

# STATE FUNDING FOR ELECTIONS

India is considered to be the largest democracy in the world today. From the day we got independence there have been regular elections to the Parliament, state assemblies and the local bodies. In spite of massive poverty and illiteracy India adopted universal suffrage by virtue of which every Indian enjoys the right to vote. In any election the maximum voters belong to the weaker section, women, slum dwellers, dalits, and adivasies.

The political parties and the candidates who stand for elections go to any extent to woo the voters to vote for them. Both the parties and the candidates put in a lot of effort to campaign during the elections. The fate of the politicians lies in the hands of the people.

In a democracy people are supreme. But the question that haunts our mind is if the voters can decide the fate of the politicians then why do the corrupt and criminal politicians get elected over and over again. Secondly, no political party or its government has ever worked sincerely for the welfare of the majority of the voters. They have worked for the progress and prosperity of the capitalist class. The governments after government have mopped up all the resources, land, water and forest from the hands of the farmers, dalits and adivasies and passed on to the hands of the industrialists, leaving these hapless people to fend for themselves. After 66 years India is still a republic of the hungry, to quote Utsa Patnaik. No government has taken care of the long term interests of the poor. They promise people only doles and freebies.

How true is it that the political parties come to power because of the mandate of the people. When the people get just token welfare schemes from the government why do they still continue to vote for these parties and politicians? Or is the mandate of the people a hoax.

The fact is the politicians use black money and muscle power to extract mandate from the people. Distribution of money and liquor the night before the election is well known.

The corporate houses for whose interest the successive governments work support the political parties. They contribute huge amount of money to the party funds to fight elections. This is part of their business spending. What they sow now they want to reap abundantly in the future. They even control the TV channels directly or indirectly. This was evident in the large gap between the time slot given by the electronic media to the BJP in general and Modi in particular and the time slot given to the Congress party and Rahul Gandhi in particular.

This is a clear indication that our democracy has been high jacked by the corporate and they seem to make mockery of people's mandate and the idea of democracy.

This situation calls for an urgent need for electoral reform. One of the most important components of the election reform would be **state funding the election** process. The following commissions have debated the issue at great length.

- ❖ Indrajit Gupta Committee on State Funding of Elections (1998)
- ❖ Law Commission Report on Reform of the Electoral Laws (1999)
- ❖ National Commission to Review the Working of the Constitution (2001)
- ❖ Second Administrative Reforms Commission (2008)

In all these reports we see an over whelming support for state funding for elections.

1. According to Indrajit Gupta commission's recommendation "state funding of elections is fully justified, constitutionally, legally and also in the larger interest."
2. Second Administrative Reforms Commission (2008) had recommended partial state funding of elections for the purpose of reducing "illegitimate and unnecessary funding" of elections expenses. However this proposal will defeat the purpose. There should be total funding of elections by the state.
3. To ensure that no black money comes in the picture the entire election cost should be born from the state funding. The parties and politicians should not be allowed to receive any funds from any other source or spend any money either from their party funds or from their personal funds. Parties should not be allowed to raise funds from public or from other sources, and definitely not from the business houses.
4. When the state funds the election process it would impose certain conditions. It should demand that the political parties and ethical in their functioning. Second Administrative Reforms Commission (2008) observes, "State funding of elections makes little sense as long as inner-party democracy is missing in key political parties. State funding of polls would be a lost battle unless political parties make way for inner-party democracy that allows good and meritorious members to get poll tickets."
5. There should be absolute transparency in the management of funds of the party. The Hindu paper published about how the political parties manipulate their accounts,

## BLACK MONEY REPORT WITH FINANCE MINISTRY

**Most parties have no records of donors**

Donations, coupon sales below Rs. 20,000 each are opaque

**INVISIBLE PATRONS** More than 75% of funds raised by 11 parties between 2009-10 and 2010-11 have come from unknown sources

Political Party	Total Funding (in Rs. lakh)	Donations below Rs. 20,000 (in %)
Congress	77,466.74	88.11
Bharatiya Janata Party	42,601.67	77.24
Bahujan Samaj Party	17,267.84	100
Nationalist Congress Party	6,815.35	95.36
CPI(M)	14,985.15	98.71
AIADMK	2,394.59	89.26
Samajwadi Party*	4,331.65	95.52
Janata Dal (United)	1,475.2	88.04
Lok Jan Shakti Party	260.19	80.79
Rashtriya Lok Dal*	436.6	78.96
Shiromani Akali Dal	637.38	80.4

Source: ADR, NIPFP Black Money Report \*(only 2009-10)

6. State funding will keep the corporate houses and big businesses outside the purview of election which are very crucial to protect the democratic character of our country by allowing fair and free elections. There should an end to the connection between money power and political parties. The role of black money will be out from the election process. One must note that black money comes from the business houses, from the party funds and also from individual politicians.
7. State funding will drastically bring down the election expenses. Today election expenses have sky rocketed. This is primarily because black money is used to extract mandate from people by hook and crook by use of money power. Distribution of cash and liquor will become impossible when elections are funded by the state and people will be able to make their informed decision to vote for the parties and candidates of their choice.
8. State funding would create a level-playing field among unequal competitors. This will give chance for good persons who want to serve the people by coming into the election process which is not possible in the present context where only those who have huge amount of mostly black money can fight elections.
9. Some would argue that the resources at the disposal of state are not big enough to fund the elections. Indrajit Gupta commission recommends that this can be easily overcome by creating election fund by taxing the business firms, industrialists and corporate houses. These are the very people who have been funding the political parties to get benefits in return. All these people could be taxed substantially enough to create election fund at the disposal of the election commission

or the state. They will not lose anything as otherwise they would give that money to the political parties anyway.

10. S. Y. Quraishi, the former Chief Election Commissioner has observed, “This subsidy (state funding) will be a small price for transparency and free our political system of dependence on corporate and tainted funds, restore the dignity of political parties and democracy. It may also be freed of crony capitalism and backseat driving of governments by corporate houses and dubious financiers.
11. Some argue that State funding could bring the political parties under the control of state which would deny the democratic right of the political parties. This argument does not hold water. State has to exercise some control on the process of election to make sure that the letter and spirit of the democratic, free and fair elections take place. Once a political party comes to power the state would come under its control. Political parties, all civil society organizations, business firms and all citizens do come under state control and all have to abide by the Constitution of India. The state is duty bound to exercise to regulate for the purpose keeping in place justice, fairness and cleanliness.
12. The Indrajit Gupta’s commission recommends confining state funding only to the parties recognized as National or state parties by election commission of India. This position will vitiate the purpose. Dolly Arora makes very important point on who should be supported from the state funds for election.

“The concern for creating a level-playing field for the candidates would also require that support was offered to all those who contested elections. The argument, as offered by the committee, is quite problematic on two additional counts.

“First, because it is proposed to limit state support to only recognised parties. And second, because too much significance is assigned to past performance in determining the extent of voter support. This is likely to create a bias against the new or weaker political parties and their candidates, as also, the independent candidates. As a result, the position of the entrenched parties would only strengthen further on account of state support. In the present context of growing voter disillusionment with established parties or candidates and increasing support for new parties and candidates, to opt for a criteria of support based on past performance would also not reflect the wishes of electorate who favour alternatives rather than status quo. There is another side of this problem. If state funding is expected to strengthen democracy by enabling fair competition, then past performance cannot be made a criterion for determining its extent, because it may already reflect the uneven access to resources.

“Providing support to independent candidates, for instance, is not considered desirable on the ground that a very small number of such candidates have actually been able to win elections in past. It is desirable to consider if this failure was due to their weak financial position as compared to that of party candidates or it was due to any lack of seriousness or competence of the candidate. Should they be

discriminated against simply for reasons of not being affiliated to a recognised political party? This question becomes especially important in the context of centralised nature of most political party structures and processes - from distribution of tickets to actual allocation of resources, there is more of power play, factionalism and favouritism evident in the actual processes which characterise political parties' engagement with the electoral processes.” (EPW Sept 9-15, 2000.)

(I have referred several authors for the material, principally, Indrajit Gupta Commission's report and Dolly Arora)