Transparency in Political Funding

What is the issue?

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Government has accused the Election Commission (EC) for failing to curb invisible money in elections.

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Is the accusation valid?

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- EC works in accordance with Article 324 of the Constitution of India, the Representation of the People Act (RPA), 1951, the rules framed by the government under RPA and various judgments of the Supreme Court and High Courts.
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- The power to frame rules under the RPA has not been given to the EC.
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- EC has sent in 47 proposals to the government in December 2016 which hasn’t been acted upon.
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- Some these reforms have been repeatedly proposed for years.
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- There are also cases where the Supreme Court has directed the government to act on the proposals of the EC.
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- Subsequently the Parliament attempting to amend laws to prevent implementation.
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What has the government done?

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- Union Budget 2017 budget brought three important electoral reforms.

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- **Cash Donations -**The limit on cash donations has been reduced from Rs 20,000 to Rs 2,000.
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- It is futile without a cap on the ‘total number of donors or total permissible cash donations’.
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- Otherwise more number of entries will be made to the registry by breaking down bigger cash donations.
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- **Electoral Bonds**- Anonymous electoral bonds, in which a donor can conceal his political preferencewere suggested. In the present format this would actually legalize nepotism & corruption to get favours done.
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- **Corporate Funding -**The cap on corporate funding which was earlier fixed at 7.5% of the average annual profit of a company for the preceeding three years has been removed.
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- This can lead to gross extortions of business houses by political parties.
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- It also will increase the power of big corporations to influence public policy.
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What should be done?

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- Political parties need to be recognized as ‘public authorities’ under the RTI Act and be brought under RTI regulations.
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- Cash donations need to becompletetly scrapped or a cap on the total amountreceiavable in cash donations needs to be fixed.
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- The value of electoral bonds that can be bought by a particular person or entity needs to be restricted.
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- Corporate funding of elections needs to be reduced by various caps & other regulations.
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- Public financing of elections is another major area which needs to be explored.

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Source: The Hindu

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