

Post Conference Booklet



INDIAN DEMOCRACY AT WORK

ANNUAL CONFERENCE SERIES



ON

MONEY POWER IN POLITICS

9 - 10 JANUARY 2020

Venue : Indian School of Business, Hyderabad

Organized jointly by

FDR FOUNDATION FOR
DEMOCRATIC REFORMS

 **ISB** | Bharti Institute
of Public Policy

 हैदराबाद विश्वविद्यालय
University of Hyderabad

**INDIAN DEMOCRACY
AT WORK CONFERENCE**
THEME:
MONEY POWER IN POLITICS
January 9-10, 2020

Pasha Court, # 6-3-678, Flat No. B 106, Punjagutta, Hyderabad, Telangana - 500082.
Phone: 040 2341 9949 | Email : contact@indiandemocracyatwork.in | communications@fdrindia.org
www.idaw.in; www.fdrindia.org

FOREWORD

Democracy is built on fundamental and vital principles like Equality, Justice, Rule of Law, Separation of Powers, Individual Rights, Freedom of Speech and many more essentials. The journey of a society on this exalted path is paved with many challenges and perils. It demands informed citizenry and unceasing vigilance. Politics and elections are central to the functioning and evolution of democracy.

India has made significant strides in its evolution as a democratic nation. The established democratic institutions, coalescing of diverse social groups into a political nation, regular elections, peaceful transfer of power are few of remarkable achievements. However, the critical aspects of politicking and elections are increasingly plagued by influence of money and monetary enticements. Money spent in electioneering by candidates and their parties is many times more than mandated by law. Some of the money is legitimate - to run a party, research, travel, and publicity. Some are direct and indirect costs incurred in sustaining political cadres, in the face of poor service delivery and lack of interface between the citizen and bureaucracy. The most alarming driver of expenditure in politics is vote buying, which today is an entrance fee where non-expenditure almost certainly guarantees defeat. Continuing on this path will lead to serious and deleterious consequences for Indian Democracy.

The politicians and the parties are trapped in a vicious cycle too. Instead of blaming them, we need to analyse and understand the systemic deficiencies, identify best practices, build consensus and accelerate change to help the parties to come out of the current morass. The Indian Democracy at Work conference is a humble effort to gather opinions, seek answers and to propose consensus-based solutions. On this front practicing politicians, intellectuals, scholars, academia, bureaucrats, jurists, journalists, members of civil society and other eminent personalities in the society came together on January 9-10, 2020 in Indian School of Business, Hyderabad to present, ideate and deliberate their findings and analysis.

- IDAW Team

Conference Programme Overview

INDIAN DEMOCRACY AT WORK CONFERENCE - 'MONEY POWER IN POLITICS' VENUE - ISB, Hyderabad Campus			
TIME	VENUE	SESSION	SPEAKERS
8:00 AM - 9:00 AM	Khemka Auditorium	Registrations	
9:00 AM - 10:30 AM	Khemka Auditorium	Inaugural Session	<p>Shri. M Venkaiah Naidu, Hon. Vice President of India</p> <p>Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms</p> <p>Dr. Rajendra Srivastava, Dean, Indian School of Business</p> <p>Dr. Appa Rao Podile, Vice Chancellor, University of Hyderabad</p>
10:30 AM - 10:45 AM	Tea Break		
10:45AM - 12:45 PM	Khemka Auditorium	PLENARY - Legitimate Campaign Expenditure in Indian Politics	<p>Chair - Shri T.S. Krishnamurthy, Former Chief Election Commissioner of India</p> <p>Dr. K Laxman, Telangana State President, BJP</p> <p>Shri Konda Vishweshwar Reddy, Former Member of Parliament, INC</p> <p>Dr. Milan Vaishnav, Director, South Asia Program, Carnegie Endowment for International Peace</p> <p>Dr. N Bhaskara Rao, Chairman, Centre for Media Studies</p> <p>Smt Natasha Jog, Election Integrity Lead, India, South Asia, Facebook</p>

TIME	VENUE	SESSION	SPEAKERS
12:45 PM - 1:45 PM	Atrium	Lunch and Networking	
1:45 PM - 3:15 PM	Khemka Auditorium	Mechanisms to Reduce Campaign Expenditure	<p>Chair - Shri K Madhava Rao, Former State Election Commissioner, AP</p> <p>Shri Amit Varma, Writer, Journalist and Podcaster</p> <p>Shri Kumar Ketkar, Member of Parliament, Rajya Sabha</p> <p>Dr. Rajat Kumar, Chief Electoral Officer, Telangana</p>
1:45 PM - 3:15 PM	Lecture Theatre - AC 3	Bringing Transparency in Political Funding in India and Learnings from the World	<p>Chair - Prof K. C. Suri, Professor, University of Hyderabad</p> <p>Shri Jashwant B Mehta, Founder, Forum for Presidential Democracy</p> <p>Shri Krishna K Tummala, Professor, Kansas State University</p> <p>Niranjan Sahoo, Senior Fellow, Observer Research Foundation</p> <p>Shri Varun Santhosh, Researcher</p>
1:45 PM - 3:15 PM	Lecture Theatre - AC 8	Trends in Campaign Expenditure	<p>Chair - Prof. Ashwini Chhatre, Associate Professor of Public Policy, ISB</p> <p>Dr. Ajit Phadnis, Assistant Professor, IIM Indore</p> <p>Shri J C Diwakar Reddy, Former Member of Parliament, TDP</p> <p>Smt Shelly Mahajan, Association for Democratic Reforms</p> <p>Shri Sravan Dasoju, National Spokesperson, AICC</p>

TIME	VENUE	SESSION	SPEAKERS
3:15 PM - 3:30 PM	Tea Break		
3:30 PM - 5:45 PM	Khemka Auditorium	PLENARY - Organisational Burden on Political Parties	<p>Chair - Shri Justice Jasti Chelameswar, Former Judge, Supreme Court</p> <p>Shri Asaduddin Owaisi, Member of Parliament, President, AIMIM</p> <p>Shri B. Vinod Kumar, Vice Chairman, TS State Planning Commission</p> <p>Prof. Jennifer Bussell, Associate Professor, University of California, Berkeley</p>
INDIAN DEMOCRACY AT WORK CONFERENCE - 'MONEY POWER IN POLITICS' VENUE - ISB, Hyderabad Campus			
DAY 2 - Friday - 10TH JANUARY 2020			
TIME	VENUE	SESSION	SPEAKERS
8:30 AM - 10:30 AM	Khemka Auditorium	PLENARY - Illegitimate Expenditure in Indian Politics and Ways to Curb It	<p>Chair - Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms</p> <p>Shri Ashok Lavasa, Election Commissioner of India</p> <p>Prof. Carolyn Elliott, Retd. Faculty, University of Vermont</p> <p>Smt Priyanka Chaturvedi, Politician, Shiv Sena</p> <p>Shri Ram Madhav, National General Secretary, BJP</p> <p>Shri R. Jagannathan, Editorial Director, Swarajya</p>

TIME	VENUE	SESSION	SPEAKERS
10:30 AM - 11:00 AM	Tea Break		
11:00AM - 12:30 PM	Khemka Auditorium	Electoral Reforms to Combat Illegitimate Expenditure	<p>Chair - Shri Amit Varma, Writer, Journalist and Podcaster Shri C Anjaneya Reddy, IPS (retd.) Shri Jashwant B Mehta, Founder, Forum for Presidential Democracy Dr. Milan Vaishnav, Director, South Asia Programme, Carnegie Endowment for International Peace Prof. Peter Mayer, Associate Professor, University of Adelaide</p>
11:00AM - 12:30 PM	Lecture Theatre - AC 3	Evidence of Vote Buying in India and Comparative Experience with Other Countries	<p>Chair - Shri Konda Vishweshwar Reddy, Former Member of Parliament, INC Prof Dhanmanjiri Sathe, Professor, Savitribai Phule University Dr. Samuel Asher, Assistant Professor, Johns Hopkins University Dr. Sarthak Bagchi, Assistant Professor, Ahmedabad University Dr. Shabana Mitra, Assistant Professor, IIM Bangalore</p>
11:00 AM - 12:30 PM	Lecture Theatre - AC 8	India: Deepening Democracy or Defective Democracy?	<p>Chair - Prof. Shareen Joshi, Associate Professor, Georgetown University Prof. Ashutosh Varshney, Professor, Brown University Dr. Abhishek Chakravarthy, Assistant Professor, Manchester University Dr. Rahul Verma, Fellow, Centre for Policy Research Dr. Sabyasachi Das, Assistant Professor, Asoka University</p>
12:30 PM - 1:30 PM	Atrium	Lunch and Networking	

TIME	VENUE	SESSION	SPEAKERS
1:30 PM - 3:00 PM	Khemka Auditorium	Entry Barriers in Indian Politics	<p>Chair - Prof. Ashutosh Varshney, Professor, Brown University</p> <p>Ms Aliz Toth, Stanford University</p> <p>Dr. Gilles Verniers, Assistant Professor, Ashoka University</p> <p>Dr. Neelanjan Sircar, Assistant Professor, Ashoka University</p> <p>Smt Priyanka Chaturvedi, Politician, Shiv Sena</p>
1:30 PM - 3:00 PM	Lecture Theatre - AC 3	Service Delivery and Decentralisation to Reduce Party Maintenance Costs	<p>Chair - Smt Yamini Aiyar, President and Chief Executive, Centre for Policy Research</p> <p>Prof. Abhiroop Mukhopadhyay, Professor, Economics and Planning Unit, ISI</p> <p>Dr. Diego Maiorano, Visiting Research Fellow, NUS Institute of South Asian Studies</p> <p>Shri Raghavendra Prasad, Founder, NRI Think Tank</p>
3:00 PM - 3:30 PM	Tea Break		
3:30 PM - 5:30 PM	Khemka Auditorium	Concluding Session	<p>Chair - Prof Pradeep Chhibber, Professor, University of California, Berkeley</p> <p>Ashok Lavasa, Election Commissioner of India</p> <p>Shri Ram Madhav, National General Secretary, BJP</p> <p>Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms</p> <p>Prof Ashwini Chhatre, Associate Professor of Public Policy, ISB</p> <p>Prof K. C. Suri, Professor, University of Hyderabad</p>

TABLE OF CONTENTS

HYDERABAD DECLARATION	1
SESSIONS	
Inaugural Session	5
Shri M Venkaiah Naidu, Honourable Vice-President of India	6
Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms	14
Dr. Rajendra Srivastava, Dean, Indian School of Business	16
Dr. Appa Rao Podile, Vice Chancellor, University of Hyderabad	16
Plenary 1:	
Legitimate Campaign Expenditure in Indian Politics	17
Shri T S Krishnamurthy, Former Chief Election Commissioner of India	19
Smt Natasha Jog, Election Integrity Lead, India, South Asia, Facebook	19
Dr. Milan Vaishnav, Director, South Asia Program, Carnegie Endowment for International Peace	19
Shri Konda Vishweshwar Reddy, Former Member of Parliament, INC	20
Dr. K Laxman, Telangana State President, BJP	21
Dr. N Bhaskara Rao, Chairman, Centre for Media Studies	21
Audience Interaction and Conclusion	22
Parallel Session 1:	
Mechanisms to Reduce Campaign Expenditure	23
Shri K Madhava Rao, Former Chief Secretary and Former State Election Commissioner, AP	25
Shri Amit Varma, Writer, Journalist and Podcaster	25
Shri Kumar Ketkar, Member of Parliament, Rajya Sabha	25
Dr. Rajat Kumar, Chief Electoral Officer, Telangana	26
Audience Interaction and Conclusion	27
Parallel Session 2:	
Bringing Transparency in Political Funding in India and Learnings from the World	28
Prof. K. C. Suri, Professor, University of Hyderabad	30
Shri Jashwant B Mehta, Founder, Forum for Presidential Democracy	30
Shri Krishna K Tummala, Professor, Kansas State University	31
Dr. Niranjana Sahoo, Senior Fellow, Observer Research Foundation	31
Shri Varun Santhosh, Researcher	32
Audience Interaction and Conclusion	33
Parallel Session 3:	
Trends in Campaign Expenditure	34

Prof. Ashwini Chhatre, Associate Professor of Public Policy, ISB	36
Dr. Ajit Phadnis, Assistant Professor, IIM Indore	36
Shri J C Diwakar Reddy, Former Member of Parliament, TDP	36
Smt Shelly Mahajan, Association for Democratic Reforms	37
Shri Sravan Dasoju, National Spokesperson, AICC	37
Plenary 2:	
Organisational Burden on Political Parties	38
Shri Justice Jasti Chelameswar, Former Judge, Supreme Court	40
Shri Asaduddin Owaisi, Member of Parliament, President, AIMIM	40
Prof. Rajeev Gowda, Member of Parliament, Rajya Sabha	41
Shri B. Vinod Kumar, Vice Chairman, TS State Planning Commission	42
Prof. Jennifer Bussell, Associate Professor, University of California, Berkeley	42
Audience Interaction and Conclusion	43
Plenary 3:	
Illegitimate Expenditure in Indian Politics and Ways to Curb It	44
Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms	46
Smt Ashok Lavasa, Election Commissioner of India	46
Smt Priyanka Chaturvedi, Politician, Shiv Sena	47
Shri R. Jagannathan, Editorial Director, Swarajya	47
Shri Ram Madhav, National General Secretary, BJP	47
Prof. Carolyn Elliott, Retd. Faculty, University of Vermont	48
Audience Interaction and Conclusion	48
Parallel Session 4:	
Electoral Reforms to Combat Illegitimate Expenditure	50
Shri Amit Varma, Writer, Journalist and Podcaster	52
Shri C Anjaneya Reddy, IPS (retd.)	52
Shri Jashwant B Mehta, Founder, Forum for Presidential Democracy	53
Prof. Peter Mayer, Associate Professor, University of Adelaide	54
Dr. Milan Vaishnav, Director, South Asia Programme, Carnegie Endowment for International Peace	54
Audience Interaction and Conclusion	56
Parallel Session 5:	
Evidence of Vote Buying in India and Comparative Experience with Other Countries	57
Shri. Konda Vishweshwar Reddy, Former Member of Parliament, INC	59

Dr. Samuel Asher, Assistant Professor, Johns Hopkins University	59
Dr. Shabana Mitra, Assistant Professor, IIM Bangalore	60
Dr. Sarthak Bagchi, Assistant Professor, Ahmedabad University	60
Prof. Dhanmanjiri Sathe, Professor, Savitribai Phule University	61
Audience Interaction and Conclusion	62
Parallel Session 6:	
India: Deepening Democracy or Defective Democracy?	63
Prof. Shareen Joshi, Associate Professor, Georgetown University	65
Prof. Ashutosh Varshney, Professor, Brown University	65
Dr. Abhishek Chakravarthy, Assistant Professor, Manchester University	66
Dr. Rahul Verma, Fellow, Centre for Policy Research	66
Dr. Sabyasachi Das, Assistant Professor, Asoka University	68
Audience Interaction and Conclusion	69
Parallel Session 7:	
Entry Barriers in Indian Politics	70
Prof. Ashutosh Varshney, Professor, Brown University	72
Ms Aliz Toth, Stanford University	72
Dr. Gilles Verniers, Assistant Professor, Ashoka University	73
Dr. Neelanjan Sircar, Assistant Professor, Ashoka University	73
Smt Priyanka Chaturvedi, Politician, Shiv Sena	74
Audience Interaction and Conclusion	75
Parallel Session 8:	
Service Delivery and Decentralisation to Reduce Party Maintenance Costs	76
Smt Yamini Aiyar, President and Chief Executive, Centre for Policy Research	78
Prof. Abhiroop Mukhopadhyay, Professor, Economics and Planning Unit, ISI	78
Shri Raghavendra Prasad, Founder, NRI Think Tank	78
Dr. Diego Maiorano, Visiting Research Fellow, NUS Institute of South Asian Studies	79
Audience Interaction and Conclusion	80
Concluding Session	81
Prof. Pradeep Chhibber, Professor, University of California, Berkeley	83
Shri Ram Madhav, National General Secretary, BJP	83
Shri Ashok Lavasa, Election Commissioner of India	84
Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms	85
Prof. K. C. Suri, Professor, University of Hyderabad	85
Audience Interaction and Conclusion	87

Hyderabad Declaration

The Hyderabad Declaration was drawn up in an effort to enshrine the discussions held on money power in politics during the two-day conference.

Two years from now, in 2022, India will celebrate its 75 years of Independence and in another three years thereafter the nation will celebrate 75 years of its life as a democratic republic. For a nation ravaged by centuries of caste-based inequalities, religious divisions, feudal privileges and colonial rule, it has been an arduous journey in making democracy work. In these years, the people wrestled with multiple goals and challenging tasks, including the task of nation building, ensuring social justice, and working for economic development and achieving them all through democratic political framework. In the western democracies these tasks were carried out sequentially and over centuries. India is called upon to manage this transition quickly without the material foundations that the western nations possessed.

That India with a highly plural society and a burgeoning population with relatively low levels of income could endure as a nation and a functioning democracy is a tribute to the wisdom, commitment and hard work of its people. India's democracy today is real, vibrant and stable. Like the peepal tree, it struck its roots deep and wide. People choose leaders and remove them in relatively free, fair regular, periodic elections. They have access to sources of information that are not controlled by the government. They are free to express their views without fear of being punished by the government, free to form and join associations and engage in political activity to influence public policy. Political parties have the right to propagate their ideas and openly seek public support. Elected governments exercise real authority and are accountable to the electors.

However, India's democracy is still a work in progress. We have a long way to go. Mere freedom of speech and expression and the right to vote are not enough for a good life. Democracy requires intricate mechanisms to establish links between individual interest and collective well-being, between demands for welfare and imperatives of development, between the taxes paid and services received, and most of all between the authority exercised and accountability enforced. Alongside what India has achieved in these seven decades after independence, there are also several features of how India's democracy works that are a cause for concern. These are the democratic deficiencies that need to be immediately addressed and tackled by citizens of India.

One such major issue is the flood of money and the heavy presence of the members of the moneyed classes in the legislatures. There is nothing objectionable if wealthy people choose to enter politics and work for the public good. It should be welcome. Also, parties need money to carry regular organisational and political activity and to contest and campaign in elections. But what we see in recent decades is the enormous increase of funds involved in political activity amounting to horrendous sums of hundreds of crores of rupees. If dynastic control of power is one dimension of the party politics of our time, possession of wealth and willingness to spend to gain or retain political power has become the most crucial determinant in the selection of candidates. Business people such as realtors, land mafia, owners of educational institutions, and big contractors make

direct entry to gain access to government, bureaucrats and police officials in order to safeguard and promote their private interests. Politicians use their hold on levers of power to make and tweak public policies in order to amass wealth for themselves, their families and cronies. They are ready to invest huge amounts of money in offering gifts to voters in the form of material goods, cash and liquor in order to win elections as they see the returns on investments are high. Well-meaning political parties and individuals who otherwise are public-spirited and want to enter politics face insurmountable entry barriers. There is a widespread recognition that this problem in recent decades is assuming alarming proportions in such a way that it may shake the very foundations of the Indian republic, undermines the capacity of the legislatures to collectively deliberate and legislate on matters of national importance and erodes citizen confidence in the democratic political institutions. The situation warrants urgent corrective measures. Several commissions, such as the Law Commission, Indrajit Gupta Commission, and the Constitutional Review Commission, have addressed this issue in the past and have recommended different remedial measures, although with little effect either on policy or political practice.

It is high time that all of us come together to curb this menace of illegal and illegitimate use of money in politics for partisan and personal gain. The situation calls upon us to work towards political reforms in a graduated manner. As the problem is multi-dimensional, it requires effort on multiple fronts:

1. A rise in citizen awareness about the dangerous consequences of money flooding into politics and how the politicians who offer money, gifts and allurements to vote in their favour later resort to foul ways to amass wealth would go a long way to curb the money power in politics. For this we need a concerted campaign by the concerned citizens, civil society groups and the Election Commission.
2. We need a robust legal framework to ensure democratic functioning of parties and regulate the flow of money into the political sphere. We also need to strengthen our ability to enforce the law. The legislation should make parties to choose their office-bearers through periodical organisational election, and to select candidates for public office through transparent, democratic process. We also should make sure that parties correctly declare in time their annual income and expenditure and to disclose sources of funding, etc. There should be policy measures to enable political parties to raise / receive the necessary funding in a transparent manner, so that all parties have minimum financial support to carry out party activity and compete in elections..
3. The best ways to reduce role of illegitimate money power and gift-giving in politics are:
 - a. to dis-incentivise and de-glamourise electoral offices.
 - b. To minimise the role and power of the state

- c. To empower local governments with accountability so that voters clearly perceive the link between their vote and the tangible consequences impacting their lives, and ordinary citizens can hold the elected government to account and cheque abuse of power.

We note that the 73rd and 74th Amendments of the Constitution, though well-intentioned, have not resulted in empowered and accountable local governments. They created unwieldy, over-structured, under-powered local bodies. The Union and State governments, and all political parties should urgently empower the local governments. New and flexible forms of local government organisation should be encouraged, and both rural and urban local governments should become the main point of contact for all service delivery. The principle of subsidiarity should be the defining principle for this organisation of local governments. Then the people will gradually appreciate the value of the vote, and dynamic leadership will emerge everywhere.

4. We recognise that electoral systems and design of democracy shape the incentives for all stakeholders – voters, candidates and parties, embed the political culture and practices, and alter the outcomes. There is no perfect electoral system, and all electoral models have their strengths and weaknesses. In the Indian context, the winner-takes-all FPTP system with the elected legislators controlling the fate of government and becoming de facto executives in the constituency has led to competitive bidding for votes and increasingly a system of gift giving to voters. This inevitably leads to a vicious cycle of corruption, abuse of power and plutocracy. In large parts of India, large amounts are distributed in cash, gifts or liquor, often far in excess of the legitimate campaign expenditure. While large, illegitimate spending does not guarantee victory, it has become the necessary condition and entrance fee for being regarded as a serious and electorally viable candidate.

Therefore it is time we review our experience with the FPTP system. The need to secure simple plurality of votes in territorial electoral districts makes elections highly candidate-centric. For political parties and leaders, winning each seat becomes so critical that they resort to populist promises, offer material inducements to voters to vote in their favour and resort to poll management strategies that are inimical to democratic fabric. Also the parliamentary executive system gives enormous incentive to candidates to spend extraordinary sums to have access to, and influence over, the executive on a daily basis.

Therefore there should be an open, robust national conversation on alternative electoral models – eg: clear separation of powers and direct election of the executive; and proportional representation in place of FPTP system. Both systems, if adopted, need to be adapted to Indian conditions with adequate safeguards to ensure wider regional representations in national power structure, to prevent fragmentation of polity on caste and sectarian lines, and to ensure stability of governments.

The challenge before us is not an ordinary one, because it involves regulating politicians who are there to regulate the political life of the country. Self-regulation is a big challenge for anyone and the

Indian politicians should rise to the occasion. Let us all come together to make Indian democracy work better and make it robust so that we realise the goals that people of India set for themselves and for the generations to come at the time the nation declared itself a democratic republic. India is still the home for a large number of illiterates and poor people of the world. Among the nations of the world, it stands at the bottom on several indicators of human development such as health care and years of schooling. Identities based on caste, religion, and region threaten to polarise people. Solution to the problems that India faces has to come through democratic political framework through well-functioning political institutions and robust political practice. Ordinary Indian people want to achieve a better life through democracy. As a political system, democracy is the only hope for a better future. Let us all work together to realise this hope, to renew our democracy at this critical time and make it work better.



DAY 1: JANUARY 9, 2020 (Thursday) **Inaugural Session**

Summary of the Session

The Indian Democracy at Work Conference got off to a splendid start with the inaugural address delivered by Shri M. Venkaiah Naidu, Honourable Vice President of India. He emphasised on the need to evolve mechanisms to combat the abuse of money power, as well as the other ills plaguing the democratic process in the country. Highlighting the various challenges that democracy in India faces, he told people to take pride in the number of challenges we as a nation have successfully overcome. Using his rich experience of over five decades in public life, the Vice President delved into a host of topics and enthralled the audience with his characteristic wit and humour. Dr. Jayaprakash Narayan, Dr. Appa Rao Podile and Dr. Rajendra Srivastva also delivered their remarks in this inaugural session of the 'Indian Democracy at Work Conference.





Chief Guest: Shri M Venkaiah Naidu, Honourable Vice-President of India

“General Secretary of the Foundation for Democratic Reforms Dr. Jayaprakash Narayan, representatives of Bharat Institute of Public Policy and the University of Hyderabad, distinguished invitees including political scientists, analysts and experts and friends from the media!

At the outset, I would like to compliment the Foundation for Democratic Reforms, Bharat Institute of Public Policy and the University of Hyderabad for organizing this first annual conference on 'Indian Democracy at Work' with the theme of 'Money Power in Politics'.

Indian democracy has proved to be a miracle by the way it has expanded and consolidated in our country during the last seven decades defying the doomsayers. It has also proved to be a theoretical surprise defying the traditional theory that democracy succeeds only in high income societies and has bleak prospects in poor and diverse societies.

At the stroke of independence, India was both poor and illiterate besides a diverse society which was not amenable for the survival of democracy. But the saga of the journey of democracy in our country has disproved all such assumptions. In the first General Elections held in 1952, 10.59 crore voters accounting for 61.14% of the eligible voters exercised their franchise. In the last General Elections held in 2019, 73.64 crore voters accounting for 67.09% of the eligible voters went to the voting booths in the highest ever voter turnout so far. This ever increasing voter turnout and enthusiastic participation holding mirror to the durability of our democracy is nothing short of miracle.

The democracy at work in India is marked by staggering complexity and surprising efficiency of holding elections. We need to briefly reflect on the reasons for consolidation of democracy in our country. Democratic form of governance is not new to India. Ancient India has the glorious traditions of democratic republics prior to 6th Century BC. Vaishali in Bihar has been acknowledged by many historians as the World's First Republic. During the times of the Rig-Veda, democratic institutions called 'Sabha' and 'Samiti' existed. Even during the days of Gowtama Budha, 2500 years

ago, India had many self-governing republics in the form of Janapadas. Licchavis were a well-known republic. During the Chola period, around 1000AD, local governance and democracy flourished.

These ancient republics were destroyed due to wars among the kings but the democratic ideas continued to flourish. These historical facts emphasize that democratic mindset is inherent to our ethos and culture.

During the colonial era under British rule, India came under centralized control of alien rulers and there was no self-governance.

Our Constitution-makers embarked on an unprecedented, extraordinary journey when they decided on creating a democratic republic based on individual liberty, fundamental rights, and universal adult franchise.

The Election Commission of India has been playing an effective role in conducting elections in the country and deserves compliments. Indian democracy has shown refreshing capacity to adapt to changing conditions, and uphold democratic institutions and practices.

Brothers and Sisters!

In terms of sheer numbers and the extent of participation of masses, not only did democracy and liberty endure in India, but the nation also achieved several notable successes. The largely peaceful integration of over 500 princely states of every conceivable form of diversity into the Indian Union is an unmatched accomplishment in human history. In a world in which most nation-states are struggling with multilingual societies, India built a stable framework for coexistence of twenty two languages, and linguistic reorganization of states proved to be a great triumph of common sense and pragmatism. While India was only quasi-federal in the early years of the republic, a true federal republic has been built over the past two decades, with states coming into their own. But the question that we need to ponder is whether we are the best democracy in the World. It is the quality of democracy in terms of free and fair political and electoral processes and the quality of governance that really matter. Nevertheless, there are many increasingly evident distortions in our electoral process which are undermining our accomplishments and impeding the twin national goals of poverty eradication and rapid economic growth.

Two glaring distortions need to be addressed by the political system with a sense of urgency and unity. The first is the use of enormous money power – often unaccounted and illegal – in politics and elections. The second is the increasing attempts to entice the voters with short term benefits at the cost of the long-term goals of basic amenities, infrastructure, quality education and healthcare and growth and job opportunities

Before I focus on money power in politics, let me briefly address the issue of short term benefits at the cost of long term goals of eradication of poverty and enhancement of incomes. In every democracy there is a clash between the short term political expediency to entice the voters, and the long term public good the elected legislatures and governments are sworn to promote. Poverty can

only be eradicated by enhancing real incomes and creating economic opportunities to all, particularly to the poor and deprived. Basic amenities like drinking water, storm water drainage, sewerage, pollution control, mosquito control, protection from vagaries of nature are the very purposes for which people pay taxes. If governments fail in delivering them, the rich will fend for themselves, but the poor suffer disproportionately. Quality infrastructure – in particular an efficient, reliable transport system and electricity – is critical for economic activity, job creation and prosperity.

Quality school education for every single child is a vital necessity to enhance human capabilities and fulfill the potential. Poverty can be ended only when every child gets good education; skills are improved, jobs are created and incomes rise.

Quality healthcare for every person is critical to eliminate pain and suffering, and to enhance productivity.

Short term benefits offered for electoral advantage are at the cost of the government's ability to perform its main functions. The poor and middle classes will be most affected and growth will be retarded if there is failure of government in maintenance of rule of law, basic amenities, infrastructure, education and healthcare.

Economists, social scientists, media and civil society need to come together to evolve mechanisms to find a reasonable balance between the short term poverty alleviation and long term poverty eradication. Perhaps a time has come to consider a suitable legislation on the lines of FRBM (Fiscal Responsibility and Budget Management) Act, 2003. If a cap is introduced on the proportion of budgetary resources that can be deployed for short term benefits by law, then perhaps all parties will have a level playing field, and reckless and unsustainable populist promises can be kept under check. Ultimately transparent budgeting, local empowerment to enable people to see how tax money is translating into tangible services, and better service delivery are critical to help citizens make informed political choices.

The issue needs urgent attention. A combination of wise political leadership, enlightened public opinion and practical legislative measures with broad national consensus is needed to address this great political and fiscal challenge.

Now, let me address the issue of the growing role of money power in our political life. Political process in a democracy costs money. Parties are necessary vehicles for political participation of citizens and mobilization of people and public opinion. Parties need money to run their offices and legitimate activities. Elections cost money for the parties and candidates to convey their message to voters, and for the people to make informed choices.

It is usually said that money speaks in many ways, but the problem arises if the money comes to influence the political activities and electoral processes thereby eroding the credibility of the polity and the elections. Elections and electoral processes are the fountainhead of the sanctity of parliamentary democracy. The purity or the impurity of these processes determines the quality and

the sanctity of our polity. The expanding role of money in politics and the elections over the years have given rise to serious concerns which need to be addressed immediately. In the process, it has emerged that if you are a millionaire, you have better chances of becoming an MP or an MLA at the cost of a more qualified candidate who is poor. The money power is placing entry barriers to the more deserving but who are less endowed in terms of resources.

If 543 is a reasonably good sample for any survey from which certain conclusions and inferences can be drawn, India qualifies to be among the richest in the world, going by the rising number of wealthy parliamentarians.

According to a report, of the 533 candidates elected to the 17th Lok Sabha last year and whose declared assets were examined, 475 accounting for 88% of the total are 'crorepatis'. This paradox of poor India with rich parliamentarians is raising concerns about the growing role of money power in politics.

It has been reported that money power influences election processes in 40 wide ranging ways. These include selecting a candidate, setting up dummy candidates, financing weaker candidates of other parties, hiring vehicles, buying space in media, bribing voters through money, biryani, alcohol and consumer goods etc. Abuse of money in politics chokes democracy besides compromising with its integrity.

The most troublesome feature of our elections in recent decades is the rise of illegitimate expenditure for vote buying. While the picture varies, in several states an expenditure of Rs 5-10 crore by a candidate for State Assembly constituency is no longer regarded as unusual. While the legal ceiling of expenditure currently stands at Rs 28 lakh for an assembly constituency in major States and Rs 70 lakh for a Lok Sabha seat, the actual expenditure in several states is 20 times that ceiling or more. I understand that most of that money is spent for distribution of money or gifts to voters. We should not allow the integrity of our democracy to buckle under the weight of money.

During the last year's general elections, the Election Commission has seized Rs.839 cr in cash, drugs and narcotics worth Rs.1300 cr, liquor worth Rs.249 cr, gold and silver with a value of Rs.986 cr and other freebies and items meant for distribution to voters worth Rs.58 cr. Despite the best efforts of the Election Commission, we all know that these seizures worth a total of Rs.3,500 cr were only a tip of the iceberg. Where does all this money come from? It was all unaccounted black money.

This distribution of money to entice voters obviously has grave consequences for our democracy and electoral process. Corruption becomes endemic as political activity is fueled by abuse of power. Huge entry barriers are being created in politics, and most honest, public spirited, competent citizens cannot enter the political arena. The parties are forced to opt for wealthy candidates who can spend vast sums of money, disregarding the requirements of clean politics and good governance. As a result of this vast, illegitimate expenditure the whole democratic process is undermined and the legitimacy of the system is getting eroded. It is also corroding faith in democracy and promoting cynicism.

Higher election expenses foster corruption and threaten quality of governance through compromised policy making and administration besides undermining the fairness of the election process. It also fosters collusive deal making among the politicians, elected wealthy representatives and the executive, with winners expecting to be compensated for the huge expenditure incurred to make it to the legislatures

The money power in politics is also a concern in other democracies. The British Justice Ministry in 2008 while expressing concern about the 'Commercialization of Elections' brought out a report on party finance and expenditure. It was stated in the report that while elections should be contests of ideas and visions but recently they have been overshadowed by a chase to raise vast sums of money.

The Supreme Court of India also reaffirmed that money is bound to play an important part in the successful pursuit of an election campaign in Kanwar Lal Gupta Vs Amarnath Chawla case. Voters get influenced by the visibility of a candidate and party and huge election spending thus impacts voter's choice.

Mere expenditure ceilings and exhortations are not enough. Nor will blaming parties and politicians help. Good sense and wisdom lie in applying correctives to address the problem rather than throwing blame. If vast, unaccounted, illegitimate expenditure has become a growing, near nationwide problem, then we should realize that it is a result of a systemic problem that we failed to correct over time. The former Prime Minister Late Shri Atal Bihari Vajpayee voiced his concern over abuse of money power and said and I quote "Every Legislator starts his career with the lie of false election return he files." This, in effect means that a lawmaker becomes a law breaker by flouting the laws right at the start.

Brothers and Sisters!

Over the years, several Committees have examined some of the major challenges and issues affecting India's electoral system and have made some recommendations. The Law Commission of India in its 170th Report on "Reform of the Electoral Laws" in 1999 and the Election Commission of India in its Report in 2004 on "Proposed Electoral Reforms" have addressed some of the issues. The Goswami Committee on Electoral Reforms in 1990, the Vohra Committee Report in 1993, the Indrajit Gupta Committee on State Funding of Elections in 1998, the National Commission to Review the Working of the Constitution in 2001 and the Second Administrative Reforms Commission in 2008 have also examined these issues. Recently, the Law Commission in its 255th Report has also made several recommendations on electoral reforms under 3 categories namely viz., limits on political contribution and party candidate expenditure, disclosure norms and requirements and state funding of elections. These recommendations of the Law Commission are under consideration of the government.

In the context of the rising money power in politics, some prominent ideas engaging the public attention are state funding of elections and simultaneous polls.

Implementation of state funding of elections in our context is fraught with too many issues of implementation. These include; the quantum of funds to be made available to each party, basis of such allocation, funding of independent candidates, such funding either before or after elections, implications of such funding for regional and national parties, its impact on engaging masses in political activities, provisioning such funding etc. Moreover, state funding of elections would meet the purpose only if no other source of funding is tapped by the political parties and candidates. According to some commentators, state funding of elections is a double edged weapon, which while seeking to curb the money power would also impact the political parties in engaging with the masses and this in turn will impact their political participation. The much required political consensus in this regard is in any case still elusive.

On the other hand, holding simultaneous polls is an idea worth considering. The Department Related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice has examined this subject 'Feasibility of holding simultaneous elections to the House of People (Lok Sabha) and State Legislative Assemblies' and presented its report to the Parliament on 17th December 2015. The Committee while underscoring the need to evolve national consensus on the issue felt that and I quote "...in the larger context of economic development and implementation of election promises without creation of the impediments due to enforcement of Model Code of Conduct as a result of frequent elections, the prospects of holding simultaneous elections need to be weighed and deeply considered by all political parties". The committee expressed the hope that a solution will be found to reduce frequency of elections which relieve people and government machinery of frequent elections.

In the light of the experience of frequent elections since 1967 and the consequences, I feel that time has come for the idea of simultaneous polls to be seriously considered. The Law Commission of India in its 170th Report in June 1999 also favoured holding simultaneous elections. There are certain apprehensions in some political quarters that simultaneous polls may benefit some parties with larger support base and charismatic leadership to the detriment of others. This apprehension does not seem to be well founded as the Indian voter has demonstrated his maturity in voting differently for the Lok Sabha and Assembly elections. Simultaneous polls could also significantly bring down the cost of holding elections by the Election Commission of India and also the expenditure by the political parties besides other advantages. Hence, I urge upon the political parties to seriously consider the option of simultaneous polls and evolve a consensus.

I strongly feel that there is a need for a strict code of conduct to be adhered to by the political parties with regard to their source of funding, expenditure on political training of cadres and their mobilization and other political activities, funding of elections and candidates etc. Political parties of the world's largest democracy should not shy away from being financially accountable as it would enhance the transparency of our democratic polity. Several other democracies have systems in place under which finances of political parties are regularly audited.

Campaign finance needs should be met by the society honestly and transparently, and the existing mechanisms need to be strengthened. Service delivery should become predictable and assured to citizens. The governance system must be transformed into a fair, transparent, rule-based, equitable and predictable system.

I suggest that Parliament should think of making a law for ensuring transparency in the polity through appropriate and actionable regulatory measures to make accounts of political parties public.

We can't afford this trend to go unchecked as it taints the integrity of our parliamentary democracy. The societal norms where money power and muscle power dominate over moral power and spirit of service make this change a little difficult.

Paid news is a manifestation of the rising money power in politics. Paid news is obviously fake news as it seeks to promote an unworthy candidate at the cost of the worthy in the elections. The Election Commission has been acting against paid news but much more needs to be done to eliminate this electoral abuse. Media as the fourth pillar of democracy should rise to the occasion and not fall prey to the lure of paid news.

At times, we are witnessing systematic spread of fake news through social media by vested interests to polarize society which can even affect the fair election process. The Facebook- Cambridge Analytica data scandal is just an example of this. Elaborate discussions should be held by all stakeholders to suggest adequate larger measures to promote positive aspects of social media and curb the negative effects.

Brothers and Sisters!

Money power in politics cannot be controlled by the election commission alone. Besides political parties, civil society, the corporate and organizations working for electoral reforms have a larger role to play in countering this. More importantly, it is the citizen-voter who should take the lead in preventing the abuse of money power. Voters should realize that selling a vote for a few thousand is the highest form of moral compromise that militates against democratic ethics. If a citizen sells his vote, he forfeits the right to take the government he voted for to task in case of the failure to deliver on the promises. We need to fix the governance system along with bold electoral reforms in order to break the vicious cycle of corruption and erosion of the quality of our democratic polity. Effective campaigns need to be undertaken to educate the voters about the virtue and the power of their votes and the adverse implications of compromised voting.

Citizens should vote in the elections based on four Cs namely, Character, Conduct, Caliber, and Capability and not based on the adverse set of four Cs namely Cash, Cast, Community and Criminal prowess. That's the ultimate solution.

To sum up, democracy has stabilized in our country by taking deep roots over the last seven decades but it is afflicted by 'quality deficit'. For democracy to succeed in our country, the ill-effects of

identity-based voting and voting for money should be eradicated at the earliest. Holding simultaneous polls and an act of parliament for 'effective regulation of political finance', besides transformation of voters to shun money for vote are critical to enhance the quality of our democracy. Our society and political leadership have the ability to resolve our problems. Indian people are hungry for clean politics and good governance. But they must vote in a more mature and responsible manner and political parties must be made accountable to their promises and performance.

I fondly hope that before we begin to celebrate the 75th anniversary of our Independence in 2022, some effective measures would be put in place to checkmate the role of money power in our polity.

I compliment Dr. Jayaprakash Narayan for his sustained efforts for generating public awareness about clean politics and its merits.

I am indeed happy to have got this opportunity of sharing my thoughts on the causes and consequences of 'Money power in politics.' I compliment all of you for your participation in this conference on such an important and topical issue.

Jai Hind!"

Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms

“Seventy years ago, our forefathers embarked on an extraordinary journey. They opted for individual liberty, universal franchise and democratic system of government. India is the first nation to adopt universal adult franchise from the very inception of the Republic.

We were a poor nation with vast illiteracy, we are also the most diverse nation in human history. Our land mass is equal to that of Eastern Europe; our population is larger than that of Europe and South America combined. We are more diverse than all of Europe combined. And we had no democratic experience for over two thousand years.

Many scholars and observers predicted that we would not succeed, we would disintegrate soon, or democracy would soon degenerate into tyranny. But we proved all those prophets of doom wrong.

We strengthened our bonds of unity as a nation. We preserved our liberties. Our democracy is noisy, vibrant and real. We have an unbroken tradition of free and fair elections. Peaceful transfer of power to elected representatives has been institutionalized. We strengthened our federalism. We achieved moderate economic progress.

We celebrate our success as a democracy, and we cherish our freedoms. We recognize that our task is unfinished. Democracy is a work in progress. Britain had 8 centuries of democratic evolution. Even after the Glorious Revolution of 1688, it took 240 years for the United Kingdom to become a full-fledged, modern democracy with mature institutions. The United States had four centuries of democratic experience and evolution. We need to constantly introspect, evolve, reform and rejuvenate.

We are a confident nation. We recognize our strengths, celebrate our successes. We also acknowledge our shortcomings, and work together to improve our institutions and practices.

It is with this spirit that the Foundation for Democratic Reforms, the University of Hyderabad and the Indian School of Business have come together to organize a series of annual conferences on 'Indian Democracy At Work'. This is a unique endeavour combining theory and practice. These conferences are not merely about description of problems; they are about a reasoned search for solutions – based on evidence, reason, experience and best practices,

This work is above partisan politics. The galaxy of leaders participating in this conference across the whole political spectrum shows that we all have a common purpose. We may have different perspectives and experiences. But we all share love for our country, we all cherish liberty; and we want to make our democracy work better.

We hope to collectively identify practical, achievable, acceptable reforms to improve our politics and governance. We respect and recognize true politics as a noble endeavour. We endeavour to help build a broad consensus on the reforms required. And we intend to constructively engage all sections of society and raise the collective voice of informed citizens. This is about citizens taking responsibility, not blaming others and passing the buck.

On behalf of University of Hyderabad, Indian School of Business, and Foundation for Democratic Reforms, I extend a warm and cordial welcome to all of you to this first national conference of the series - Indian Democracy At Work. This conference theme is money power in politics. In an election cycle of 5 years, covering local, state and national elections, an estimated Rs 1,00,000 crore is being spent in India. This is the largest expenditure in the world. Most of this expenditure is unaccounted and illegitimate, distorting our politics, undermining our democracy and weakening our nation. In addition, parties are forced to deploy a vast political machine round the year to act as intermediaries in service delivery. In every assembly constituency hundreds of party workers are available full time to people. They are mostly poor and unemployed, and parties are forced to create avenues of income for their upkeep. This indirect cost again is of the order of Rs. 100,000 core in a 5 years cycle.

Instead of criticizing politicians, we need to find solutions. That is the objective of this conference.

I extend a cordial welcome to Shri Venkaiah Naidu garu, our Vice President who graciously consented to inaugurate this conference.

I welcome all the speakers who have traveled far to be here. I welcome all the academics from all over India and many from abroad who have taken great pains to be here to share their knowledge and insights with us. I welcome the practitioners, thought leaders and reformers we have served us. I welcome the representatives of the print and electronic media who are here to observe and cover the proceedings and disseminate them to the wider audiences all over the country and the world.

Above all, I welcome the participants who registered. Uparashtrapati ji, nowadays you have to entice and pay people to participate in a short meeting. Most of the participants here have paid a fee of up to Rs 3000/- and have taken leave from their work or profession to participate in this important conference. They are here for a stimulating, meaningful, purposive discussion. They are here to be a platform for collective, thoughtful action. They are here because they want to be part of the change they wish to see in our beloved country.

I salute them. I welcome you all. I am sure, with this energy, this conference will be a springboard for purposive action, and meaningful reform.

Dr. Rajendra Srivastava, Dean, Indian School of Business**Rapporteur's Summary**

Dr. Rajendra Srivastava mentioned that one of the features of democracy was that it nurtured both economic and political freedom. According to him, the issues plaguing any democracy in the world - such as the rural-to-urban migration - need to be addressed both economically and politically. He also extended a warm welcome to all the participants and speakers alike, who had graced the campus of the Indian School of Business for the 'Indian Democracy at Work' Conference.

Dr. Appa Rao Podile, Vice Chancellor, University of Hyderabad**Rapporteur's Summary**

Dr. Appa Rao Podile exhorted that the youth of this country must debate and search for solutions to the problems that India is facing, such as the abuse of 'money power' in politics. He mentioned that the abuse of 'money power' in elections was prevalent in universities as well, during the student body elections, where large sums of money are spent. If corrections to such activities are made at the college level itself, then change in the overarching systems will definitely be visible in the years to come. He pointed out that the people who are running the country and those who will run the country in the future - whether through the Judiciary, Executive or Legislature - have, at some point, been nurtured by India's various universities and colleges. As it pertains to social scientists, according to him, it is our societies, which are their laboratories and when they are confined to the boundaries of a university, the university becomes their laboratory. He appealed to fellow academicians to treat them as such, and endeavour to bring about positive, constructive changes in our universities likewise .



Plenary 1: Legitimate Campaign Expenditure in Indian Politics

Summary of the Session

In a democracy as large as India's, it can be proudly stated that the election process goes on reasonably well. However, certain critical aspects of elections are often regarded as murky and ridden with 'black' money. With the advent of social media, crores of rupees are being churned in during the election cycle and consequently the legitimacy of the expenditure is under close scrutiny.

In this session, the speakers discussed the possible solutions to reduce the excessive expenditure during political campaigns.





Chair: Shri T S Krishnamurthy, Former Chief Election Commissioner of India

Shri T S Krishnamurthy is a former officer of Indian Revenue Service, who held the office of the Chief Election Commission overseeing the Lok Sabha elections in 2004. In the general elections of 2004, he ensured the use of Electronic Voting Machines (EVMs) all over the country for the first time. Early in his career, he worked at the Bank of India Ltd. He has been a Commonwealth Observer of elections in Uganda, Zimbabwe. He was also invited to witness the presidential elections in the United States of America and Russia. Shri Krishnamurthy is credited with setting up the Investor Education and Protection Fund from the unclaimed dividends of companies. He also served as an IMF advisor to Ethiopia and Georgia.

Shri T S Krishnamurthy, Former Chief Election Commissioner of India**Rapporteur's Summary**

Shri T S Krishnamurthy regarded the quest for power and the enormous scope for corruption as the two major drivers for people entering politics. He considers money to be the biggest destructor of Indian politics and political parties to be the weakest link in our democracy. Although the Election Commission played a positive role in the functioning of democracy, he acknowledged that it could not bring in serious reforms to curb the 'money power' effectively. The reason for this, according to him, can be attributed to the political parties' vested interest in continuing the status quo, which would continue to raise havoc in the Indian electoral system.

Smt Natasha Jog, Election Integrity Lead, India, South Asia, Facebook**Rapporteur's Summary**

Smt Natasha Jog elaborated on the use of social media in elections and the influence it exerts on elections and the netizens. She acknowledged the rising trends in political advertisements and election related advertisements on social media. She discussed how the threat of fake news and misinformation primarily finds roots in fake accounts and how platforms like Facebook are doing their best to weed them out. In the first quarter of 2019, around 2.2 billion fake accounts were brought down. While she mentioned the existing mechanisms to increase transparency on media platforms such as working with third party fact checkers and using tools like Artificial Intelligence, she also recognised that the work is far from done and requires continuous improvement. She expressed that information relating to the advertising budgets and election related expenditure of parties being made publicly available will go a long way in combating illegitimate use of campaign funds and help maintain accountability.

Dr. Milan Vaishnav, Director, South Asia Program, Carnegie Endowment for International Peace**Rapporteur's Summary**

Dr. Milan Vaishnav started by quoting his book 'Costs of Democracy: Political Finance in India' where he seeks to examine and understand five different questions that arise in the current political and electoral situation of the Indian Polity. They are:

1. What are the sources of campaign finances in India?
2. What do political parties and candidates actually spend on?
3. How does this vary at different levels of government?
4. What is the regulatory environment in which the spending takes place?

5. How do we reform the system to make it a little better?

Quoting research with fellow academicians, the speaker challenged the notion that money is spent on illegitimate expenditure of vote buying; however, he agreed to the fact that there is a very high possibility of the sources of this money being illegitimate. The speaker opined that most of the expenditure is legal. He grouped the kinds of expenditure deemed legal by the election commission into five clusters, namely:

1. Meetings, Rallies, Gatherings, Processions
2. Cost of campaign material like flyers and hoardings
3. Social media
4. Vehicles and fuel for transport
5. Campaign workers

These are considered important financial expenditures for political candidates. Wages for campaign workers are considered very important not only because it is necessary to maintain the cadre but it is also a signal of their credibility. It shows that they take care of the people working for them, and by an extension, they will take care of their constituency.

He challenged the use of the term 'vote buying' and proposes a new term to replace it – 'gift giving' since it is very hard to “buy” the votes of Indian voters. He briefly mentioned the ballooning size of constituencies, the rise in competitiveness in elections and the difficulty in not being able to gauge the effectiveness of every rupee spent by political parties. This makes the process of spending money on elections complicated, thus pushing politicians to spend out of sheer paranoia.

Shri Konda Vishweshwar Reddy, Former Member of Parliament, INC

Rapporteur's Summary

Shri Konda Vishweshwar Reddy pointed out that with the campaign expenditures surpassing the healthcare budget in the nation, it's high time that the country relooks and changes the trends of the prevailing system. He elaborated on the difficulties associated with accounting for various kinds of money, including soft money, hard money and black money, among others. He also raised questions on the method used to calculate campaign expenditure. He quoted an example from the United States where a law limiting the use of soft money was struck down by the Supreme Court eight years after it was passed. The judgement stated that these limits curtailed the freedom of speech and expression of the candidates. He proposed for election campaigns to be funded by the state, legitimising fraction of the spending. As there might be a sharp increase in people entering politics after the state funding is brought in, there might be the challenge of limiting qualified candidates. Nonetheless, it is an option worth looking into as it is practical, suitable and feasible.

Dr. K Laxman, President, Telangana State BJP**Rapporteur's Summary**

Dr. K Laxman focused on how candidates of quality often fall prey to 'money power' in politics whilst quoting examples from his personal life. He mentioned that money power is essential even to run a party due to various expenditures, including the new addition that is the social media. The speaker opined that state funding of elections cannot help curb the vote buying and proposed that having presidential form of government and simultaneous polls could go a long way in curbing election expenditure.

Dr. N Bhaskara Rao, Chairman, Centre for Media Studies**Rapporteur's Summary**

Dr. N Bhaskar Rao delved into the scope and structure of campaigning and suggested seven specific suggestions to combat this excessive expenditure on electoral campaigning. Those are:

1. Moving in the direction of crowdfunding instead of corporate funding, as it would bring down the quid pro quo phenomenon.
2. All the candidates must campaign together instead of each candidate going individually to the voter. This will give space for the contestants to indulge in post poll collaboration which is a step towards better governance.
3. All news channels and radio stations should be instructed to give the same amount of free time to all the candidates for their campaigning.
4. Nominations of candidates by parties should be accepted only if parties are following their own constitution and strictly adhering to intra-party democracy.
5. Increase the number of voters required to ratify a candidate from the existing number i.e., 50.
6. The campaign should strictly limit itself to the manifesto.
7. To make the campaign more substantial, social auditing tools must be brought back. Also, the RTI Act and the Right to Guaranteed Delivery of Public Services need to be revived.

Audience Interaction and Conclusion

Stating his own case, Shri Konda Vishweshwar Reddy mentioned that candidates who declare their wealth publicly are actually at an advantage because this would convey to the people that they do not have the necessity to indulge in corruption. Addressing the concern of gender imbalance in politics, Smt Natasha Jog mentioned that conscious strides are being made and steps are being taken to combat this. The necessity of submitting auditing reports by the parties was reemphasized.

Conclusion

The Chair Shri TS Krishnamurthy summed up the session by making a few significant points. He mentioned that the limits imposed by Election Commission are a sham and do not help in curbing malpractices. Exploring alternative election systems to First-Past-The-Post, he mentioned simultaneous elections as an attractive proposition, but at the same time he acknowledged the practical difficulties in its implementation. He proposed the implementation of the National Election Fund to efficiently legitimise the expenditures. Curbs should be put on the illegitimate sources of money to political parties. Arguing against the bearer bond scheme, he urged the government to abolish it or address its limitations as the scheme is currently hampering the transparency of money in elections. He also encouraged more debates and discussions in this area as it is a necessary step towards reform.



Parallel Session 1: Mechanisms to Reduce Campaign Expenditure

Summary of the Session

This session focused on curbing expenditure during campaigns. The speakers shed light on the manner in which money is spent during elections. The panel presented potential solutions to address the spending, and at the same time pointed out measures that could be ineffective or counterproductive in resolving the problem. Their comments are summarized below.





Chair - Shri K Madhava Rao, Former State Election Commissioner, Andhra Pradesh

Shri K Madhava Rao is a retired officer of the Indian Administrative Service. He earlier served as the Chief Secretary of Andhra Pradesh, District Collector of Warangal from 1972 to 1974, State's Election Commissioner from 1999 to 2004. He has also served as an Advisor to Governor-Bihar State during President's Rule, Director-NALSAR, among others. He was the Director of Central Board of the Reserve Bank of India during 2000 to 2006. He is currently the president of the board of directors of IPE, an autonomous business school.

Shri K Madhava Rao, Former Chief Secretary and Former State Election Commissioner, AP**Rapporteur's Summary**

Shri K. Madhava Rao began by affirming that democracy is the best form of government despite its flaws. To substantiate his point, the speaker narrated an anecdote about Confucius. In the anecdote, a woman chooses to live in a forest despite having lost her son, husband and father to a tiger attack. Confucius asks the woman why she hadn't moved to the village in order to be safe from the tiger, to which the woman replies that she chose to live in the forest as there is democracy in the forest. The speaker reinforced that one must work towards making democracy better and find solutions to the problems existing currently.

Shri Amit Varma, Writer, Journalist and Podcaster**Rapporteur's Summary**

Shri Amit Varma framed the problem of 'money power' in politics as one of incentives and rights. Both politicians and voters respond to incentives – hence, to address the problem of 'money power' in politics, the fundamental structural incentives must be addressed. The speaker also called out the excessive coercive power of the state. The predatory rent-seeking state presents the incentive for politicians – curbing this coercive power of the state would alter the politician's incentives. He suggested localized elections and proportional representation as potential solutions and was not in favour of solutions like setting a cap on campaign expenditure, as these measures would be ineffective without the state capacity to implement and even if state capacity existed, it would slip into the power of the ruling government, and subversion would be easy.

Shri Kumar Ketkar, Member of Parliament, Rajya Sabha**Rapporteur's Summary**

Shri Kumar Ketkar elucidated that money power in politics could be one of the following two forms:

- a) Vote-buying - the documented practice of offering money to voters, who know and expect the same, and;
- b) The purchase and/or coercion of media

Candidates are known to prefer television media over print media for campaigning. This has raised the importance of TV media enormously. India has an unusually large TV news channel industry with numerous channels airing their news programs. Politicians tend to show their dominating presence to the viewers on the print and TV media that are owned by them. Many individuals with “parallel” money start TV channels, who in turn earn money from the candidates and the parties.

As a result, whoever has the most to spend can dominate by increasing their media presence.

The speaker then described the economics of this industry. Most channels run under losses and are not essentially profitable businesses. Instead, their value lies in influencing public opinion. Advertising revenue from businesses is also a source of revenue for TV channels; however, when the economy is down, TV channels become more dependent on government advertising. This is not pegged to a party or individual but rather to a department. TV channels are then subject to the conditions that the ruling party sets, become servile to the ruling party's views, and are compelled to report positively on all government programmes. The channel economy runs essentially on this model of advertising – this presents another avenue through which 'money power' is exerted in politics.

Dr. Rajat Kumar, Chief Electoral Officer, Telangana

Rapporteur's Summary

Dr. Rajat Kumar acknowledged that the huge amounts of money required to contest elections only suggest that the wealthy 1% of the population can afford to contest for power. The speaker called for the urgent necessity for rule of law. As the money changes hands in the two days before the election day, the thrust should be on the executing rule of law effectively. He questioned the move of reduction of the period of campaigning to 14 days since it penalizes genuine candidates and intensifies these illegitimate activities in such a short period. He also expressed doubt on implementation of public funding of elections, as it has also led to corrupt practices in a few Latin American countries. However, he supports the idea of public funding for intra-party elections in India as it could diffuse power. According to him, party expenditure, more than candidate expenditure, should be closely scrutinized as an immediate measure. The funding by the party, on the other hand, is much larger and therefore, would require stronger norms and legislative framework.

Audience Interaction and Conclusion

Several perspectives emerged in the general discussion. Participants were interested in the possible solutions to contain illegitimate spending. Addressing a question seeking to know if there should be a hard cap on spending, the speakers commented that this might not be the best solution given the lack of state capacity to enforce the cap. They reiterated the need to fix the incentive structure.

Some participants highlighted that the democratic structure is being undermined with the presence of criminals in politics. Others questioned the institutionalized distribution of money through public schemes near the election. The speakers expressed that the suggestion of keeping criminals out of politics is a difficult task as the scope of criminal activities can be subjective. That being said, the fact that the Supreme Court requires the Election Commission to display criminal records of candidates three times in print and once on TV in a prescribed format was discussed. Most of the audience was unaware of this development and it was agreed that this information should be better publicized. Overall, the participants and speakers had consensus on the need for more discussion around the issue.

Conclusion

In summation, the points put forward by the Chair Shri Madhav Rao were as follows: One, the idea of letting people contest in their individual capacity at the local level elections, thereby making it non-political. Although this move would require more scrutiny and control, it might be a good experiment to start with. Two, distributing large sums of money during elections and voters' freedom of expression seem to be linked, although this should be subject to restrictions in the interest of the common good. Here the common good is the preservation of democracy and the civil society must be prepared to step in to save democracy.



Parallel Session 2: Bringing Transparency in Political Funding in India and Learnings from the World

Summary of the Session

Political funding is an important aspect that cannot be overlooked when talking of money in politics. India's political funding system is characterised as opaque and inefficient. Transparency is the distinguishing feature of democratic societies and people have a right to be informed about the processes involved in decision-making. The panelists delved into current problems plaguing political funding in India, and shed light on alternative practices drawing from other countries' experiences.





Chair: Prof. K. C. Suri, Professor, University of Hyderabad

Prof. K.C. Suri is a Political Science Professor at the University of Hyderabad. His areas of specializations include Indian Democracy, Public Policies, State Politics, Political parties, and Election Studies.

Prof. K. C. Suri, Professor, University of Hyderabad

Rapporteur's Summary

The crux of Prof. K.C. Suri's speech revolved around three questions that need to be addressed urgently:

- 1) Currently, what laws and regulations deal with Political Funding?
- 2) What are the problems in their implementation?
- 3) In what ways can they be addressed?

The speaker expressed that, one must look at the laws that were made in the last few decades to ensure transparency ,to get a better picture as to where we stand now.He highlighted the need for reporting party income to the Election Commission regularly, especially the source of funding. He mentioned that India is among the few countries which has an elaborate legislation concerning party funding. He added that according to one of the legislation, all contributions worth 20,000 rupees and above must be reported, however most of the political parties categorize their funding under small contributions and avert reporting of funds. The speaker also stressed on strengthening existing provisions (The representation of people's act) such as making it mandatory for the parties to mention their source of funding explicitly rather than vaguely mentioning ' family and friends' , whatever the amount might be to the Election commission. The speaker reinforced that Transparency can be achieved to some extent in doing so.

Shri Jashwant B Mehta, Founder, Forum for Presidential Democracy

Rapporteur's Summary

Shri Jashwant B Mehta spoke of how electoral funding has always remained as 'fertile ground' for corruption. Expenditure in previous elections is estimated to be Rs. 1 crore to Rs. 3 crores in case of assembly elections and Rs. 2 crores to Rs. 10 crores in case of Lok Sabha elections. These expenditures have been funded by the new businessmen including the mafia. Despite repeated pitches for state funding, no efforts have been made for its implementation. The speaker presented a review of the public funding mechanisms at place in Germany, Australia, Canada, UK and USA. The German system involves norms for party spending and candidates are selected by the party members, whereas political parties are paid per vote in Australia and Canada. The United Kingdom offers free facilities to candidates such as television broadcast and mailing of manifesto to each voter. The USA has implemented reforms over the years for higher levels of transparency and offers to run the campaign for eligible presidential candidates if they avoid private funding.

The speaker linked the malaise of transparency in Indian electoral politics to the degeneration of the quality of legislature. Entering the legislature is not just a stepping-stone to a person aiming to enter the executive, but also is a protection from law accompanied with other lucrative benefits including

salaries, subsidies and pension. The legislature intrudes into the purview of ministers to influence the police and bureaucracy. He argued that introduction of Member of Parliament Local Area Development Scheme (MPLADS) has led to siphoning of funds as the funds are spent at the discretion of the legislator and pointed to the recommendation for the immediate discontinuation of this scheme by the National Commission led by Justice Venkatachaliah. Moreover, there had been attempts to extend the scheme to the lower tiers of government. The speaker cited the data to prove how bills are passed in the Parliament without proper discussion or debate as voting on the passage of bills is solely done on partisan lines. Legislators' role has been reduced to merely obeying the whip and their lack of freedom in speech and thought is resulting in the poor functioning of the legislature.

Prof. Krishna K Tummala, Professor, Kansas State University

Rapporteur's Summary

Prof. Krishna K. Tummala began by emphasizing that in a democracy everybody must count. He mentioned that initially though the US constitution mentioned “one man, one vote”, not every citizen was viewed equally. In the USA, Indians and African-Americans were enfranchised by the 14th Amendment in 1868 and women by the 19th Amendment in 1920. He also pointed out that certain cantons in Switzerland still deny voting rights to women.

The speaker then spoke about the electoral system and held that rich people carry disproportional weight due to their economic resources. He pointed out three ways to tackle this issue: (a) regulate contributions, (b) limit spending by the candidate/party and (c) public funding. He cited the examples of Canada and the UK as cases where spending is limited but not contributions. In Israel, free advertising time on TV and radio is given to candidates and the expenditure of the candidate is undertaken by the party itself.

The US scenario must be understood in the context of the First Amendment with regard to Freedom of Speech. The individual donations to a specific candidate are capped at USD 2,800 and the total donations that can be made by an individual in a year are capped at USD 35,000. The speaker briefly touched upon the view of Judge Anthony Kennedy in *Citizens United vs FEC* 558 US 310 (2010) that a cap on donations by the corporations is a violation of the Freedom of Speech and an interference on the 'marketplace of ideas' and called for public funding based on voluntary donations.

Dr. Niranjana Sahoo, Senior Fellow, Observer Research Foundation

Rapporteur's Summary

Dr. Niranjana Saroo started by acknowledging that one cannot ignore the necessity of money in politics, especially in a large democratic country such as India. He spoke in favour of public funding given the unprecedented rise in inequality in parties' access to political finance, leading to a negative

impact on the quality of democracy. Citing examples of Latin America and Western Europe, he mentioned that public funding is not a new concept as currently 113 democracies are implementing fully funded elections in some form or another. He elaborated on a study about the impact of public funding in 66 countries. The following questions were looked at -

- 1) Whether state funding reduces the cost of elections?
- 2) Does state funding reduce the dependency on private money?
- 3) Does it improve the electoral competition?
- 4) Does it promote industrialisation?

While there were mixed results regarding state funding reducing the cost of elections, it was clear that public funding did not reduce the dependency on private funding except in countries such as the UK and Finland. In terms of competition and industrialisation, although the results were mixed, there was more positive impact than negative. Countries such as Italy and Spain improved in these areas post the introduction of state funding, but on the other hand, countries such as Russia did not benefit from it.

The speaker acknowledged the difficulties and probable violations that state funding could bring in but affirmed that public funding of elections in India can bring in transparency in the electoral system.

Shri Varun Santhosh, Researcher

Rapporteur's Summary

Shri Varun Santosh began his presentation by saying that the fundamental premise for electoral funding is to present the candidate/party and their promises to the voters. He spoke about the importance of transparency and criticized electoral bonds for being non-transparent. The speaker suggested, every citizen who is eligible to vote should be allotted an electoral bond of Rs 100 per year by the Election Commission, administered by the National Election Fund. Every citizen should have the autonomy to donate to whichever party they want; thus, eliminating the inequality in political funding and also at the same time, bringing in transparency in electoral funding. He feels that the introduction of public funding will lead to the creation of a National Election Fund which would act as a stepping stone to bringing transparency in the election funding.

Audience Interaction and Conclusion

A myriad of questions were asked regarding legitimacy of public funding and the possibility of making public funding compulsory. Participants initiated discussions about the role of intangible funding like media to political parties and the failure of the Election Commission and the State to enforce and regulate the current political funding system. The speakers opined that culture and laws are related concepts and cannot be looked at in isolation. At least 50% of party funding should be contributed through public funding. Addressing the question on intangible funding such as media influence, it was proposed that all political advertisements by media organisations must be presented in their annual report, and should be submitted to the Election Commission, the Press Council of India and a news broadcast association. It was reiterated that working within the system and culture is the only way to bring reform and there is no other alternative or permanent cure that can solve the issue.

Conclusion

It was affirmed that the public funding system gives voters the power and the choice to put where money they want, also providing space for new parties to emerge. There are various mechanisms that can make such an arrangement effective such as making antecedents of contesting candidates public, giving them airtime in public media, providing matching grants instead of all out expenditure being borne by the state.



Parallel Session 3: Trends in Campaign Expenditure

Summary of the Session

Campaign expenditure is an important area where money power plays an important role. In recent years, campaign expenditure has increased, making politics a space for the wealthy. In the session, the discussion revolved around the amount being spent by the candidates and the purpose. The panelists discussed ways to identify illegitimate part of the spending and ways to curb it. They also spoke about paid news and the associated unfair influence of public opinion. It was expressed that the effort must come from all the stakeholders such as the public, the politicians and the Election commission to keep the campaign expenditure in check.





Chair - Prof. Ashwini Chhatre, Associate Professor of Public Policy, ISB

Prof. Ashwini Chhatre served as the Editor-in-Chief of World Development Perspectives during 2015-18, and as Senior Editor of Conservation Letters during 2009-14. He has also co-authored one book besides publishing numerous articles in the world's leading journals. Ashwini Chhatre has a PhD in Political Science from Duke University, USA. He is currently Associate Professor of Public Policy at ISB.

Prof. Ashwini Chhatre, Associate Professor of Public Policy, ISB

Rapporteur's Summary

The Chair, Prof. Ashwin Chhatre regarded the present limits set on election expenditure as the reason behind illegitimate spending by the political parties. There needs to be enforceable limits on campaign expenditure and monitoring of third-party expenditure. Political Parties should come under the purview of Right to Information Act, and the status of submission by political parties be made available on the Election Commission of India (ECI) website. He also emphasized on giving powers to ECI to de-register the political parties in case they do not abide by the rules. While concluding his speech, he mentioned there is a need to look at the solution for this problem from the perspectives of people, political parties and the Election Commission.

Dr. Ajit Phadnis, Assistant Professor, IIM Indore

Rapporteur's Summary

Dr. Ajit Phadnis mentioned three aspects driving Indian politics. That are:

1. Influence of money in politics.
2. Influence of communication and media.
3. De institutionalising political parties.

There are various services being offered to the political parties which are a significant part of campaign expenditure. The speaker expressed that there is growing influence of digital media on elections. There is an increasing dependency of political consulting in the political parties for various services which include surveying, data management services, marketing services, social media campaigns and fundraising. Political parties are seeking professional help from companies like I-PAC, CAG and ABM. There are 500 to 600 such firms which are involved in political consultancy, amounting to 10% of campaign expenditure. Therefore, political parties are increasingly dependent on political consultancies and digital media campaigns for improving their chances of winning.

Shri J C Diwakar Reddy, Former Member of Parliament, TDP

Rapporteur's Summary

Shri J C Diwakar Reddy spoke about corruption and illegitimate expenditure incurred by the political parties. The time between the notification of elections and the polling date gives ample time to parties to involve themselves in vote buying, and if this window is reduced to 2-3 days, the expenditure would come down by 40-50% and in an era of digitisation, the dependence on physical campaigns could be reduced.

The speaker explained that the legislators from political parties are subjected to whips in the

legislature and this can impede their functioning according to their conscience. He requested all the non-partisan and non-political representatives to reach out to the public more efficiently. He also appealed to the public to be proactive in bringing political reforms in the country.

Smt Shelly Mahajan, Association for Democratic Reforms

Rapporteur's Summary

Smt Shelly Mahajan, while giving a presentation on the expenditures incurred by the national and regional parties, expressed her concerns on the disclosure of expenditures even after 4 months of completion of elections. According to her estimation, the election costs have increased from Rs. 9,000 crore in 1998 to Rs. 55,000 crore in 2019 elections. She expressed her concern on political parties dependency on wealthy candidates and the illegal expenditures by the political parties. She suggested that there should be reasonable and enforceable limits of electoral expenses by the political parties. She also suggested that the political parties should also be brought under the RTI Act in compliance with Central Information Commission's (CIC) order 2013. The status of submission of these expenditures by the political parties must be made available on the website of ECI.

Shri Sravan Dasoju, National spokesperson, AICC

Rapporteur's Summary

Shri Sravan Dasoju said that politics has become a business and event management. He believes that even after 70 years of independence, people need a symbol to run in elections and not a manifesto. He termed politics as a quid pro quo where people and politicians enter into a contract for vote buying. He said that politics is an easy way to make quick money and also makes one immune from law and termed it as a 'game of crony capitalists'. According to him, the expenditure incurred by the political parties consist of visible and invisible components. He further added that pre-poll expenditures which the political parties and candidates copiously spend in surveys, publicities and also to procure tickets goes completely unreported.

The speaker added that the income tax department must be stringent in reviewing the expenditures incurred by the political parties. There are invisible expenditures by the political parties which are huge and go completely unreported. He concluded by saying that the CEC should be made accountable and be given complete powers to look into the irregularities of election expenditures.



Plenary 2: Organisational Burden on Political Parties

Summary of the Session

The session primarily focused on the organizational burden faced by political parties from a viewpoint of the growing use of 'money power' in politics. The two have almost become inseparable in today's electoral scenario and are the starting point of the governance crisis in India. The session started off with a presentation on “Party Workers: An Unseen Burden” by Mourya Krishna (Research Associate at Foundation For Democratic Reforms). The presentation focussed on the mammoth amount of costs-direct and indirect incurred by political parties in party maintenance in the inter-election period. Estimates of cost reveal that approximately Rs. 536 crore is spent per year by a major party in all 119 state assembly constituencies of the state of Telangana in party maintenance during the non-election period.

The Chair initiated the discussion by referring to the Vohra Committee Report and the need to understand as to why elections in India have become a costly affair. Several proposals for curbing the excessive use of money among the political parties and the organizational constraints were discussed. The solutions put forward by the panelists were citizen funding instead of corporate funding or state funding, voter bonds in place of Electoral Bonds. The need for accountability of lower-bureaucracy and viability of proportional representation were also discussed by the panel. The need for 'functional democracy' where public service delivery from the executive is a matter of right and the welfare state such as India should see to its effective implementation thereby disincentivizing the public from approaching the party workers, was also discussed by the panel.





Chair - Shri Justice Jasti Chelameswar, Former Judge, Supreme Court

Shri Justice Jasti Chelameswar is a Former Judge of the Supreme Court of India. He retired on 22 June 2018 as the second most senior Supreme Court Judge. Earlier, he was the Chief Justice of the High Court of Kerala and Gauhati High Court. Shri. Jasti Chelameswar and Shri. Rohinton Fali Nariman formed the two judge bench of the Supreme Court of India which struck down a controversial law which that gave Indian police the power to arrest anyone accused of posting emails or other electronic messages which "causes annoyance or inconvenience".

Shri Justice Jasti Chelameswar, Former Judge, Supreme Court

Rapporteur's Summary

The Chair Shri Justice Jasti Chelameswar started off by sharing one of his anecdotes, where former Chief Election Commissioner, HS Brahma, in a discussion mentioned that politicians spent as much as Rs. 50 crore for Lok Sabha Elections in 2014. He also mentioned a litigation that he happened to hear, which was initiated by a former civil servant, from an organization called Prahari. The litigation alleged that the assets of some of the politicians increased by 500 times by the time the politician completed a single tenure in the office. The Chair commented that there are expenditures unknown to the general public, in sustaining party machinery. He mentioned that since people need some sort of representation to approach the local authorities, people turn to politicians and political parties and thereafter they are obliged to spend time and money on the parties which set off a series of problems. In light of a weak public service delivery system, a vicious cycle is formed, further institutionally debilitating and corrupting the bureaucracy.

Shri Asaduddin Owaisi, Member of Parliament, President, AIMIM

Rapporteur's Summary

Shri Asaduddin Owaisi started off his talk by stating that it was easier to run a political party than fight elections especially for those parties that represent the marginalized communities. Electoral Bonds were viewed as a major hindrance for small political parties and parties especially representing marginalized communities to fight elections. According to the speaker, if the party members join a particular political party for ideological leanings, it would partly solve the heavy use of money power in politics. In the absence of ideological backing, parties would basically have to resort to the use of money power to sustain the party machinery. Parties that fight elections for the communities that are not on the upper echelons of wealth cannot compete with other parties which get funds on a large scale. It was mentioned that the Election Commission seized around Rs. 3456.22 crores in 2019 Lok Sabha elections. According to the Centre for Media Studies, the expenditure was close to Rupees fifty-five to sixty thousand crores in the Lok Sabha elections. The primary problem is not the lack of volunteers or members who would work for the party but rather the increasingly expensive nature of elections.

It was also considered that India's electoral system to be an unwanted and continuing extension of the British legacy which basically favoured the national parties over the regional ones. Examples were given to further support that viewpoint- one, where a National Political Party with 7 MPs will get subsidized land in Delhi and two, the expenditure of upto 40 star campaigners will not be included in the overall expenditure of the party; to the disadvantage of newer smaller parties. Additionally, richer political groups are backed by funds from the corporate sector. A possible solution according to him is to ban all forms of corporate funding and NGO donations and let the

citizens of India contribute to political parties. Electoral Bonds prove to be ambiguous as no one knows who is paying whom. Electoral bonds violated equity, did not fulfil the audit requirements and also lacked transparency. He concluded by saying that citizens should be the sole contributors so that a party would be answerable directly to the citizens.

Prof. Rajeev Gowda, Member of Parliament, Rajya Sabha

Rapporteur's Summary

Prof. Rajeev Gowda initiated his talk by mentioning that large mass based parties faced a major challenge in keeping the system going. Parties need people who are ready to give substantial amounts of time or even work full time. There is election expenditure in addition to continuing campaign expenditure involving continuous outreach and engagement with the people. Along with that engagement with all forms of Media including Social media, which is handled by a team within the party, requires a lot of financial resources. So parties given the above reasons incur huge expenditure. He stated that Parties survive on the ambitions of individuals who want to rise in politics and be recognized within the Party to which they belong. Quite often the President of a party at the local or state level is selected if the individual is 'resourceful; meant , meaning that the person is supposed to have the capacity to pay the staff, maintain office and also help finance election campaigns. Further, today parties have gravitated towards candidates who can finance their own election expenditures. So, the profile of people entering the political sphere is no longer by working at the grassroots level but of people who can abundantly spend for running the election campaign. From the top or from the bottom of the political echelons, there are incentives to be corrupt. Party workers are often kept satisfied by providing them with contracts under MPLADs or other such government sponsored schemes.

Prof. Gowda suggested public funding as one measure to fund the political parties. According to him, a voter can be given a 100 rupee 'Voter Bond' to be pooled into the National Election Fund. Another proposal, as earlier laid by Mr. Yogendra Yadav and Mr. Qureshi, was to give every party 100 rupees for every vote they received in the previous election. In his opinion, it is a small price to pay to cleanse the system, provide a level playing field by requiring a candidate to have a minimum threshold of money to contest an election. It was also opined that a part of the funds directed from the National Election Fund should go to the constituency level units of the political parties and must be used for legitimate political expenditures over the course of next 5 years. This might eventually allow people from varied backgrounds to contest elections rather than just the highest bidder.

Shri B. Vinod Kumar, Vice Chairman, TS State Planning Commission

Rapporteur's Summary

Shri B. Vinod Kumar started by explaining the inseparable equation between cadres and the political parties they represent and work for. He was of the opinion that a political party does not face any burden in maintaining its cadre. Citing from his own political experiences, he stated that his party workers (Telangana Rashtra Samithi) provide services to the common people in their respective constituencies, take schemes to the people and make them more effective. He also reasoned that people's trust is very essential to a functional democracy like India. In his view, every party must have a dedicated leadership and cadres who are concerned about the welfare of the people. The heavy reliance on the political outfits as a result of the aforementioned was not in the least sense, seen as a problem by the panelist.

Prof. Jennifer Bussell, Associate Professor, University of California, Berkeley

Rapporteur's Summary

Prof. Jennifer Bussell initiated her talk by pointing out the inefficiency and incompleteness of public service delivery in India because its citizens face serious difficulties in accessing basic public services and this failure in governance has implications directly linked to 'money power' and politics. She explained that distribution of handouts or gifts is a ticket into the process of electioneering. It is viewed as capitalizing on the failure and inefficiency of the state machinery and bureaucracy in providing services which otherwise should have been provided by the state in an efficient and transparent manner. Another problem linked to local party operation was the 'favouritism' shown by the party workers to their supporters in the area of public service delivery. This local strategy excludes potentially a large number of voters who need it the most and hence limits the party from gathering more support.

Prof. Bussell was of the opinion that the state-level politicians themselves are intermediaries and spend a considerable amount of time building their own reputation apart from that of the party. She further stated that because of the strong party web system, MLAs have little to no influence in the policy-making process and therefore in order to build their own reputation, it becomes necessary for them to provide services at the constituency level. MLAs therefore have a better chance at building a personal support base in a constituency than the party can by involving local workers. All the politicians feel the burden of fundraising at the time of elections. In the absence of party funds, candidates, especially if they are not independently wealthy, are likely to recover their spent funds while in office. It was suggested that the combination of factors leads to a cycle, in which, both elected and non-elected political actors leverage governance failures to further their own or their party's interests. From citizens perspective, politicians have a vested interest in maintaining inefficiencies in the public service delivery. She concluded with a statement that the burden on the citizens must be eased before entering into the question of burden on political parties.

Audience Interaction and Conclusion

One of the participants in the session raised questions with respect to the need for a large number of cadres in a party. To this, Shri Vinod Kumar (one of the panelists) expressed his satisfaction with the way his political party (TRS) has been functioning and as to why a large number of party workers were necessary. It was not felt necessary to address the growing reliance of common people on political parties.

Another important question was posed with respect to the technicality of bringing about electoral reforms to this effect. To this, Dr. Jayaprakash Narayan intervened and argued that a simple legal amendment is all that is required to bring such desirable electoral changes.

Questions were raised with respect to how to bring about internal democracy in and around a political party, the structural challenges which emerge when the political actors in the system themselves benefit from the inefficiencies. Additionally, the scope for foreign funds to political parties under the scheme of electoral bonds, was also discussed.

Another striking question was posed from one of the participants regarding maintaining internal democracy within parties and how we could bring about such a change. It was seen that the participant rhetorically cited INC (the opposition) as an example for a political party that lacks internal democracy because of its dynasty politics and centralising tendencies. To this, Prof. Rajeev Gowda responded that BJP, although not run by a set of dynasts still has that centralising character to it and therefore cannot be argued that it excels in achieving internal democracy. The argument gained more strength when the speaker gave an example of a primary election that was implemented by INC when it had to choose its candidate for the Bengaluru North constituency.

Conclusion

The participants noted the failure in rewarding transparency or even upholding transparency in case of funding of political parties by the state. The role that political party cadres play in sustaining the party operations, the need for public funding and the means one can go about it were also discussed.

The Chair Jasti Chelameswar taking insights from the arguments made by the panelists in the session stated that many people enter the political sphere with substantial amounts of money and some of these people lack any sort of experience in public service. He questioned the need for huge sums of money for contesting an election and concluded the session by emphasizing on the need for improving the condition of public services in the country so that an individual need not depend on a party worker to receive basic public services.



DAY 2: JANUARY 10, 2020 (Friday)
**Plenary 3: Illegitimate Expenditure in Indian Politics
and Ways to Curb It**

Summary of the Session

The session focused on the most alarming driver of expenditure in politics that is, vote buying. In the Parliamentary Executive form of government, the finger in the executive pie makes the legislative office very attractive, especially in a poor country with dysfunctional governance. In order to get to the legislature at any cost and by all means, vote buying has become endemic. In the session, approaches to politics such as the managerial approach, i.e., competition for power in the political marketplace, and value-based approach, i.e., focus on constitutional values and politics bridging gaps between people were discussed.

There is only so much that more new laws and the Election Commission can do. The task is to make political work hospitable for public spirited, honest, competent citizens and facilitate their rise through ethical and rational means. Western democracies took centuries to mature but India does not have that much time. The task is to disincentivize politics, decentralise power, and promote transparency in funding.





Chair - Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms

Dr. Jayaprakash Narayan, former MLA, former member of National Advisory Council and Second Administrative Reforms Commission is the General Secretary of Foundation for Democratic Reforms. He was one of the first physicians to join the elite Indian Administrative Service (IAS), and was one of the toppers in the batch of 1980.

Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms

Rapporteur's Summary

The session on illegitimate expenditure in Indian Politics is not merely theoretical, but rather a bridge between theory and practise. There are two approaches to politics. First one being a competition for power in the political market and the second approach of bridging the gap between the current realities and the country's constitutional values and goals.

It took centuries for western democracies to evolve and mature and yet they are plagued by certain problems. In this context can maturation of democracy be accelerated through leadership and better incentives, institutions for the voters and political parties? As unlike certain western countries, India does not have the luxury of technological, economical and democratic revolutions which went apace.

The problem of illegitimate money power is growing in politics and moralizing does not help address the problem, since the real world operates on incentives and institutions. The victory of Aam Aadmi Party in Delhi can be attributed to the people's perceived link of their vote and local consequence. Therefore, effective local governance in other urban metropolitan areas must be created for people to see tangible outcomes of their vote. Further, institutional safe-guards to protect good politics and policies must be created rather than burdening and blaming the Election Commission and the Supreme Court.

Two systemic solutions which can remove the incentive for vote buying for success can be studied. One, direct elections of the head of the state would significantly reduce the 'money power', since the stakes of buying the whole state are higher. Hence people's decision would depend on the leader's status, charisma and capability. Second, if the party gets seats in proportion to the votes, the vote buying power disappears. The problem of fragmentation could be dealt by increasing the threshold and by giving a lead of 10% -15% seats to the party that has a majority.

Shri Ashok Lavasa, Election Commissioner of India

Rapporteur's Summary

Money is equivalent to mother's milk in politics. Wealth is significantly influential and it drives politicians to power. There has been a lot of discussion on the illegitimate election expenditure and that is why it must be defined. There are three broad forms of expenditure like expenditure which is unaccounted for, expenditure which is not authorized and expenditure on things one should not be incurring.

In 2004, 13% of candidates for Lok Sabha elections were millionaires and this number has now gone up to 27%. What is more significant is that among winners, while 30% were millionaires in 2004, the number has now gone up to 87%. The average asset per winner is estimated to be Rs. 20.90 crore. The problem with money is that where it can give you influence, it also provides you with a means for offering inducements.

The cost of conducting as well as contesting elections has gone up. Laws and regulations do not necessarily affect behavioral change. The illegitimate expenditure must be properly understood and identified. Paid news must be regulated where you cannot establish the nexus between the beneficiary and the person who is printing the news. More worrisome than paid news is paid channels and paid media houses. It is difficult to circumscribe the boundaries of campaign funding or campaign expenditure when a party has a newspaper.

Smt Priyanka Chaturvedi, Politician, Shiv Sena

Rapporteur's Summary

The speaker began by stating that the growing 'money power' in politics with unchecked, unaccounted usage of monetary assets reduces the chances of people without prior affiliations, in the political sphere. Transparency has become an abused word as everyone speaks about it, while none act on it. However, recent steps have led to reduction of transparency. Electoral bonds are turning into one of the roadblocks to transparency. Between 2012 and 2016, 89% of the electoral funding came from the corporate sector. Over 40% of the political parties' funding come from unaccounted sources. This must change and the initiative must come from civil society.

Shri R Jagannathan, Editorial Director, Swarajya

Rapporteur's Summary

Shri R Jagannathan spoke about the extent to which the political incentives should be changed. For effective changes, political incentives must be aligned accurately. Our constitution has an inverted power structure where power is concentrated at the top and the bottom is disempowered; whereas democracy works at the bottom. The parties now have become the middlemen that help the rich get richer.

We have created a system where parties have become facilitators between government and people, and make money in the process. We need a system where there is better separation between legislature and executive. We need directly elected President, Governors and Mayors, and a decentralised system with empowered Mayors. We need to build a structure where people who are elected to their respective positions have the power in real sense, and legislators with qualified majorities who can overturn the executive.

Shri. Ram Madhav, National General Secretary, BJP

Rapporteur's Summary

Shri Ram Madhav began by asserting that the parties spend a huge amount of money on astrologers

who are called 'Political Surveyors'. A lot of money is spent in a wasteful manner. The Election Commission has permitted an expenditure of Rs. 70 lakh per constituency which is erroneous as the same rule applies to every single constituency regardless of its size and population density.

The real challenge today is that politics is a highly incentivized activity. How does one make politics disincentivized? The speaker emphasised that only those who want to serve the people must be allowed in politics; making positions seem less powerful. There are two ways to do it. Firstly, to think of a complete systemic overhaul from parliamentary to something akin to presidential democracy' suited to India. Presidential form of government will disincentivize politics. Second, we can try to bring reforms within the present system itself. This can be done by bringing down the role of government in public life and empowering the local governments. More power must be delegated to the district level and lower bodies. Higher the authority, lower the power. Another goal must be to make politics less expensive and help more honest people to enter politics.

Prof. Carolyn Elliott, Retd. Faculty, University of Vermont

Rapporteur's Summary

Prof. Carolyn Elliott emphasized on reforming the system in order to curb the source of illegitimate money. She suggested stricter laws as well as transparency to accelerate political maturity in India. She mentioned that in Andhra Pradesh the highest source of black money was collected during assigning contracts and hence contract giving to companies should be transparent and stricter rules must govern them to control clientelism in parties. She spoke about her experience of talking to village people and how they look up to the politicians. She added that empowering local governments also meant that villages should be able to generate their own revenue, which they, in fact, have the means for. Local empowerment, she opined, must at the end of the day allow people to do more for themselves.

Audience Interaction and Conclusion

A variety of questions were asked regarding the increasing use of money in politics and the role of constitutional bodies in curbing illegitimate expenditure. Dr. Jayaprakash Narayan responded that democracy imposes certain costs and nobody grudges that. Parties need money to maintain cadres, to reach the people, to mobilise, to travel and so on. The problem is with illegitimate money used to influence voter behaviour that distorts politics and the governance process. The point is whether this is perverting the system ultimately and denying us democracy or if this is the cost we must cheerfully incur to sustain our freedom and self-governance.

On the question of the Election Commission undertaking possible reforms, the panelists cautioned that it is not the prerogative of unelected people and such a move puts democracy at risk.

A question was posed about Dr. Ambedkar's debate on consistency over accountability to which it was clarified that the article 360 was introduced in the constitution with an intention that with time ,

the constitution is subjected to change, hence it is not for or against Dr. Ambedkar. Shri Ashoka Lavasa added to this by quoting a statement from Constitutional Assembly Debates, “Whatever the constitution may or may not provide, the welfare of the country depends on the way in which the country is administered and that will depend on the men who do it. If people who are elected are men of character and integrity, they would make the best of even a defective constitution. If not even the constitution cannot help. After all, the constitution is like the machine and is a lifeless thing. Whereas, life is due to men who control and operate it. India needs nothing more than honest men who put India's needs before theirs”. Statistics show that amongst the candidates who have filed their returns only 34% spent Rs. 56- 70 lakh for Lok Sabha General election, 51% have Rs. 35-56 lakh and 10% have spent less than Rs. 35 lakh. The expenditure per candidate has increased. A party in 2014 that spent Rs. 1.60 crore per candidate went on to spending up to Rs. 2.90 crore. He shed light upon the point which his co-panelist made about illegitimate money floating around the economy and that illegitimate money is made so that it can be spent and not parked. And sometimes it can be misinterpreted by people if they think of it as a way of boosting the economy.

Another question was posed to the panel about how proportional representation can reduce illegitimate spending. There was a follow up question about local governance. Dr. Jayaprakash Narayan answered saying that there is a downside to proportional representation, since it could lead to fragmentation and no clear cut majority. However, there are solutions to these problems like bonus seats. Nevertheless, India is not ready for that at this point. Shri Ram Madhav opined that grassroot level leadership is emerging and people are taking up responsibility, all they need is empowerment.

Conclusion

In the concluding remarks, Shri R Jagannathan reiterated three points. Firstly, a need for change in the constitution to enable direct elections of chief executives of the state beginning with the leaders of local bodies. This would also lay down the path for a proportional representation system. Lastly, discretionary powers must be given to states and local bodies.

Shri Ram Madhav suggested that we need to look into the idea of one nation and one election and do away with no confidence motion. The Election Commission must be strengthened and must have a separate cadre. Every system has pros and cons and we must work on dealing with the cons of the parliamentary system.

Shri Ashok Lavasa reinforced that Electoral reforms, offences and prosecution are the issues that have to be dealt with by the government and the state machinery. The parties have to make the call on how much to spend and there must be a change in the collective ethos.



Parallel Session 4: Electoral Reforms to Combat Illegitimate Expenditure

Summary of the Session

The session focused on achievable electoral reforms to combat illegitimate expenditure thriving in various segments of the elections. The session touched upon various ways of constituting a government (such as proportional representation, etc.) that could alter incentives and combat illegitimate expenditure incurred by the political parties and its cadres. The concept of clear separation of powers were central to the session and one of its features was direct election to offices of CM and Mayor. The First Past The Post electoral system (FPTP system) was widely criticized by all the speakers for its significant drawbacks.

Presidential democracy was another aspect that was strongly advocated by one of the speakers. Additionally, according to the panelists, strengthening Election Commission of India (ECI) as an investigatory body with its own prosecuting powers and institution of special tribunals to this effect can bring about remarkable changes.





Chair - Shri Amit Varma, Writer, Journalist and Podcaster

Shri Amit Varma is a writer and podcaster based in Mumbai. He started his career in advertising, moved on to television, and has been a journalist since 2001. He has written for a variety of publications including the Wall Street Journal, the Guardian and the Observer. He is currently a columnist for the Times of India, Bloomberg Quint and CricketNext. He won the prestigious Bastiat Prize for Journalism in 2007 and 2015, becoming the first person to win it twice. In 2009, Business Week named him one of the 50 Most Powerful People in India. He also hosts the weekly podcast, The Seen and the Unseen.

Shri. Amit Varma, Writer, Journalist and Podcaster

Rapporteur's Summary

The Chair Shri Amit Varma started the session by expressing a fair amount of skepticism about the existing “First Past The Post system” (FPTP system). He cautioned the participants against what Lant Pritchett's calls 'isomorphic mimicry', where the weaker states mimic the policies of advanced states and expect them to work in their societies in a similar way. The area of concern is identifying the kind of electoral system that is feasible in our local circumstances and not merely attempting to mimic the advanced western societies. He further highlighted the necessity to address the incentives aspect in the field of politics.

Shri C Anjaneya Reddy, IPS (retd.)

Rapporteur's Summary

Shri C Anjaneya Reddy opined that the states should have direct election to the office of chief minister who would have a fixed tenure. This would also reduce the importance of MLA and establish a clear separation between the executive and the legislature. Further, none of the elected representatives (including the members of Zilla Parishad and Mandal Parishad) should have any representation in the ministry and various other organizations. This would reduce the floor crossing by the MLAs and horse-trading by the Chief Ministers. There was no need for a legislative council and perhaps the number of seats in assembly could be increased.

The speaker further opined that the candidates should not be allowed to contest for more than one constituency at the same time as the costs of conducting a bye-election again could be saved. Only national parties should be made eligible to contest for seats at the Lok Sabha level and the regional parties would compulsorily have to get into a pre-alliance pact with any of the national parties for their voices to be heard in the parliament. Two changes that need to be brought regarding the issue of election notification are- first, the notification should be issued four weeks in advance unlike the existing practice of a minimum two months and on issuance of such a notification, the head of the government should step down and the administration should come under the control of the Governor. Transfers of controversial officers, if any, shall be done only by the Governor of the state upon the advice of the Election Commission or otherwise. The digital campaigning can be done by the political parties (and not the individual candidates) after the first notification is issued. Second, a week later, another notification be issued calling for scrutinising of nominations and actual campaigning be limited to just 10 days instead of the current practice of 2-3 weeks as this could save substantial amounts of money. There should be a bar on the number of public meetings that could be conducted by the political parties in a particular constituency and all the contesting candidates should be asked to speak and debate at these state-funded political party meetings. Solicited votes shall be prohibited and mobilizing party workers or party sympathizers and the practice of polling agents should be abolished.

The speaker also suggested that there should be a cap on the number of vehicles that could be used for a convoy (for example; 5 vehicles) and the duty of searching/checking these vehicles should again be handed over to the central police forces. Another financial reform suggested by the speaker was that the RBI should permanently stop printing the existing high denomination notes like Rs. 500 and Rs. 2000. Finally, there should be minimal interference by the courts after the election process starts, and any issues concerning elections should be taken up by the Election Commission.

Shri Jashwant B Mehta, Founder, Forum for Presidential Democracy

Rapporteur's Summary

Shri Jashwant B Mehta initiated by pointing out that a truly presidential system allows the voter to choose the direct head of the government, independently elect members of the legislature and have a say in the election of Rajya Sabha members. To improve governance, firstly, a clear separation of the branches of government needs to be institutionalized and that the cabinet be selected from a pool of professionals who have a deep knowledge about the subject. Secondly, the Mayor at the local level is directly elected as against the current system where the Mayor is only a ceremonial head.

The speaker was of the opinion that bossism had only grown over the past few decades because of excessive power with the legislators and the inability to separate the executive from the legislature. The system necessitates to be in good books of the political bosses or legislators which ultimately makes the political leaders more powerful. This also results in party bosses favouring candidates with money and muscle power given their ability to influence voters, thereby ignoring the work of honest people at the grassroot level. Therefore, there should be people's participation at the time of nominating candidates and the whole activity should be supervised by the State to realize the intended effects.

The speaker proposed the application of primaries and caucuses (US Model) to the Indian context and suggested that there should be internal democracy in and around political parties by way of implementing such electoral reforms. Quoting Germany as an example, where 50% of the candidates are elected through an FPTP system and the rest elected by way of a proportional system, the speaker put forward the idea of a mixed proportional system. The speaker considered the Proportional Representation (PR) system to be a better alternative when there is no clear majority tilted towards one particular political party in the elections. To support his argument, he cited numerous examples of political parties that were not equitably or adequately represented in houses of assembly only because the candidates did not win the seats despite their exceptional vote shares.

Prof. Peter Mayer, Associate Professor, University of Adelaide

Rapporteur's Summary

Prof. Peter Mayer started by mentioning that the First-Past-the-Post (FPTP) system violated the Duverger's law of political science, which says that FPTP model structured within single member constituencies tends to favour only a two party system. The speaker proposed a preferential voting system as followed in Australia. This system is a mixture of two major components - majority rule and distribution of preferences. The speaker proposed this model at the constituency level as a transitional measure to proportional representation at the parliamentary level.

A strong criticism of the existing FPTP system comes from the concept of Bayesian regret, a social choice theory, where a voter acts strategically and votes for a party A when he actually prefers party B, but knows that it is unlikely to win. The mandatory single choice can be eliminated in the preferential voting system because each voter can vote for more than one candidate in the order of their preference. This would also effectively discourage negative campaign and spoiler candidates. Since dummy candidates do not serve a purpose in preferential voting unless they can fetch votes, the incentive for putting up dummy candidates for the sake of taking away votes from the opponent considerably reduces.

Though preferential voting will not reduce the campaign expenditure per se, it would change the way the political parties and its members spend money. The speaker stated the claim that this electoral system is complex is flawed as it is already being followed in countries such as Fiji and Papua New Guinea with vast majorities of aboriginal population. Nonetheless, the preferential voting system would not survive if there are a large number of candidates contesting for a single seat like Nizamabad constituency that had 183 candidates. However, it would provide scope for strategic and compulsory voting like in Australia.

Dr. Milan Vaishnav, Director, South Asia Programme, Carnegie Endowment for International Peace

Rapporteur's Summary

Dr. Milan Vaishnav observed the following four facts about how 'money power' in politics operate:

1. There is zero transparency regarding political contributions.
2. The expenditure by political parties is grossly underreported. According to the 'Rule of 10' in India, the actual expenditure by the political parties is approximately 10 times the declared expenditure.
3. There is lack of clarity about political accounts.
4. The representation of people in the Election Commission is currently outmatched and outdated, thereby unable to keep a check on the realities of political funding.

Regarding the first, the speaker stated that the 2017 Finance Bill instituted a cap on cash contributions to Rs. 2000. Although there is a limit on cash contributions, the disclosure requirement for the political parties remains at Rs. 20,000, thereby creating a massive loophole for the parties. Therefore, cash contributions should be eliminated altogether. Addressing the second point, the speaker proposed an electoral tribunal similar to the Brazilian Electoral Justice that can take up matters related to electoral malpractices rather than the Supreme Court intervening in these issues. The Brazilian Election Commission has quasi-judicial powers which gives them the authority to prosecute and disqualify candidates who are caught handing out money on the eve of the campaign. The speaker also suggested a compulsory 'third-party audit' to bring transparency in political accounts.

Audience Interaction and Conclusion

The first of the questions was asked regarding the applicability and compatibility of implementing those reforms from other western advanced societies in the Indian context. To this, it was suggested that there are enough Asian democracies such as Indonesia which are implementing such major electoral reforms and that India could pick up a few pointers from it and alter them according to the existing political and electoral settings. When asked if public funding is suitable, it was felt that India is not yet ready for it, however in order to ensure the presence of good money, we got to throw out bad money and this could be possible by achieving transparency in public funding scrutiny.

One of the participants questioned the existing legal framework on post-election defections from one political party to another. It was suggested by the panelists that there should be a law which mandates disqualification of the defected member if he/she joins another political party after election. The current law as brought by a 1985 amendment suggests that if 1/3rd of the political party defects to another party (which is also known as split-up rule), it would not amount to defection as such. It was further commented that separation of legislature from executive was necessary as it would effectively restrict the scope of parliamentarians to be merely representatives of the constituencies as the access to the executive would now be heavily limited. Other discussions circled around topics such as the possibility of making it mandatory for parties to use online payment methods for election spending above a certain threshold and the regulation of election expenditure before the moral code of conduct is announced.

Conclusion

Almost all the panelists were skeptical about the existing usage of First Past the Post system in the Indian elections and in fact seeking for better alternatives which are both simple and efficient. The participants noted that there are certain structural changes that have to be worked upon in order to combat excessive use of illegitimate expenditure for the better functioning of democracy. It was also agreed that mere legal changes will not be sufficient to combat such institutional inconsistencies and the state machinery also has to be strengthened to be able to achieve desired objects and goals of the law. The participants were familiarized with various technical concepts central to discourse on elections, political parties and developmental studies.



Parallel Session 5: Evidence of Vote Buying in India and Comparative Experience with Other Countries

Summary of the Session

The session focused on the question of study “Evidence of vote buying in India and a comparative experience with other countries”. With the increasing amount of money being spent in politics, specifically on vote buying, we need to understand the extent of it and design ways to curb it.

The session mainly focused on the efficacy of vote buying and the probable methods that can be used in order to free the country from the shackles of such systemic corruption. The various presentations made by the panelists dived deep into the problem concerning India. There were detailed studies focusing on the various mechanisms that are deployed to persuade voters in order to secure their vote. Several dimensions of the diverse studies conducted by the panelists were assessed.



Parallel Session 5: Evidence of Vote Buying in India and Comparative Experience with Other Countries



Chair - Shri Konda Vishweshwar Reddy, Former Member of Parliament, INC

Shri Konda Vishweshwar Reddy is an Engineer, Entrepreneur, Politician and former Member of Parliament from Chevella, Telangana. He is associated with the Indian National Congress.

Shri. Konda Vishweshwar Reddy, Former Member of Parliament, INC**Rapporteur's Summary**

The Chair Shri Konda Vishweshwar Reddy cited an RBI study which stated that cash in circulation during the time of elections increases by 17%. Drawing clues from his work with University of Iowa, School of Applied Politics, the Chair remarked that vote-buying is correlated with income levels and the need for money and not the education levels of the voter. He agreed with one of the points made by the other panelists that money distributed is needed more by the middle class than the poor, and that money is used for the purpose of buying school books, school uniforms etc.

Dr. Samuel Asher, Assistant Professor, Johns Hopkins University**Rapporteur's Summary**

Dr. Samuel Asher focussed on the importance of muscle power in politics and presented the key conclusions of his paper “Rent Seeking and Criminal Politician: Evidence from Mining Booms” (with Paul Novosad—Review of Economics and Statistics). He focussed on the impact of availability of resources on politics at a local level. Based on his research, the speaker stated that if an area undergoes a mining boom, it impacts the politics of the area in three ways. First, there arises a problem of adverse selection which leads to more criminals entering politics which means when mining is booming in that particular area, we see more criminal politicians winning office. Second, the existing people in office get involved in more criminal activities when there is a mining boom. Third, the overall wealth of the politicians in the area goes up because of a mineral boom. All this shows that there is a direct beneficial return to criminality in such circumstances.

In the Indian scenario, the muscle and money power are intertwined. The cultural norms and reciprocity play a huge role in vote buying (Finan and Schechter - NBER, 2011) and that vote-buying can be sustained by an internalized norm of reciprocity. The speaker brought out that the experimental literature comprises interventions conducted in limited countries. Some studies show that information interventions like town hall meetings and debates impact voting behaviour in an opposite manner. But, in some cases, taking the promise of not buying votes through slogans like “Take the bait, not the hook” has helped. These contradictory results occur due to a limited literature having different definitions of vote buying. Therefore, the current research should focus on understanding the problem of vote buying coherently. First, the role played by social and cultural norms rather than individual behaviour, in understanding the whole ecosystem of vote buying. Second, there should be a consensus in defining and measuring vote buying to avoid contradictory results. Third, analysing the extent to which increased accountability can help in changing the voter's behaviour.

Dr. Shabana Mitra, Assistant Professor, IIM Bangalore

Rapporteur's Summary

Dr. Shabana Mitra described the problem of quantifying the amount of money spent in purchasing the vote. In this context she presented two of her studies. The first study shows the amount of money individuals spent a few days before the election in consumption of certain goods using the NSS data between 2004 to 2011. Empirical analysis showed within 30 days of the election, the consumption increases by Rupees 15,000 per household. This amount not only includes illegitimate cash but also includes money transferred through public schemes. According to the study, out of this total amount around Rupees 1500-2500 is cash in the 10 day window before the election. During the same time, employment goes up but is not paid for as the money is channeled to buy votes. The data specifically shows an increase in consumption of the following commodities before the election: pulses, alcohol, new clothes, and meat. As expected, the consumption of these goods follows a downward trend after the election season attributing the increase in consumption to election season.

The second study presents results from a voter survey conducted in Madhya Pradesh of 10,000 individual males from 50 constituencies. In the sample, 6% individuals accepted vote buying when asked directly, giving a dishonest picture. When asked indirectly, 44% individuals accepted that the village had vote buying and around 29% revealed that their neighbourhood had vote buying. The survey also had the following findings: first, competitive districts get more cash. Second, local connections are the people who facilitate the cash transfer process. Further, to analyse the effectiveness of vote buying, the surveyed individuals were asked to cast their ballot as part of a fake election (results awaited). Overall, with both the studies, highlighted the systematic and targeted nature of vote buying.

Dr. Sarthak Bagchi, Assistant Professor, Ahmedabad University

Rapporteur's Summary

Dr. Sarthak Bagchi talked about how ethnographic studies contribute to the overall understanding of the behaviour of vote buying. He also closely looked at the role of brokers facilitating the transfer of money, acting as intermediaries between the state and society, and filling the gap in the party organisation structure. The speaker highlighted two problems faced by researchers in studying the vote buying behaviour - conceptualising and quantifying the concept. Calling the whole process of vote-buying as undemocratic and unethical, the panelist presented some statistics by the National Election Studies, revealing that during 2009 parliamentary elections, 39.5% of people thought money was distributed whereas during 2014 elections this number fell to 14%. This fall in percentage seems questionable and worth exploring.

The speaker noted that vote buying is selective and strategic in nature, focusing on specific people. Most vote buying occurs during the last two days of the voting, but the importance of campaign buying, that happens over a prolonged period, cannot be ignored. Campaign buying is a whole arrangement used by political parties to signal the strength of its network. The brokers exist in other countries as well, like Indonesia, performing the same functions. This whole process of campaign and vote buying with the existence of such middlemen has created multiple power centres in a country which gives these brokers or middlemen a huge bargaining power. There has been an increasing sense of ballot secrecy in the population over the years, so it is not simple to buy votes anymore. In terms of immediate transaction, voters exercise autonomy and agency.

Prof. Dhanmanjiri Sathe, Professor, Savitribai Phule University

Rapporteur's Summary

Prof. Dhanmanjiri Sathe agreed to the points presented by co-panelists and expressed that money power and muscle power are closely related. The panelist cited her study on the extent of vote buying during the Gram Panchayat elections. The study uses a two-stage sampling method to survey a sample size of 707 in 70 villages of western Maharashtra.

The survey intended to cover people of all castes and occupations and revealed that 51% of the individuals in the sample agreed to have received cash, 95% agreed with the use of a lot of cash during the elections, 27% individuals agreed to have received more than Rs. 2000, 33% individuals felt that contesting candidates had spent anywhere from Rs. 50000-1000000, 60% of the individuals felt money power does affect the decision of casting votes. The panelist concluded that though vote buying has become part of the system, yet doesn't necessarily guarantee success.

Audience Interaction and Conclusion

Several perspectives emerged in the general discussion. Participants were interested in the possible solutions to the problem of vote buying. For example, one participant was interested in knowing if vote buying is systematic and targeted, are there ways to curb it in a systematic way. To this the speakers commented that there might be systematic solutions as most of the transfer happens in terms of public schemes, but there is a need for political consensus on the same.

Some speakers highlighted that the democratic accountability is undermined with the presence of money in politics. The world at large faces the problem of 'money power' in politics in terms of favorable contracts, legislations, and regulations. Others questioned the technical points made by the panelists: the survey participants disagreeing that being involved in vote buying practices is a result of fear or reciprocity; another questioned the application of behavioural change mechanisms in a country as diverse as India. The need for looking at the fund-raising strategy adopted by the Aam Aadmi Party in its first campaign was emphasized, which brought in the whole debate of transparency in the election funding process. Overall, the participants and speakers had consensus on the paucity of research in the field and, therefore, a need of dedicating increased resources in research and experiments to understand the ecosystem of vote buying.

Conclusion

In their concluding remarks, the panelists noted that the available studies and data clearly give evidence of vote buying in India. Although, they highlighted a need for more research in the area which would help in better understanding of the incentives involved in the whole vote buying behaviour. The study of cultural and social norms was found to be an important area of focus. Presence of a complementary set of norms and law enforcement is required to prevent parties and voters from engaging in vote buying activity.



Parallel Session 6: India: Deepening Democracy or Defective Democracy?

Summary of the Session

The session focused on evaluating the course of democracy in India. Keeping the background of seven decades of functioning democracy, focus was on whether the democratic processes in India have ensured the deepening of the democracy or whether the Indian democracy's tale is that of a defective one.

Indian democracy was assessed from different perspectives by the panelists. First, it was observed that though India is well functioning electoral democracy, there has been systematic denial of civil liberties which threatens India to evolve into an 'illiberal democracy' turning Muslim electorate insignificant through consolidation of Hindu electorate. Second, expansion of education has ensured greater political participation especially with regard to policy implementation at the local level. The candidates in legislative elections are increasing as more educated male independent candidates are filing in to contest. Thirdly, the argument of increased democratization was critiqued with data to show that old elite belonging to land-owning upper castes have sustained their holding on political office coupled by political families' increased investments, criminal connections and closeness with bureaucracy. Lastly, studying the impact of World Bank programme on institutional strengthening of Gram Panchayats in West Bengal revealed that the programme being well intended, it has led to increased party switching and reduced re-election prospects of opposition incumbents as programme resources were being cornered by Panchayats ruled by the ruling party in State government.





Chair - Prof. Shareen Joshi, Associate Professor, Georgetown University

Prof. Shareen Joshi is an Associate Professor at the Edmund A. Walsh School of Foreign Service, Georgetown University. An applied micro-economist, Dr. Joshi's research focuses on the economic, political, and social benefits of investing in women. Much of her work focuses on human capital and agency, spanning topics in mother and child health and dealing with issues related to social identity. Her work on women's livelihoods programs in rural India suggests that collective action is an important form of human capital in poor communities, and that even large-scale rural development programs can benefit from mobilizing women to act in their own interest.

Prof. Shareen Joshi, Associate Professor, Georgetown University

Rapporteur's Summary

Prof. Shareen Joshi observed the large investments on rural grassroots level collectives, especially women self-help groups (SHGs), in the last 20-30 years. Focussing on the political aspects of this move, the Chair pointed that it has led to over 10 million women being organised into such SHGs. It has ensured the entry of women into panchayats and local leadership across India. She pointed out how sub-national level initiatives to impart facilitative training have produced political dividends. These rural collectives have ensured better service delivery, improved accountability and provided an alternative channel to deepen democracy.

Prof. Ashutosh Varshney, Professor, Brown University

Rapporteur's Summary

Prof. Ashutosh Varshney spoke on the experience of Indian democracy in the framework of democratic theory. He noted that although the minimal requirement of a democracy is regular elections with universal franchise without legal limits on voting, the liberal freedoms (or civil liberties) between elections are also necessary. Adam Przeworski's empirical proposition is that democracy succeeds at higher levels of income as the richer and educated voter has higher chance of voting. But in India since 1989, the poor-uneducated voter has caught up with the rich-educated voter with regard to electoral participation and India's case is an exception in electoral longevity despite its low income.

The speaker underscored the vitality of the liberal freedoms between elections, which are: (a) Freedom of Expression, (b) Freedom of Religious Practice and (c) Freedom of Association. The 'minority rights' were made part of post-Nazi Germany liberal democracies as minorities lack the numerical strength of the majority to protect themselves electorally. There has always existed a gap between India's electoral and liberal democratic performance, which is called 'liberal deficits'. The speaker then mentioned that the government has curtailed liberal freedoms and individual rights if it recognized that national security is under threat and it is sanctioned through the first amendment of the Indian Constitution. The structural problem of 'liberal deficits' is worrisome with the Hindu Right in power. BJP's electoral victories are marked by 'Hindu consolidation' and 'Muslim electoral irrelevance' and electoral considerations were included in the government decision to abrogate Article 370. The most probable outcome of the NRC process would be depriving voting rights for the 'infiltrators'. The speaker observed that India has not fallen into a fascist state, but turned into an illiberal democracy like Israel, Malaysia, Sri Lanka and USA (before 1965) where 'hegemonies' cannot be challenged.

Dr. Abhishek Chakravarthy, Assistant Professor, Manchester University

Rapporteur's Summary

Dr. Abhishek Chakravarthy recognized education as a potentially powerful mechanism to increase political and democratic participation. The claim arises from his research that empirically estimates whether a large education programme in India affected a specific and important measure of citizens' political participation: whether they choose to run for state assembly elections. The speaker studied the District Primary Education Programme (DPEP), a national level centrally sponsored scheme that was launched in 1994 as a major initiative to revitalize the primary education system and to achieve the objective of universalization of primary education. In the research, the districts chosen for the programme were compared to those not chosen for it and the extent to which the programme had an impact on political competitiveness was analysed. The speaker, in his remarks, emphasized on the existence of a potentially more educated populace having different voting preferences. He identified that the programme not only improved the level of education and school infrastructure but also led to significant local community engagement in policy implementation. According to him, this might motivate people to become more politically participative.

The speaker made an interesting finding from examining state level elections that in all the districts where this program was rolled out there was, on average, an increase in the number of candidates. He called this a local energization in politics. He also commented that, theoretically, this was a good development as there would be more political competition. He also found out that the candidates in the treated constituencies were more educated, all the new candidates were independent and not from established political parties. Another important finding is that all the new candidates were male. He called this surprising because the educational effect of the program is entirely on women which suggested a change in voting preference of the population. He analyzed that even though women were more educated, the more educated women were not entering into politics. He pointed towards a widening gender gap in candidature. Based on survey responses, he discovered that as a result of the programme, people are much more likely to be aware of political leaders who are not from their caste or religion indicating an increase in inter-community interaction as a result of the programme.;

Dr. Rahul Verma, Fellow, Centre for Policy Research

Rapporteur's Summary

Dr. Rahul Verma identified India as a defective democracy by going against the notion that India today is getting democratized. He said that there is a transformation of authority in rural areas, decline of the old social order and withering of the caste hierarchy. He commented that lower castes have gained a share of political power and a new pattern of leadership known as “naya netas” has emerged. He mentioned that though there is a greater accommodation and democratization at the

local level in India, there is ample evidence that indicates reproduction of traditional local power structures, even though they may no longer be based on land and ritual hierarchies. He pointed out that rural power holders are increasingly investing outside agriculture and gave an example to support his claim. He argued that there is reproduction of traditional power structures as a by-product of well-oiled machinery maintained by few powerful elites, who generally belong to the upper caste, tend to keep political offices (across various levels) within the family, collude with bureaucratic agents and oversee a large patronage network which has links with criminal entrepreneurs and brokers. According to him, this has serious implications for party organisations at the local level, for candidate selection and for campaign finance.

The speaker further pointed out that there is a lot of fluctuation happening at the MLA level and that a lot of people are losing power in the first instance. He spoke about a kind of dominance by some political families who have been in power for a very long time. He pointed out a deficiency in the way political dynasties are studied- they are generally studied only at one level, explaining that at one point of time, political families are contesting at different levels, which they do to maintain power. He identified several types of family relations that can be traced in the way in which political families contest elections at various levels like block, zila, assembly constituency and parliamentary constituency. He mentioned that there are political families which have consistently been in power despite the reservation system. In the reservation category, he explained that the families will tend to make their subordinates, (for ex: driver) who fall under this category contest for elections. In this way they manage to retain power. He classified the political families at the block pramukh level as the following: the dominant elite, rising elite, declining elite and new elite. He identified the dominance of upper castes. He said that the dominant elites have a vast proportion of rent-thick economies and they hold a large amount of land. He spoke about how there are political families which have contested only for 0-1 election, those for 2-7 elections and those for 7-10 elections. He further stated that those who have been in power for longer are more likely to own brick kilns, petrol pumps, inter cum degree colleges, more land, construction and real estate business. He emphasized on the importance of the question of land because politicians do not buy a huge amount of land when they enter into politics and land actually acts as an initial endowment to begin with. To answer this question, he referred to data on Talukdars from 14 districts of UP where there were 300 talukdars or zamindars, pointing out that out of the 300 families, for those families which are still active in politics, their mean land share in 1930 or revenue share was greater than those not active in politics today. From this he concluded that one needs some sort of money to actively begin in politics and then he/she slowly accumulates wealth to remain in politics. This has serious implications because if power at the local level is controlled by a very few families, they are going to kill every kind of reform you can think of.

Dr. Sabyasachi Das, Assistant Professor, Asoka University

Rapporteur's Summary

Dr. Sabyasachi Das spoke about another aspect of a defective democracy. His work focuses on a relatively less explored issue - it is the idea that there are, especially in the context of developing countries, various large third party organizations engage in policy making, sometimes in collaboration with the Government. Agencies like the World Bank are heavily involved in various policy making and policy implementation aspects of various developing countries. Dr. Sabyasachi Das tried to understand whether these kinds of interventions have potentially unintended political implications for the domestic government and whether some of these implications are adverse or not. To understand this, he studied a very specific World Bank programme in the state of West Bengal in India, trying to show that even such well-planned programmes may have potentially adverse political consequences. He studied the programme called Institutional Strengthening of Gram Panchayats (ISGP) which is a capacity building initiative. It trains the local Gram Panchayat politicians and officials in various governance practices. He went on to explain that after the training was complete, the audit wing of the programme audited the governance activities of the gram panchayats in the previous financial year and gave them a score in terms of how well they are doing following the best practices. He mentioned that the selection of gram panchayats into this program was not random. The criteria used for identifying effects of this programme is the same criteria used to select these gram panchayats into the program-if you look at the governance index or the development index at some point there was a threshold above which all the Gram panchayats were selected and below which none were selected. Explaining the timeline of this intervention, he said that it started in 2010 when the left front was in power in the state and one year later they lost the election to the All India Trinamool Congress (AITC). He argued that the new government was interested in maximising its presence at the local level. In spite of power change in the state there was still a high presence of the left at the bottom and so, the AITC after one year of coming into power responded by allocating more resources to the gram panchayats which were aligned with AITC. He found out that programme villages which were not aligned to the ruling party actually lost money. The consequence was that the party switching rate of the opposition in favour of the ruling party jumped among the programme villages. He further commented on the party switching rate of local politicians in West Bengal, stating that, on average, about 22% of local politicians switch parties. His research also argues that amplification of the party switching phenomenon is one of the adverse political outcomes of this intervention, another one being that the opposition incumbents who did not switch to AITC actually experience a fall in their re-election rate. Upon tracking the re-election rate of the incumbent in the 2013 local elections, he discovered that the re-election rate of those who experienced a pump in their resources remained the same relative to their counterparts in non-programme set. He remarked that the average re-election rate actually went down because of the programme intervention. He concluded by saying that even though the programme is extremely well implemented and well intentioned, it influences the local political incentives of where the intervention is to take place. Without being cognizant of these political incentives, some of these interventions may backfire even with the best intentions.

Audience Interaction and Conclusion

To the question on the efficacy of the Proportional Representation (PR) system, it was clarified that such an electoral system is an elaborate discussion in comparative politics and political theory. There is a threshold in the PR system. The lowest threshold in the world is 3% which is in Israel. Political scientists and legal theorists who work on this would say below 5% should not be made applicable as it would lead to numerous parties. It will become unmanageable. It was further mentioned that the drawback in the PR system is, in spite of everyone getting represented there is no assurance of government stability. The First Past The Post system (FPTP) exaggerates victory on the positive side and defeat on the negative side. (For ex: In the 2018 elections, the Congress party had 19.6% of votes and 9% of seats. BJP had 37.4% of vote and 54% of seats). Government stability is workable in the FPTP system. Israel as an example, was cited. The country couldn't form a government for two years. Some European democracies had managed to solve it but it would be unclear given India's vast diversity. If proportional representation is followed in India each caste will develop a party of its own. Coalition of parties based on caste lines will happen as no single caste party can sustain on its own. Considering India's ethnic and caste diversities, a system that requires coalitions to come to office might be preferable to a system that validates the importance of every small caste group.

Conclusion

Discussion started from the leverage Self Help Groups have created for women at political level to the relevance of proportional representation in Indian political system. More educated independent male candidates have started contesting for elections and the educated women have contributed to an overall increase in political awareness. People are more empowered now than before. Despite that, class politics and caste politics continue to dominate. Local businesses and properties are held by the rich and the powerful. A deep insight about how sometimes a well intentioned programme could backfire due to political incentives was gained. The values our freedom struggle held onto and the principles on which our constitution built upon reverberated prominently in the discussions.



Parallel Session 7: Entry Barriers in Indian Politics

Summary of the Session

Money acts as an agency for those who regard politics as an investment and a lucrative business with good returns. There exist several instances in India where only a select few possessing huge wealth can contest for elections. These also reflect that the principle of equality has been undermined, and has led to development of political corruption. The session, therefore, focuses on 'Entry barriers in Indian Politics'. The Chair opened the session on entry barriers in Indian politics by pointing out a curious paradox that can be observed over the history of Indian politics – while political representation has deepened, the cost of contesting elections still excludes many from participating. That is, although there has been an increase in participation from rural and lower caste populations, the increasing financial burden of contesting an election still excludes many potential candidates. The presentations by the panel speakers shed light on the dynamics of this problem.





Chair - Prof. Ashutosh Varshney, Professor, Brown University

Prof. Ashutosh Varshney is Sol Goldman Professor of International Studies and the Social Sciences and Professor of Political Science at Brown University, where he also directs the Center for Contemporary South Asia. His books include *Battles Half Won*, *Ethnic Conflict and Civic Life*, *Democracy, Development and the Countryside*. His academic papers have appeared in *World Politics*, *Perspectives on Politics*, *Comparative Politics*, *World Development*, *Daedalus*, etc. His accolades include fellowships from Guggenheim and the Carnegie foundations. He is currently working on three projects: a multi-country project on cities and ethnic conflict; political economy of urbanization in India; and Democracy in India.

Prof. Ashutosh Varshney, Professor, Brown University

Rapporteur's Summary

Prof. Ashutosh Varshney began by acknowledging that political representation in India has moved downward and there are more lower caste politicians today in politics than in the 1950s; if one surveys the Lok Sabha candidates against their social backgrounds in the 1950s, one can conclude that 40% were lawyers and only 15-16% were agriculturists. The speaker asserted that the caste churning has led MPs belonging to different castes being represented but the representational deepening goes along with the fact that for a candidate it takes around Rs. 30 to Rs. 50 crore to contest a parliamentary election and Rs. 10 to Rs. 15 crore for an assembly election. Hence one representational trend goes deeper and lower while the other trend seems exclusionary.

Ms Aliz Toth, Stanford University

Rapporteur's Summary

Doctoral student in political science, Ms. Aliz Toth presented her research (joint work with Saad Gulzar, Durgesh Pathak, and Sarah Thompson) on 'who becomes a party worker' – results from a conjoint experiment that sheds light on barriers to entry at the lowest level of politics. The speaker began by pointing out that although party workers play a critical role in the party's interaction with voters at the time of elections, there is relatively little known about who these party workers are, where they come from, and what motivates them.

Parties follow different strategies to recruit party workers and, in doing so, make tradeoffs on a number of dimensions – for example, altering their ideological direction to attract new members and expand their appeal, or attempting to strengthen their existing grounds by recruiting new members with similar beliefs. The speaker's research entails a conjoint experiment that sheds light on how potential party workers respond to different such messages from political parties.

The researchers partnered with the Aam Aadmi Party during elections in Jharkhand to understand whether different messages attract different workers. The conjoint experiment thus presented potential party workers with informational flyers about the party and individual leaders, based on which they would make their choice. Analysis of the results suggested the following: with regard to the individual attributes of the party leader featured on the flyer – ideologues were preferred over candidates focused on key policy initiatives, candidates motivated to run for office were preferred over those who wanted to rise within the ranks of the party, and educated candidates were preferred over less educated ones. Regarding party attributes, the following kind of messaging was presented – (i) ideological messaging, (ii) candidacy-based messaging, (iii) policy-based messaging, and (iv) career progression-based messaging. The results indicate a significantly positive response to ideological and candidacy-based messaging compared to policy-based messaging and no effect of career-based messaging. The researchers found out that minorities, SC/STs responded positively to ideological and candidacy-based messaging as they were more politically experienced but their view of policy was different. In conclusion, parties could diversify their membership with messaging and recruitment based on ideology and candidacy rather than policy motivations.

Dr. Gilles Verniers, Assistant Professor, Ashoka University

Rapporteur's Summary

Dr. Gilles Verniers began by asserting that while money presents a strong hurdle to entry into Indian politics, it is not the only barrier. Barriers to entry are also created by the rules of the system, configuration of electoral competition and through the resilience of local dominance, which prevent the entry of candidates, not belonging to a locally dominant group.

Evidence suggests that the candidates who are rich, male, and typically from locally dominant castes usually have an easy access to politics. The speaker pointed to the resurgence of upper caste representation in recent years under the BJP and other parties. A notable observation in this regard is the relationship between the performance of the BJP and upper caste representation; when the BJP performs well in an election, upper caste representation increases. Further, there is systematically skewed representation of specific castes within each caste group. One can observe the empowerment of specific strong groups within each caste category, such that there is now an overrepresentation of historically dominant groups. OBC representation declined overall from the mid-1990s, but within the OBC category, more groups are being represented. However, this increased representation of previously under or unrepresented groups has come about without challenging the dominant group within the overall caste category. The speaker thus rejected the notion that parties disregard caste – rather there is a token representation from non-dominant caste groups. This presents a significant barrier to entry into politics.

The speaker then described the ingrained aspects of electoral competition in India that reinforce these barriers. Most important amongst these is the high degree of churn in the choice of candidates – most candidates do not have the opportunity to rerun for office. Those who do, do not expect to be re-elected. This presents a structural incentive for predatory behavior and no incentive to learn legislative work. The resilience of patterns of local dominance is yet another observation from data on electoral results. Many seats return winners of the same caste, regardless of the party. Parties are thus only partly to blame.

According to the speaker, there are many relevant instances in India which reveal that historically powerful groups are being over-represented. Therefore, caste significantly penetrates and plays a crucial role in electoral politics.

Dr. Neelanjan Sircar, Assistant Professor, Ashoka University

Rapporteur's Summary

Dr. Neelanjan Sircar began by referring to Brutus' statement 'According to the common course of human affairs the natural aristocracy of the country will be elected. Wealth always creates influence and this is generally increased by large family connections' and explained that at any point of time a

person must be popular and must have some vices to get elected. The entry barriers are due to certain biases which come from having an electoral democracy, the way the Indian political system has been structured and larger ills in the society that are reflected in the electoral system.

The speaker acknowledged that many of the problems discussed in the conference were cardinal challenges faced by most democracies and described three broad ways in which 'money power' acts as a barrier to entry into politics in India -

First, party structures contribute to the problem of money as a barrier to entry. Political parties in India typically display low intra-party democracy. Party workers, including MPs and MLAs, have little influence on matters of policy, which are usually decided by a small number of elites. This yields incentives for corruption, and also an incentive to invest more in the system to avail that corruption; leading to rise of wealthy self-financing candidates. Second, candidates' organizational capacity is an important aspect of their ability to contest and win an election- that is, individual candidates must be able to pay for rallies and party workers and mobilize people who can organize their campaign. This in itself is a significant expenditure. Third, individuals with access to black money and control over large contracts are likely to meet greater success as candidates. Access to such networks and the ability to cash in on high-value contracts presents yet another barrier to entry for potential candidates.

The speaker then discussed some potential solutions. Increased policy importance for individual legislators would increase both their power and accountability. To address the issue of a disproportionate amount of money that is coming from black money, the speaker suggested that property has to be fairly and effectively managed and land must be delivered in a relatively non-corrupt manner; having to 'pay to play' is an inefficient sunk cost.

Smt Priyanka Chaturvedi, Politician, Shiv Sena

Rapporteur's Summary

Smt Priyanka Chaturvedi summarized the barriers to entry as 'the 3 Fs' – funds, family backing, and a father-figure. She then drew upon her own experiences in two political parties to highlight how these three barriers limit the entry of talent, and some of the solutions that have been tried to address these with mixed results. She spoke of party primaries and youth politics as solutions that have been implemented to address the barrier of family backing; however, she described both as failed experiments because still, only well-connected and people with influential families could enter. She then pointed to the overarching issue of 'winnability' of the candidate, which has now become a key determining factor in the individual's ability to enter politics.

Audience Interaction and Conclusion

The moderator's questions and the audience discussion clarified several aspects of the academic panelists' presentations and drew out further insights from Smt Priyanka Chaturvedi's practical experience as a politician. In response to Prof. Varshney's question on why their experiment distinguishes between ideological messaging and policy-based messaging, it was clarified that the separation is meant to distinguish between 'purists' (staunch believers in the party's stated ideology) and 'benefit-seekers'. Dr. Gilles Verniers expanded on his earlier comments stating that the phenomena we are examining are at the intersection of electoral politics and political economy. Candidates who are in the best position to benefit from economic expansion in particular constituencies are the ones who fare better in elections and politicians who belong to dominant groups have stronger ties with party leadership and are more resistant to individual anti-incumbency forces. In response to comments that there have been several instances of the less funded party in an election emerging victorious, Dr. Neelanjan Sircar commented that the level of political volatility across states suggests that a significant variations is on party symbol and not the candidate; and in a party with low intra-party democracy, an average voter votes for charismatic leaders. Further, unlike most consolidated partisan and ideological systems, candidate phenomena and partisan phenomena are not fully linked in India – that is, there is less ideological and partisan stability in the system. There is thus less clarity on how this interplay affects electoral outcomes. A few of the speakers noted that lack of accurate information in addition to misinformation influences voters to choose the wrong candidate. There were also suggestions such as conduct of open political debates to politically educate the voters can also be an effective way to promote accountability in a democracy.

Conclusion

In summary, the session sheds light on the patterns of electoral outcomes in India, specifically in relation to candidate characteristics, party structures, and the structure of electoral competition; this resulted in a nuanced discussion on how each of these factors translates into barriers to entry into politics. The session also served to dispel many misconceptions about these patterns. For example, Dr. Gilles Verniers' work shows that despite the literature on the transformation of caste-based politics, data shows that patterns of caste dominance have remained fairly stable. The session also called out certain areas for further research – for example, the relationship between party and candidate characteristics in determining electoral outcomes. Panelists unanimously seek transparency, accountability, and effective initiatives that can function smoothly in our political system curbing the negative trails left by the power of money. They also recommended inclusiveness and proper representation of women in our electoral and political system.



Parallel Session 8: Service Delivery and Decentralisation to Reduce Party Maintenance Costs

Summary of the Session

A large amount of money is spent by the political parties on party maintenance. Most of the time, MPs and MLAs intervene in the service delivery and regular functioning of local governments. Even after 28 years of 73rd and 74th constitutional amendments, the powers to local governments have not been devolved adequately and almost all the schemes are centralised. The speakers vividly spoke on party maintenance costs and additionally expressed their views on how service delivery and decentralisation can reduce such costs. The Chair concluded the session by reiterating that the hold of money and muscle power over democratic politics can only be broken by genuine decentralised politics.





Chair - Smt Yamini Aiyar, President and Chief Executive, Centre for Policy Research

Smt Yamini Aiyar is the president and the Chief Executive of the Centre for Policy Research, (CPR), India's leading policy research think-tank and is also the architect of the Accountability Initiative at CPR. Under her direction CPR focuses its work in the areas of state capacity and social policy. She also focuses on action research aimed at strengthening mechanisms for citizen engagement in local government. Additionally, she was a member of the decentralisation team at the World Bank that provided policy support to strengthen Panchayati Raj (local governance) in India when she was working with the World Bank's Water and Sanitation Program and Rural Development unit in Delhi.

Smt. Yamini Aiyar, President and Chief Executive, Centre for Policy Research**Rapporteur's Summary**

The Chair Smt Yamini Aiyar probed deeper into the very relationship between politics, power and money, and concluded that there remains an inter-dependable chain among the three, which must be broken, to expect any positive change. MPs and MLAs have tools, congregated in the form of MPLADS and MLALADS through which they are intervening in service delivery and regular functioning of municipalities/local bodies. As such diminishing intra party democracy in the country coupled with a governance structure that is centralised, does not lend space for a local level leader to rise up the ladder. Therefore, the task is to unpack roles, responsibilities and accountabilities at different tiers of the government and then create incentive structures. Such measures prompt politics and politicians to behave differently. The core challenge of delivering public services in a manner that shapes accountability could be overcome by robust local governments, which also reduces the costs of party maintenance. The Chair concluded by saying that there needs to be a local political mobilisation for improving the local governance.

Prof. Abhiroop Mukhopadhyay, Professor, Economics and Planning Unit, ISI**Rapporteur's Summary**

Prof. Abhiroop Mukhopadhyay considered the issue of party maintenance as a recruitment of elite brokers, who can swing votes. The elections in India are fought in the names of political parties, which tend to focus on the support of various groups in elections. In addition to party affiliation, the voters tend to vote for a contesting candidate based on the various layers of election promises and the goodwill he or she commands individually. Further, active party workers bring in services to the citizens but the issue lies at local levels since the leaders keep changing parties frequently. Only a limited number of people come back to contest in elections again. This proves that elections are a costly affair, yet there seems to be no other way around. Rewarding the Political parties and doing good substantial work can go a long way, given that the candidates keep changing but not the parties. Thereby, the speaker concluded that there should be more parties going all the way down to the local level of government too.

Shri Raghavendra Prasad, Founder, NRI Think Tank**Rapporteur's Summary**

Taking the session forward, speaker Shri Raghavendra Prasad, came forward with recounting the true meaning of Swaraj, in terms of Gandhi's ideology. He later recounted his experiences with Indian elections and his introduction to the elections, both in India and in the US. Later, the contrast between the election campaigning in the US and India were discussed, with a notable point being

raised about the electioneering expenses and the way interaction happens between the candidates and the voters. The interactions in the US were small, in terms of persons gathered, and the money and time spent in each of those interactions. However, there were numerous such small interactions and active public funding, which served the purpose of Democracy in the United States.

Dr. Diego Maiorano, Visiting Research Fellow, NUS Institute of South Asian Studies

Rapporteur's Summary

Dr. Diego Maiorano spoke about the ill-effects of the party spending its funds to serve the temporary needs of its workers. It was pointed out that such spending provides no stability or employment to the party worker, nor is it sustainable in the long run. Speaking on the practicality of laws, the speaker quoted that 'good laws destroy the rule of law', thus drawing focus to the importance of laws being compatible with the standards of society. Drawing the attention towards shortages in the workforce and the lack of capacity building among the top cadre of government officials, it was noted that better outcomes of public services are possible only with a higher number in the workforce with enhanced skills working with clear goals. It was once again brought into light that decentralization offers solutions to most of these problems. A theoretical concept was mooted over the election expenditure, wherein, an increase in the number of MPs by 4 times, could potentially reduce the political expenditure. The concept of frequent transfer of officials was looked upon, wherein it was found that this might only reduce the efficiency of government and come in the way of experienced officials delivering the services in those regions where their experience is concentrated. It was also suggested that the Gram Panchayats should be able to collect their taxes from the people residing in that place, as this tends to encourage the productivity of the people while ensuring that the panchayat stands out independent to the functioning of government at higher levels.

Audience Interaction and Conclusion

The Chair's questions and the audience discussion clarified several aspects of the academic panelists' presentations. The audience started with asking questions on sectional interests in service delivery. The panelists answered this by saying that there is an interplay between parties and ethnic identities which tries to maximize their goods. The panelist also mentioned that there are specific schemes intended at targeting particular communities. The audience also asked a few questions on service delivery through large schemes. To this it was replied that in big schemes like NREGS, the State had the capacity to execute. However, it was also felt that the voting behaviour in general public in the country is largely not based on the rationality of schemes.

The audience also asked questions on how service delivery through centralised schemes is affecting decentralisation. The Chair replied that the efforts over the last 20 years to improve decentralisation of governance had failed. It was felt that centralized schemes are not letting the local governments to make decisions.

Conclusion

The Chair Smt. Yamini Aiyar, concluded the session noting that a complex contest and administrative problems arise when the representative leader uses his or her funds for delivering the routine functions of government but in pursuit of his/her fame. She added that genuine decentralised polity coupled with decentralised political system can keep a check on money power in politics.



Concluding Session

Summary of the Session

The concluding session was a deliberation and summation of the conference outcomes: money influencing the legitimacy and constitutional nature of Indian democratic system. The need to realign and reform the electoral and political system in order to reinstate the people-centric nature of Indian democracy was asserted repeatedly. The agenda of the session was not only to identify milestones of the conference but to acknowledge the participative attitude of the speakers and delegates.

The concluding session weaved in all the issues discussed during the two-day conference in one seam and the panel was specially curated to bring together academia, political representatives and electoral bureaucrats for query and resolution on aspects of 'money power' in politics and how to curb it. The dialogue spanned across aspects of social organization, electoral processes, political ethos and law for people and politics. The speakers tried to understand the perspective of participants on issues pertaining to candidature in election and associated financial bias, transparency in funding of political parties, voter's attitude and accountability for expenditures in Indian political system. Each of them gave insights and overviews based on statistics and historical evidence from their respective field of expertise. The Hyderabad Declaration was a landmark outcome of the conference deliberations and was announced in the concluding session. The content of which was brought about by the various panelists who participated in the conference focusing on how the illegitimacy and power of money in Indian politics can be mitigated.





Chair - Prof. Pradeep Chhibber, Professor, University of California, Berkeley

Prof. Pradeep Chhibber is a Professor of Political Science and the Indo-American Community Chair in India Studies at the University of California, Berkeley. He has written extensively on elections, voting, and political parties in India. His most recent research is on the role of ideology on the Indian party system, the relationship of religion to politics, and micro-level voting patterns in India.

Prof. Pradeep Chhibber, Professor, University of California, Berkeley

Rapporteur's Summary

In his address, the Chair Prof. Pradeep Chhibber focused on the need to identify problems and to question the conceptual clarity of the problem for which the conference was envisioned in the first place. The Indian political structure is flawed and that there should be right incentives in place for politicians to do the right things, which will bring about change. According to him, India is a 'representative democracy'. The issue in the current democratic system is that parties are funded by corporates and the people in power will inevitably choose to support their corporate allies thus, making the principles and ethos of the political power highly questionable. The young people are joining politics in India because they see it as a 'profession'. At the local level, people work for their careers, not for parties.

Prof. Pradeep Chhibber cited his research to show that there is no particular stronghold of political parties unlike popular belief. From a local to national level, lobbying for power and money is done for achieving personal goals. Indian political parties are unique as they are dynastic and centrally designed wherein the family power is the main asset of the party. Parties have become organizations to protect the wealth and assets of the family in power. Incentives at the local level are career and money for aspiring politicians, whereas at the central stage the party focusses resources to protect the reputation and make more money. The solution therefore is to make politics a less lucrative choice and reduce arbitrage at national and local level. This can be done by restructuring our local governments.

Shri Ram Madhav, National General Secretary, BJP

Rapporteur's Summary

Shri Ram Madhav gave his perspective on illegitimate money and power while agreeing to the declaration. The speaker began by highlighting that democracy is the second best form of government as quoted by Jawaharlal Nehru and that the best is yet to be devised. The current democratic model lacks the element of 'by the people' and is run for those who are elected and what is required is 'liberal constitutionalism'. Despite service delivery resting with the local government, politicians want citizens to depend on them for availing services and schemes.

The speaker gave historical evidence about the dynamics of social organization and how it formed the governing systems. Ganrajya – the republic of India, was the first democracy. Historically, India was never a government centric society. However now, politicians in power want to make people dependent on the government. The speaker stressed that minimum government should not merely be a program, but a conviction. The speaker recited the Subhashita verse that describes an ideal society which existed long before the raja-praja system was introduced.

न राज्यं न च राजासीत्, नदण्डो न च दाण्डिकः ।

स्वयमेव प्रजाः सर्वा, रक्षन्ति स्म परस्परम् ॥

Literally translates to, “There is no kingdom nor any king! No criminal nor any judge will give the penalty to the criminal! All the people protect each other by virtue of Dharma”.

The speaker commended the perspective of ideal governance as mentioned by Karl Marx, who believed that in the gradual process of the evolution of state, the state itself will wither away, and emphasized that society only needs the government to be involved in 10% of its affairs. The speaker also sought the need for strong local elected bodies. He opined that caste and religion as institutions, can also be seen as intermediate social institutions that aim to reduce hunger and poverty. He called for an Indian version of the presidential form of government and a gradual move towards shrunken government and more governance. He finally concluded with the assertion that any legislation should support self-governance for people.

Shri Ashok Lavasa, Election Commissioner of India

Rapporteur's Summary

Shri Ashok Lavasa began his address by suggesting amendment to the Hyderabad Declaration and rephrasing it to include 'Robust Legal Framework', to ensure democratic functioning of parties, regulate the flow of money and strengthen transparency. The legislature should help parties to bring in and ensure financial transparency. The solutions are known, yet not implemented and he questions why there has been a status quo. The fight should not be of people versus democracy, which otherwise leads to flawed democracy. Maximum governance and minimum government is possible if politicians follow conduct and not resort to buying support.

The speaker suggested specific steps for viable accountability for illegitimate expense and funding operations of parties. Tax incentives can coerce political parties to declare their money and thus, encourage transparency. Digitising financial contribution, can allow availing crowdsourced campaign funds.

The electoral reforms are just one instrument to moderate democracy. Other steps could be reducing the campaign period and digitally processing electoral submissions of documents and nomination. Excess spending can be curbed by conducting all public meetings in indoor spaces, made available by communities and the candidate does not need to bear the cost, except rentals for the required space. The Parliament is the only agency that can cap the expenses incurred between the announcement of election and finalising candidature. The 1971 report discusses the possibility of doing away with expenditure limits and calls for a debate on the implications of removing the upper limit of election funds. According to the speaker, curbing expenses is equal to curbing free spirit and thus, the decision must be based on principles.

Dr. Jayaprakash Narayan, General Secretary, Foundation for Democratic Reforms

Rapporteur's Summary

Dr. Jayaprakash Narayan in his concluding remarks acknowledged the commitment shown by the participants, particularly the youth, and promised to forge them into a long term force for change. It is a significant milestone in bringing the conference together though a small part of the long-hauled process, he added. The long-term goals for change can be brought about by systematic engagement. The speaker quoted Margaret Mead- “Never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has”, and called for utilising public opinions in a structured and systematic way and suggested that the art of winning is the art of agreeing without compromising the essential.

There are three principles to ensure reformative action:

1. Better constructed proposals and bulletproofed ideas that don't lead to any unintended consequences.
2. Opposition to an idea should be backed by an alternative.
3. When in disagreement, do not attribute motives to your adversary.

The speaker attributed the robust and harmonious nature of the country to a strong family system where the three basic principles are followed. The secret of making things happen is to persuade key decision-makers in a structured, intelligent, responsible, and strategic way. The speaker was confident that it is the youth, who are going to carry the reform agenda and wished them good luck.

Prof. K. C. Suri, Professor, University of Hyderabad

Rapporteur's Summary

Prof. K.C. Suri began his speech by delineating the difference between this conference from one that is conducted by academia, where the latter is biased towards understanding the problem rather than focusing on finding solutions. He commended the pre-conference workshop to strengthen the resolution-based approach of the conference.

The speaker cited three contradictions in 'money power' in Indian politics, they are:

First, although our country worships the gods of wealth, Kubera and goddess Lakshmi, we ignore the ascetics. Lord Buddha was supported by the wealthy but he remained devoted to the ascetics. Second, any state is a good state if it is able to keep above people who have money and people who don't. The State has to act like an umpire between different classes of people. If the state cannot play the role of arbiter to different classes of people who compete for state resources, the state is not a state. The current reality is that the State is embedded in crony capitalism. Thus, it must transcend the classes or it will fail. Democracy is robust, expanding and simultaneously decaying. The aim of

our reforms should be that democratic expansion overcomes decadence. Third, there are three approaches to politics; idealistic approach, institutional approach and rational approach. In India, we have dharmashastras which explains that politics is based on ethics and is the origin of our socio-political system. Ethics gives direction to politics and current politics operates in a demerol space.

Citing the example of King of Syracuse, who was a disciple of Plato, the speaker concluded saying that the kings abiding by law are more significant than wise men making decisions without consulting the subjects. The law should be supreme followed by ethics practiced by the people in power.

Audience Interaction and Conclusion

The audience started the interaction by asking questions on addressing inequalities in India, especially overcoming the prevalence of the caste system. The panelists stated that in India, politics by nature is divisive and the caste system is still thriving because of politicians. The country needs to build credible institutions and social organisations to address these issues. The audience also asked questions in relation to elections, and whether or not election campaigns can be live streamed to make sure that people are deciding based only on candidate performance. In response to this, the panelists stressed that the electoral system should be free and fair through a participative and conscious attitude.

'A man's propensity for justice will make democracy possible, but man's inclination to injustice will make democracy necessary.'

Conclusion

Prof. Ashwini Chhatre began his concluding remark by expressing his gratitude and remembrance of the joy brought about by Indian Elections, which has its unique aesthetics but more importantly, he stressed on the importance of the role of elections, particularly for those communities that want to be recognized. The Indian elections represent the need of the masses to be recognized through caste, religion and creed. It cannot be restricted or limited due to the important role campaigning plays in Indian society and more importantly, in the lives of communities that seek representation. We should overcome the tendency of humans to be despondent by laying emphasis on the 'spaces of hope', stating that the best moments were from the spaces where light comes from, where the possibility is the clearest. He mentioned 'experiments' in providing a way for the future (citing the example of Rajeev Gowda). Politicians, primary elections, civil society and the media should make space for experiments, paving way for what is possible in the future. Thus, we all must promise to collaborate and work together so that we can experiment different mechanisms to curb the power of money. He stated that conversations although important, alone cannot be enough, thereby urging the participants to be part of more experiments. The thought that we can deliberate collectively should be backed by more background research. It will facilitate us to talk and engage with people who are interested in reducing the power of money and willing to participate in the project of Indian democracy at work.

Prof. Chhatre concluded his speech by expressing gratitude for part of a conference that has created an immediate future for us to come together and push reformative action.



Organising Chairs



Jayaprakash Narayan

General Secretary, Foundation for Democratic Reforms

Dr. Jayaprakash Narayan, former MLA, former member of National Advisory Council and Second Administrative Reforms Commission is the General Secretary of Foundation for Democratic Reforms. He was one of the first physicians to join the elite Indian Administrative Service (IAS), one of the toppers in the batch of 1980.

Ashwini Chhatre

Associate Professor of Public Policy, Indian School of Business

Ashwini Chhatre served as the Editor-in-Chief of World Development Perspectives during 2015-18, as Senior Editor of Conservation Letters during 2009-14, and has co-authored one book besides publishing articles in the world's leading journals. Ashwini Chhatre has a PhD in Political Science from Duke University. He is currently Associate Professor of Public Policy at ISB.



KC Suri

Professor, Department of Political Science, University of Hyderabad

Prof. K.C. Suri is a Political Science Professor at the University of Hyderabad. His areas of specializations include Indian Democracy, Public Policies, State Politics, Political parties, and Election Studies.

Co-organised by

