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Need to Curb Election Expenditure

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Abstract

Most of the finance ministers says that there is a need of dis-investment in public limited companies to reduce the fiscal deficit. And also there is a need of FDIs to expedite economic growth. Both should be needed because of insufficient financial resources in the country. But its only applicable to the economic arena and does not to political arena. These are not my words, the expenditure of recent 16th Lok Sabha General Elections confirms this. According to the estimates of center for media studies, over 35,000 crores of rupees were powered over 810 million voters against around 10,000 crores in 2004. Despite of the ceiling on candidate expenditure, and election commission observations year by year and from one General Election to another General Election expenditure is scaling up as it is a bullet train. Unfortunately neither the candidate nor the political parties properly maintained the accounts of the funds which they have received from unknown sources, and the manner which they have spent. It reflects that most of the money spent by the candidates and political parties is illicit and ill gotten, funded by business industrial houses and corporate companies on the basis of quid pro quo. To fulfill their expenditure for elections they depend upon corporate companies at the Election time. After the Elections the winning party favors them in the form of allotting lands, assigning contracts and also amend the laws in the favor of their interests. Society have been seeing this kind of quid pro quo and scams for the last decade. The give and take policy taking place between the political parties and corporate companies the elections and politics are turned nothing but business. In this commercial political arena the common man has no scope to participate and contest in the Elections due to the more expenditure. These kind of trends may deprive the good governance and threatens the roots of the Democracy, equality and development in the county. So there is a need to curtail the rising Election expenditure to make the Elections free and fair and protect the common man interests. Then only we would able to strengthen the democracy. In this regard this paper analyzes the reasons for rising Election expenditure and its evils and also how to curb the over expenditure of elections.

Key Words: Elections, Expenditure, Reforms, Indian Elections, Indian Democracy.

Introduction: Without the Cricket and the Elections, India would be a dull country. Their grip on the collective consciousness of the Indian society is something that has to be seen to be believed! Mercifully for the billion-strong Indians, cricket matches and elections keep happening periodically, oxygenating and energizing the Indian society from time to time. There is another identity between the cricket and the elections that is commercialization. The gentle man game cricket has been commercialized with IPL so as the Indian Elections also have been commercialized with the neoliberal economy. In this neoliberal economy we are driven by the market. Everything in the country can now be sold. It is believe that in this neoliberal economy we can sell images that exactly what is been attempted in the current elections. "It has been more battle of images than a battle of ideologies". That's why the expenditure of election has been increased. On the other hand the Election Commission of India is trying to curb the expenditure by putting a ceiling on candidate expenditure. With this, the funding limit of each individual was to be within a limit. But that's limit get enhanced from one time to another time due to neoliberal economic conditions. Elections are an expensive affair throughout the world and now virtually it has come to a stage when India is spending as much as Americans do the presidential elections. It's a very enormous sum in the context of a developing nation.

Reasons for rising expenditure: The expenditure of recent 16th Lok Sabha elections is set to go down in the history of the country as the most expensive elections. Around five billion dollars are expected to have been spent during in this election period. We are all known that elections are an expensive affair. The Indian general election is one of the largest democratic exercises across the world. This large scale operation also involves huge costs. Holding general elections in India, the world's largest democracy, is a mind-boggling exercise involving colossal expenditure. It is estimated that conducting a Lok Sabha election virtually amounts to conducting polls in Europe, United States, Canada and Australia put together! Such is the sheer scale of the exercise in the world's largest democracy of one billion plus people. Conduct of Lok Sabha poll has gradually become more expensive since the first general election in 1952. In the first election after independence, the national ballot cost Rs 10.4 crore. The cost subsequently dropped in the later elections. From 1977 however, the Cost started increasing substantially. Elections started costing upwards of Rs 100 crore after 1989. In 2004 it crossed over Rs 1000 crore and now the expenditure of recent election set a new bench mark with Rs 3400 crore. But it only the expenditure of the government. It does not contain the expenditure of the candidates and political parties. According to the estimates of CMS the expenditure of both the candidates and the political parties crossed over Rs 30,000 crores. There are some reasons for this rising expenditure.

The government expenditure on conduct of elections is being increased by time to time. The main reason for this is the rising inflation. It has to increase the expenditure depend upon the inflationary conditions. And also there are some more reasons; the Election Commission has to create totally new offices whenever there is election. They have to hire even a single scissors, needle, chairs and other things. These things costs are going up. And also the main motto of the Election Commission is to conduct the elections free and fair. For this the Election Commission uses more paramilitary and police forces. These forces have to be deployed from one place to another place. That's why the total amount spent by Election Commission has to be gone up.

When we come to candidate expenditure there is a limit. The Election Commission puts a ceiling on the expenditure by the candidate. The funding limit of each individual was to be within that limit and the candidate could not spend beyond that. But that limit gets enhanced from time to time. In this regard the Election Commission has raised the limit for every Lok Sabha candidate from forty lakhs to seventy lakhs in 2014 Lok Sabha polls. But when we interrupt with political party persons in private they will tell us that the requirement of the real expenditure is actually ten times more than the ceiling amount there are some reasons for this.

- ❖ The size of electorates are very large and each electorate, contain 15 lakh to 20 lakhs or even more people. That really makes impossible for any single individual to compete fairly unless and until having spent large sum of money. If the candidate sends a post card for twenty lakhs people he has to spend at least twenty lakhs rupees.
- ❖ The advent of the big media, regional and national as well as electronic and print. It has added a new dimension in the formal part of the campaigning. There is a shift from personal door-to-door campaign to campaign through media, in which newspapers and television are being extensively used. One often sees various advertisements both in newspapers and television appealing to the people, to vote in favor of a party. Press conferences are being used as a platform for campaigning for the political party. All these changes had meant a shift from personal campaign to a more hi-tech campaign run with the help of media, both print and electronic. This new type of mechanism and hi-tech campaign and advertisements are costs much higher than the traditional one. That's why the expenditure is increasing.
- ❖ All though the television, social media and the electronic print media are playing big role in the election campaign, the traditional campaign has also its role. There are evidences, which indicate personal campaign is still one of the dominant styles. Four national surveys indicate that the candidates, party workers or their supporters at home contacted 50 percent of voters during the election campaign. In a country like India, where an average Lok Sabha constituency has about 15 lakh voters, during the election campaign, about 7 lakh voters have been contacted by the candidate or his campaign workers. But the political parties and candidates do not have volunteers for this traditional campaign. So they have to hire more campaign workers from the

society and the candidate need to bear the campaign workers expenses, that is causing the cost of the election goes up.

- ❖ Democracy in India is a continual participative operation and not a sudden exercise. The little man in the multitude, casting his vote at the polls, does a social audit of not just the Parliament but of various democratic institutions that acquire their legitimacy through his vote. But unfortunately more voters are expecting money to cast their vote. So the candidates' directly distributing money to the voters during the election period so these types of trends have really cost the political parties.
- ❖ Cut throat competition is another reason. Now a day's more members are contesting in one electoral constituency. The candidate must compete to each candidate. For this he has to spend large sum money to get more publicity and image.

Whereas there is a ceiling under cap on the amount of money a candidate spends. But there is no limit for political party. With this the political parties spending enormously. There is always a doubt and an allegation as well that there is a give and take policy between business houses and political parties. And business houses have made their foundation, through foundation there is a sophisticated way. In that way the money is transplanted in a political party. We all know why business houses contribute to the political parties and that also ones the political parties have money at their disposal then the expenditure automatically goes up.

Evils of rising expenditure: India - the world's largest democracy - has its own set of problems. One should not have to be student of political science to understand that India's polity is infested with corruption and clientelism. Volumes can be written about the saga of endemic and pernicious corruption in our country. India continues to squirm under the pain of corruption and unaccountability. It has resulted in incalculable damage to the nation in terms of economic and social development. All though it is much talked about a national malice. One aspect that has not been seriously persuaded that this corruption is vicious circle. This vicious circle begins with the voter, by taking the note for his vote he begins the circle. In term, the candidate who allured voter with money gets busy making several times more of what was spent towards winning. So the voter starts giving bribe for availing basic services which is entitled to citizen from the government. In this way election has become a fountain head of the corruption. Election spending is spiraling and big business is entering politics openly. The Chief Election Commissioner said that candidates spend ten times the prescribed limit and earn ten times that investment after winning. A Planning Commission member said "earlier, money was chasing power. Today, power is chasing money" meaning that the business lobby is openly wooed by politicians resulting in a perversion of citizen interest into business interests.

Clientelism manifests in Indian polity in the form of vote buying, distribution of money and gifts and returning favors via jobs, contracts, licenses and permits as well as admissions (in academic institutions). A clientelistic network also puts women candidates at disadvantage because of their lack of access to a personal network, thus creating a gender gap. The cocktail of corruption, clientelism and clan results in a perpetual power concentration, creation of a coterie and elite dominance. Backed with illicit money, the parties and leaders do not hesitate to resort to electoral fraud and violence to maintain power. In extreme cases, even sham elections happen, further leading to a dysfunctional democracy.

Compare this with another scenario. A report released by the Association for Democratic Reforms (ADR) on December 9 states that 29 out of 45 recognized political parties in India had not submitted the donation report to the Election Commission of India (ECI) till the deadline of November 30, 2014. It further reveals that BJP is the only single party that has not submitted the list of donors contributing more than Rs 20,000 for the financial year 2013-14. Interestingly, Bahujan Samaj Party (BSP) has declared to the ECI that it did not receive even a single donation exceeding the sum of Rs 20 thousand! There was another report published by ADR last year, according to which, 75% of the funds to major political parties come from unknown sources. Also, out of all the known sources, 87% of the donations come from the corporate sector. The above instances raise the important issue of political finance. Various independent studies and surveys have spoken of astronomical spending on election campaigns by various political parties and individual candidates in their private capacities.

Big industrialists are also known to fund parties. This may not be strictly illegal, but it gives rise to allegations later of quid pro quo by the government that would come to power, as we have been seen several scams and quid pro quos for the last decade. Since it is not possible to account for and audit all the money actually spent, there is no knowing of the exact figure. Suffice it to say that crores of rupees of black money inevitably got released. This is a serious concern for the country's economy, especially now that India is preparing itself to fight the consequences.

The above instances raise the important issue of political finance. World over, democracies, emerging and mature alike – have grappled with the problem of regulating money in the political arena. Money is a necessary evil for the functioning of political parties. But unregulated, undisclosed and opaque political funding can threaten the very fabric of democracy and governance. While a resource-strapped political party may struggle to make a sufficient public outreach program, the parties sloshed with illicit money make a merry-go-round! Rather than respond to the aspirations of the masses, they tend to cater to the interests of their financiers. At this rate how Indian democracy assured good governance to its citizens.

How to Curb Rising Election Expenditure: It is necessary to have a tighter control over the election expenditure of the candidates and the political parties and stricter audit of company donations and accounts of political parties. It is appropriate for the Legislature or the Election Commission to prescribe the requirements of maintaining true and correct accounts by political parties and the receipts as well. Unless this is done, the purity of elections being spoiled by money power cannot really be ruled out.

In this regard Election Commission has taken certain initiatives recently towards curbing the expenditure. It has appointed expenditure observers to track and validate expenditure on various components of polling campaign, but there is no evident that this has made any difference to significance increase in poll expenditure because the Election Commission does not have sufficient observers to observe all the expenditure of the candidate. Election Commission of India has only one observer that is economic observer and each constituency will be having one observer. We do not think that is humanly possible to observe each and everywhere in the constituency which is 116 km large with thousands of booths. Can one observer able to observe it? We do not think any observer have that much of capacity to observe.

There is an obligation that candidate must file expenditure statement within the specified period after the elections having existed for some time. However, experience shows that candidates often overspend on their campaign than the ceiling limit which was prescribed by the Election Commission, by taking advantage of some loopholes. For example under section 77(1) of the Representation of the Peoples Act 1951, money spent by people other than the candidate and his agent are not added to his/her election expenses. This means candidate can spend as much as he likes without violating the ceiling on poll expenses any violations or miss reports of expenses can result in disqualification of the candidate concern. So these kinds of loopholes must be rectified.

One of the important steps to be taken in this regard relates to electoral reforms especially in regard to finances of political parties. The functioning of political parties should be regulated by law, emphasizing the compulsory maintenance of accounts audit by independent parties and submission of annual reports to the Election Commission. Recently, the Supreme Court observed: - "Nothing prevents the political party, particularly a national party, from maintaining its own account to show total receipts and expenditure incurred so that there could be some accountability." There is a need for transparency in the matter of collection of funds by the political parties and also the manner in which the funds are expended by them? The political parties must be required to publish their accounts annually for information and scrutiny of all concerned for which purpose the maintenance of such accounts and audit thereof to ensure their accuracy.

Another major reforms suggested by Dinesh Goswami committee and Indrajit Gupta committee that is state funding of election this reforms was made, because political parties, though voluntary associations of individual citizens, are performing the vital public function of sustaining democracy. And for performing such public function of great importance, they need to be financed from public funds. Contributions to such funds of political parties from State coffers would make them less dependent on private contributions, which mostly come from big industrial houses on quid pro quo basis, and this would serve a great public cause and interest of removing corruption. But formal Chief

Election Commissioner of India Mr. S Y Khureshi he himself said “fine you say that state funding is fine it's OK. Do you think after the state funding can you stop private funding of the election? On the one hand we will start funding through the state and also there is parallel funding by the private parties.” So instead of curbing of election expenditure would result in increased capacity of the political parties to spend on election campaigns, making the elections even costlier. It would encourage mushroom growth of parties as such grants would be a great incentive for even non-serious and frivolous organizations to call themselves as political outfits. In this regard state funding is not right way to curb the expenditure of election.

The right way to curb the election expenditure is only self-discipline of the political parties. If the political parties able to build their own cadre and their own volunteers then they don't need to hire more volunteers and they do not need to allure the people as they are alluring now. There is something wrong in the political culture of the political parties. Some people think that we have money, we can win election and therefore they come and start spending. But we have seen those political parties who have really good ground structure of the political party they need not spent money as the other political parties. So we need self-disciplined political parties to curb the election expenditure.

Conclusion: At the moment, the introduction of partial state funding for elections is a possibility for India, given the country's expanding economy. This has been the subject of long-standing proposals from various committee reports; hence, partial state funding could be introduced sometime in the near future. As the Election Commission has warned, however, partial state funding should be linked to internal reforms of political parties, such as a more transparent funding process from corporate houses. Any change in the electoral reforms vis-à-vis funding of political parties can only be a gradual process. A single piece of legislation is unlikely to solve the problems for the long term. Moreover, experiences of other countries teach us that campaign finance reform is a continuous and evolving process that is unlikely to be addressed by a specific legislation or major reforms. What can go a long way in improving the electoral process are strengthened institutional structures-“legal cells” within the Election Commission-which are appointed bodies to track disclosures by political parties (similar to the Federal Election Commission in the United States tasked with tracking disclosures). This could also be a specific yardstick against which present and future challenges can be adequately addressed.

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