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Analysis of Funds Collected and Expenditure Incurred by Major Political Parties of Mizoram during State Assembly Elections, December 2013

**A REPORT BY
ASSOCIATION FOR DEMOCRATIC REFORMS
&
MIZORAM ELECTION WATCH**

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Executive Summary

- Political parties are required to submit a statement of election expenditure to the Election Commission within 75 days of completion of Assembly Elections.
- The expenditure statement contains details of the **total amount received as funds in the form of cash, cheques and demand drafts and the total amount spent under various heads.**
- The expenditure statement **contains information on the amount spent on the following heads** at the state, district and constituency levels by the party:
 - Publicity
 - Travel expenses
 - Other expenses
 - Travel expenses of leaders and workers
 - Miscellaneous expenses
- Political parties submit these statements providing information of **funds collected and spent between announcement and completion of elections.** This period could be between 3 weeks to 3 months based on the notification issued by the Election Commission.
- This report analyses the funds received and expenditure incurred by Mizoram's major political parties, **during the election period of 33 days (09-11-2013 to 11-12-2013).**

Submission of Statement of Election Expenditure Incurred during Mizoram Assembly Elections, 2013

National Parties	
Party	Status of submission of expenditure statement to the ECI
Indian National Congress (INC)	Submitted
Bharatiya Janata Party (BJP)	Not submitted
Nationalist Congress Party (NCP)	Submitted
Regional Parties	
Mizo National Front (MNF)	Submitted
Mizoram People's Conference (MPC)	Not submitted
Zoram Nationalist Party (ZNP)	Not submitted

Table: Details of submission of election expenditure statement by parties which contested in Mizoram Assembly Elections, 2013

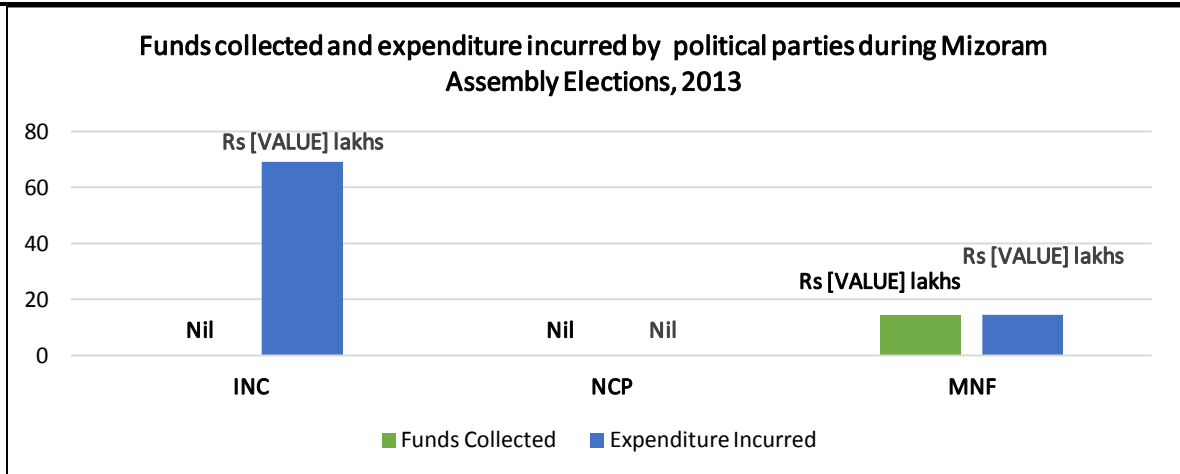
Details provided in the Election Expenditure Statement

National Parties: Funds Collected and Expenditure Incurred

- Bharatiya Janata Party (BJP) has not submitted its election expenditure statement to the Election Commission for Mizoram Assembly elections, 2013. Hence only INC and NCP are considered for this report.
- INC and NCP declared that no funds were collected during Mizoram Assembly Elections.
- NCP declared that no expenditure was incurred by the party during the assembly elections while INC declared expenditure of Rs 68.5 lakhs.

Regional Parties: Funds Collected and Expenditure Incurred

- Regional Parties considered for the report: Mizo National Front (MNF), Mizoram People's Conference (MPC) and Zoram Nationalist Party (ZNP).
- **Of the above 3 regional parties, only MNF submitted the party's election expenditure statements to the Election Commission.**
- Total funds collected by MNF: Rs 14.3 lakhs; Total expenditure incurred by MNF: Rs 14.4 lakhs.



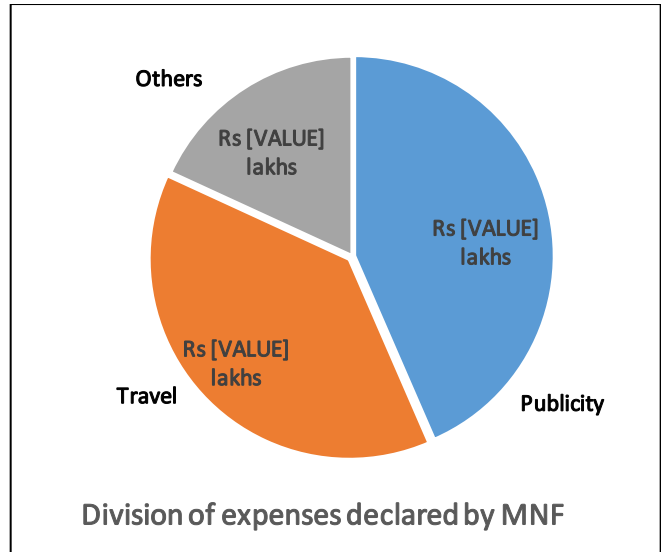
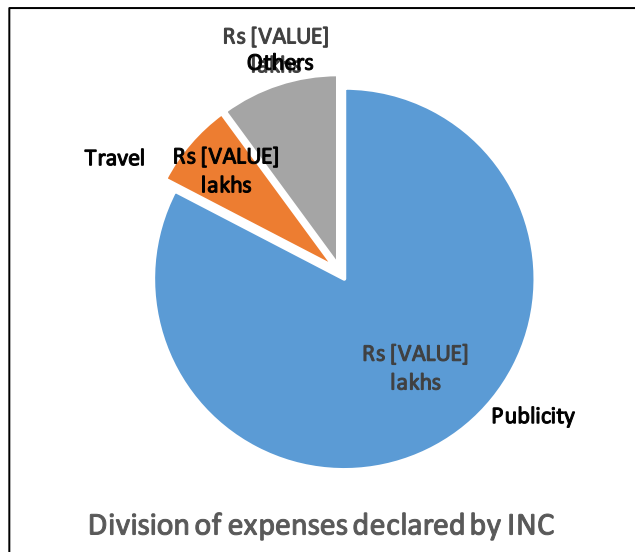
Graph: Funds collected and expenditure incurred by political parties during Mizoram Assembly Elections, 2013

Funds Collected and Expenditure Incurred in Cash and Cheque

- 100% of the total funds collected by MNF during election period was by cash (Rs 14.3 lakhs) while the two National Parties declared that no funds were collected in cash or by cheque.
- While NCP declared that no expenditure was incurred by the party, INC declared 100% of its expenditure in cash (Rs 68.5 lakhs).
- Similarly, 100% of the total expenditure of MNF was by cash (Rs 14.4 lakhs).

Expenditure of Political Parties

- INC spent Rs 56.6 lakhs out of a total expenditure of Rs 68.5 lakhs on publicity which constitutes 83% of the total expenditure of the party and Rs 5 lakhs on travel (7%).
- MNF spent Rs 6.23 lakhs on publicity (43%), and Rs 5.5 lakhs (38%) on travel.



Graph: Expenditure of INC and MNF under various heads during Mizoram Assembly Elections, 2013

Expenditure of Political Parties on Publicity

- There are three main items listed under publicity expenditure: expense on media advertisement (print & electronic, bulk sms, cable, website, TV channels) publicity material (hoardings, posters, banners etc.), expenses on public meetings (processions, rallies etc.).

- **INC has spent the maximum amount of Rs 35.7 lakhs on public meetings, followed with expenses of Rs 20.9 lakhs on publicity materials.**
- On the other hand, **MNF spent Rs 5 lakhs on publicity materials and Rs 1.23 lakhs on media advertisement.**

Expenditure of Political Parties on Travel

- Expenditure on travel is given under two heads: travel expenses incurred by **'star campaigners'** and travel expenses of **leaders and workers**.
- **INC declared a total expenditure of Rs 5 lakhs on travel of star campaigners and MNF declared a total expenditure of Rs 5.5 lakhs on travel of star campaigners.**
- Both the parties declared that no expenditure was incurred on travel of leaders and workers.

Recommendations of ADR

- The **details of all donors** contributing to national and regional parties exclusively for their election campaigns must be declared in the public domain irrespective of the amount donated.
- A **format similar to the donations report along with the date of donations**, submitted to the ECI on an annual basis, should be prescribed for the expenditure statement so as to **bring in more transparency in the finances of the political parties especially during elections**, when it is said that black money plays a major role.
- The format for donations should include all modes of payments such as cash, DD, cheque and electronic transfer.
- All political parties including the unrecognized parties must submit their statements of expenditure in the format prescribed by the ECI, including **details of expenditure at the state, district and constituency levels**.
- Where possible, **expenditure must be limited to transactions via cheque/DD/RTGS** so as to reduce black money in elections.
- Similar to the shadow observers of the ECI for monitoring expenditure of candidates, there must also be **observers for monitoring the expenditure of political parties**.
- **Social media expenditure** should be accounted for, hence it should be included under electronic media in the format prescribed by the Election Commission for expenditure accounting of political parties.

Detailed Report

Funds received during election period of 33 days

- Of the National Parties, only INC, BJP and NCP contested in the Mizoram Assembly Elections, 2013 but **only INC and NCP submitted their expenditure statements to the ECI.**
- The funds were collected between the date of announcement of elections and date of completion of elections: **33 days (09/11/2013 to 11/12/2013).**
- Mizo National Front (MNF), Mizoram People's Conference (MPC) and Zoram Nationalist Party (ZNP) contested in the Mizoram Assembly Elections but only MNF submitted its election expenditure statement to the ECI.
- **Both INC and NCP declared that the parties did not collect any funds for the Mizoram Assembly Elections, while MNF declared a total of Rs 14.38 lakhs as funds collected in cash.**

Top Items of Expenditure

- Publicity, travel, other expenses and candidates' expenses are the main items listed under which political parties declare their expenditure.
- Among all the items of expenditure, publicity is the top item of election expenditure for both INC and MNF. The parties, together, have spent a total of **Rs 62.83 lakhs.**
- INC spent Rs 56.6 lakhs out of a total expenditure of Rs 68.5 lakhs on publicity which constitutes 83% of the total expenditure of the party followed by Rs 5 lakhs on travel (7%).
- MNF spent Rs 6.23 lakhs (43%) on publicity and Rs 5.5 lakhs (38%) on travel.
- **Rs 9.5 lakhs** was spent by the parties on expenditure classified as 'other' which constitutes **11% of the total expenditure incurred by the parties.**

Funds collected and expenditure incurred by Mizoram's parties during elections

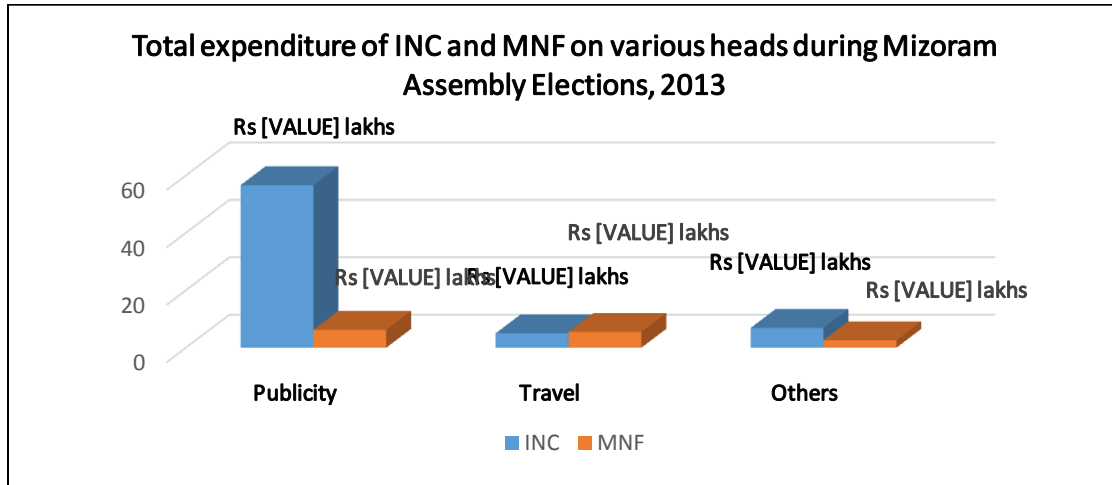
- While analyzing the statements submitted by the parties during the election to the Mizoram State Assembly, it was seen that 100% of funds collected and expenditure incurred by the parties was in cash.
- While INC and NCP declared that no funds were collected by the parties for Mizoram Assembly Elections, 2013, **MNF declared that the party collected Rs 14.3 lakhs (100%) of its funds by cash.**
- While declaring expenditure incurred by the parties, INC declared **Rs 68.5 lakhs (100%) as expenditure in cash** while MNF declared **Rs 14.4 lakhs as expenditure in cash.**

Political Party	Funds Collected			Expenditure incurred			
	Cash	Cheque/DD	Total	Cash	Cheque/DD	Remaining unpaid	Total
INC	0	0	0	68.5	0	0	68.5
NCP	0	0	0	0	0	0	0
MNF	14.3	0	14.3	14.4	0	0	14.4
Grand Total	Rs 14.3 lakhs	0	Rs 14.3 lakhs	Rs 83 lakhs	0	0	Rs 83 lakhs

Table: Funds collected and expenditure incurred by political parties of Mizoram during Mizoram Assembly Elections, 2013

Total expenditure of INC and MNF on various heads

- INC spent Rs 56.6 lakhs out of a total expenditure of Rs 68.5 lakhs on **publicity** which constitutes **83%** of the total expenditure of the party and **Rs 5 lakhs on travel (7%)**.
- **MNF spent Rs 6.23 lakhs on publicity (43%), and Rs 5.5 lakhs (38%) on travel** during Mizoram Assembly Elections, 2013.



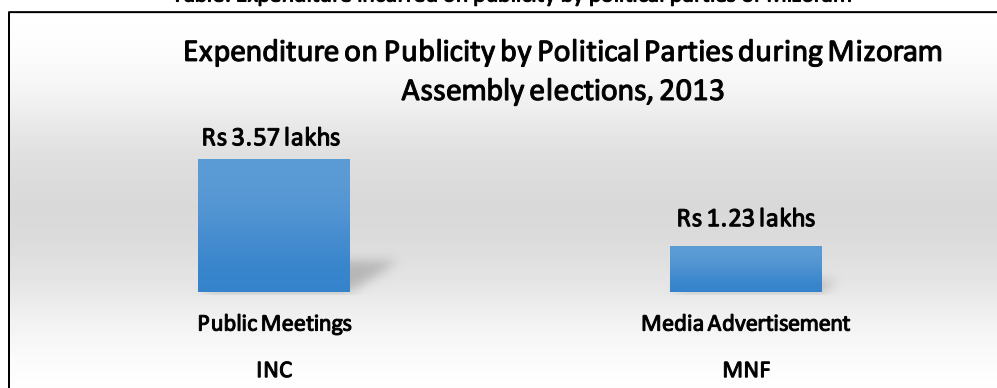
Graph: Total expenditure declared by INC and MNF during Mizoram Assembly Elections, 2013

Expenditure on Publicity incurred by political parties of Mizoram

- There are three main items listed under publicity expenditure: **expense on media advertisement** (print & electronic, bulk sms, cable, website, TV channels) **publicity material** (hoardings, posters, banners etc.), **expenses on public meetings** (processions, rallies etc.)
- **INC has spent the maximum amount of Rs 35.7 lakhs on public meetings**, followed by expenses of **Rs 20.9 lakhs on publicity materials**.
- On the other hand, **MNF spent Rs 5 lakhs on publicity materials and Rs 1.23 lakhs on media advertisement**.

Political Party	Publicity		
	Media Advertisement	Publicity Materials	Public Meetings
INC	0	Rs 20.9 lakhs	Rs 35.7 lakhs
NCP	0	0	0
MNF	Rs 1.23 lakhs	Rs 5 lakhs	0
Total	Rs 1.23 lakhs	Rs 25.9 lakhs	Rs 35.7 lakhs

Table: Expenditure incurred on publicity by political parties of Mizoram



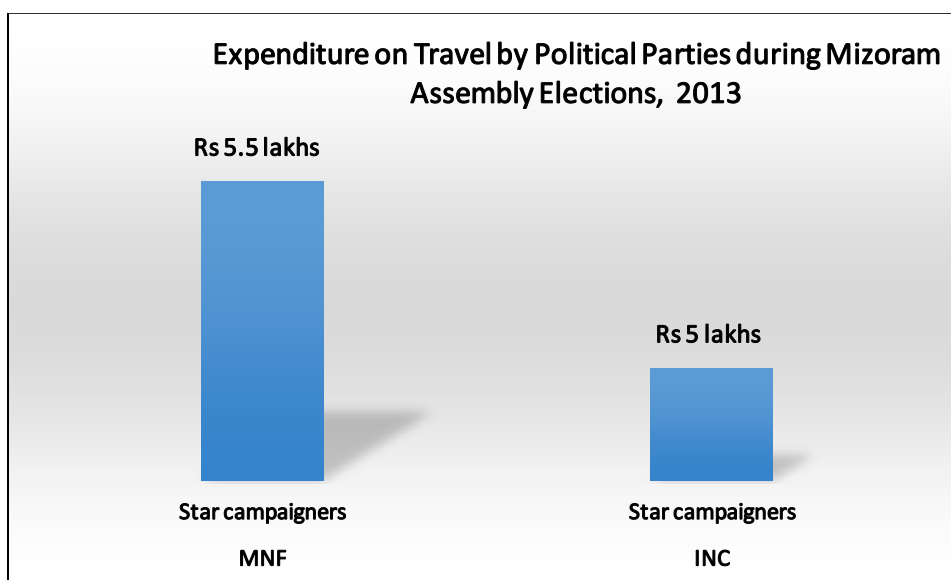
Graph: Expenditure on Publicity declared by political parties during Mizoram Assembly Elections, 2013

Expenditure on Travel incurred by political parties of Mizoram

- Expenditure on travel is given under two heads: travel expenses incurred by ‘star campaigners’ and travel expenses of **leaders and workers**.
- **INC** declared a total expenditure of **Rs 5 lakhs on travel of star campaigners** and **MNF** declared a total expenditure of **Rs 5.5 lakhs on travel of star campaigners**.
- Both the parties declared that no expenditure was incurred on travel of leaders and workers.

Political Party	Travel	
	Star campaigners	Leaders
INC	Rs 5 lakhs	0
NCP	0	0
MNF	Rs 5.5 lakhs	0
Total	Rs 10.5 lakhs	0

Table: Expenditure incurred on travel by political parties of Mizoram



Graph: Expenditure on Travel declared by political parties during Mizoram Assembly Elections, 2013

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