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Infuse white money in politics to fight black money

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While everyone is busy consuming tales of political corruption, an idea that can make the system less corrupt is about to be buried. Sadly, it may be buried not by those who benefit from corruption but by those who seek to reform the system. If it is buried this time, it is possible that this idea may never see the light of the day.

This is not a new idea. Proposals for public funding of elections have been floated first by the [Tarkunde committee](#) on electoral reforms in 1975, then by the Dinesh Goswami committee, and finally by another parliamentary committee headed by Indrajit Gupta. But nothing came of these attempts.

The idea has been revived by [Sonia Gandhi](#) in her speech at the AICC Burari session. Once again there are attempts to nip it in the bud. Newspaper editorials have declared it a waste of public money. Well-meaning reformers and the [Election Commission](#) are not warm to the idea. The indications from the latest committee on electoral reforms appointed by the law ministry are not positive on this score. If this proposal does not succeed with Sonia Gandhi's backing, we might as well forget about it.

The idea is sound and simple. Politics is not just a legitimate but a vital activity in a democracy. Politics needs resources. Democratic politics requires a level playing field in terms of resources. This condition does not obtain in reality —hence, the need to use public funds to rectify the existing inequality. Such an intervention is needed if we want democratic politics to reflect popular will rather than private interests of the moneybags.

The real question is how to operationalize this idea. Unfortunately, those who advocate this idea present it in a way that is misconceived, ill-designed and very narrowly cast. Usually, public funding of elections is presented as a solution to the problem of excessive use of [black money](#) in politics. The model advocated is that of campaign subsidy in cash or kind for recognized political parties. This usually comes with a proposal to ban any other form of funding. This model of public funding is both impractical and counter-productive. Any attempt to ban private resources in elections will only end up deepening the culture of illegality. Besides, it does not address the real problem.

We need an alternative model of public funding, distinct from the current thinking in many ways. The root cause of political corruption is not the excess of black money, but the serious dearth of white money for legitimate political activity. The real problem is not the ever rising ceiling of electoral expenses but the escalation in the floor of minimum expense necessary to stay in the electoral race. Thus, the attempt should be to infuse a substantial amount of white money across the political spectrum, including to the new players, with a very low threshold criterion. The terms of use should be such that it encourages percolation of money within party organizations, encourages democratic functioning and a culture of accountability and transparency in money matters.

Here then is a concrete proposal. After every [Lok Sabha](#) or assembly election, any party or independent candidate who secures more than 2% of the votes polled should be reimbursed @ Rs 100 per vote secured by them from a special public fund. The amount should be deposited in the bank account of the local, constituency level, unit of the party organization. The party should be allowed to use these funds for any legitimate political activity, including elections, for a period of five years. The funds should be subject to rules of accounting, auditing and transparency that govern public funds.

In effect, it would mean that the assembly level unit of each of the major parties would have an assured sum of more than Rs 1 crore over a five-year period (if the party polls, as they usually do in most big states, 50,000 votes or more in the assembly and Lok Sabha elections in their assembly segment). Assuming that they use up a substantial proportion of this fund for elections, it would give them a decent amount to stay in the electoral fray. It would not do away with 'black' money but would encourage the parties to nominate an honest but resourceless political worker. This would also ensure that the lower party functionaries would not depend on the private resources of the party bosses. This is not a one-stroke solution to political corruption. But it should help reduce the compulsion to be corrupt and encourage clean and accountable politics at each level.

This would cost about Rs 8,000 crore over a five-year period, assuming one cycle of Lok Sabha and assembly election each. If that sounds like too much money, consider scrapping MPLAD scheme which costs about the same amount over a five-year period. Or, just think about the amount the exchequer lost during the [2G scam](#).

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