

Ajay K. Mehra

Party and Election Campaign Financing in India

A Quest for Legal Limits amid Illegal Reach

Abstract The party and election campaign financing in India has been questioned for its opaqueness and the infusion of black money. The Indian political parties have also been accused of collusion with and an influx of criminal elements, a phenomenon that has led to the criminalization of politics. A major ramification of the process has been the presence of legislators—both at the national and state levels—with criminal records. A large body of research of the phenomenon indicates that the dubious elements with whom individual candidates and the parties sought help and protection during elections have muscled their way into politics and have been elected as lawmakers. A natural progression has been the infusion of black money into politics. There have been several efforts to peg election expenditure, but the parties have attempted to wriggle out even by using the Parliament to enact a new legislation. There is complicity and organizational silence of political parties on these issues.

Keywords organizational silence, political parties

One of the causes of corruption and corrosion of values in our polity, as well as criminalization of politics, stems from the flaws in the electoral process. To ensure free, fair, and fearless elections and to prevent use of money and muscle power, Government will introduce a comprehensive Electoral Reforms Bill for which considerable groundwork has already been done.

President K. R. Narayanan, at the beginning of the budget session of Parliament, March 1998 (Chhokar 2017, 92).

Introduction

What the then President of India K. R. Narayanan (1997–2002) said in 1998 so succinctly about the Indian political and electoral processes in his address to the Indian Parliament, Jesse M. Unruh stated even more candidly in the 1970s, “Money is the mother’s milk of politics.”¹ While Narayanan was stating what he considered a developing anomaly, nay distortion, in Indian politics that was detrimental to the evolving Indian democracy. Unruh was spot on in stating what is possibly a universal truth in politics in most polities. In fact, from the days of the Roman republic to the contemporary democratic polities, the corrosive impact of money on politics has been highlighted by several writers, commentators, and analysts. The misuse of money, even from the government’s treasury, has been succinctly described by Chanakya, the 350–275 BCE Indian statesman-philosopher and the mentor Prime Minister of Indian Emperor Chandragupta, the founder of the Mauryan dynasty:

“Just as it is impossible not to taste honey or poison that one may find at the tip of one’s tongue, so it is impossible for one dealing with government funds not to taste, at least a little bit, of the King’s wealth. Just as fish moving under water cannot possibly be found out either as drinking or not drinking water, so government servants employed in the government work cannot be found out (while) taking money (for themselves).” (Kangle 1972, 91).

Yet, the shape and dimensions that money has acquired in democratic politics in the contemporary world, has emerged as an element with tremendous corrosive power despite being an essential ingredient. In democracies across the world political finance—needed for running political parties and for funding elections—is increasingly acquiring gargantuan proportions, compelling parties to look for fresh sources of funds.

1 Also known as ‘Big Daddy Unruh’, Jesse M. Unruh was an American Democratic politician from California, who excelled in political and party fund raising as treasurer in the 1970s.

What Narayanan, who traversed diverse routes of diplomacy and the academia before ascending to the office of the President of India, said was till then assiduously debated in the country despite the apparent mismatch between the declarations by candidates and political parties of their electoral expenses due to statutory compulsions and the real conspicuous spending. In fact, in 1993, a committee constituted by the Government of India, headed by then Home Secretary N.N. Vohra,² brought out the existing close nexus between politics and crime that impacted the electoral politics, bringing in the role of black or unaccounted money in the electoral process.³ It was perhaps in that context that Narayanan referred to a comprehensive Electoral Reforms Bill being contemplated by the government. Electoral Reforms that included the proposals for State (Public) Funding of Elections had a history in the Dinesh Goswami Committee Report, 1990⁴ and the Indrajit Gupta Committee Report, 1998.⁵ Later, the reference to it also came in the report of the Na-

2 The report of the N. N. Vohra Committee remains classified to date. It has not been put out fully in the public domain. Parts of the report have been selectively released. A version of the report was published in the *Indian Journal of Public Administration*, the quarterly journal of the Indian Institute of Public Administration, which is an autonomous institution under the Ministry of Home Affairs, Government of India. The report is available at 'Vohra Committee Report (Ministry of Home Affairs)', *The Indian Journal of Public Administration*, XLI (3), July-September, 1995, pp. 642–43.

3 The reports submitted to the Committee by the Directors of the two of the premium security agencies of the Government of India—the Intelligence Bureau and the Central Bureau of Investigation—are particularly significant in the context of the discussion here. Both the Directors of the Intelligence Bureau and the Central Bureau of Investigation unambiguously reported the presence of organized criminal syndicates across the country, several under political patronage. The DIB wrote, "In certain States, like Bihar, Haryana and UP, these (criminal) gangs enjoy the patronage of local level politicians, cutting across party line and the protection of Governmental functionaries. Some political leaders become the leaders of these gangs/armed senas (armies) and, over the years, get themselves elected to local bodies, State Assemblies and the national Parliament. Resultantly, such elements have acquired considerable political clout...." Referring to the 1993 bomb blast in Mumbai (then Bombay) he said, "... The investigations into the Bombay bomb blast cases have revealed extensive linkages of the underworld in the various governmental agencies, political circles, business sector and the film world."

The DCBI said, "...all over India crime Syndicates have become a law unto themselves. Even in the smaller towns and rural areas, muscle men have become the order of the day. Hired assassins have become a part of these organizations. The nexus between the criminal gangs, police, bureaucracy, and politicians has come out clearly in various parts of the country. The existing criminal justice system, which was essentially designed to deal with the individual offences/crimes, is unable to deal with the activities of the Mafia; the provisions of law in regard to economic offences are weak; there are insurmountable legal difficulties in attaching/confiscation of the property acquired through Mafia activities.'

For a detailed analysis of these aspects, see Mehra 2015, 519–70.

4 <https://adrindia.org/sites/default/files/Dinesh%20Goswami%20Report%20on%20Electoral%20Reforms.pdf> (accessed on 28 June 2019).

5 https://adrindia.org/sites/default/files/Indrajit_Gupta_Committe_on_State_funding_of_Elections.pdf (accessed on 28 June 2019).

tional Commission to Review the Working of the Constitution of India, which was appointed in March 2000 and submitted its report on 31 March 2002.⁶

The use of money power brings in the demand for transparency and regulatory regimes in accordance with the constitution and the legal regime of the country concerned, so that leaders and parties do not become trapped with money-bait that leads to mortgaging, or making pliant, the policy regime to the big buck donors. Also, to check the possible entry of persons with ill-gotten wealth to enter the political arena on the strength of possessing stacks of money. The questions, however, are if the legal regimes across the world have been able to bring in transparency that the governments and the civil society are desirous of. And, political finance, i.e. funding of political parties and elections, has not only developed a tendency to invite black money,⁷ it has also been turning white money into black, with a deleterious effect on civic life and governance. How does it work and are there ways to retrieve this situation? We examine this question by reconnoitring the Indian case using the data in the public domain, some relevant existing studies, and the data and debate generated by ADR, a civil society organization.

This study is situated at the national level, i.e., in a macro setting. Using the theoretical model of and insights from 'organizational silence', it attempts to understand two interrelated phenomena of criminalization of politics and electoral and party funding, which has witnessed the entry of unaccounted money in the political arena. Studies on organizational silence are mostly focused on a) employer-employee relations, and b) the management, particularly top level managers and middle and lower level workers (see, Bagheri, Zarie and Aeen 2012; Donaghy, Cullinane, Dundon and Wilkinson 2011, and Morrison and Milliken 2000).⁸ This study does not fit into such a conceptual and methodological framework. For we are not studying an organization here, we are studying a system. Within it, governmental organizations, which are staffed by bureaucracy who cannot speak about systemic anomalies, keep silent. Political parties, which would not speak on these aberrations at the top level because they are planned and implemented there and middle and lower levels just comply. This brings in the CSOs, which raise voice, mobilize public opinion, and seek the support of the judiciary and other appellate authorities. This would thus be a heuristic tool to study and understand a macro

6 <http://legalaffairs.gov.in/ncrwc-report> (accessed on 28 June 2019).

7 There is no uniform definition of black money. A white paper on black money issued by the Ministry of Finance, Government of India, in 2012 defined black money "as assets or resources that have neither been reported to the public authorities at the time of their generation nor disclosed at any point of time during their possession." (Quoted by Chhokar 2017, 91). In short, it could be money earned illegally, and/or no requisite tax is paid on it.

8 Literature on Organizational Silence is large. In referencing the three here, I am not indicating that these are the most representative ones. Since my objective is to situate my study in the conceptual framework of Organizational Silence, I have referenced what I have used.

level phenomenon under which organizational silence works at the systemic level and impacts the larger organizational structure at different layers and levels.

The Context

India's seventeenth general elections held in April–May 2019 returned Narendra Modi-led BJP to power with absolute majority (303 seats) in India's 543-member Lok Sabha (the House of the People) for the next five years. During and after the elections, the question of campaign finance emerged time and again, reinforcing old questions and underlining new emerging challenges.⁹ While the conspicuous flush of funds to the BJP since 2014 has been discussed time and again, the then Congress President Rahul Gandhi mentioned a shortage of funds for his party for an effective election campaign both during the campaign and after resigning as the party President in July 2019, taking responsibility for the party's loss.¹⁰ It is debatable though whether that would have made a difference to the outcome of the ultimate result. This brings in the key questions of party and electoral funding, which are opaque in India. And, the parties, even the government, are reluctant to make the processes of party and election financing transparent. This brings in both systemic and organizational silence here. Moreover, over the past one decade and three elections, the cost of conducting and contesting elections has increased tremendously in India.

According to the Delhi-based CMS,¹¹ while the 2009 election cost \$2 billion, in 2014 the expense on election-related activities was \$5 billion (Kapur and Vaishnav 2018a, 4). The cost of recently concluded seventeenth general elections has exceeded \$7 billion.¹² According to the CMS, the 2019 elections cost ₹600 billion (\$8.7 billion), of which 45 per cent, i.e., ₹270 billion (\$3.9 billion), was spent by the winning party—the BJP. This also shows a tilting of the political scale with a changing party system. The expenditure by the Congress, about 40 per cent of the total in 2009, went dramatically down to about 15–20 per cent. This is in contrast to the BJP spend-

9 The strength of the ruling combine, as the BJP has retained the NDA, has even enlarged it, despite achieving absolute majority on its own, has increased to 353 seats with eighteen parties, of which four have no seat in the Lok Sabha.

10 According to the latest analysis by the ADR, there is a huge difference in donations received during the Financial Year 2016–17 and 2017–18 between the two major parties the BJP (₹9.155 billion; \$121 million) and the INC (₹553 million; \$73 million). (Association for Democratic Reforms 2019, 4)

11 CMS (<http://www.cmsindia.org/>) is a Delhi-based autonomous think tank that declares itself to be dedicated "to conduct path breaking Research and Capacity building to work towards a vision of Equitable Development & Responsive Governance." It does not specify the methodology through which it has arrived at the figures quoted above. We have simply quoted the data they have put out.

12 <https://www.forbes.com/sites/kenrapoza/2019/04/12/indias-crowded-crazy-expensive-month-long-election-has-begun/#46e73be65c37> (accessed on 30 May 2019)

ing about 20 per cent of the total poll expenditure in 1998, against about 40 per cent spent by the Congress. According to this report, around ₹120 billion (\$1.6 billion) to ₹150 billion (\$2 billion) was distributed directly to voters, while ₹200 billion (\$2.7 billion) to ₹250 billion (\$3.3 billion) was spent on publicity.¹³ Logistics accounted for about ₹50 billion (\$661 million), formal expenditure was between ₹100 billion (\$1.3 billion) and ₹120 billion (\$1.6 billion), while miscellaneous expenses were about ₹30 billion (\$396 million) to ₹60 billion (\$794 million).¹⁴ Even if we regard these figures as approximations, the scale of spending by parties and candidates in Indian elections is huge.

In case it is asked as to why, as also how, so much money, much of it in cash, is required in Indian elections, we need to look at the ways in which the money is acquired by political parties and candidates and spent. Parties and candidates do not leave any chance to lure the voters by means unimaginable even in most advanced democracies. That the party and election financing in India have been linked to the regulatory regime, as also to corruption and regulation, is widely acknowledged (Kapur and Vaishnav 2018b, 76). In India, parties and candidates even look for fresh sources of spending to lure the voters that include handing out gifts as varied as cash, alcohol, kitchen blenders, television sets, and even goats; and these do not complete the list.¹⁵ A former Chief Election Commissioner of India S. Y. Quraishi lists 40 “types of illegal expenses [undertaken] during election.”¹⁶ He is candid in discussing the “ever-evolving” ways of such electioneering, “every year more ingenious methods of distributing cash come to light” (Quraishi 2014, 265–67). When most parties and candidates use such methods, the need for unaccounted cash increases.

Obviously, the cost of representative democracy is increasing in India, as it is across the world. “But the implications of the costs of democracy can be significant for democracies—new or old, rich or poor.” (Kapur and Vaishnav 2018a, 5). It is particularly significant for a young and developing democracy such as India. However, “models of political finance from industrialized democracies have limited purchase on the problems developing democracies face” (Kapur and Vaishnav 2018a, 5). As compared to advanced democracies, where there are “well-established systems of monitoring and accounting for political finance and a complementary system

13 The exchange rates keep changing. The conversion of the INR (₹) into US dollars (\$) mentioned in the text is according to the existing rate on 29 June 2020.

14 <https://scroll.in/latest/925882/bjp-spent-nearly-45-or-rs-27000-crore-of-total-expenditure-for-2019-lok-sabha-polls-report?fbclid=IwARoj48sTV4EB8RoQ557vLk1kFkSxX2HACw67eW4tt4yYtTUgMOWSvL-WvAg> (accessed on 5 June 2019).

15 *The Economic Times*, 12 March 2019.

16 An exhaustive list, it cannot be reproduced here. It ranges from “Envelopes of cash hidden in newspapers and slipped between the elector’s door” to cash given in the name of government projects, to cash given on various pretexts for the distribution of electronic items, to the distribution of milch animals, to the distribution of alcoholic liquor and other intoxicants, and so on (Quraishi 2014, 265–67). Moreover, Quraishi describes these as ever evolving.

of prosecuting those involved in alleged improprieties.)” (Kapur and Vaishnav 2018a, 5), India presents a paradox of unceasingly using shortcuts to beat the norms while discovering and setting up new norms. Howsoever imperfect, these act on financial improprieties and the transfer of illicit funds to a limited extent as checks. As a result, paradoxical processes of setting legal limits amid extra-legal reach and methods continue.

Political Malfeasance

The issue regarding the party and campaign financing in India goes beyond the sources, managing, and disbursal of finance in managing the party and conducting electoral campaigns as well as the rules and regulations that keep impacting it. Interrogating the issues relating to collecting funds and their management in elections by individual candidates and political parties leads to the critical issue of the creeping nexus between crime and politics in India that has reached a level where criminally tainted persons, with serious cases of crime registered against them, enter politics; from being supporters of politicians, they have emerged as political players themselves. This has naturally impacted both morality among the parliamentarian and the manner of finances collected for and spent in elections. We will briefly outline the issues below.

The table below briefly gives the percentage of candidates with declared criminal cases, including serious cases against them during the past three elections, including the current, general elections. There is hardly any party in the country that does not have candidates in elections and legislators at both levels of the Indian polity with criminal cases of some kind against her/him.

	Candidates with Declared Criminal Cases (%)	Candidates with Declared Serious Criminal Cases (%)
2009	15	8
2014	17	11
2019	19	13

Source: Compiled from the website of the Association of Democratic Reforms, a voluntary group monitoring development and distortions in Indian democracy: <https://adrindia.org/content/lok-sabha-elections-2019-phase-1-7-analysis-criminal-background-financial-education-gender> (accessed on 14 December 2020).

Table 1 Percentage of Candidates with Declared Criminal Cases 2009, 2014 and 2019

An incremental trend is very clearly visible over the three recent elections (including the latest one) in the data given above. In fact, analyses of the earlier elections indicate that what has been discussed as criminalization of politics in India, has gradually and incrementally been impacting, nay infecting, India’s body politic for

a few decades. In 2009, candidates with criminal cases against them, including serious cases, were 23 per cent, a decade later, they were one-third of the total candidates. Obviously, it is a tenacious and developing anomaly being persisted by political parties and their top leadership. If we look at the figures for the fourteenth Lok Sabha i.e. House of the People, or the lower house (2004–09), both national and state parties had fielded candidates with criminal records. Congress, then leading the ruling coalition, had 17.3 per cent members with various levels (in terms of possible punishment) of criminal record and the main opposition BJP had 20.3 per cent such members, and smaller parties such as BSP (39%), SP (30.5%) and Shiv Sena (58.3%) had an even higher percentage of members with criminal records (Mehra 2006). In the fifteenth Lok Sabha (2009–2014), 153 members had criminal charges of various kinds against them (Mehra 2014). This shows two things: (i) political parties considering societal toughies, if not criminals, highly useful in electoral game and; (ii) a total disregard for the country's law among a large section of the potential and elected lawmakers and political parties that patronize them.

The parliamentarians in India have also been found wanting in ethics over other related matters as well that deserve a mention in the context of this discussion. Eleven parliamentarians were caught in a sting operation conducted in 2005 by a web-based news site Cobrapost and a Hindi TV news channel in what came to be known as "Cash for Questions." Fourteen MPs were approached to ask certain questions in the Lok Sabha for a price, eleven belonging to different parties agreed. The issue raised quite a political stink (Mehra 2007).

Another similar sting operation was conducted on a scheme available to the Indian parliamentarians known as MPLADS since 1993.¹⁷ Under the scheme, an MP, from either house of parliament, is entitled to spend a certain sanctioned amount in her/his constituency for development work—the amount has been revised from time to time and currently stands at ₹50 million (\$662,000) per annum. An MP can recommend work to be done in her/his constituency from the list of work prescribed to the District Magistrate, the senior most bureaucrat at the district level, who will have the work accomplished; MPs do not receive the money. However, corruption has been reported and detected in the execution of this scheme. To expose this, sting operations were carried out against six MPs by TV channel Star News in collaboration with Detective Intelligence Guild, which was aired on 20 November 2005. It captured the MPs on camera seeking commissions while allotting funds under the scheme for developmental works in their respective constituencies. One of these MPs was also exposed in the cash-on-camera sting. The audio records of the sting operation revealed the transaction to establish that money had been paid and

17 MPLADS has been suspended in the wake of the outbreak of Covid 19, as a large amount of funds had to be allocated by the Union and state governments to the welfare of a poor daily labor force who were rendered unemployed due to the harsh lockdown imposed by the governments at both levels.

that the MP will receive ₹20,000 (\$265) for a ₹500,000 (\$6,600) job. Another one negotiated a 20 percent commission, which was agreed upon for a ₹1 million (\$13,200) to ₹1.5 million (\$19,800) project, but when the team offered him only ₹50,000 (\$670), the MP threw a tantrum (Mehra 2007). Even though the matter raised heat in parliamentary discussion, it was focused on partisan level. The anomaly was not debated at the systemic level in the parliament; there was complete organizational silence to that extent.

These correlate with a large number of MPs facing criminal charges. The sixteenth Lok Sabha had one-third of members facing criminal charges. According to ADR, a movement for better governance and political accountability, the seventeenth Lok Sabha elected in 2019 has 43 per cent MPs with criminal charges of varying degrees, which is very high and corroborates the point made earlier regarding a high percentage of the lawmakers having disregard for the law, if not being outlaws.¹⁸ With the presence of such a large number of politicians with criminal antecedents in the political arena, nay the political market place, both the supply (politicians) and demand (voters) side of the market is met. It has serious repercussions from different perspectives. First, despite the reputation and tendency of the criminal politicians to engage in criminal activities, they may not have been convicted (Vaishnav 2017, xii). Second, with so many of them having won the elections and entered the highest portal of the Indian democratic polity, they impact political and electoral financing, as either their parties have had that kind of arrangement with them, or they end up using their networks for the purpose. In any case, their reaching the center stage of Indian politics (or of their respective states) has serious implications in several ways (Vaishnav 2017, xiii).¹⁹ The working paper on political parties of the NCRWC (National Commission for the Review of Working of the Constitution) puts it succinctly:

“A stage has now been reached when the politicians openly boast of the criminal connections.... Earlier in the 1960s, the criminal was only content to play...second fiddle to the politician to enable him [to] win the election and in turn to get protection from him. The

18 <https://www.thehindu.com/elections/lok-sabha-2019/43-newly-elected-lok-sabha-mps-have-criminal-record-adr/article27253649.ece> (accessed on 14 July 2019).

19 A stark example of this was witnessed in 2008 in the wake of the civil nuclear cooperation bill with the US. The UPA government faced a no-confidence motion in parliament. To survive, it approached six MPs in jails having been convicted of serious crimes, collectively facing over 100 cases of kidnapping, murder, extortion, arson, and more, “so that they could fulfil their constitutional duties as law makers.” (Vaishnav 2017, 3). It would be apt to mention here that neither the parliament nor the Legislative Assemblies in states have ever discussed the issue of criminalization of politics—there is complete organizational silence on this vital issue. However, the ECI has taken cognisance of the phenomenon and each candidate contesting election at either national or state levels has to file an affidavit listing criminal cases registered against her/him, though only those convicted are debarred.

roles have now been reversed. It is the politician now, who seeks protection from criminals. The latter seek direct access to power and become legislators and ministers.”²⁰

Apparently, India’s parliamentary politics has developed malfeasance that is stark and disturbing. The literature on corruption and criminalization of politics in India is vast. Since in vast areas of India’s public life—economy, business, industries, natural resources, infrastructure, education, health, public utilities, and so on—the Indian state plays, and is expected to play, a large role, particularly a regulatory one despite liberalization of the economy in 1991, corruption creeps in in many ways. Mehra (2015) and Vaishnav (2017) provide an overview and analyses of dimensions of corruption and criminalization and the possible ways these phenomena impact political finance and India’s electoral process. Vaishnav (2017, 61–62) aptly says,

“...political finance serves as the glue that holds together India’s dubious system of regulating land, lubricating the well-oiled machine that benefits land sharks, builders, and politicians.... (P)oliticians (and the bureaucrats they control) exercise considerable discretion over the acquisition and allocation of land and what the land is ultimately used for. This provides politicians with a steady supply of favors they can dole out to prospective builders and developers, who must come with a hat in hand to politicians for policy and regulatory favors.... Oftentimes, politicians will use their regulatory leverage to demand a cut of the builders’ investment....”

Financing Parties and Political Campaign: An Indian Case Study

Corruption in India’s public life, which has over the years led to the criminalization of politics in India (Mehra 2015), needs to be factored in in discussing political finance in the country. Political finance includes the finance involved in both electoral campaigns and the funding of political parties. It is one of the much-debated issues in India, not merely due to their nature, manner, and scale but also their impact on public morality. So much so that, along with the government’s discretionary powers in the realm of the economy which continue to throttle entrepreneurial initiatives despite liberalization of the economy in 1991, not surprisingly it is considered among the foremost drivers of corruption in India. An estimated \$5 billion was the cost of campaigns during the 2014 general election (Sridharan and

20 National Commission to Review the Working of the Constitution. “Review of the Working of political Parties Specially in Relation to Elections and Reforms Options”. NCRWC Consultation Paper. January 8, 2011. <http://legalaffairs.gov.in/sites/default/files/%28VI%29Review%20of%20the%20Working%20of%20Political%20Parties%20specially%20in%20relation%20to%20Elections%20and%20Reform%20Options.pdf> (accessed on 16 July 2019).

Vaishnav 2018, 15). As mentioned earlier, an estimated \$8.7 billion was spent in the 2019 general election, a rise of over 70 per cent. And, 45 per cent of this, i.e. \$3.9 billion, was spent by the ruling party BJP alone.

Not that there has been no effort to check poll expenses in the country. The expenses a candidate can incur in an election are fixed from time to time by the ECI under the RPA, 1951. We shall limit ourselves to the Lok Sabha elections, for the arguments emerging from it apply equally to the state legislative assemblies. The expenditure limit has been raised from time to time. It began with ₹25,000 in 1951, moved up to ₹100,000 in 1979, to ₹450,000 in 1994, to ₹1.5 million in 1997, to ₹2.5 million in 2003, and to ₹4 million in 2011. It was last raised in February 2014 to ₹7 million (\$93,000) (Chhokar 2017, 92).²¹ This limit was retained for the 2019 elections.²² Political parties across the political spectrum took up the matter at a meeting with the ECI held days before the first phase of the Lok Sabha polls to find relief on poll expenses. There was a proposal from political parties to exclude expenses incurred in advertising criminal records from a candidate's poll expenditure, which the Election Commission turned down. A proposal from the parties to add candidates' expenses to the party expenditure account also did not receive the ECI's nod.²³ All parties and candidates routinely exceed the amount, and to that extent all the money spent beyond the limit, which in reports to the ECI is fudged by each candidate and party, is "illegal." The fact that the political parties have been routinely flouting and misrepresenting the limit set for election expenses shows how deep the issue is. We will attempt to understand and review this phenomenon historically, taking into account the efforts that have gone into it since electoral politics began in India.

Before we take up an analysis of issues of party and campaign finance, how it has developed, and where it stands today, it is worthwhile underlining that party politics in India—elections included—is an expensive and cash-intensive affair. Elections, particularly, have become a round-the-year affair, with state Legislative Assembly elections in one of the twenty-eight²⁴ states happening in the country between two Lok Sabha elections; and we are not taking into account the local bodies elections. It not only has implications for the public exchequer but political parties and leaders too have to be cash-ready for contesting elections. Despite the call and

21 We are not converting the amount mentioned for earlier years into US dollars because they should be converted using exchange rates of respective years, otherwise the conversion would not convey the correct picture. In any case, an approximation in US dollars can be concluded from the conversion of the recent figures.

22 <https://www.dailypioneer.com/2019/state-editions/ec-sets-rs-70l-as-expenditure-limit-in-lok-sabha-elections.html> (accessed on 4 July 2019).

23 *The Economic Times*, 17 April 2019, <https://economictimes.indiatimes.com/news/elections/lok-sabha/india/criminal-record-publicity-expenses-no-relief-for-candidates/articleshow/68916122.cms?from=mdr> (accessed on 4 July 2019).

24 It is also important to point out that two of the nine UTs—Puducherry and National Capital Territory of Delhi—also have Legislative Assemblies and elected governments headed by a Chief Minister with limited transferred subjects as prescribed in the Indian constitution.

effort for digitization in the Indian economy and finance, contemporary Indian democracy continues to be a cash-intensive business. There are not only anonymity and undocumented transfers as political parties still report a large part of their donations as cash gifts and parties and their leaders continue to distribute cash and other material inducements during elections. Indeed, cash reigns supreme in political finance, which facilitates a nexus with black money (Kapur, Sridharan and Vaishnav 2018, 274).

The opaque system of political finance in India started almost from the initial years of independence. If we attempt a division of its phases, the first phase since independence would last up to 1990. An opaque and corrupt system gradually emerged, evolved, and consolidated during this period. Between 1990 and 2003, a process of reform ensued. The year 2003 witnessed greater transparency in political finance, as during this period efforts were made to bring in greater transparency, but structural changes were few and far between. The demonetization in 2016 sought to bring about a change in the way cash was used and looked at in India, but somehow it did not impact to bring in greater transparency.

Following the limit imposed in 1951 under the RPA, the parties were compelled to look for sources for funding elections. The Congress had an advantage over others on two counts—a) it was a large party with a big membership base and, b) it was in power with little political challenge. It banked on membership dues, which proved inadequate in the long run. Then it used political power to seek funds from industries, business, and commerce, taking advantage of the regulatory regime by offering favors under it. They indeed obliged, but began evading taxes, generating “black money,” which they used as donations to the Congress and other political parties. In due course, offering and seeking regulatory favors in exchange for donating black money became an innate part of India’s political and business culture.

The heavy loss the Congress suffered in the fourth general election in 1967 brought in apprehension, even a bit of panic, within the party regarding competition from the right-wing parties such the Swatantra Party and the Bharatiya Jan Sangh, who had done relatively better than before at the hustings. Indira Gandhi apprehended that the corporate funding would go to these parties due to their pro-business agenda. Consequently in 1969, she banned the corporate contributions to political parties. Since she did not create any alternative source of financing elections such as public funding, a nexus between black money and politics developed and became entrenched in the years to come. If this was not enough, several of her policy measures in the following years, such as the nationalization of banks, coal mining, petroleum, and general insurance, the MRTPC, FERA, 1973 further strengthened the link between political parties and black economy.

The following years witnessed more steps and developments that negatively impacted the possibility of a transparent poll funding. The basic aim of these steps was to free the restrictions of candidates’ poll spending. So, candidate and candidate-authorized expenditure was delinked from the expenditures made by parties and other independent supporters to keep the expenditure by candidates below

any limits. This indeed was seen as an anomaly as a supporter could spend, or be shown to spend, any amount of money. In 1974, the issue came up before the SC in *Kanwarlal Gupta vs Amar Nath Chawla* and the verdict said that party expenditure would be considered candidate's spending. The parliament reacted soon enough; it amended the RPA in 1975, nullifying the SC judgement. Amending Explanation 1 to Section 77(1) of the RPA²⁵ in such a way that expenditures incurred by a candidate's party and supporters but not authorized by the candidate was not included in calculating a candidate's election expenses. Since this limited the poll expenses to the candidate's own expenditure, it made the limit on election expenditures largely ineffective. In 1979, political parties were given more relief, they were exempted from income and wealth taxes. However, for the exemption they needed to file annual income tax and wealth tax returns including audited accounts, list donations of ₹10,000 (\$134) and above, and disclose the identities of their donors. The next significant development in party and poll funding was in 1985, when an amendment was made in the Companies Act. Section 293A allowed corporate donations to political parties that Indira Gandhi had banned, but under certain conditions. Under the fresh modification, companies could donate a maximum of five per cent of their average net profit over the previous three years, subject to approval by the board of directors and disclosure in the profit and loss account statement in the audited annual accounts of the company.

However, this did not incentivize transparent corporate donations to political parties. They were not given any tax incentive, in the absence of which they had little reason to enter the area of political funding. Moreover, an open and transparent system to fund parties was likely to expose the companies regarding the extent of their funding to various political parties. Since despite a Congress government

25 Section 77(1) and Explanation 1 read as follows:

77. Account of election expenses and maximum thereof.—(1) Every candidate at an election shall, either by himself or by his election agent, keep a separate and correct account of all expenditure in connection with the election incurred or authorized by him or by his election agent between [the date on which he has been nominated] and the date of declaration of the result thereof, both dates inclusive.

[Explanation 1. For the removal of doubts, it is hereby declared that—

- (a) the expenditure incurred by leaders of a political party on account of travel by air or by any other means of transport for propagating programme of the political party shall not be deemed to be the expenditure in connection with the election incurred or authorised by a candidate of that political party or his election agent for the purposes of this sub-section.
- (b) any expenditure incurred in respect of any arrangements made, facilities provided or any other act or thing done by any person in the service of the Government and belonging to any of the classes mentioned in clause (7) of section 123 in the discharge or purported discharge of his official duty as mentioned in the proviso to that clause shall not be deemed to be expenditure in connection with the election incurred or authorised by a candidate or by his election agent for the purposes of this sub-section.

http://legislative.gov.in/sites/default/files/o4_representation%20of%20the%20people%20act%2C%201951.pdf (accessed on 24 July 2019).

at the Center with a three-fourth majority, India's multi-party system was alive and some states have government by different parties, the corporate houses did not want to expose themselves as being partisan. Hence, the well-entrenched opaque system continued with black money being donated to parties.

The 1990s was a significant decade, for several significant painstaking efforts were made in poll and party funding as well as in their ethical conduct. The efforts were made by the government, which appointed two committees—the Dinesh Goswami Committee (1990) and the Indrajit Gupta Committee (1998), and some concerned citizens and civil society institutions to bring in transparency in poll funding to ensure rectitude in the electoral process in the country. Equally, two SC orders in 1996 and one legislative change created a ground for greater transparency.

The Dinesh Goswami Committee was appointed in 1990 by the National Front government led by V. P. Singh. In its report, it devoted chapters VII and VIII to issues related to Election Expenses and State Funding of Elections. It was in favor of empowering the ECI to lay down the ceiling on election expenditure, rather than the government. It was also for doing away with the clause relating to expenses by a third person, which they thought created room for misuse and was against corporate donations. To compensate that, it recommended partial public subsidy, not in cash but in the form of fuel for vehicles, additional copies of electoral rolls, defraying the expenses on microphones and voters' identity slips that should be taken by the election body. These were indeed a rather partial substitute to either public or corporate funding in a substantive way.²⁶

On the initiative of a civil society organization Common Cause, which filed a PIL, the SC ordered political parties to file their annual income tax and wealth tax returns. In fact, this was a repeat of the order of 1979 that was never complied with. Second, there was a significant judgement of the SC in April 1996 when it ruled that party expenditure would be counted towards a candidate's election expenditure, thus nullifying the impact of the Explanation 1 of the Section 77(1) of the RPA. Indeed, loopholes still remained, as the accounts were to be audited by the auditors of the parties rather than independent auditors appointed either by the ECI or by the government; it left room for parties to manipulate their accounts.

Along with the civil society initiatives that began in the 1990s, but emerged as a continued engagement, the concern of the CII, beginning with the liberalization of the Indian economy in 1991, reflected an engagement with the issue of electoral reforms, particularly poll funding. A task force set up by the CII recommended public funding. It suggested that funds could be raised by an earmarked tax on excise duty or the industry could contribute to a pool under the supervision of and managed by the ECI. It somehow agreed to a poll cess on the industry, which would create a pool from which funds could be distributed to the parties. The task force also recommended tax relief to contributions made by the industry.

26 The Committee's report can be accessed at <https://adrindia.org/sites/default/files/Dinesh%20Goswami%20Report%20on%20Electoral%20Reforms.pdf> (accessed on 28 June 2019).

Despite being creditable and sincere, the effort was not given much attention. However, between 1996 and 98, the United Front government (which was led in two years by two prime ministers, H.D. Deve Gowda and I.K. Gujral) set up the Indrajit Gupta Committee to look into state funding of elections, which it endorsed in order to establish a fair playing field for parties with less money.²⁷ The Committee, however, recommended two conditions for the disbursement of public funds to parties for elections. First, only national and state parties that have been allotted a symbol should be entitled to public funding, but not to independent candidates. Second, to begin with, state funding should only be given in the form of certain facilities to the recognized political parties and their candidates, not in cash. The Committee took note of the prevailing economic situation of the country then and felt only partial, and not full, state funding of elections was possible. The committee recommended airtime on public broadcasting television and radio, fuel for vehicles, paper, and other campaign material within a limit. However, the parties were supposed to maintain audited accounts and file income tax returns. Also, donations above ₹10,000 (\$134) were to be received by cheque/bank draft only. The government introduced partial public funding in 1998, it was the first such initiative since elections began in free India. The subsidy was not in money but free airtime on state-owned television and radio to recognize political parties—seven national and 34 state parties—in national and state elections. The formula was simple, the length of time was on a given time slab, additional time was granted to parties on their electoral performance.

This concern emerged again in 1999 when the report of the LCI endorsed total state funding for elections, but on the condition that political parties are prohibited from taking funds from other sources. It acquiesced with the Indrajit Gupta Committee on partial state funding given the economic conditions of the country at that time. It equally strongly recommended the need for an appropriate regulatory framework for political parties (ensuring internal democracy, internal structures, and maintenance of accounts, their auditing and submission to the ECI) as a precondition for the state funding of elections. In the same year, Hyderabad-based civil society institution Lok Satta, founded by social activist and politician Jayaprakash Narayan, campaigned for tax-deductible contributions for parties for both individuals and companies. For the NCRWC, 2001, an appropriate framework for the regulation of political parties needed to precede state funding of elections.

While the efforts have been from both within the government (each of the three organs of the government—executive, legislative and judiciary—has contributed) and the civil society to cleanse India's political and electoral space, not very successfully though, the election expenditure has emerged as an area that has compelled a number of complex anomalies—from introduction of crime to submission of manipulated accounts of election expenditure. Even while parties and candidates

27 The Committee's report can be accessed at https://adrindia.org/sites/default/files/Indrajit_Gupta_Committee_on_State_funding_of_Elections.pdf (accessed on 28 June 2019).

have been complaining about a ridiculously low limit fixed for campaign expenditure, an analysis of 2009 general elections by the ADR revealed that only four of the 6,753 candidates admitted exceeding the limit, 30 claimed to have spent around 90 to 95 per cent of the limit. The remaining 6,719, about 99.5 per cent of the candidates, declared under oath that they had spent only 45 per cent to 55 per cent of the limit (Chhokar 2017, 92).

Another indicator that shows a typical incongruity in India's democratic practice, though through indirect evidence, is the increase in assets of MPs. The ADR compared the assets declared by MPs in their affidavits in two consecutive elections in 2009 and 2014. The result was stunning—assets of four MPs increased more than 1,000 per cent in 2014. The precise figures for four of them were 5,649 per cent, 2,081 per cent, 1,700 per cent, and 1,281 per cent, while assets of 22 MPs increased between 500 per cent and 999 per cent (Chhokar 2017, 92). The SC took cognizance of this anomaly in 1994 in *Gadakh Yashwantrao Kanakarrao v E V Alias Balasaheb Vikhe Patil & Others*, (1994, 1, SCC, 682, para 16; Civil appeals no. 2115, 2116, and 2444 of 1993). A judgement by Justices N. P. Singh, N. Venkatachala, and J. S. Verma noted:

“The prescription of ceiling on expenditure by the candidate is a mere eye-wash and no practical check on election expenses for which it was enacted to attain a meaningful democracy. This lacuna in the law is, of course, for the Parliament to fill lest the impression is reinforced that its retention is deliberate for the convenience of everyone. If this be not feasible, it will be advisable to omit the provision to prevent the resort to indirect methods for its circumvention and subversion of the law, accepting without any qualm the role of money power in the elections. This provision has ceased to be even a fig leaf to hide the reality.”

Civil Society Intervention

The ADR²⁸ has been raising the issues regarding party funding and electoral reforms along with a number of other issues relating to governance of the country since the early years of the millennium. Among the major issues that they have been focusing on is where were the political parties obtaining their funds. Their experience in seeking information regarding the IT returns of the political parties is revealing. On 28 February 2007, ADR filed an RTI application with the CBDT seeking detailed infor-

28 <https://adrindia.org/> (accessed on 26 July 2019). Since most of this section is about the journey of the ADR to seek transparency, the facts and arguments here have been adapted with the permission of Prof. Jagdeep Chhokar (2017), among the main activists of the ADR. I acknowledge his help in understanding the issue, he was generous with time in explaining each nuance to me.

mation regarding income tax details of certain political parties, including ITR filed by them for five financial years beginning 2002–03, PAN allotted to them, and so on.

They did not have much success, as the CBDT sent the application to nine regional CCITs. Only two responded and the rest cited various reasons for their inability to give the information sought. The reasons included exemption of the information from the RTI, confidentiality of the information, and so on (Chhokar 2017, 93).

Not resting with the inadequate and evasive responses, the ADR went into appeal with the relevant appellate forums, eventually their second appeal to the CIC yielded a decision after several hearings on 29 April 2008. Citing corruption in political funding and the need for transparency and public funding on the model of Germany, the decision of the CIC directed the relevant public authorities to provide ITR of the political parties and the Assessment Orders for the period mentioned to the appellant within six weeks of the order (Chhokar 2017, 93–94).

Realizing that the parties receive millions of rupees in donations/funding, but were exempt from paying income tax under section 13A of the Income Tax Act, the ADR probed further to find that the IT Act had to be read in conjunction with Section 29C of the RPA 1951, which in effect says that if a political party does not submit a statement of donations of more than ₹20,000 each to the ECI, it will not be entitled to the 100 per cent exemption under Section 13A of the IT Act. The ADR then filed an RTI application to the ECI seeking copies of the lists of donations of more than ₹20,000 submitted by political parties. Further, with the information, the total amount of donations of more than ₹20,000 (\$268) received by a political party in a specific year were compared with the total income declared by the same political party for the same year in its income tax return. It led to the revelation that only 20 to 25 per cent of donations were of more than ₹20,000, the rest were from unknown sources. Clearly, over three-quarters of the donation was under the radar.

Focusing on the six national parties of the country, the ADR sought information on the sources, the modes (cheque, cash, DD, etc), the amount and identity of voluntary contributors of more than ₹100,000 beginning financial year 2004–05 to 2009–10. The parties responded that they were not under the RTI, so were not under any obligation to respond. When the ADR approached the CIC, it was asked to obtain more data, which took two years to gather through several RTI applications. After looking at the painstakingly gathered data presented by the ADR, the full bench of the CIC on 3 June 2013 declared “that AICC/INC, BJP, CPI(M), CPI, NCP, and BSP (the six national parties) are public authorities under Section 2(h) of the RTI Act.” The order directed the six parties to appoint CPIOs under the RTI Act who would respond to the relevant queries (Chhokar 2017, 94).

However, the political parties not only ignored this verdict of the CIC, they ignored subsequent notices sent after the complaints of the ADR; and finally, on 16 March 2015, the CIC expressed its inability to ensure compliance with its orders. An exasperated CIC observed:

“The following is decided: (a) the respondents are not in compliance with the Commission’s order of 3 June 2013 and the RTI Act. The respondents, as public authorities, *have not implemented the directions contained in the Commission’s order and there is no evidence of any intention to do so* [emphasis added];...

(e) the complainants are at liberty, in view of the facts and circumstances of this case, to approach the higher courts for appropriate relief and redressal” (Chhokar 2017, 95).

The ADR filed a PIL at the SC with the Union of India, the ECI, and the six national political parties as respondents. The Union of India was quick to respond even before the parties did that political parties should not be under the RTI Act. The matter is subjudice.

An Overview for an Inconclusive Issue

The civil society efforts that highlighted and sought solution to a matter detrimental to rectitude and probity in India’s political and public life continues to remain in suspension even over a decade after the first efforts were made in 2007. In fact, the matter since then became more convoluted, as the manner of funding remained the same, or even more brazen, the civil society efforts for greater transparency in this matter remained determined.

The two largest national parties, the BJP and the INC, received donations from Vedanta, a Trust jointly set up by three companies that were subsidiaries of a company 100 per cent fully British owned. This was a clear violation of the FCRA, 1976, which regulated funding of Indian entities, including political parties, by foreign sources. Section 4(1)(e) of the FCRA clearly prohibits political parties from accepting any foreign contributions, “(1) No foreign contribution shall be accepted by any—(e) political party or office-bearer thereof.” This act was revamped in 2010 as the FCRA, 2010. Section 3(1)(e) thereof also retained the proscription on political parties: “No foreign contribution shall be accepted by any...(e) political party or office-bearer thereof.”

The ADR knocked at the doors of the judiciary and filed a PIL in 2014 at the Delhi High Court against the two parties for violating the FCRA. The parties argued that the majority shareholder of the British entity was an Indian citizen, which did not convince the high court, which ruled that “the donations accepted by the political parties from Sterlite and Sesa accrue from ‘Foreign Sources’ within the meaning of law” and were a violation of the FCRA, 1976. Even though the 28 March 2014 judgement ordered compliance of its directions within six months, it did not happen. The ECI wrote to the MHA which administers the FCRA, which wrote to the MCA, but nothing happened. At the end of six months, both the parties appealed at the SC, which did not stay the judgement.

In the meantime, the government attempted a couple of amendments to the FCRA, which did not succeed. In the 2016 Finance Bill, the government finally slipped in the Section 2(1)(j)(vi) that said:

“Provided that where the normal value of share capital is within the limits specified for foreign investment under the Foreign Exchange Management Act, 1999, or the rules or regulations made thereunder, then notwithstanding the nominal value of share capital of a company being more than one-half of such value at the time of making the contribution, such company shall not be a foreign source.”²⁹

This was an attempt by the government to get around *ADR v. Union of India* by making the new proviso with retrospective effect from the 26 September 2010, when the second version of the FCRA came. On 22 November 2016, the lawyers for the BJP and Congress sought to withdraw their appeals because in the light of the above-mentioned amendment of the FCRA, the Delhi High Court judgement, and consequently the appeals, had become infructuous. However, the Delhi High Court had stated that since the case concerned with donations taken in 2009, the amendment did not impact the case. At this, the plea was withdrawn by the lawyers of the two parties and as such the appeal was dismissed by the Supreme Court.

The entire narrative leads to certain inescapable, though disturbing conclusions. Some of them are listed below:

- (i) Political parties, who wield political power on being elected according to the constitution with popular mandate, have scant respect for probity in public, particularly political, life. They not only maintain silence on this and related issue but also thwart any move for reform.
- (ii) This is visible so clearly on the crucial issue of collection and management of the party funds; they are wary of disclosing sources of their funds. Obviously, there is organisational silence whenever party funds are used to buy political support or other such issues.
- (iii) In order to prevent any access to information regarding their funds, they could use even legislative process in Parliament, even the entire bureaucracy.
- (iv) They are even ready for brute defiance of orders/directions/judgements of the legitimate and the highest constitutional and statutory authorities.
- (v) Of course, defiance of a law such as the FCRA and immoral and surreptitious tampering with them is a small matter for them, which is a clear example of organizational silence.

29 <http://corporatelawreporter.com/2016/12/07/2016-amendment-to-the-fcra/> (accessed on 27 July 2019).

The Latest

In the 2017–18 Union government budget, the Finance Minister hailed political parties in the world's largest democracy, in "a multi-party Parliamentary democracy" at that, as an "essential ingredient" and discussed the unresolved issue of party funding. He admitted that "Political parties continue to receive most of their funds through anonymous donations which are shown in cash." He spoke of cleansing the system. He proposed the following scheme:

- a) In accordance with the suggestion made by the ECI, the maximum amount of cash donation that a political party can receive will be ₹2,000 from one person.
- b) Political parties will be entitled to receive donations by cheque or digital mode from their donors.
- c) As an additional step, an amendment is being proposed to the Reserve Bank of India Act to enable the issuance of electoral bonds in accordance with a scheme that the Government of India would frame in this regard. Under this scheme, a donor could purchase bonds from authorised banks against cheque and digital payments only. They shall be redeemable only in the designated account of a registered political party. These bonds will be redeemable within the prescribed time limit from issuance of bond.
- d) Every political party would have to file its return within the time prescribed in accordance with the provision of the Income-tax Act. Needless to say, that the existing exemption to the political parties from payment of income-tax would be available only subject to the fulfilment of these conditions. This reform will bring about greater transparency and accountability in political funding, while preventing future generation of black money.

The ADR has criticized the scheme announced by the Finance Minister. In fact, it has been in operation and it was used during the 2019 general elections. Jagdeep Chhokar, one of the main pillars of the ADR writes, "What is being claimed to be a reduction from ₹20,000 to ₹2,000 (\$27) is completely untrue. There was no law limiting cash donations to ₹20,000. The political parties only had to declare donations above ₹20,000. This limit of ₹20,000 still remains the same even after the budget. A new provision has been introduced to put a limit of ₹2,000 of cash contributions which do not necessarily have to be declared. The other supposedly big announcement is about 'electoral bonds.'" (Chhokar 2017, 97). Chhokar further points out a few inconsistencies in the statement of the Finance Minister, for the room open for donations by check and digital transfer had been available even earlier.

How effective the electoral bonds would be in removing corruption and black money from the political arena still remains a question. During March and April 2019, the months preceding the seventeenth general elections, electoral bonds worth ₹36.22 billion (\$480 million) were purchased, mostly by the corporates. This is almost equal to the combined three-year income of seven national parties.

This clearly indicates the financial stakes increasing. Uneasy with the anonymity clause in the electoral bonds, the ADR filed a PIL with the SC, which gave interim directions on 12 April 2019, which mandated political parties to disclose the sources of the bonds donated to them by 30 May 2019. The ADR's data reveals that four branches of the State Bank of India, the leading public sector bank, Delhi, Mumbai, Kolkata and Hyderabad sold 81.28 per cent in March and April in 2019. The remaining twelve branches accounted for the sale of 18.72 per cent of the bonds.³⁰ Obviously, this leaves the issue of party and election funding in India still open for debates and activism for transparency.

Political parties, and we are talking of the parties across the board, have been silent regarding the deleterious impact on society and polity of criminalization of politics as well as the way the process of political and party funding has been handled and designed. Organizational silence here is on both systemic and organizational levels.

References

- Association for Democratic Reforms vs. Union of India and Another*, CIVIL APPEAL NO.7178 OF 2001, https://adrindia.org/sites/default/files/Supreme_Court's_judgement_2nd_May_2002.pdf, (accessed on 25 June 2019).
- Association for Democratic Reforms 2019. *Analysis of Donations from Corporate and Business Houses to National Parties for FY 2016–17 and 2017–18*. https://docs.google.com/viewerng/viewer?url=https://adrindia.org/sites/default/files/Donations_To_National_Parties_By_Corporates_and_Business_Houses_FY_2016_-_17_and_2017_-_18.pdf. Released on 9 July 2017. (accessed on 13 July 2017).
- Bagheri, Ghodrattollah, Reihaneh Zarei and Mojtaba Nik Aeen. 2012. 'Organizational Silence: Basic Concepts and Its Development Factors. in *Ideal Type of Management*. Vol. 1. No. 1. Spring. Pp. 47–58.
- Chhokar, Jagdeep S. 2017. 'Black Money and Politics in India'. *Economic and Political Weekly*. LII (7). February 18. Pp. 91–98.
- Donaghey, Jimmy, Niall Cullinane, Tony Dundon and Adrian Wilkinson. 2011. 'Reconceptualising Employee Silence: Problems and Prognosis'. *Work, Employment & Society*. MARCH. Vol. 25. No. 1. pp. 51–67.
- Kangle, R. P. 1972. *The Kautiliya Arthasastra*, Part II., Bombay: University of Bombay.
- Kapur, Devesh and Milan Vaishnav (eds.) 2018a. *Costs of Democracy: Political Finance in India*. New Delhi: Oxford University Press.

30 https://factly.in/3622-crores-is-the-amount-of-electoral-bonds-purchased-in-march-april-2019/?fbclid=IwAR1SFzQ7tfVfFoGm5wKoVfiPjyoX_z2AWVsTCSKMI4ajGyLPot-UoLyZA hUk (accessed on 17 May 2019).

- Kapur, Devesh and Milan Vaishnav 2018b. 'Builders, Politicians and Election Finance'. in Devesh Kapur and Milan Vaishnav. *Costs of Democracy: Political Finance in India*. New Delhi: Oxford University Press.
- Kapur, Devesh, Eswaran Sridharan and Milan Vaishnav 2018. 'Conclusion: Implications for Research and Policy'. in Devesh Kapur and Milan Vaishnav (eds.). *Costs of Democracy: Political Finance in India*. New Delhi: Oxford University Press. 2018. Pp. 273–98.
- Mehra, Ajay K. 2006. 'Parliament Under Social Watch: Representation, Accountability and Governance'. in National Social Watch India. Citizens' Report on Governance and Development. New Delhi: Pearson, 2006.
- Mehra, Ajay K. 2007. 'The Indian Parliament and the "Grammar of Anarchy"'. in National Social Watch India. Citizens' Report on Governance and Development, New Delhi: Sage.
- Mehra, Ajay K. 2014. 'Representing a Billion: Indian Parliament in its Sixth Decade', in B. D. Dua, M. P. Singh and Rekha Saxena (eds.), *The Indian Parliament: The Changing Landscape*, New Delhi: Manohar. Pp. 325–64.
- Mehra, Ajay K. 2015. 'Corruption and Criminalisation in Public Life in India: A Historical View'. in Subhash Kashyap (ed.), *The Constitutional History of India: Federalism, Elections, Government and Rule of Law*. Vol. XIV. Part 5 B. PHIPC. New Delhi: Centre for Studies in Civilizations. 2015. pp. 519–70.
- Morrison, Elizabeth Wolfe and Frances J. Milliken. 2000. 'Organizational Silence: A Barrier to Change and Development in a Pluralistic World'. *The Academy of Management Review*, October Vol. 25. No. 4. October. pp. 706–725.
- National Commission to Review the Working of the Constitution. 2011. 'Review of the Working of Political Parties Specially in Relation to Elections and Reform Options'. NCRWC Consultation Paper. January 8. <http://legalaffairs.gov.in/sites/default/files/%28VI%29Review%20of%20the%20Working%20of%20Political%20Parties%20specially%20in%20relation%20to%20Elections%20and%20Reform%20Options.pdf>. (accessed on 24 June 2019).
- Quraishi, S. Y. 2014. *An Undocumented Wonder: The Making of the Great Indian Election*, New Delhi: Rupa.
- Sridharan, Eswaran and Milan Vaishnav 2018. 'Political Finance in a Developing Democracy'. In Kapur, Devesh and Milan Vaishnav. *Costs of Democracy: Political Finance in India*. New Delhi: Oxford University Press. Pp. 15–35.
- Vaishnav, Milan 2017. *When Crime Pays: Money and Muscle in Indian Politics*. Noida: HarperCollins Publishers.

Abbreviations

ADR:	Association for Democratic Reforms
AICC:	All India Congress Committee
BJP:	Bharatiya Janata Party
BSP:	Bahujan Samaj Party
CBDT:	Central Board of Direct Taxes
CBI:	Central Bureau of Investigation
CCIT:	Chief Commissioner of Income Tax
CIC:	Chief Information Commissioner
CII:	Confederation of Indian Industries
CMS:	Centre for Media Studies
CPI:	Communist Party of India
CPI (M):	Communist Party of India (Marxist)
CPIO:	Central Public Information Officer
DCBI:	Director Central Bureau of Investigation
DD:	Demand Draft
DIB:	Director Intelligence Bureau
ECI:	Election Commission of India
FCRA:	Foreign Contribution Regulation Act
FERA:	Foreign Exchange Regulation Act
IB:	Intelligence Bureau
INC:	Indian National Congress
IT:	Income Tax
ITR:	Income Tax Return
LCI:	Law Commission of India
MCA:	Ministry of Corporate Affairs
MHA:	Ministry of Home Affairs
MP:	Member of Parliament
MPLADS:	Member of Parliament Local Area Development Fund
MRTPC:	Monopolies and Restrictive Trade Practices Commission
NCP:	Nationalist Congress Party
NCRWC:	National Commission for the Review of Working of the Constitution
NDA:	National Democratic Alliance
PAN:	Permanent Account Number
PIL:	Public Interest Litigation
RPA:	Representation of People Act
RTI:	Right to Information
SC:	Supreme Court
SP:	Samajwadi Party
UPA:	United Progressive Alliance
UT:	Union Territory

Prof Ajay K. Mehra, Atal Bihari Vajpayee Senior Fellow at the Nehru Memorial Museum and Library, New Delhi.