

## Webinar on 'Political Finance Regime in India: Challenges and Remedies'

**Date:** 7<sup>th</sup> December, 2021, 5 P.M. (IST) onwards

### Background Note

The role and importance of political parties have long been established while framing regulations in political party financing is a recent development. The need for such regulations is felt due to the changing conditions in which parties exercised their activities over the recent decades. Parties in contemporary democracies need substantial funding to carry out their core activities which should be seen as necessary and unavoidable costs of democracy.

While political funding is a necessary component for political parties to play their role in the democratic process, transparency and openness in financing of political parties is the cornerstone of a well-functioning and healthy democracy. Absence of disclosure of sources of party funds facilitates corruption and gives rise to quid pro quo between big donors and politicians. Countries where parties or political leadership are overly reliant on funding from a chosen few donors, policy decisions are co-opted. The level-playing field gets grossly imbalanced when one party has a monopolistic stranglehold on political funding and campaign finance in the electoral battlefield.

In case of India, recent political finance 'reforms' have done little to make parties accountable for the money they receive and have instead legitimized opacity. In the name of 'transparency' in political funding, India is actually headed in the opposite direction. Thus, the objective of this webinar is to look into the current political finance regime in India, the rules regulating it, prevailing challenges and the impact of an ineffective regulatory framework. The idea is to discuss some possible measures to enhance transparency and accountability in political financing and to restore the health of India's electoral politics.

In this context, we urge our esteemed panelists to focus on the following pointers in their talk:

1. Issue of money power in politics and possible solutions/recommendations
2. Opacity in political funding as a result of Electoral Bonds Scheme 2018
3. Impact of unlimited and unaccounted corporate donations to political parties on electoral politics
4. Absence of limit on political parties' campaign expenditure and its effect on free and fair elections
5. Role of Election Commission of India in preventing distribution of cash and other forms of freebies during elections.
6. Need for serious scrutiny of political parties' finances, donations statements and candidates' affidavits
7. Lack of availability of information on status of action taken in cases involving seizures of cash, other prohibited items during elections in the public domain
8. Increasing share of political parties' donations from unknown sources

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**Ms Khushbu Agrawal**, Programme Officer at International IDEA, will be speaking on the global perspective and will be covering the following focus areas:

1. Political Finance regulations/best practices around the world that India can adopt.
  2. The practice adopted in other countries with respect to election expenditure of political parties
  3. What are the consequences (penal or otherwise) in the event of non-compliance or violation of political finance regulations/laws/orders/guidelines by political parties and candidates in other countries?
  4. The political funding system in major countries and how transparent and accountable is the political party finance regime, whether information is available in the public domain.
  5. Status of corporate donations in major democracies whether these are allowed or prohibited, audited or transparent.
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