The Election Commission has informed the Government that it is not in favour of state funding of elections.

Why?

- The Election commission is of the view that it would not be able to prohibit or check candidates’ expenditure over and above the state’s provision.

Background

- The state funding of polls was recommended by the Indrajit Gupta Committee in 1998.
- The committee had suggested that state funding would ensure a level playing field for poorer political parties and argued that such a move would be in public interest.
- The committee had recommended some limitations, saying that state funds should only be given to recognised national and State parties and that funding should be given in kind, including free facilities provided to these parties and their candidates. The panel admitted that the economic situation of the country only suited partial and not full state funding of elections.

About the issue

State funding of elections has been suggested in the past in response to the high cost of elections. A few government reports have looked at state funding of elections in the past, including:

1. Indrajit Gupta Committee on State Funding of Elections (1998)

- The Indrajit Gupta Committee (1998) endorsed state funding of elections.

- The 1999 Law Commission of India report concluded that total state funding of elections is “desirable” so long as political parties are prohibited from taking funds from other sources. The Commission concurred with the Indrajit Gupta Committee that only partial state funding was possible given the economic conditions of the country at that time. Additionally, it strongly recommended that the appropriate regulatory framework be put in place with regard to political parties (provisions ensuring internal democracy, internal structures and maintenance of accounts, their auditing and submission to Election Commission) before state funding of elections is attempted.

- “Ethics in Governance”, a report of the Second Administrative Reforms Commission (2008) also recommended partial state funding of elections for the purpose of reducing “illegitimate and unnecessary funding” of elections expenses.

- The National Commission to Review the Working of the Constitution, 2001, did not endorse state funding of elections but concurred with the 1999 Law Commission report that the appropriate framework for regulation of political parties would need to be implemented before state funding is considered.