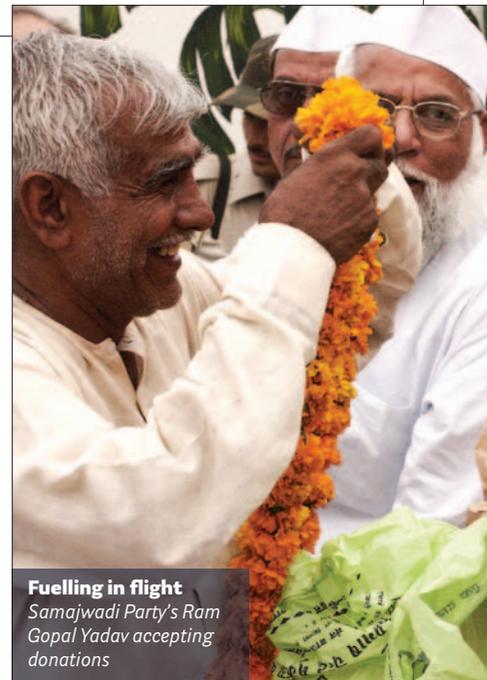


WHETHER THE charge will be substantiated or not is to be seen. There's no proof and the clout money has in an election is so routine, it's accepted. "I am currently in Chennai and my conservative estimate for just three constituencies in Madurai alone is Rs 700 crores. The spending in South India is always higher than in North India," former Finance Secretary S Narayan told TEHELKA this week. The Bharatiya Janata Party (BJP) held a two-day opinion poll in Gujarat on black money stashed by Indians in banks abroad in early April. Ordinarily the EC would have been expected to raise objections to this sort of grandstanding. The quiet joke in the capital was that the

Kerala, Tamil Nadu and Andhra Pradesh, says CMS, nearly half say they have been bribed. Even in the Indian capital, 25 percent of voters received money for their votes.

The organisation estimates that one-quarter of the actual election budget is directed towards illicit activity. "For political parties in India, the main objective is to win at any cost. As a result, parties are opening up their purse strings for the polls," says Jagdeep Chokkar, a former Indian Institute of Management (IIM) professor.

Raymond Baker, author of *Dirty Money and How to Renew the Free Market*, writes that, since 1970, at least \$5 trillion has moved out of poorer



Fuelling in flight
Samajwadi Party's Ram Gopal Yadav accepting donations

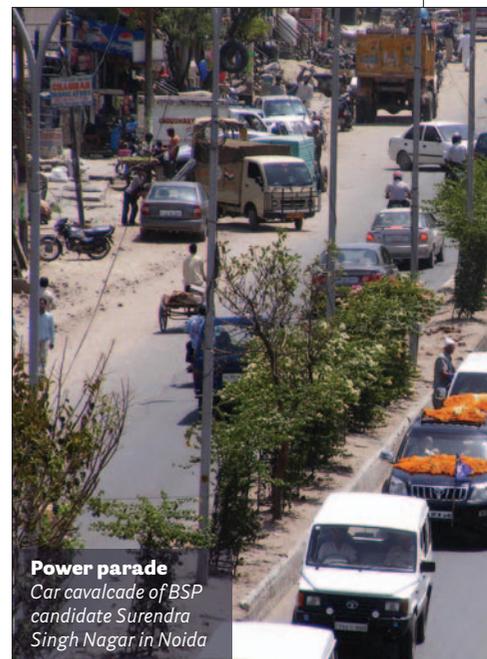
A RECENT SURVEY QUOTES ONE-FIFTH OF VOTERS SAYING THAT POLITICAL PARTIES HAVE OFFERED THEM MONEY TO VOTE

the hardworking election watchdog would have preferred to come to grips with the money political parties spend during the polls, estimated at over Rs 50,000 crore (\$10 billion) by those entrenched in the electioneering process. That figure, incidentally, is almost one fifth of the figure arrived at by a recent national survey.

The survey conducted by Centre for Media Studies (CMS), a Delhi-based think-tank, says that across the country, one-fifth of voters have said politicians or party workers offered them money to vote in the past decade. In some states like Karnataka, Tripura, West Bengal,

countries to the banking systems of the West. But a portion of this black money comes back to India — election time. That the entire process is unofficial is certain: the transactions, both back and forth, involve hawala operators, sale of *benami* properties and bagloads of cash ferried to the party faithful for redistribution. And this money transfer operates more efficiently than India's official economy channels.

Informed sources told TEHELKA that an estimated Rs 10-15,000 crores (\$2-3 billion) has been earmarked by political parties for "unofficial" purchases of individual votes. Besides this, politicians —



Power parade
Car cavalcade of BSP candidate Surendra Singh Nagar in Noida

BIG-BUCKS SHOW

The official estimates of expenditure for the world's largest electoral exercise



CONGRESS

OFFICIAL POLL BUDGET:
Rs 1, 000 crore

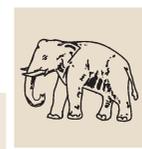
CHIEF FUNDRAISERS:
Ahmed Patel, Motilal Vora



BJP

OFFICIAL POLL BUDGET:
Rs 1, 000 crore

CHIEF FUNDRAISERS:
Rajnath Singh, Arun Jaitley



BSP

OFFICIAL POLL BUDGET
Rs 700 crore

CHIEF FUNDRAISERS:
Mayawati, Akhilesh Gupta



SHALENDRA PANDEY

in their effort to squeeze every last vote out of the world's largest electorate — are criss-crossing the country's 2.97 million square kilometre land mass, running up crores in air transport bills. With campaign costs virtually doubling every election, political observers feel the country's democratic process is being hijacked by the kind of spending-power politics that is more often associated with the US elections. Worse, it's without the level of transparency in both collection and spending that is also associated with the US.

As a result, odd stories float around the offices of political parties in Delhi: the capital is the hub for receiving funds from which payments are radiated to state units. Sources say a television channel received nearly Rs 200 crore for slanted publicity; that a top corporate chief visited the offices of the Left brigade with an offer of support to the Third Front with the explicit condition that a leading woman aspirant not become the prime minister; that the UP-based owners of tobacco-laced chewable products have become

INFORMED SOURCES ESTIMATE THAT RS 10 TO 15,000 CRORE HAS BEEN EARMARKED FOR 'UNOFFICIAL' PURCHASES OF VOTES



That the EC is troubled is understandable (see interview with Election Commissioner SY Quraishi). The bulk of the money is transferred to the states even before the stringent EC code comes into force; more than 60 percent of corporate funding to all political parties is in the form of black money; on an average, a candidate spends anywhere between Rs 3-15 crore in a single constituency. Recently, Chandrababu Naidu, former Chief Minister of Andhra Pradesh, was admonished by the EC for handing out colour televisions and announcing a 'special' cash scheme for voters. Code violations such as Naidu's — cash distributed at rallies or offerings of gold chains or similar bribes — are merely the infringements that are caught out. Most of the infringements happen before the EC code kicks in.

the conduits for money transfers to state units because of their huge cash reserves. Top Mumbai-based companies are now funding elections in states where they have big business interests.

"Perhaps this will be the election that will see an all-India display of money power as never before. It is only in the urban and better-educated areas — and if the younger people turn out to vote in large numbers — that one can see some hope for transparency, clean voting and genuine democratic selection," said former Finance Secretary S Narayan in a newspaper column.

Insiders say receipts and payments have been at record levels for the last two months. A number of kickbacks offered by brokers in various deals have slowly found their way to the coffers of the parties in power in each state. "You



NCP

OFFICIAL POLL BUDGET
Rs 300 crore

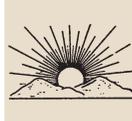
CHIEF FUNDRAISERS:
Sharad Pawar, Praful Patel



CPM

OFFICIAL POLL BUDGET
Rs 250 crore

CHIEF FUNDRAISERS:
Prakash Karat, Sitaram Y



DMK

OFFICIAL POLL BUDGET
Rs 400 crore

CHIEF FUNDRAISERS:
M Karunanidhi, A Raja



AIADMK

OFFICIAL POLL BUDGET
Rs 300 crore

CHIEF FUNDRAISER:
J Jayalalithaa

will find nothing on paper but it is true that a portion of government tenders, running into thousands of crores, is routinely channelled back to the funds of the party in power," says a corporate insider. He adds that there is also a serious drive in the states to pick up money through various means the moment elections are announced. It is unofficially called the Chief Minister's slush fund. The fund takes care of the cash transactions of the state and — if required — sends to the party's centralised funds for distribution to states where the party is not in power. "Besides Delhi, there are certain pockets that take care of the regions. It is like Maharashtra funding Gujarat and Andhra Pradesh unit of the party funding Karnataka, (where it is not in power)" adds the insider.

CONSIDER THE case of the general managers working in the Rural Road Development Agency (RRDA) in Madhya Pradesh districts who received calls from the offices of a minister, demanding Rs 5 lakh. Tired of the calls, they complained to the EC in writing last week. It will be interesting to see how the EC reacts to the complaint. Those in the know say the demands such as the ones faced by the RRDA managers are routine in almost all states. In fact, the Samajwadi Party made four campaign films about Bahujan Samaj Party (BSP) supremo Mayawati, that portrayed the Dalit leader as having a penchant for erecting her own statues and demanding money from bureaucrats in her state. The EC rejected the films, but most people seem to agree with the content, ostensibly because similar reports have routinely filled the media about the UP chief minister and her way of operation.

State-owned companies are hardly the only ones tapped for funding — the country's top corporate houses say the pressure from political parties for money is high indeed. Corporations want an immediate overhaul of the system, to bring in transparency to political funding. The issue cropped up during a Con-



SHALENDRA PANDEY

'SIXTY PERCENT OF COMPANIES ARE FINANCING POLITICAL PARTIES WITH BLACK MONEY,' SAYS BAJAJ AUTO CHAIRMAN RAHUL BAJAJ

federation of Indian Industry annual session meant to discuss the country's troubled job market. Tata Communications chairman Subodh Bhargava and Bajaj Auto chairman Rahul Bajaj, also a Rajya Sabha MP, moaned about black money flowing into elections. "Clean money makes a difference. Currently, as much as 60 percent of companies are financing political parties with black money," an enraged Bajaj told reporters.

Federation of Indian Chambers of Commerce and Industry (FICCI) secretary-general Amit Mitra says the problem is not the politicians or industrialists. "We must fund elections and take a call on how much an individual can donate. India could either go the US way (of capping corporate contributions) or follow the European model and allow elections to be completely funded by the

government," he says.

Both suggestions are sound, legislatively speaking, but the question is whether any legislation can bring change to a system in which funds are both collected in the form of off-the-book payments and then paid out in silent backhanders.

Conglomerates like the Birlas and the Tatas have separate electoral trusts, through which they donate money to political parties. The Tata Electoral Trust does not distribute funds to individual candidates but to registered political parties, based on their number of elected members to the Lok Sabha. "I think there is obviously a case for laying down procedures for funding as it is at the heart of Indian democracy," says Communist Party of India (CPI) deputy general secretary Sudhakar



Indian roadies
Rahul Gandhi
campaigning in Uttar
Pradesh

Reddy, who is trying to raise the issue of Indian deposits topping the list in secret Swiss Bank accounts. "Companies who fund political parties obviously see returns if the supported party comes to power," he adds.

IT'S THE return on investment that fuels corporate funding of elections. But even for political parties, the need to increase spending exponentially with every election has become imperative. "Politics is actually a big game of money. Those spending heavily are doing so only as an investment and expect a ten-fold return on their money," says Anil Bairwal, chief coordinator of the Association of Democratic Reforms. It's an umbrella group of NGOs that launched the National Election Watch to keep an eye on party and individual campaign budgets and spending.

Bairwal says that in the past, candidates and parties organised mega events such as mass weddings, and handed out money there in return for votes, but pat-

YOUTH SPEAK

'RAAGA' ON THE WORLD TOUR

VAAGISHA traces the worldwide appeal of Indian music

MUSIC BLEEDS through borders, runs in the vein of billions of people and binds them together. The language of music needs no translation but the recognition of the soul behind it. In the international arena, Indian classical music has been the hallmark of the Indian identity. With the dynamics of the music trade changing, the international acknowledgement of Indian music testifies to its worldwide appeal.

Although historians have attempted to trace its past accurately the fact remains that it is timeless. It's an art and science inseparable from our education. A modern scientific study of music would translate into the theory of vibration and the physics of sound. Over time, many great personalities have

cultivated it with their creativity and watered it with their soul. Bhimsen Joshi's vocals ring through the heart; Ravi Shankar, an honorific sitar player, has a global audience and composer Zakir Hussain's tabla beats are the rhythm of our existence with nature.

Music in India is largely associated with Bollywood and musicians who want to gain popularity stick to film music.

Our industry is brimming with brilliant music composers and lyricists, but only a few are original. Our audience is unaware of many independent artists shining in the international arena.

Unlike commercial musicians, independent artists prefer being away from the media glare. Approximately 70 percent of the market is dominated by Bollywood soundtracks. However, this hegemony has started to dissolve because of the international audience. While Zakir Hussain has two Grammy awards to his credit, AR Rehman is an Oscar and BAFTA awardee.

Carrying the legacy forward, musicians like Anoushka Shankar and Norah Jones are coming up with new sounds and collaborating with international artists. Also, broader distribution channels have helped. The retail revolution, and impending radio privatisation, has given a boost to independent artists. Also, with big record labels like Sony and Universal, the marketing of independent artists has improved.

The essence of India can be felt through its music that pacifies the spirit and penetrates the soul, for the raga alone verifies Indian philosophy.

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SHALENDRA PANDEY

terns are constantly changing in the country's political landscape. "From Rs 100 for a vote more than a decade ago, the rate has gone up to Rs 1,500-2,000 a vote. In fact, the cash-for-vote often works as a hit-and-miss syndrome in India because booth capturing is out and you actually do not know who's doing what," he told TEHELKA.

The EC is aware of the money movement. "Our emphasis will be on controlling the money power in elections," outgoing chief election commissioner N Gopaldaswamy told reporters last week. He added that the EC has also deployed 2,000 observers — many of them senior tax revenue officials — with a special brief to keep tabs on all poll-related spending.

IT'S A daunting task, because of the sheer numbers involved — both the number of candidates and the size of their funds. Very conservative estimates say the Congress will officially spend approximately Rs 1,500 crore — one expense is its Rs 1 crore (\$200,000) blowout to acquire the rights to the Oscar-winning *Slumdog Millionaire* song *Jai Ho* from its copyright holder, T-Series. The BJP's official budget is estimated to be about Rs 1,000 crore: this includes a Rs 200 crore advertising fund.

The BSP has a kitty of Rs 700 crore, similar to that of the Nationalist Congress Party. The Dravida Munnetra Kazhagam (DMK) — thanks to some recent fund-raising drives by Union Communications Minister A Raja — has a kitty of Rs 400 crores. The official budget of the All India Anna Dravida Munnetra Kazhagam (AIADMK) is close to Rs 300 crores. The CPM and its allies have a more modest Rs 250 crore budget.

Of course, not every outlay is about glad-handing and buying votes. Many of the expenses are legal though one could question the extravagance. One such is the cost of hiring choppers and executive jets by political parties. For this election the number of helicopters and small jets hired by the political parties have doubled since the last polls in 2004. Currently,



Commissioners
SY Quraishi, N Gopaldaswamy
and Navin Chawla

EC GUIDELINES

- ▶ Upper limit on expenditure by a candidate is Rs 25 lakhs
- ▶ Vote-buying is an offence; comes under 'corrupt practices' clause
- ▶ Distribution of money amounts to bribery
- ▶ Candidates cannot print and distribute diaries, stickers or calendars displaying images of gods or the candidate's image

GROUND REALITIES

- ▶ Estimates say per candidate expenditure is Rs 3-15 crores
- ▶ The price of a vote is now Rs 2,000-5,000 per voter (on average)
- ▶ Candidates openly distribute money in the garb of personal functions
- ▶ Overt distribution of publicity material to entire voter lists

'POLITICAL PARTIES DON'T MIND THE COST,' SAYS PURI, WHO RENTS HELICOPTERS AND JETS AT RS 75,000 AND 1.5 LAKH PER HOUR

political parties have hired an estimated 45 to 50 choppers — half of them from abroad — and 22 small jets. (Most are six-seater jets while some are 13-seaters.)

"The demand is sky-rocketing and political parties do not mind the cost," says R Puri, who heads Air Charters India, which has rented out its entire fleet of helicopters and jets at prices that range between Rs 75,000 and Rs 1.5 lakh per hour. Hi Flying Aviation, India's oldest air charter firm, also finds its order book full. Operators like the state-owned Pawan Hans have large fleets which are not allowed to rent out to political parties. However, the political companies are allowed to borrow Pawan Hans helicopters leased to corporations.

During the elections, almost anyone and everyone pushes their choppers and planes towards the politicians.

And there are 16 private helicopter owners — read big corporate houses and five star hotel chains — who could spare a chopper to a friendly politico, of course with no financial consideration involved as per rules. In short, it means the favours would be asked for later. And finally, there are 17 state government choppers that can be used for campaigning purposes, in accordance with EC norms.

But flying high costs money. For India's political leaders, who aim to fly very high indeed, the money to do so, it seems, is easily forthcoming. ●

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