

## The cost of politics in India

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## List of acronyms

BJP CAG	Bharatiya Janata Party Comptroller and Auditor General
CPI	Communist Party of India
ECI	Election Commission of India
INC	India National Congress
INDIA	India National Developmental Inclusive Alliance
INR/Rs	Indian Rupee
MP	Member of Parliament
MPLAD	Members of Parliament Local Area Development
	Scheme
NCP	Nationalist Congress Party
NDA	National Democratic Alliance
SP	Samajwadi Party
ТМС	Trinamool Congress Party

## Introduction

India's geographical expanse, socio-cultural diversity and multi-level federal representative governance structures makes its electoral landscape extremely vibrant and unique. But in recent decades the world's largest democracy has attracted sustained scholarly attention as a result of the increasingly huge costs of not just holding elections, but contesting in them. A staggering 1.35 lakh crore<sup>1</sup> or USD 16 billion was estimated to have been spent by political parties and candidates, with significant variations across regions, states and between parties and candidates, in the course of the three-month mega elections process in 2024.<sup>2</sup>

Recent studies have sought to unravel the evolving political finance landscape including the economic demands of electioneering based on gender, age and ethnicity, as well as the role played in (re)shaping political engagement by social media.<sup>3</sup> They have highlighted that although elections are broadly competitive, wealthy or affluent candidates retain a significant advantage.<sup>4</sup> But the costs of politics are not just confined to official campaign periods. They begin immediately after a candidate decides to contest for political office, and extend into post-election periods. This study seeks to offer a deeper understanding of the dynamics behind rising political expenditure, the ways in which they are shaped by, and is shaping, the changing nature of election campaigns, and the implications this has for India's democracy.

## Methodology

The aim of this study was to document key drivers shaping the costs of political activities for individual candidates at the level of *Lok Sabha* – the lower house of India's bicameral parliament - before, in the run-up to elections, and after getting elected to office. The research draws on insights from secondary literature - including published articles, books, op-eds and candidates/parties submissions of expenditure accounts - on campaign finance, political participation and party function in India. In addition semi-structured key informant interviews (KIIs) were held with candidates, party representatives, election officials, political analysts, democracy watchdogs, and other election stakeholders, from across the north, south, east and central regions of India. These were complemented by a dozen focus group discussions (FGDs) that sought to gather the perspectives and experiences of a cross-section of voters including women, youth, tribal and scheduled caste groups, local civil society, and media persons.

Gender	Age	Candidate status	Election type	Region
Male	66	Winner	Parliament	Andhra Pradesh
Female	63	Winner	State Legislature	Telangana
Male	44	Challenger	State Legislature	Andhra Pradesh
Female	63	Challenger	Parliament	Uttar Pradesh
Male	57	Challenger	Parliament	Uttar Pradesh
Male	64	Winner	Parliament	Punjab
Male	52	Winner	State Legislature	Delhi
Female	63	Winner	State Legislature	West Bengal
Male	52	Winner	Parliament	Odisha
Male	63	Winner	State Legislature	Uttar Pradesh
Male	59	Challenger	Parliament	Uttar Pradesh
Female	55	Winner	State Legislature	Telangana
Male	44	Winner	State Legislature	Delhi
Female	35	Challenger	State Legislature	West Bengal
Male	41	Challenger	Parliament	West Bengal
Male	63	Winner	Parliament	Odisha
Male	52	Winner	Parliament	Odisha
Male	63	Winner	Parliament	Odisha
Male	57	Challenger	State Legislature	Odisha
Female	36	Challenger	State Legislature	Nagaland
Female	49	Winner	Parliament	Maharashtra
Male	52	Challenger	Parliament	Tamil Nadu
Male	61	Winner	Parliament	Chattisgarh

# India's transforming electoral landscape

India's 1950 constitution adopted a Westminster model of parliamentary democracy with a competitive multiparty system. The executive, legislative, and judicial branches of government draw their power and jurisdiction from this basic law. The legislature, or Council of the Parliament, consists of two houses, known as House of the People or *Lok Sabha* and the Council of States or *Rajya Sabha.*<sup>5</sup> The *Lok Sabha* is a directly elected house with 545 members, 543 are elected from a single member constituencies – each with an average population of around 15 lakh<sup>6</sup> making them some of the largest constituencies in the world - based on the first-past-the-post system. Two are appointed by the head of state. 22.5% of seats are reserved for members of schedules castes and tribes.

India's democratic model has endured many challenges, but has shown resilience in carrying forward constitutional governance. Except for a brief period between 1975 and 1977 when democracy was suspended, India has held elections at regular intervals since independence under a multi-party system. India's 2024 electoral exercise, which spanned three months, was marked by intense political competition between two rival coalitions: the National Democratic Alliance (NDA) led by Prime Minister Narendra Modi's Bharatiya Janata Party (BJP) and the India National Developmental Inclusive Alliance (INDIA) coalition led by the main opposition, Indian National Congress (INC). After winning consecutive electoral landslides in 2014 and 2019, the BJP was unable to do so again in 2024. Winning just 240 seats it fell short of the 272 seats required to form a government and had to rely on its alliance partners to form the government for a third time in a row.<sup>7</sup>

A notable feature of 2024 national poll was high participation of youth - 217 million voters were aged 18-29 years<sup>8</sup> - and women<sup>9</sup> - turnout stood at 65.8% among this grouping in 2024 - as electors. But also as contesting candidates. Yet, when it came to actual number of elected members, both groups remain heavily underrepresented in the lower house. In the 18<sup>th</sup> *Lok Sabha*, only one in every 20 MPs is younger than 35, whilst just 74 seats, or 13.6% of the total, are held by women, a decline from the previous legislature. Despite more women contesting their participation remains uneven. No female contestants ran in 150 constituencies.<sup>10</sup>

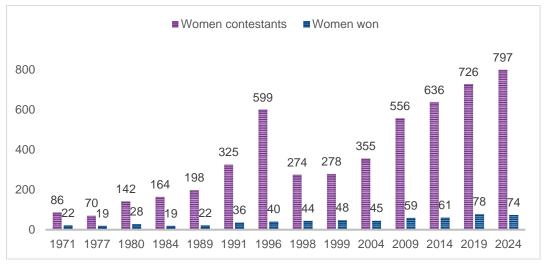


Figure 1: Female contestants and success in Lok Sabah elections (1971-2024)

Source: Election Commission of India

However, one group which is becoming more represented in the legislature are those with substantial financial resources. An indicator that personal wealth is becoming increasingly important for entering politics. In the 17th *Lok Sabha*, nearly 88% of members declared assets worth Rs 1 crore or above, a figure that has increased to 93% following the 2024 election.<sup>11</sup> There is a growing body of research to suggest that there is a correlation between the wealth of the candidate and electoral outcomes,<sup>12</sup> which is further entrenching the belief that a candidate's personal wealth is important, both to the party that selects them, and to voters. Parties too are spending significantly more than ever. Numerous regulatory loopholes and weak enforcement of the existing campaign finance regulations have failed to prevent the significant growth of corporate or private money into the electoral system. Between 2009 and 2019 the total declared expenditure on elections increased 175%<sup>13</sup> in ways that are uneven and impact on political competition. The parties in power at the centre, as well as in the states, tend to receive more donations than the other parties which, at times, has implications for political equality and legislative autonomy.

## Key drivers of the rising cost of politics

#### **Getting selected**

While most analysts link rising costs to the election campaign, little attention has been given to the period where aspirants seek to become known in their constituency, and nominated by their party. An aspiring politician's routine requirements to carry out socio-cultural outreach activities in their prospective constituency can start months, or even years, before an election bid. Attending weddings, funerals or socio-cultural and religious activities comes with financial expectations that the aspiring candidate must meet. Maintaining a political network of party cadres, helping out

people in distress and funding party activities year round in the constituency are additional expectations that come with resource requirements which fall on aspiring politicians. In fact, these investments are crucial as they help them to build an image and standing before the people, and local party leadership, that will aid their chances of successfully staking a claim for a party ticket. One prominent leader in Uttar Pradesh who has previously been an elected member of parliament (MP), gave an estimated cost of about Rs 3-4 lakhs per month as the minimum expenditure that goes toward this routine mobilisational work in a *Lok Sabha* constituency.

There are also various party responsibilities that an aspiring candidate needs to fulfil to gain the confidence of the higher echelons of local party leadership. A former MP in Andhra Pradesh explained that whenever his party planned a public rally, meeting or roadshow in his area, he was expected to bear a sizeable share of the expenses required to conduct the programme. This could include the printing of posters, social media outreach efforts, securing attendees by arranging transportation and food for the party cadres, and/or covering the lodging and feeding of party leaders who comes to attend the programme. Aspiring candidates tend to embrace this opportunity to demonstrate their political clout in the region to the party leadership. While these pre-election expenditures have become commonplace across parties, some candidates, particularly those belonging to regional parties, suggested that bribes – amounting to Rs 2-3 crore – are also paid to top leaders to secure the party nomination.<sup>14</sup> Given these realities, leading parties tend to opt for well-resourced candidates in internal selection processes.<sup>15</sup>

#### **Election campaign costs**

Whilst the cumulative costs of election campaigns in India have increased exponentially, this is also true at the individual level. Based on the interviews conducted for this study between Rs 5-10 crore has become the expenditure norm for candidates fighting for a *Lok Sabha* seat. However, these costs can vary greatly depending on a number of factors. For instance, if the contest takes place in a constituency in which political heavyweights are contesting, significantly more resources are likely to be spent. Heightened expenditure was also recorded in cash rich states such as Tamil Nadu, Telangana, Andhra Pradesh and Maharashtra, where the money spent by individual candidates can sometimes reach, or even exceed, Rs 100 crores. This is several times higher than the Election Commission of India's (ECI) upper limit, which ranges from Rs 75-95 lakh depending on the state.<sup>16</sup>

These financial resources are used to cover a whole gamut of election campaign related expenditure. Large number of luxury cars need to be hired by a candidate for use during public rallies and roadshows across the campaign period explained two recent election contestants. With the role of perception and glamour having increased greatly in politics, such fanfare and pomp has become mandatory for grabbing the attention of the voters and convincing them of an aspirants political clout. The presence of large number of local leaders and party workers at these events – with lodging and expenses to be met by the candidate - is also extremely important for the contesting candidate to convey his popularity among the party to prospective voters.

Creating makeshift structures for public meetings, printing posters to create awareness amongst voters and financing party workers to undertake door-to-door campaigning also need to be considered by candidates. Media costs too, are a major source of expenditure during election campaign periods. Ensuring coverage, from both print and television media of their political programme requires considerable payments to be made. As a result, candidates with limited resources rely more heavily on the new and emerging social media channels to promote their agenda. Although they often still need to pay for this, it is not as expensive as seeking coverage from more established media.

#### Social media: Changing campaign dynamics in the digital age

Social media as a campaigning tool has grown in prominence since the 2019 elections, when an estimated one-third of Indians had online access, and is being utilised extensively by parties and their candidates. While the direct electoral impact of social media campaigns is hard to assess comprehensively, it has transformed the way voters and political parties connect and engage. Political parties, and even candidates, increasingly engage influencers on YouTube, WhatsApp and Instagram to post content that is hyper-local and micro-targeted, and which is intended not just to reach rural voters but to swing voting patterns, manage crises, and help them secure power. Nearly all political parties have their social media channels, with employees dedicated to running them but wealthy parties have "IT Cells", which create and spread content, strategically, around the clock.

Whilst the 2019 general election was dubbed as India's "social media election" due to the unprecedented use of social media by politicians and political parties in an attempt to directly reach the public, bypassing the mainstream press, the 2024 general elections saw an even bigger reliance on social media and digital campaign tools. However, the significant expenditure outlaid on political advertising on digital platforms is often done by third parties that have indirect linkages to the political parties or candidates, making the exact volumes of spending difficult to track. The ECI and existing electoral laws are ill-equipped, legally and constitutionally, to regulate and respond to the use of digital spaces for political campaigning, which is rapidly evolving with the advent of artificial intelligence and deepfakes.

#### **Election day expenditure**

Vote-buying, which is a driver of election expenditure at both the level of candidates and parties, mainly takes place in the run up to polling day. Though a persistent feature of Indian elections in the past, the scale of vote-buying has reached an unprecedented level. Nearly all political aspirants interviewed agreed that even if they are not in a position to distribute money for votes, the actions of political opponents forces them to do so. Some of them confessed that while previously they used to exchange small denomination among their core voters, now they distribute much bigger

sums - Rs 2,000-3,000<sup>17</sup> - to nearly all voters in their constituency. The quantum of cash per voter increases further in constituencies where narrow winning margins are common, voters are small in number or where a lot of them are undecided.

In response many voters have become pragmatic enough to receive money from all political parties before casting their ballot. While FGD respondents expressed their unhappiness about growing phenomenon of vote buying, they justified it as a chance for the ordinary person to extract something from a political system that tends to be very profitable for those involved in it. This attitude is illustrative of the way vote buying has gained wider acceptance among average voters as being part of the election process, not just among the poor.<sup>18</sup> The shrinking of an ideologically aligned voter-base across all political parties and the rise of corporate politicians and big-money has spread the phenomenon of vote-buying to economically stronger middle-class voters in many politically competitive regions.

To ensure vote buying strategies work, candidates must also mobilise to ensure that voters turn up on election day to cast a ballot. Party workers are tasked with reaching voters at a household level and encouraging them to move out and vote. During voting and counting candidates also need human resources to support polling booth management and monitoring. Polling agents supervise the conduct of elections, ensure the preservation of ballot boxes and supervise the counting of votes. These support services all need to be paid for by a combination of the candidate and the party.

#### Post-election expenses: the costs of maintaining patronage

After the elections, expenses for the winning candidates go up rather than down. Every MP in India is expected to distribute patronage across their political networks, rewarding those who have supported their political journey or aided them during the campaign period. This is compounded by the burden of social welfare. MPs are expected to provide medical relief, support access to education, and cover wedding expenses for underprivileged groups, as well as to fund socio-cultural programmes in their constituency. MPs in traditionally leftist leaning parties are also expected to contribute a portion of their salaries to the party.

One MP from Telangana state shared that his average expenses for his constituency ranged from Rs 7-10 lakh per month, meaning that annually he spent more than Rs 10 million, a figure that excludes larger expenses or donations that they may make during local level elections. MPs interviewed explained that they mostly met these constituency expenses by using their salaries, perks and other allowances afforded to them as elected representatives (see Table 2). But given the extent of constituency running costs, MPs also often relies on wealthy supporters, local businesses or even non-government organisations to sponsor events in the constituency. In many instances the elected member is expected to return this favour in a multitude of ways.

#### Sources of funds

The primary sources of campaign funds are personal wealth, contributions from family, friends, peers and supporters. Other avenues for raising the necessary funds to run included borrowing from friends/business groups, using crowdfunding channels, selling assets and taking on loans. Interviewees across political parties contended that their parent parties, except for a handful of national and regional parties, expect them to arrange the bulk of funds for their campaigns. In fact, many explained that their parties, rather than contributing to their campaigns, asked candidates to contribute to the party.

As a result, election expenses can lead to both successful and unsuccessful aspirants racking up debts that make them financially dependent on friends, business groups or party bosses. Many MPs acknowledged that the bulk of their time is devoted to raising funds to sustain their political activities, leaving little time for legislative businesses or addressing core issues in constituencies. This self-financing model tends to benefit dynastic or already wealthy candidates, and places marginalised groups at a further disadvantage.

A resource that enables MPs to keep up with constituency demands is the Members of Parliament Local Area Development Scheme (MPLAD). This allows an MP to spend Rs 5 crores per year on the development of infrastructural projects and building of community centres in their constituency. While there have been many incidents of misappropriation and corruption related to MPLAD funds, the scheme provides financial resources for many MPs that lack deep pockets to continue to provide for their constituents.<sup>19</sup> However this is more an advantage for ruling party MPs, with those in opposition parties interviewed for his study lamenting that that their funds are often not released in a timely manner.<sup>20</sup> Ruling party MPs also have the advantage of being able to align government welfare schemes and funds with their constituency development work. All of these resources are not available to defeated candidates who, if they want to contest again in future elections, will need to find ways to continue to distribute resources and invest in their constituencies from outside of government.

#### Table 2: Salary and allowances of MPs

Benefits	Compensation
Salary	Rs 100,000 per month
Daily allowance	Rs 2,000 per day when attending parliamentary sessions or committee meetings
Constiuency allowance	Rs 70,000 per month
Office allowance	Rs 60,000 per month (Rs 20,00 for stationary and Rs 40,000 for staff)
Housing allowance	Free accommodation in Delhi and reimbursement of utility bills
Pension	Rs 25,000 per month after retirement, with additional Rs 2,000 for every year served as MP
Medical benefits	Full medical benefits for MPs and their families under the Central Government Health Scheme
MPLAD fund	Rs 5 crore annually
Travel allowance	Free air, train, and road travel for official duties, includes 34 flight coupouns annually

Source: Ministry of Parliamentary Affairs, Government of India

## Implications of the rising cost of politics

#### The growing business-politics nexus

One of the biggest consequences of the escalating costs of politics is that it has brought the business or big interest money directly into the democratic processes. The growing culture of votebuying and parties and candidates wanting to capture power by any means have opened the door for influx of private money into electoral battles. Most candidates openly confessed that the escalating campaign expenses and growing culture of gifts to voters has pushed them to the laps of business people with significant resources. The rising corporate-politics nexus is enabling candidates to have the resources required to win the elections. But in return they are to repay these corporate actors by lobbying on their behalf or ensuring the benefit from attractive deals or policies.<sup>21</sup> Following on from the 'briefcase' politics of the 1970s<sup>22</sup>, the post liberalisation of economy in early 1990s has facilitated a deep nexus between business and politics. With parties and individuals increasing reliance on big business to fund skyrocketing electoral expenses, there is an increasing "oligarchisation of democracy in India".<sup>23</sup>

#### Influx of wealthy candidates

In recent elections, regionally dominant mining, coal or real estate barons, who hitherto only funded elections from outside, have taken the plunge into electoral politics. Using their money to gain proximity to party leaders, candidates with business backgrounds or those who can finance their election expenses having made significant strides, either in securing the nominations of major political parties or by contesting as independent candidates. This trend has unbalanced the playing field as traditional politicians without comparable financial support are disadvantaged. A prominent senior politican and former union minister of a southern state lamented that "despite my intention to serve in politics, I am unable to contest the election due to the spectacular rise of the money game in politics". Another respondent expressed her displeasure over the process of candidate selection, highlighting that "party leadership often prefers wealthy candidates over more deserving candidates, which is leading to demoralisation among the [party] rank and file".

However, major national party executives contend that their preference for wealthy candidates is not solely governed by their ability to boost party funds; rather because they are most likely to win. Studies have backed up this assertion finding that the financial affluence of a candidate correlates to a higher chance of them emerging victorious.<sup>24</sup> In the 2024 *Lok Sabha* polls, the likelihood of victory for 'crorepati candidates'<sup>25</sup> was 19.6%, compared to just 0.7% for those with assets below Rs 1 crore.<sup>26</sup> Presented with this reality, parties, with the exception of leftist or issue based regional parties, are increasingly seeking out wealthy and influential candidates rather than genuine grassroots candidates that have devoted years to mobilising in a constituency and among local party structures.

#### Women and youth face severe structural barriers

The rising costs of political activities, particularly escalating election expenses, have negative consequences for aspiring women and young politicians, especially those from non-privileged family backgrounds. Similarly energetic, educated, well-meaning and aspiring youth leaders from non-privileged backgrounds have found it extremely difficult to get party tickets or gather the funds needed to effectively contest an election at either state or federal level. Without family support or dynastic linkages in politics or corporate spheres, many aspiring, hardworking and efficient female or youth leaders find it difficult to financially compete in electoral politics.

Unequal access to economic resources further limits women's involvement in politics. They also find it more difficult to access the powerful and influential hidden networks that shape the political landscape. Other structural barriers for aspiring women politicians include patriarchal social norms or 'internalised patriarchy' that entrench the idea that a woman's primary duty should be to prioritise her family and household over any political ambitions.<sup>27</sup>

#### Diminished quality of representative democracy

Institutional integrity, democratic accountability and governance have suffered as a result of growing role of interested money. Increasingly elected candidates are primarily focussed on raising funds for their party and for their re-election, as well as recovering the huge sums they have spent to win political office or returning favours to people who have supported them financially. This not only takes precedence over effectively fulfilling their legislative function but subverts and undermines governance more generally as dubious deals are made with these financial backers to advance their own business interests.

Data obtained from the 17<sup>th</sup> and 18<sup>th</sup> *Lok Sabha* shows that an increasing number of MPs declare their profession as businessperson,<sup>28</sup> with a lot of them using their elective position to further their own interests. Representatives with interests in lucrative sectors such as mining, real estate, education and civil aviation often seek to use their position to influence policies and legislation that will have beneficial outcomes for their business ventures.<sup>29</sup> This has led to politics becoming more of an investment opportunity rather than an opportunity to represent and serve the people.

But it is not just aspirants who are increasingly viewing politics in these transactional terms. The growing acceptance of vote buying raises huge question marks about the nature and legitimacy of representative democracy in India. Vote buying is leading to the erosion of a trust based relationship between a voter and their representative and a diminishing of party ideology. Furthermore it is contributing to the moral corruption of voters as by participating in this buying and selling of votes their ability to demand transparency and accountability from their elected representatives is diminished.

### Conclusion

For aspiring candidates, getting involved in India's multifaceted electoral politics is an increasingly expensive undertaking. Not only do the nomination and campaign expenditures require significant investments but routine political activities at constituency level create monthly expenditures that persist across a term in office. This rise in the costs of politics is excluding many competent and committed candidates from the electoral process. Although India has seen a deepening of democratic participation among women, youth and socially and economically disadvantaged sections in recent polls, the high seats of democracy almost exclusively remain in the hands of wealthy and well connected candidates. This is a consequence of the high cost of politics, which is shaping the profiles of elected members, many of whom see politics as an investment rather than an opportunity to serve the society and render public services more effective. Compounded by the increased acceptance of the culture of vote buying, this reality is threatening the key foundations upon which electoral democracy should be built. If the trend continues, it could have severe consequences for the health of representative and accountable nature of democracy in India.

## Recommendations

To arrest the growing influence of money and provide a level playing field to all aspiring candidates, a combination of approaches are needed. Legal reforms and enhanced electoral guidelines, on their own, are unlikely to be able to mitigate the growing menace of uncontrolled money in politics. They need to come alongside long-term approaches that focus on institutionalising intraparty democracy and campaigns to shift societal attitudes.

#### Strengthen regulation and enforcement of political finance regimes

India has long list of legislation<sup>30</sup> as well as constitutionally assigned institutional architecture to regulate and limit the role of money in politics. But in reality, there is little or no adherence to these laws either by candidates or parties, nor enforcement of them by law enforcement agencies. According to the Global Integrity Report, India is among the lowest scoring countries on political finance regulation. In fact it scored 0 out of 100 on implementation and disclosure of political party and candidate financing information to the public.<sup>31</sup> To address this, efforts can be made to focus on:

- Enforcing existing limits. While a limit has been set for individual candidates expenditure in elections<sup>32</sup>, the ceiling on candidate expenditure has become meaningless in the absence of any scrutiny by ECI or other federal agencies. While it is widely accepted that most candidates spend several times more than the expenditure limit, not a single candidate has been penalised for doing so.
- Building enforcement capacity. The ECI lacks capacity, and is too preoccupied with routine
  electioneering activities in a large and diverse federal democracy, to effectively enforce
  expenditure regulations. To make regulation work, key oversight bodies like ECI must be
  comprehensively mandated and resourced, and augmented by effective judicial system, to go
  after violators. Alternatively, and to lessen the burden on an already overstretched ECI, a
  separate federal agency can be created with the mandate to enforce political finance regulations
  and laws that apply to individuals and parties.
- Strengthening disclosure requirements for political parties and individual candidates. Disclosure is the backbone of an effective political finance regime. Disclosures can alert voters to candidates who have used or are likely to use their public offices for quid pro quo arrangements. By mandating that all contributions, however small, made to political parties and individuals be done digitally or through banking channels there can be greater scrutiny of where campaign funding comes from. To further this, all donations and expenditures should be audited by the Comptroller and Auditor General (CAG) and these audited accounts made public.
   Furthermore, all candidates should be compelled to reveal the sources of their incomes, and not merely their assets and liabilities under Form 26 of the Conduct of Election Rules 1961.

#### Reform and democratise how political parties function

Many of the problems related to costs of politics are linked to the way parties are structured and operate on issues involving candidates' selection, the collection and distribution of donations, and internal governance. Structurally, the leadership hierarchy of most parties in India are extremely top-down – some are ostensibly family run enterprises - and often intra-party elections for party posts are not conducted for years or are controlled by power wielders within the party. A similarly centralised ticket distribution procedure with limited transparency or laid down procedures for determining the eligibility of the chosen candidates are also commonplace. This paves the way for clandestine connections between power holders and vested interests within the party, to the detriment of less well connected, or female and youth, aspirants. The constant focus on raising enormous amount of money to finance elections and capture power has further vitiated these already weak transparency mechanisms within parties as party heads distribute tickets to wealthy or financially rich candidates who can fund the party and their own elections. To address this:

- Hold political parties more accountable. Political parties in India are devoid of any constitutional recognition and are treated as voluntary associations. This means they are able to avoid regulation or scrutiny of their actions and behaviour by an external body. Constitutionally recognising political parties would allow them to be subject to regulatory and institutional scrutiny.
- **Improve internal standards.** Following the recommendations of 255<sup>th</sup> Report of the Law Commission<sup>33</sup>, the Representation of the People Act of 1951 needs to be amended to ensure a political party has a constitution, an elected executive committee to select candidates for elections, and conducts regular elections at every level. Holding regular elections of office-bearers in a free and fair manner, and ensuring mechanisms exists for internal accountability, can enhance the internal democracy and functionality of parties.
- Pursue public funding models. To reduce the dependency of money, alleviate the expectations placed on individual candidates, and help parties to fight elections in a fair manner, public funding or direct state subsidies to regulated political parties could be explored. However, public funding and its disbursement should be conditional, or subject to, parties conducting regular internal elections, fulfilling legal obligations with regards to transparency and accountability and allocating certain percentages of nominations to women and other marginalised groups. State subsidies should also be conditional on parties and candidates not accepting, or placing strict limits on, donations from corporate entities and accepting more robust oversight scrutiny of donations. If designed well and executed carefully, conditional public funding can reduce the growing asymmetry in party finances, level playing fields and spur greater competitiveness in the democratic processes.

#### **Civic education and voter sensitisation**

The growing culture of vote buying and open exchange of gifts, liquor and other material goods for votes has negative impacts for the legitimacy of representative democracy as it erodes the trust

based relationship between a voter and the aspirant and replaces it with a new 'transactional' one. The situation needs both state and societal efforts to mitigate:

- Enhance citizen awareness. Voter sensitisation by civil society organisations, media and ECI should receive priority and can build on the successful approaches to improve voters' participation in recent years.<sup>34</sup>
- **Punish transgressors.** Alongside civic education efforts, ECI, in partnership with the police and federal and state level enforcement agencies need to intensify preventive measures designed to curb vote buying, as well as punishing violators, in order to shift cultural acceptance of the practice.

### References

<sup>1</sup> In the Indian numbering system for rupees, lakh stands for one hundred thousand (100,000) and crore stands for ten million (10,000,000). US\$ 1 is equal to Rs 86.

<sup>2</sup> Paliwal, Aishwarya. 2024. 'Most expensive polls ever? Nearly Rs 1.35 lakh crore spent in 2024 election' *India Today*. 31 May. <u>https://www.indiatoday.in/elections/lok-sabha/story/lok-sabha-election-2024-expenditure-election-commission-2546455-2024-05-31</u>

<sup>3</sup> Kapur, Devesh and Vaishnav, Milan(eds). 2018. *Costs of Democracy: Political Finance in India*, New Delhi: Oxford University Press.

<sup>4</sup> Anand, Eshwar V. 2011. 'State funding: An overdue reform' *Tribune India* <u>https://www.tribuneindia.com/2011/20110413/edit.htm#6</u>

<sup>5</sup> Beneath the national decision-making structures India has 28 provincial states along with eight union territories, which each have their own elected executive government and legislature, *Vidhan Sabhas*. Elected government also extends to the local level, with institutions in both urban (municipal bodies) and rural (*Panchayati Raj*) areas designed to support more decentralised and participatory democracy.

<sup>6</sup> Verma, Subodh. 2014. 'Mind the Gap: 1 MP for 16 Lakh Voters'. *The Times of India*. 23 March.

https://timesofindia.indiatimes.com/news/mind-the-gap-1-mp-for-16-lakh-voters/articleshow/32518092.cms <sup>7</sup> International Institute for Strategic Studies. 2024.The Modi 3.0 coalition government: challenges and priorities'. 18 June https://www.iiss.org/online-analysis/online-analysis/2024/06/the-modi-3.0-coalition-government-challenges-andpriorities

<sup>8</sup> Press Trust of India. 2025. 'India nears 1 bn voters, with youth, women driving electoral growth: EC'. *Business Standard*. 22 January <u>https://www.business-standard.com/elections/lok-sabha-election/india-nears-1-bn-voters-with-youth-women-driving-electoral-growth-ec-125012201444</u> 1.html

<sup>9</sup> Press Information Bureau. 2024. 'Proactive Disclosure of Extensive Data sets of the world's largest election'. 26 December <a href="https://pib.gov.in/PressReleseDetailm.aspx?PRID=2088064&reg=3&lang=1">https://pib.gov.in/PressReleseDetailm.aspx?PRID=2088064&reg=3&lang=1</a>

<sup>10</sup> Jeelani, Gulam. 2024. Last Phase of Polling Today: 150 seats have zero women candidates in Lok Sabha Elections 2024, says a report' *Mint*. 1 June.<u>https://www.livemint.com/elections/lok-sabha-elections-2024-150-constituencies-had-zero-women-candidates-says-a-report-11717043303670.html</u>

<sup>11</sup> Mookherjee, Ankita, and Mukpadhyay, Sammya. 2024. 'What Money Can Buy in the Election Season'. Outlook Business. 1 May <u>https://www.outlookbusiness.com/magazine/business/story/what-money-can-buy-in-the-election-season-7017</u>

<sup>12</sup> Sircar, Neelanjan. 2018. 'Money in Elections, Role of Personal Wealth in Election Outcomes', *Pages 36-73, Costs of Democracy: Political Finance in India*, Devesh Kapur and Milan Vaishnav (eds), New Delhi: Oxford University Press <sup>13</sup> Mookherjee, Ankita, and Mukpadhyay, Sammya. 2024. 'What Money Can Buy in the Election Season'. Outlook Business. 1 May. <u>https://www.outlookbusiness.com/magazine/business/story/what-money-can-buy-in-the-election-season-7017</u>

<sup>14</sup> For example the Bahujan Samaj Party (BSP) is often accused of issuing party tickets for a hefty contribution. However, BSP is not alone. Several politicians interviewed for this study accepted the trend of buying party tickets was widening. For more see 'Senior BSP leader and Rajya Sabha MP Jugul Kishore on Sunday accused Mayawati of taking money in return for allotting ticket to contest Lok Sabha and Vidhan Sabha polls. 'For general seat she takes Rs 1 crore and Rs 50 lakh for reserved seat,' he said.' Hindustan Times. 5 January.

https://www.hindustantimes.com/india/mayawati-accused-of-selling-party-tickets/story-AjvgpMrydKIxaPxhtfd7jP.html <sup>16</sup> Rai, Dipu. 2024. 'Price of power: Does democracy pay for parties' race to dominate?' *India Today*. 20 March <u>https://www.indiatoday.in/diu/story/price-of-power-does-democracy-pay-for-parties-race-to-dominate-lok-sabha-</u> <u>election-funding-electoral-bonds-2517380-2024-03-20</u>

<sup>16</sup> Election Commission of India. 2022. 'Press Note: Limits of candidate's expenses Enhanced'. 6 January. https://old.eci.gov.in/files/file/13928-limits-of-candidate%E2%80%99s-expenses-enhanced/

<sup>17</sup> In richer southern states such as Telangana and Andhra Pradesh, some of the political candidates shared that parties and/or candidate exchanged Rs 5,000-7,000 to each voter.

<sup>18</sup> Khandekar, Omkar. 2024. 'In a remote Indian state, trading cash and gifts for votes is an open secret.' *NPR*. 31 May. <u>https://www.npr.org/2024/05/31/1252054006/india-elections-bribery-arunachal-pradesh</u>

<sup>19</sup> Roy, Chakshu. 2020. 'Explained: How MPLAD scheme works, and how far its suspension will help Covid-19 fight' *Indian Express.* 29 April.<u>https://prsindia.org/articles-by-prs-team/explained-how-mplad-scheme-works-and-how-far-its-suspension-will-help-covid-19-fight</u> <sup>20</sup> Press Trust of India. 2017. 'Opposition MPs allege MPLADS funds not being released in West Bengal'. *Indian Express.* 10 September. <u>https://indianexpress.com/article/cities/kolkata/opposition-mps-allege-mplads-funds-not-being-released-in-west-bengal-4837204/</u>

<sup>21</sup> Kapur, Devesh and Vaishnav, Milan. 2018. "Builders, Politicians, Election finance', Devesh Kapur and Milan Vaishnav (eds) *Costs of Democracy: Political Finance in India*.' New Delhi: Oxford University Press: Chhokar, Jagdeep S. 2024. 'Corporate Business and the Financing of Political Parties.' *The India Forum*, 9 May. <u>https://www.theindiaforum.in/politics/business-and-finance-political-parties-umbilical-chord</u>

<sup>22</sup> Vaishnav, Milan and Sridharan, E. 2015. 'The Resilience of Brief Case Politics.' *Carnegie endowment for International Peace*. 4 February. <u>https://carnegieendowment.org/posts/2015/02/the-resilience-of-briefcase-politics?lang=en</u>

<sup>23</sup> See an insightful commentary based on extensive field works by Berenschot, Ward, Bagchi, Sarthak, and Karthik, Vighnesh. 2024. 'The Olgarchisation of India's Democracy: Evidence from Andhra Pradesh and Odisha', *Economic and Political Weekly*, 30 November. <u>https://www.epw.in/journal/2024/48/general-elections-2024/oligarchisation-indias-democracy.html</u>

<sup>24</sup> Sircar, Neelanjan. 2018. 'Money in Elections, Role of Personal Wealth in Election Outcomes', *Pages 36-73, Costs of Democracy: Political Finance in India*, Devesh Kapur and Milan Vaishnav (eds), New Delhi: Oxford University Press
 <sup>25</sup> A crorepati candidate is one who has declared assets over Rs 10 million.

<sup>26</sup> Press Trust of India. 2024. '93% of Lok Sabha poll winners are crorepatis: ADR analysis.' *The Economic Times.0*6 June <u>https://economictimes.indiatimes.com/news/elections/lok-sabha/india/93-of-lok-sabha-poll-winners-are-</u>millionaires-adr-analysis/articleshow/110765522.cms?from=mdr

<sup>27</sup> For a comprehensive analysis of barriers, see Ghosh, Ambar. 2022. 'Women Representation in India's Parliament: Measuring Progress, Analysing Obstacles.' *ORF Occasional Paper,* 16 November.

https://www.orfonline.org/research/women-s-representation-in-india-s-parliament-measuring-progress-analysingobstacles

<sup>28</sup> Verma, Lalmani, and Das, Anjishnu. 2024. 'Profile of new MPs of 18<sup>th</sup> Lok Sabha: farmers to entrepreneurs, activists to lawyers, doctors to actors' *The Indian Express*. 7 March. <u>https://indianexpress.com/article/political-pulse/profile-of-new-mps-of-18th-lok-sabha-farmers-to-entrepreneurs-activists-to-lawyers-doctors-to-actors-9411207/</u>

<sup>29</sup> One of the noteworthy example of this trend is the fugitive businessman Vijay Mallya, who owned Kingfisher Airlines and who served as member of Upper House from 2002-2016. He served as a member of the parliamentary standing committee on civil aviation for many years. See Rajsekhar, M. 2016. 'Why India has so many businessmen in Parliament.' *Quartz*, 23 March. <u>https://qz.com/india/645737/why-india-has-so-many-businessmen-in-parliament</u> <sup>30</sup> Gowda M. V., & Santosh V. 2022. "Election law in India'. In Schultz D., and Toplak J.' (Eds), *Routledge handbook of election law* 

<sup>31</sup> 2012. 'India bad at regulating cash in politics' *The Indian Express.* 2 April. <u>https://indianexpress.com/article/news-archive/web/india-bad-at-regulating-cash-in-politics/</u>

<sup>32</sup>For instance, in the last general elections, the ECI had prescribed a limit of of INR 95 lakh and INR 40 lakh for Lok Sabha and State Assembly candidates respectively. Sambasiba Rao, M. 2024. "ECI Prescribes Maximum Limit on election expenses of each contesting candidate". *The Hindu*, March 24. <u>https://www.thehindu.com/elections/andhrapradesh-assembly/eci-prescribes-maximum-limit-on-election-expenses-of-each-contestingcandidate/article67932692.ece</u>

<sup>33</sup> Law Commission of India. 2015. '255<sup>th</sup> Law Commission Report". Ministry of Law and Justice, Government of India.
 <sup>34</sup> Election Commission of India. 2014. 'Systematic Voters' Education and Electoral Participation'. United Nations Development Programme <a href="https://www.undp.org/sites/g/files/zskgke326/files/migration/in/SVEEP.pdf">https://www.undp.org/sites/g/files/zskgke326/files/migration/in/SVEEP.pdf</a>



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