizing or negating the perception of harm. As a result, economic crimes have emerged as a major global concern. As noted in the Eleventh United Nations Congress on Crime Prevention and Criminal Justice (2005), economic crimes—facilitated by technological advancements and globalization—exert short-term economic effects and long-term consequences for good governance (Mahdavipour, 2011: 48).

5.1. Condemning the Condemners

In this technique, offenders do not focus on the illegality of their actions but rather attack the motives and behaviors of those who condemn them. They argue that the criminal justice system is hypocritical or that officials themselves are merely criminals in positions of power. For example, white-collar criminals justify their offenses by claiming that government-imposed strict regulations and restrictive trade policies hinder free-market investments. Similarly, physicians engaged in fraudulent medical practices may rationalize their actions by criticizing the inefficiencies and irrationalities of the healthcare system. In some cases, offenders go so far as to accuse members of the criminal justice system of corruption, particularly bribery, aiming to divert attention from their own wrongdoing and shift public perception negatively toward law enforcement and judicial authorities.

A relevant example of this strategy in economic crimes is smuggling. Smuggling is widely recognized as a prominent form of economic crime, encompassing illicit trade in goods, currency, narcotics, antiquities, and even human trafficking. Fundamentally, it is an economic activity driven by the pursuit of profit. The illegal import and export of goods and currency, often conducted to maximize financial gain, gradually evolve into large-scale operations, absorbing a substantial portion of the workforce. As a result, smuggling has become a key component of the underground economy, with inevitable repercussions on national economic stability (Tavasolizadeh, 2013: 58).

Consequently, when individuals are convicted of drug smuggling and sentenced to severe punishments, including the death penalty, they and their associates condemn the criminal justice system, arguing that it is unjust to take human lives over a few grams of narcotics. They question the legitimacy of a legal system that, in their view, devalues human life, raising doubts about whether such an institution can genuinely administer justice.

6.1. Commitment to Higher Allegiances and Beliefs

Through this technique, offenders justify their actions by claiming that they are driven by a set of moral obligations to a specific group to which they belong. While they are fully aware of legal norms and prohibitions, they argue that they are compelled to commit crimes to uphold their group's principles and commitments. In essence, they sacrifice the dominant societal norms in favor of the expectations of a smaller, more exclusive group (Najafi Abrandabadi, 2012: 77). In such cases, offenders maintain that their actions align with the values and aspirations of their affiliated group. Even though they recognize and accept the prevailing norms of society, they feel pressured to demonstrate their loyalty to their group, leading them to act in accordance with its principles. For instance, certain businesspeople may engage in regulatory violations based on the ethical standards of their trade.

Under such circumstances, criminals perceive crime as a necessity to affirm their dedication to their group. A thief, for example, may justify their actions by saying, "I did this for my children," suggesting that a higher moral obligation drives their behavior. In reality, while they acknowledge legal and social norms, they seek ways to circumvent them. This raises a critical question: If some offenders respect societal values, why do they still commit crimes? One possible explanation is the flexibility within legal frameworks. Criminal laws classify offenses such as theft or murder as punishable acts, yet they also recognize exceptions, such as self-defense or necessity, which absolve individuals from criminal liability.

Economic offenders can readily exploit this technique to evade responsibility. Due to the complexity of these crimes and the high level of intelligence and expertise of their perpetrators, they often remain undetected for a long time. Even when discovered, significant time has usually passed since their commission. Furthermore, economic crimes are rarely committed by a single individual; instead, they involve highly skilled individuals, some of whom may even hold significant governmental positions. Unlike street crimes, economic offenses are not typically committed by impoverished individuals from disadvantaged backgrounds but rather by members of the upper social and economic strata.

In this context, economic criminals may even be the same individuals tasked with investigating such crimes. If not, they still benefit from preferential treatment by law enforcement, the judiciary, and even legislators, as suggested by Sutherland's theory on white-collar crime (Gassin, 2014: 133). Additionally, given that economic offenders frequently operate within coordinated groups, it is likely that they share a common set of values, commitments, and beliefs. Their adherence to these shared principles fosters a sense of unity, enabling them to collaborate in criminal activities. Thus, the offender's environment and associates play a crucial role in shaping their criminal trajectory, reinforcing the conditions that lead to their actions.

2.Theoretical Criticisms of Neutralization Techniques in Analyzing Economic Crimes

The concept of neutralization techniques, introduced by David Matza and Gresham Sykes in the 1960s, has been widely used in criminological studies to explain and analyze criminal behavior. One of its key applications is in the study of economic crimes, given their complexity and societal impact. However, the significance of this theory does not exempt it from critical scrutiny, especially in the context of criminological analysis of economic offenses. In this regard, the following discussion outlines some of the key criticisms of the neutralization techniques theory in the study of economic crimes.

2.1. Determining the Timing of the Use of These Techniques

One of the primary challenges in applying neutralization theory to economic crimes is the difficulty of identifying when offenders employ these techniques. The theory asserts that criminals resort to neutralization techniques before committing a crime to suppress feelings of guilt and justify their actions. However, it is evident that offenders also utilize these techniques after being apprehended to evade legal consequences and later to rehabilitate their public image. The critical issue lies in determining whether the offender genuinely held these justifications before committing the crime or whether they formulated them retrospectively.

For instance, in cases of embezzlement, an offender may claim that no real victim suffered harm and that their actions did not cause tangible damage. However, it remains questionable whether the offender genuinely believed this at the time of the crime or if this justification emerged later as a defense strategy. Similarly, in offenses against the state, economic criminals, known for their intelligence and strategic thinking, cannot plausibly claim ignorance of the legal and social contract that deems government assets as public property. If they later argue that their actions did not harm the state, it raises doubts about whether they truly believed this before committing the offense or if it was merely an ex post facto rationalization. The difficulty in distinguishing between these scenarios poses a significant limitation in applying neutralization theory to economic crimes.

2.2. Overlooking External Factors

Another major criticism of neutralization theory is its exclusive focus on psychological factors while neglecting external social and economic influences. Economic crimes are often driven by both internal (psychological) and external (structural) factors, yet this theory primarily emphasizes the offender's cognitive justifications. In reality, external conditions, such as economic instability, systemic corruption, and regulatory weaknesses, play a crucial role in shaping economic crime.

For example, offenses like bribery and smuggling are often linked to broader economic conditions. Widespread poverty, income disparities, and economic crises can create incentives for individuals to engage in such crimes. In such cases, it is insufficient to analyze offenders' justifications in isolation without considering the structural factors that enable and perpetuate economic crime. By disregarding these external influences, neutralization theory presents an incomplete and potentially misleading analysis of economic offenses.

2.3. Lack of Universality in the Theory

Neutralization techniques are based on the assumption that offenders experience guilt or moral conflict regarding their actions and therefore seek justification. However, this assumption does not hold true for all economic criminals. Some offenders do not view their actions as morally wrong; rather, they perceive them as acceptable or even beneficial. This limitation weakens the theory’s applicability in cases where offenders do not feel the need to justify their behavior.

For instance, many individuals involved in smuggling do not consider their actions unethical or illegal in a meaningful sense. Rather, they believe they are providing a valuable service by delivering goods to consumers at lower prices, bypassing what they see as unfair tariffs and bureaucratic inefficiencies. Smugglers often argue that their actions benefit society by making high-quality imported goods more accessible and affordable. Since these offenders do not perceive their actions as wrong, they do not need to resort to neutralization techniques to justify them. This fundamental flaw limits the theory’s explanatory power in the context of economic crimes where offenders view their conduct as legitimate rather than something requiring justification.

While neutralization theory provides useful insights into the cognitive processes of offenders, its application to economic crimes is fraught with challenges. The difficulty in determining when neutralization techniques are employed, the neglect of external socio-economic factors, and the failure to account for offenders who do not see their actions as wrongful all highlight the limitations of this theory. A more comprehensive approach to economic crime analysis must integrate psychological, structural, and systemic factors to provide a more accurate and holistic understanding of criminal behavior in economic contexts.

Conclusion

A review of legal and criminological literature indicates that economic crimes, both traditional and modern, have persisted as an integral part of economic activities. Due to their inherent characteristics, these crimes often evade legislative scrutiny, and even when acknowledged, legal frameworks often contain significant gaps. Consequently, economic offenders, much like the crimes they commit, exhibit distinct traits that set them apart from other criminals. These individuals typically possess high intelligence, strategic acumen, and ingenuity, which enable them to form organized groups and meticulously plan their criminal schemes before execution. Their cognitive abilities also allow them to rationalize their actions before committing a crime and to offer justifications post-conviction. This behavioral pattern aligns with the theory of neutralization techniques, first introduced by David Matza and Gresham Sykes in the 1960s.

Economic offenders, through the application of neutralization techniques, initially deny the criminal nature of their actions, refusing to categorize them as illicit. If this strategy proves ineffective, they proceed to deny the existence of a victim. In economic crimes, victims are often either unaware of their victimization or recognize it only after a considerable delay. If denying the victim is insufficient, offenders then shift to denying responsibility, arguing that their actions were dictated by superior orders, ignorance of legal provisions, or other external pressures. When this justification fails, they further deny the harm caused by their crimes. A clear example of this can be seen in economic crimes that, unlike financial crimes, do not immediately disrupt economic stability but gradually undermine governance structures and economic systems in the long run.

For instance, in the case of smuggling, offenders often argue that they provide goods at lower prices and gain public approval in the short term. However, in the long term, such activities weaken the economic system and challenge its sustainability. If these justifications prove ineffective, offenders then resort to discrediting the judicial system itself. They may portray the criminal justice system as corrupt or oppressive, framing law enforcement and regulatory authorities as the real culprits responsible for societal issues. In extreme cases, economic offenders align themselves with ideological or organizational commitments, claiming that their actions were carried out in adherence to group loyalty and shared principles.

Thus, neutralization techniques are not strictly limited to the five components originally identified by Matza and Sykes but rather serve as illustrative examples. The scope of these techniques can be expanded based on further analysis of economic crimes and offender behaviors. As the theory suggests, while offenders acknowledge the illegality of their actions, they employ these techniques to evade accountability. However, in the context of economic crimes, there are cases where offenders do not even perceive their actions as criminal, using similar mechanisms to rationalize their behavior instead. Furthermore, these techniques are not necessarily applied in a hierarchical or sequential manner; offenders may simultaneously or interchangeably employ multiple strategies to justify their conduct.

Ultimately, economic crimes pose significant challenges to economic security, financial transparency, and the rule of law, fostering underground economic activities and reducing government revenues. For example, tax evasion and customs fraud compel governments to increase tax rates to compensate for lost revenue, placing additional financial burdens on legitimate economic actors.

Despite its analytical value, the neutralization theory encounters several limitations when applied to economic crimes. One major issue is the uncertainty regarding the exact timing of these techniques—whether offenders genuinely employ them before committing the crime or merely use them as post-hoc rationalizations.

Additionally, the theory primarily focuses on internal psychological justifications while overlooking external factors, such as economic conditions, regulatory inefficiencies, and social structures, that significantly contribute to economic crime. Lastly, the theory lacks comprehensive applicability, as certain economic offenders do not perceive their actions as criminal in the first place, making justification unnecessary.

While neutralization theory provides valuable insights into the cognitive processes of offenders, its limitations highlight the need for a more holistic approach that incorporates both psychological and structural factors in analyzing economic crimes.

References

1. Adabi, H. (2019). Criminal Sociology (3rd ed.). Tehran: Majd Publications.

2. Ebrahimi, Sh., & Sadeghnejad, M. (2014). Criminological Analysis of Economic Crimes. Criminal Law Research Journal, 2(5), Winter 2014.

3. Rahimi-Nejad, E., Aghayari, M., & Gholipour, G. (2015). The Theory of Crime Neutralization and Its Relationship with Restorative Justice. Criminal Law Research Quarterly, 3(11).

4. Pakzad, A. B., Alipour, H., & Saber, M. (2019). Justifying Differential Treatment for Economic Crimes: A Threat of Crime or a Risk of Offenders? Criminal Law Research Journal, 8(28).

5. Bahremand, H. (2017). Pathology of Laws Related to Economic Crimes in the Iranian Legal System (1st ed.). Tehran: Judiciary Publications.

6. Jeshan, V., & Saibani, A. (2019). International Journal of Nations Research, 5(50).

7. Hatami, I., Pakzad, B., Farahbakhsh, M., & Khosravi, H. (2019). Analysis of the Causes of Economic Crimes in Iran in Light of Economic Criminology Theories. Strategic Studies of NAJA Quarterly, 4(11).

8. Rostami Tabrizi, L. (2018). Criminological Explanation of Economic Crimes (Collection of Papers on Criminal Policy Against Economic Crime) (1st ed.). Tehran: Mizan Publications.

9. Salimi, A., & Davari, M. (2014). Sociology of Deviance (6th ed.). Qom: Research Institute of Seminary and University.

10. Sharifi, A., & Sheidaian, M. (2017). Requirements for the Equality of Arms in Prosecutorial and Defendant Behavior: A Look at Economic Crimes. Scientific-Research Journal of Social Sciences, 11 (Special Issue on Crime Prevention and Law).

11. Sabouripour, M., & Mousavi, P. (2022). Protection of Credit Victims in Economic Crimes. Quarterly Journal of Economic and Commercial Law Research, 2.

12. Gholami Doon, H., & Javadi Hosseinabadi, H. (2020). An Integrated Analysis of Governmental Crime in Light of Neutralization Techniques and Defense Mechanisms. Criminal Law and Criminology Studies, 50(1), Spring and Summer 2020.

13. Gassin, R. (2014). Criminology of Economic Crimes (General Theory of Fraud) (Sh. Ebrahimi, Trans.) (3rd ed.). Tehran: Mizan Publications.

14. Mahdavipour, A. (2011). Differential Criminal Policy in the Domain of Economic Crimes (1st ed.). Tehran: Mizan Publications.

15. Mahdavifar, M. (2021). An Examination of Iran's Criminal Policy for the Prevention of Economic Crimes. International Journal of Lawyar, 5(17).

16. Najafi Abrandabadi, A. H. (2008). A Brief Criminology Lecture Notes (Compiled by M. Jafari).

17. Najafi Abrandabadi, A. H. (2012). Criminal Sociology Lecture Notes (Compiled by M. Sadeghnejad Naeini).

18. White, R., & Haines, F. (2016). Crime and Criminology: Theories of Crime and Deviance (A. Salimi, Trans.) (8th ed.). Qom: Research Institute of Seminary and University.

19. Vold, G., Bernard, T., & Snipes, J. (2014). Theoretical Criminology: A Review of Criminological Theories (7th ed.). Tehran: SAMT Publications.