Electoral Bonds Scheme

Why in news?

Recently Supreme Court refused to stay the sale of electoral bonds ahead of Assembly elections.

What is the issue with Electoral Bond scheme?

- It is a promissory note which can be bought by any Indian citizen or company incorporated in India from select branches of SBI which can be donated to any eligible political party.
- In India, for the last three years, electoral bonds have become the dominant method of political party funding.
- It allows for limitless and anonymous donations to political party which means that well-resourced corporations can buy politicians by paying immense sums of money.
- Since the donations are routed through the SBI, it is possible for the government to find out who is donating to which party.
- It becomes a very effective way to squeeze donations to rival political parties.

Why transparency in political funding is required?

- If democracy has to thrive, the role of money in influencing politics ought to be limited.
- Across the Democratic societies, it has been proven that money is the most effective way of buying policy and it skews the playing field towards one parties' favour.
- When citizens are unable to find the source of funds for the political parties, it denies them the right to know the complete information of candidate contesting in the election.
- Moreover Supreme Court held that right to know, especially in the context of elections, is an integral part of the right to freedom of expression.
- By keeping this knowledge from citizens and voters, the electoral bonds scheme violates core principles of the Indian Constitution.
- In many advanced countries, elections are funded publicly and principles of parity ensure that there is no big resource gap between the ruling party and the opposition.
- In countries where elections are not publicly funded, there are caps on

financial contributions to political parties.
- This guarantees a somewhat level playing field among the political parties.
- But the government justifies the scheme by arguing that it prevents the flow of black money into elections.

Why Judiciary needs to act now?

- One of the most critical functions of an independent judiciary in a functioning democracy is to referee the fundamentals of the democratic process.
- Governments derive their legitimacy from elections and it is elections that grant governments the mandate to pursue their policy goals.
- The electoral legitimacy of the government is questionable if the electoral process has become questionable.
- Since the government itself cannot regulate the process, the courts remains as the only independent body that can adequately enforce the ground rules of democracy.
- Hence courts must be sensitive to and cognisant of laws and rules that seek to skew the democratic process and the level playing field.

What can we infer from this?

- It is unclear that how donor anonymity, limitless donations prevents the flow of black money.
- Since this scheme allows foreign source funding to political parties, the prospects of institutional corruption increases.
- It is clear that the objection to the scheme is not objections rooted in political morality but they are constitutional objections.
- The right to know has long been enshrined as a part of the right to freedom of expression.
- Moreover no cap in political donations violates the principle of equality before law and creates arbitrariness in the election process.
- Thus, the electoral bonds scheme deserves to be struck down by the courts as unconstitutional.

Source: The Hindu



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