Electoral Bonds

Why in news?

Central Information Commission (CIC) has upheld the State Bank of India order of not disclosing any information about electoral bonds.

What is electoral bond scheme?

- It is a promissory note which can be bought by any Indian citizen or company incorporated in India from selected branches of SBI.
- They can purchase the bond digitally or through cheque & it is free of interest.
- The citizen or corporate can then donate the same to any eligible political party of his/her choice.

What is the issue with the scheme?

- It hides the identity of the donors, recipient, the amount of donation thereby creating unholy nexus between corporates & political parties.
- This goes against best practices of electoral democracy & promotes arbitrariness.
- It is also in contravention with the individual's freedom of speech and expression.
- In PUCL vs Union of India case, Supreme Court held that the voter's freedom of speech & expression includes right to secure information about expenses of the party & the candidate.
- Despite this court order, SBI refused to reveal information about the details of donor, amount of donation in the electoral bond.

Why did SBI refuse to disclose the information?

- It has relied on Section 8 of the RTI Act which exempts disclosing the information.
- It says that information cannot be disclosed when it is held under fiduciary capacity & when no public interest involved.
- But SBI has interpreted in a very narrow sense.
- Section 8(2) directs that when public interest outweighs any harm to protected interests then the information can be accessed.
- This order of SBI is upheld by CIC which is in contrast with its previous

order.

What was CIC's previous order?

- In its earlier order CIC said that political parties are deemed to be public authorities under the RTI Act.
- The funds received by the political parties are necessary for the voters to understand the financing & functioning of parties.
- The shareholders of the company will also be interested to know about the donations by corporate entities.
- Therefore, the failure of the CIC in appreciating the present issue defeats the objective of the RTI Act.

What will happen now?

- A batch of petitions filed by the Association for Democratic Reforms and the Communist Party of India (Marxist) are under subjudice.
- Therefore, the CIC's decision, if carried to the Supreme Court on appeal, will be heard together.

What can be done now?

- Transparency and accountability must be established in the election process.
- For this there must be public scrutiny of parties & political candidates.
- It is necessary to know the donation received by political parties & the manner their expenses.
- This ensures there is free and fair democratic process.
- This view is upheld by the Election Commission in an affidavit filed before the Supreme Court.
- Suppressing the knowledge about political financing breaks the basic bonds of democracy which holds the country together.

Source: The Hindu

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