

Reducing Expenditure on Elections

Why in News?

- According to the Centre for Media Studies (CMS), the total expenditure by various political parties for the general election to Lok Sabha 2024 was around Rs 1,00,000 crores. Though CMS, is a non-profit organisation that works towards responsive governance and equitable development.

Status of Election Expenditure in India?

- The election expenditure limited for candidates is set up at Rs 95 lakh for Lok Sabha seats and Rs 40 lakh for Assembly seats in larger states, and Rs 75 lakh and Rs 28 lakh respectively in smaller states.
- Currently, there is no expenditure limits imposed on political parties during elections, allowing them unrestricted spending.
- In the recent, 2024 Lok Sabha Election, the cost of a single vote in India has amounted to around Rs 1,400 and total expenditures reached approximately Rs 1 lakh crores.
- The Central government spent Rs 3,020 crore on advertisements between 2018-19 and 2022-23, with higher spending in election years—Rs 1,179 crore in 2018-19 versus Rs 408 crore in 2022-23.
- Political parties are required to submit annual contribution reports to the Election Commission of India (ECI) for donations exceeding Rs 20,000. They must also provide Annual Audited Accounts (AAA) and election expenditure reports within 75 days post-election.
- The vast majority of political funding comes from corporate entities and businesses, creating a strong nexus between donors and politicians.

Election Expenditure Govern in India?

➤ Representation of the People Act (RPA), 1951

- Section 77 of the RPA requires candidates, to keep a detailed and accurate account of all expenses related to their campaign from the day they file their nomination until the election day.
- Section 78 defines that every candidate submit their election expense account to the District Election Officer within 30 days of the result declaration.
- The Companies Act, 2013: A non-government company with at least three years in operation may contribute up to 7.5% of its

average net profits from the last three years to political parties registered under the RPA.

- The Foreign Contribution Regulation Act (FCRA), 2010: Political parties, candidates, and election-related entities in India are prohibited from receiving foreign contributions. This includes funds, gifts, donations, and any financial support from foreign sources

Challenges Associated with Election Expenditure

- Unlike 65 countries, including the US, UK, Canada, and Brazil, India has **no limits on** political party expenditures during elections. It leads to an uneven playing field, favouring well-funded **national parties** over regional and independent candidates.
- National and **state-level parties** allocate a substantial portion of their budgets to media advertisements, surpassing expenditures for grassroots activities like rallies. It can marginalise candidates without access to significant financial resources
- The absence of regulation for third-party campaigners raises concerns about unaccounted money flooding the electoral process. There is a risk of **quid pro quo**(swap) arrangements where financial contributions influence political decisions without proper accountability

Reforms Needed

- expenditure ceilings for political parties
- Regulation of Third-Party Campaigners
- Ban on Government Advertisements
- prescribed election expenditure limits
- Limiting Financial Assistance

Conclusion

As the nation braces for the 2024 general elections amid escalating costs, the imperative for comprehensive electoral reforms looms large. Failing to tackle the problem of high election costs threatens the core of democracy, pushing people's voices into the shadows of excessive spending.

