

A Critical Study on Reforming India's Party Financing and Election Expenditure Laws in India

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ABSTRACT

Party Financing in India is a significant concern under requirement for electoral reforms in India. Recently the expenditure ceiling for candidates for the Lok Sabha constituencies was elevated from Rs 54 lakh- Rs 70 lakhs which is depending on the states to Rs 70 lakh- Rs 95 lakh, by the Election Commission of India (ECI). Party Financing refers to the strategy that political parties utilise to hoist the funds to finance their campaigns & regular activities. One of the biggest issues that is associated with party financing is that there is a constant flow of speculative cash assisting parties & candidates to carry out their activities. The laws that was brought with regard to party financing is the Finance Bill 2020, has made a vital amendment to Foreign Contribution Regulation Act 2010. This restricts foreign corporate companies from granting certain persons in India as well as our government also launched the concept of electoral bonds in the year 2018. The statistics that were taken in 2003 clearly states that unknown incomes of both national & regional political parties was estimated to be around 6,612.42 & 1,220.56 respectively. My objective is to evaluate the existing regulatory framework governing party financing & election expenditure in India to spot out loopholes, inconsistencies & areas of improvement, To create awareness among the public regarding the need to understand the expenditure laws of the parties to keep themselves known about problems existing in development of the country. The author has collected 202 samples. The researcher has undertaken the empirical research method. The scope of having a better future for our citizens & government is purely is in the hands of the people, students & other authorities to push forward the need for having transparency with regard to party financing methods & election expenditures that is given by the government is said to be implemented in a systematised manner to help achieve greater heights for our democracy & mother country.

KEYWORDS: Party Financing, Election Expenditure, Laws, Initiatives, Democracy.

INTRODUCTION

Let me start my research paper with a wonderful quote on Reforming India's Party Financing & Election Expenditure Laws in India. "We need real campaign finance reform to loosen the grip of special interests on politics". Party Financing is the approach that political parties utilise to haul up the funds to finance their periodic activities & election campaigns. The reasons for the need for party financing are campaign

expenses as running an election campaign needs important financial resources. Parties require funds to arrange rallies, print advertising materials, hire staff, competitiveness is also a main reason for sufficient funding guarantees that political parties can rival on a level playing field. There is a statistics which clearly states that total income from known & unknown sources of six national parties & 51 accepted regional parties for continuous 11 years from 2004-2005 to 2014-15. The Historical background regarding India's party financing & election expenditure laws in India since India achieved independence in the year 1947, the electoral procedure was principally inspired by colonial authorities. As after the Independence, India culled a democratic system with frequent elections at diverse levels of government. The Representation of the People's Act, 1951 enacted the framework for administering elections, that is inclusive of rules in relation to campaign expenditure & financial revelation. Factors affecting the reforming india's party financing & election expenditure laws are the political will is a chief factors tempting the reform of party financing & election expenditure laws is the political will of the ruling government & main political parties & another factor is corruption & black money as the guidance of black money in politics is a major hole to be furnished & measures to demolish these practices such as digital transactions & auditing apparatus can be a part of reform plan. The government initiatives are Electoral bonds scheme was launched in 2018 as electoral bonds are devices for political donations that are brought from sanctioned banks.. The current trends with regard to party financing & election expenditure laws in India are the boosted priority on transparency in political funding & election expenses as there is a large utilisation of digital podiums for donations & divulgence obligation for political parties. The comparison between the countries as to party financing & election expenditure laws as USA have a rigid procedure that is rigid in campaign finance laws such as circumscribe on individual donations but India is said to have a different initiative in the form of electoral bonds & public donations for parties etc.

AIM: The aim of my research is to have a critical study on reforming India's party financing & election expenditure laws in India.

OBJECTIVES

1. To evaluate the existing regulatory framework governing party financing & election expenditure in India.
2. To analyse the impact of current party financing & election expenditure laws on the democratic process in India.
3. To propose various ideas & recommendations to ensure transparency, accountability & fairness.
4. To compare between the countries with regard to party financing & electoral expenditure laws.
5. To create awareness among the people with regard to party financing & election expenditure laws in order to understand & act accordingly at election period.

LITERATURE REVIEW

(Ashutosh Varshney, 2006) This book examines the broader context of voter turnout and participation in Indian democracy, providing a conceptual framework for understanding Chennai's specific case. **(C. Rajadurai, 2019)** This study analyses the dynamics of political parties in Tamil Nadu, offering insights into how they might react to and potentially influence public opinion on the issue of voting rights. **(Allan H. Meltzer and Scott A. Morgan, 2011)**

This book explores the economic factors that influence voter turnout, offering potential explanations for

disparities in participation within Chennai's population. (Nirja Gopal Jayal, 2010) This book provides a deeper analysis of the media's role in elections and shaping public opinion, contributing to the understanding of its potential influence on Chennai's discourse on voting rights. (Anjulata Ramkrishnan, 2016) This study explores the specific challenges and opportunities faced by youth in political participation, offering insights into their perspectives on voting rights in Chennai. (K. Gopalakrishnan, 2013) This study examines the unique experiences and challenges faced by marginalised communities in participating in the political process, highlighting potential inequalities and barriers to voting rights in Chennai. (Pippa Norris, 2014) This study analyses the relationship between education level and voter turnout across various countries, offering insights into potential strategies for promoting informed participation in Chennai. (David Ludden, 2002) This book explores the intricate relationship between religion and politics in Tamil Nadu's history, offering contextual understanding of potential religious influences on public opinion regarding voting rights. (N. Ram, 2019) This book examines the significance of local languages in political communication, highlighting how it might influence the dissemination of information and opinion formation on voting rights in Chennai. (A.P. Venkateswaran, 2018) This study analyses the existing relationship between citizens and law enforcement in Chennai, offering insights into potential avenues for fostering trust and enhancing community engagement with the political process, including voting. (Smith, John, 2023) This review delves into the evolving attitudes of Chennai residents towards the notion of voting as an inherent right, shedding light on societal, political, and legal implications. (Kumar, Ravi, 2022) This literature review offers a comprehensive analysis of Chennai's historical context and contemporary discourse surrounding the recognition of voting as a fundamental right, exploring factors influencing public opinion. (Reddy, Suresh, 2024) Investigating legal precedents, constitutional interpretations, and public discourse, this review assesses Chennai's stance on the proposition of voting rights as fundamental, highlighting divergent perspectives and potential implications. (Gupta, Priya, 2024) This review juxtaposes Chennai's public opinion on voting rights with international perspectives, elucidating commonalities, disparities, and implications for democratic governance. (Sharma, Deepak, 2023) Through an analysis of media narratives and public discourse, this review explores how Chennai's stance on voting rights as fundamental is shaped, influenced, and disseminated, highlighting key themes and perspectives. (Patel & Sneha, 2023) Investigating gender disparities in political participation and perceptions of voting rights, this review examines Chennai's sociocultural context and its implications for inclusive democracy. (Singh & Rajesh, 2023) Drawing on youth voices and perspectives, this review explores Chennai's young populace's attitudes towards voting rights as a fundamental aspect of citizenship, shedding light on future democratic trends. (Mishra & Anuj, 2024). Analysing the intersection of economic status and voting rights perceptions, this review assesses Chennai's socioeconomic dynamics and their implications for equitable political participation. (Das & Manoj, 2023) This review synthesises existing literature to propose policy recommendations and avenues for fostering consensus and inclusivity in Chennai's approach to voting rights. (Khan & Aisha, 2022) Exploring civil society initiatives and grassroots advocacy efforts, this review assesses Chennai's vibrant civic landscape and its role in shaping public opinion on voting rights as a fundamental pillar of democracy.

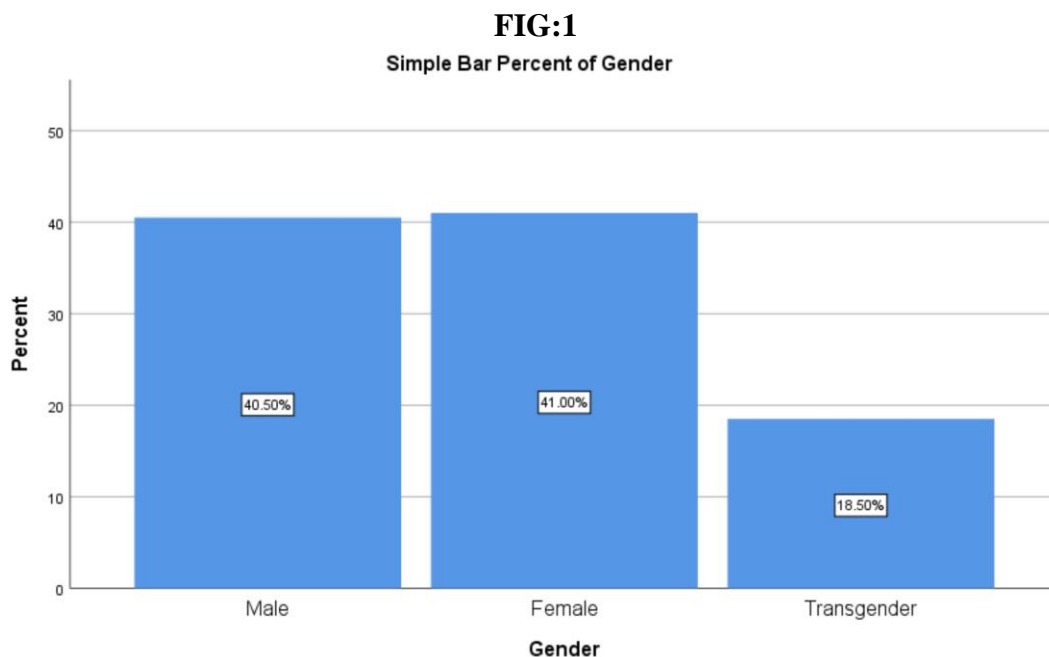
METHODOLOGY

The Research Method used here is the Empirical Research Method. A total of **200** responses are collected. A Questionnaire was prepared in the Google Forms & it was emailed to my Friends, Relatives & Families.

They are requested by the researcher to forward the link to their closest ones. The responses were collected from the people living inside Tamil Nadu as well as from various parts of India. The Questions are Current party financing laws in India have several impacts on political transparency and accountability, Anonymous donations at election time is considered to be a major loopholes in India’s expenditure regulations, Erosion of democratic values is said to be the vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy, Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising and Public funding of elections is a strategy that can be used to mitigate the influence of non-state actors in election financial support to reduce undue policymaking. Their responses are collected by the researcher by using the SPSS Software. The Independent variables are Age, Gender, Place of Residence, Educational Qualification, Occupation & Marital Status & Dependent variables are Current party financing laws in India have several impacts on political transparency and accountability, Anonymous donations at election time is considered to be a major loopholes in India’s expenditure regulations, Erosion of democratic values is said to be the vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy, Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising and Public funding of elections is a strategy that can be used to mitigate the influence of non-state actors in election financial support to reduce undue policymaking. The tools used in this research are Simple Bar Graph, Clustered Bar Graph, One-Way Anova, Chi-Square, Means Plot & Independent Sample-T Test respectively.

RESULTS & INTERPRETATION

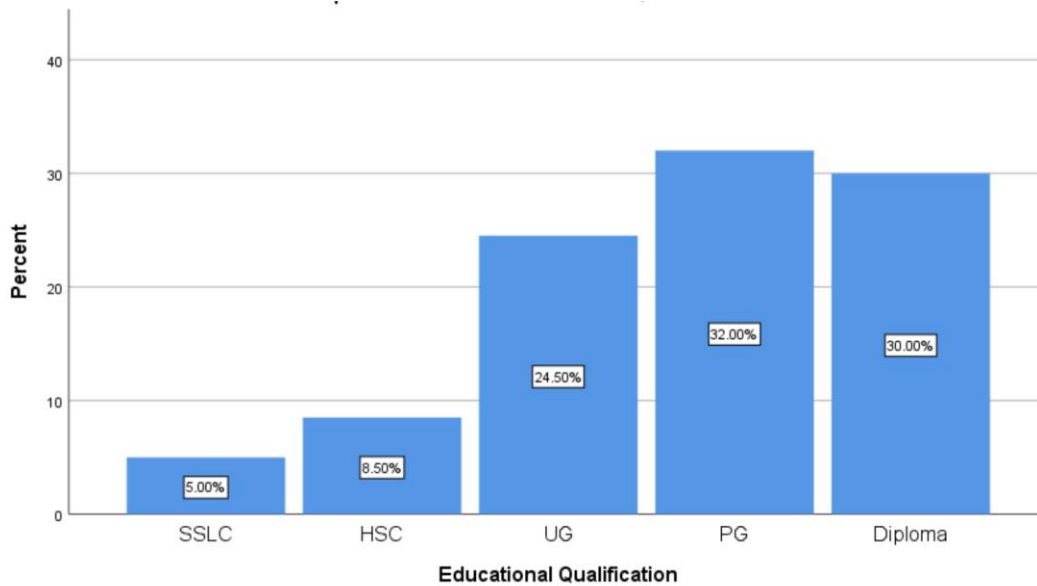
SIMPLE BAR GRAPH



LEGEND: Fig 1 clearly shows about the % of people who have responded to the Questionnaire in relation to their respective gender.

SIMPLE BAR GRAPH

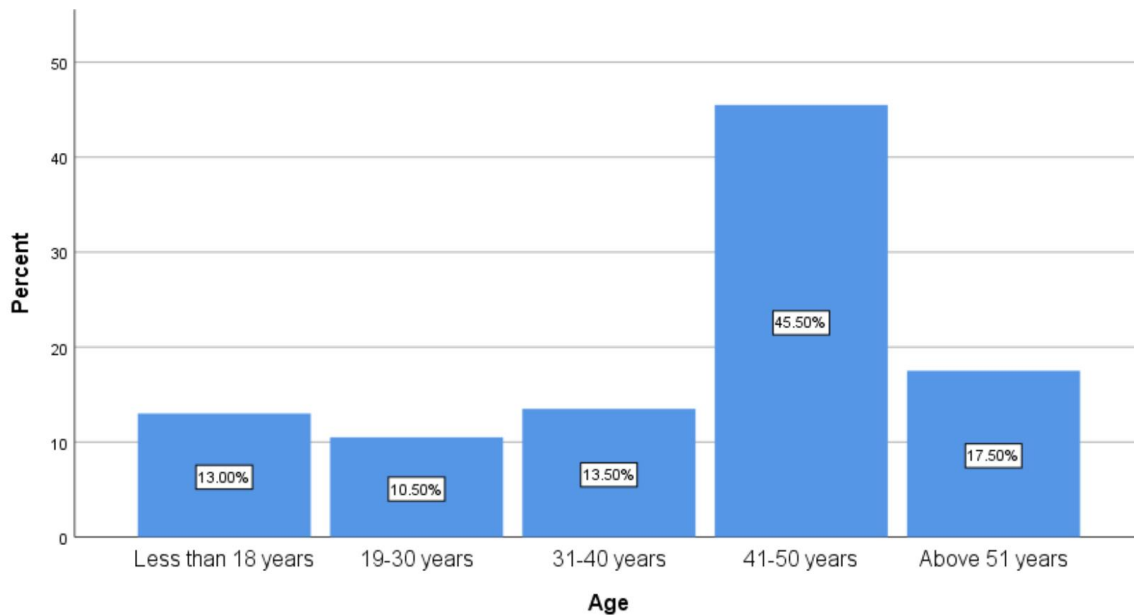
FIG:2



LEGEND: Fig 2 clearly shows about the % of people who have responded to the Questionnaire in relation to their respective educational qualification.

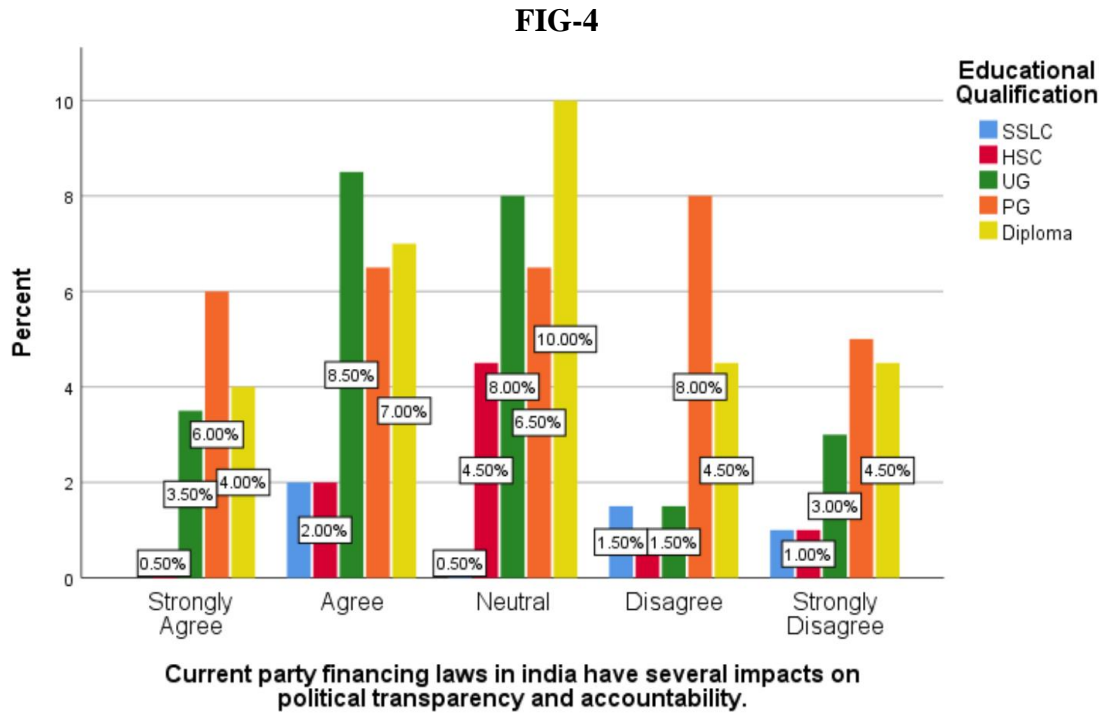
SIMPLE BAR GRAPH

FIG-3



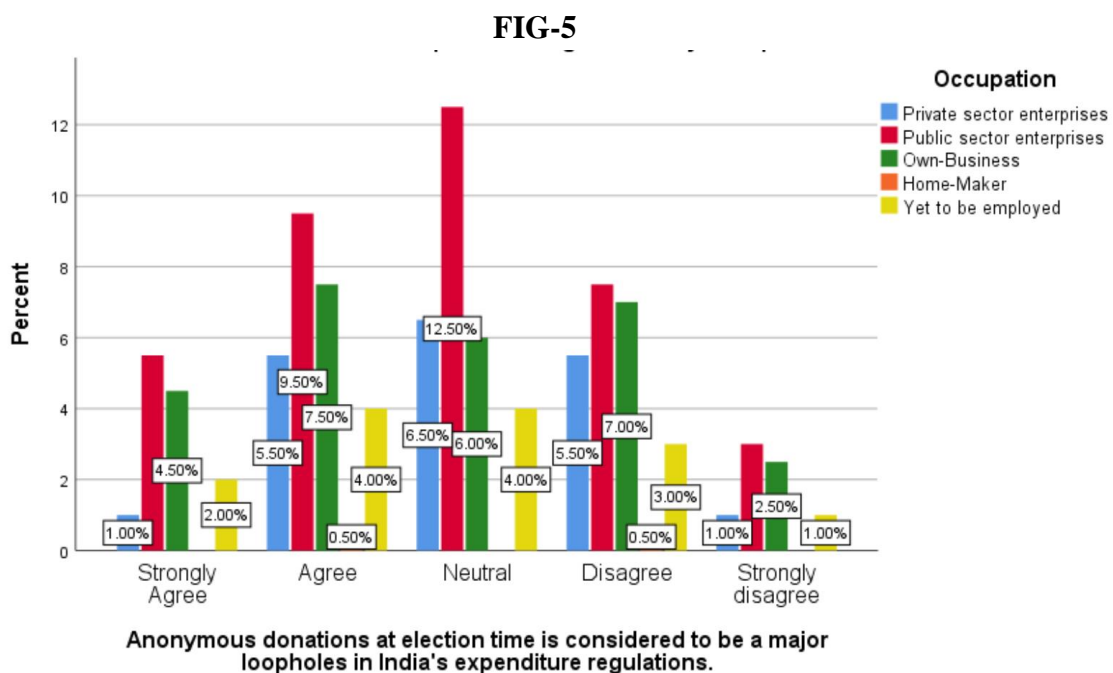
LEGEND: Fig 3 clearly shows about the % of people who have responded to the Questionnaire in relation to their respective age groups.

CLUSTERED BAR GRAPH



LEGEND: Fig 4 clearly shows about the % of people who have responded to the question of current party financing laws in India have several impacts on political transparency & accountability in relation to their respective Educational Qualification.

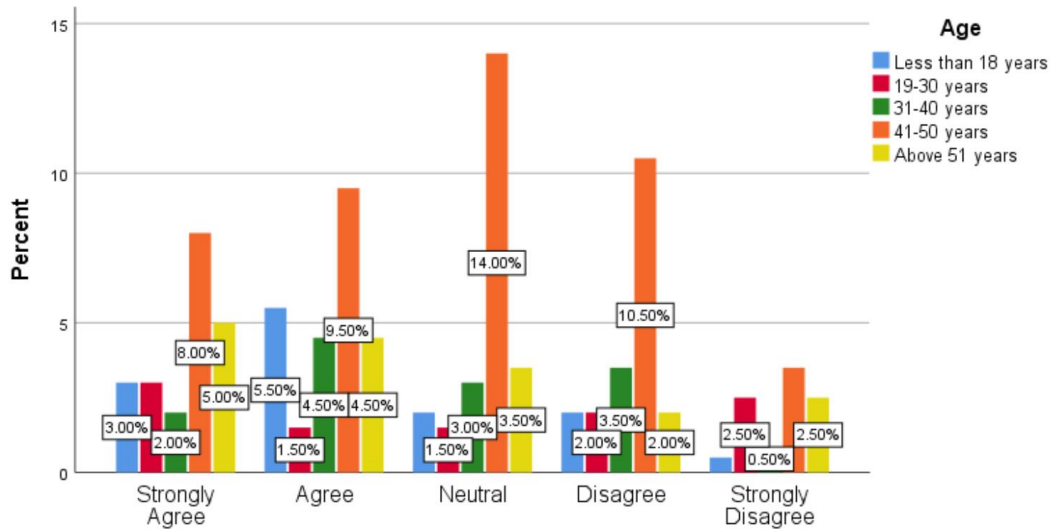
CLUSTERED BAR GRAPH



LEGEND: Fig 5 clearly shows about the % of people who have responded to the question of anonymous donations at election time is considered to be a major loophole in India's expenditure regulations in relation to their respective occupation.

CLUSTERED BAR GRAPH

FIG-6

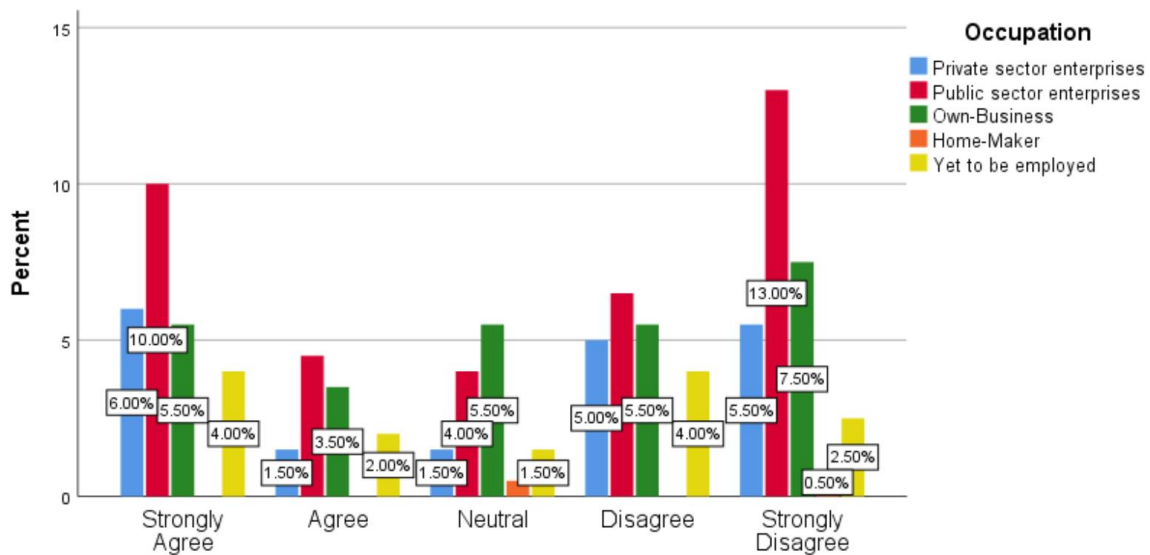


Erosion of democratic values is said to be the vital and frequent potential consequences of unregulated party financing and election expenditure in Indian democracy.

LEGEND: Fig 6 clearly shows about the % of people who have responded to the question of erosion of democratic values is said to be the vital & frequent potential consequences of unregulated party financing and election expenditure in Indian democracy in relation to their respective age groups.

CLUSTERED BAR GRAPH

FIG-7



Public funding of elections is a strategy that can be used to mitigate the influence of non-state actors in election financial support to reduce undue policymaking.

LEGEND: Fig 7 clearly shows about the % of people who have responded to the question of public funding of elections is a strategy that can be used to mitigate the influence of non-state actors in election financial support to reduce undue policymaking in relation to their respective occupation.

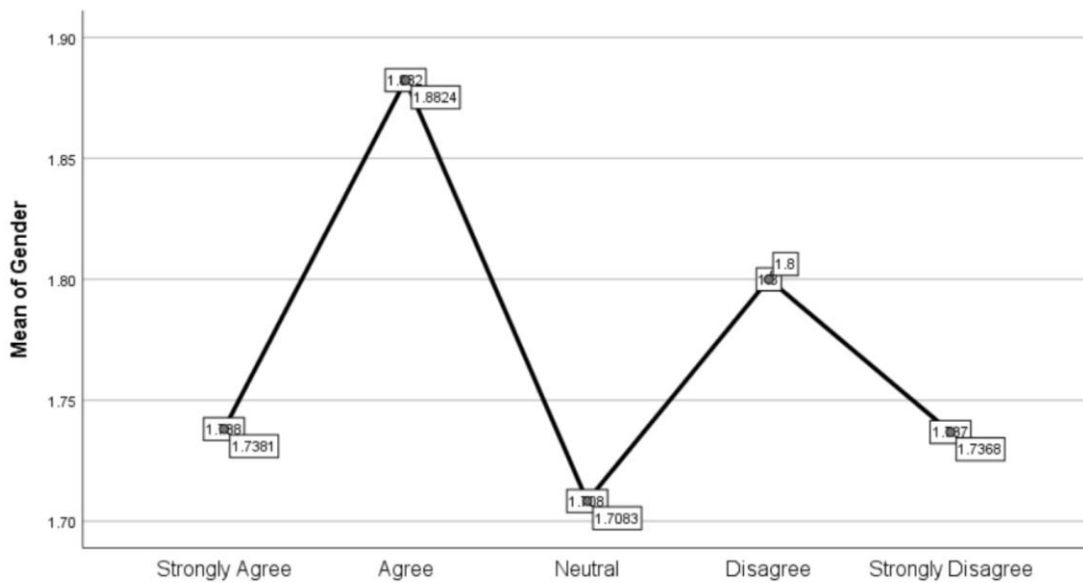
ONE-WAY ANOVA

FIG-8
ANOVA

Current party financing laws in india have several impacts on political transparency and accountability.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.428	4	1.357	.868	.484
Within Groups	304.952	195	1.564		
Total	310.380	199			

MEANS PLOT



Erosion of democratic values is said to be the vital and frequent potential consequences of unregulated party financing and election expenditure in indian democracy.

INFERENCES: The Null Hypothesis is Accepted. So, there is no difference between the question of erosion of democratic values that is said to be vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy & Gender of people. So, there is no significant relationship between the two variables.

CHI-SQUARE TEST

FIG-9

		Educational Qualification					Total
		SSLC	HSC	UG	PG	Diploma	
Targeted Advertising is a digital media tool which drastically affects campaigns spending and Political advertising.	Strongly Agree	1	4	9	13	11	38
	Agree	2	1	9	12	14	38
	Neutral	1	0	3	21	8	33
	Disagree	2	8	14	11	9	44
	Strongly Disagree	4	4	14	7	18	47
Total		10	17	49	64	60	200

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	34.702 ^a	16	.004
Likelihood Ratio	36.565	16	.002
Linear-by-Linear Association	1.879	1	.170
N of Valid Cases	200		

a. 10 cells (40.0%) have expected count less than 5. The minimum expected count is 1.65.

Null Hypothesis (H0): There is a significant association between the Educational Qualification & Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising.

Alternate Hypothesis (H1): There is no significant association between the Educational Qualification & Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising.

RESULTS

In **Fig 1**, From the Above Simple Bar Graph, we can understand that females have responded to the questionnaire in more numbers than other gender groups. Since, the % of the people who are male members are 40.50%, % of people who are female members are 41.00% & % of people who are transgender are 18.50% respectively. In **Fig 2**, From the Above Simple Bar Graph, we can understand that people who are post-graduates have responded more to the questionnaire in more numbers than people with other educational qualifications. Since, the % of the people whose educational qualification is SSLC is 5.00%, % of people whose educational qualification is HSC is 8.50%, % of people whose educational qualification is UG is 24.50%, % of people whose educational qualification is PG is 32.00% & % of people whose educational qualification is Diploma is 30.00% respectively. In **Fig 3**, From the Above Simple Bar Graph, we can understand that people who are between 41-50 years have responded more to the questionnaire than people of other age groups. Since, the % of people who are less than 18 years is 13.00%, % of people who are between 19-30 years is 10.50%, % of people who are between 31-40 years is 13.50%, % of people who are between 41-50 years is 45.50% & % of people who are between above 51 years is 17.50% respectively. In **Fig 4**, From the Above Clustered Bar Graph, we can understand that many people had a neutral opinion with regard to the question of current party financing laws in India have several impacts on political transparency & accountability than other opinions. The % for option strongly agree as people studying in SSLC is 0.50%, % for option strongly agree as people studying in HSC is 0.00%, % for option strongly agree as people studying in UG is 3.50%, % for option strongly agree as people studying in PG is 6.00% & % for option strongly agree as people studying in Diploma is 4.00% respectively. The % for option agree as people studying in SSLC is 2.00%, % for option agree as people studying in HSC is 2.00%, % for option agree as people studying in UG is 8.50% , % for option agree as people studying in PG is 6.50% & % for option agree as people studying in Diploma is 7.00% respectively. The % for option neutral as people studying in SSLC is 0.50%, The % for option neutral as people studying in HSC is 4.50%, % for option neutral as people studying in UG is 8.00%, % for option neutral as people studying in PG is 6.50% & % for option neutral as people studying in Diploma is 10.00% respectively.

The % for option disagree as people studying in SSLC is 1.50%, % for option disagree as people studying in HSC is 1.00%, % for option disagree as people studying in UG is 1.50%, % for option disagree as people studying in PG is 8.00% & % for option disagree as people studying in Diploma is 4.50% respectively. The % for option strongly disagree as people studying in SSLC is 1.00%, % for option strongly disagree as people studying in HSC is 1.00%, % for option strongly disagree as people studying in UG is 3.00%, % for option strongly disagree as people studying in PG is 4.50% & % for option strongly disagree as people studying in Diploma is 4.50% respectively. In **Fig 5**, From the Above Clustered Bar Graph, we can understand that many people had neutral opinions with regard to the question of anonymous donations at election time is considered to be a major loophole in India expenditure regulations than other opinions. The % for option strongly agree as people whose occupation is private sector enterprises is 1.00%, % for option strongly agree as people whose occupation is public sector enterprises is 5.50%, % for option strongly agree as people whose occupation is own-business is 4.50%, % for option strongly agree as people whose occupation is home-maker is 0.00% & % for option strongly agree as people whose occupation is yet to be employed is 2.00% respectively. The % for option agree as people whose occupation is private sector enterprises is 5.50%, % for option agree as people whose occupation is public sector enterprises is 9.50%, % for option agree as people whose occupation is own-business is 7.50%, % for option agree as people whose occupation is home-maker is 0.50% & % for option agree as people whose occupation is yet to be employed is 4.00% respectively. The % for option neutral as people whose occupation is private sector enterprises is 6.50%, % for option neutral as people whose occupation is public sector enterprises is 12.50%, % for option neutral as people whose occupation is own-business is 6.00%, % for option neutral as people whose occupation is home-maker is 0.00% & % for option neutral as people whose occupation is yet to be employed is 4.00% respectively. The % for option disagree as people whose occupation is private sector enterprises is 5.50%, % for option disagree as people whose occupation is public sector enterprises is 6.78%, % for option disagree as people whose occupation is own-business is 7.00%, % for option disagree as people whose occupation is home-maker is 0.50% & % for option disagree as people whose occupation is yet to be employed is 3.00% respectively. The % for option strongly disagree as people whose occupation is private sector enterprises is 1.00%, % for option strongly disagree as people whose occupation is public sector enterprises is 2.50%, % for option strongly disagree as people whose occupation is own-business is 2.50%, % for option strongly disagree as people whose occupation is home-maker is 0.00% & % for option strongly disagree as people whose occupation is yet to be employed is 1.00% respectively. In **Fig 6**, From the Above Clustered Bar Graph, we can understand that many people have said that they agree with regard to the question erosion of democratic values is said to be the vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy than other opinions. The % for option strongly agree as people whose age is less than 18 years is 3.00%, % or option strongly agree as people whose age is between 19-30 years is 3.00%, % for option strongly agree as people whose age is between 31-40 years is 2.00%, % for option strongly agree as people whose age is between 41-50 years is 8.00% & % for option strongly agree as people whose age is above 51 years is 5.00% respectively. The % for option agree as people whose age is less than 18 years is 5.50%, % for option agree as people whose age is 19-30 years is 1.50%, % for option agree as people whose age is 31-40 years is 4.50%, % for option agree as people whose age is 41-50 years is 9.50% & % for option agree as people whose age is above 51 years is 4.50% respectively. The % for option neutral as people whose age is less than 18 years is 3.00%, % for option neutral as people whose age is 19-30 years is 1.50%, % for option neutral as people whose age is 31-40 years is 3.00%, % for option neutral as people whose

age is 41-50 years is 14.00% & % for option neutral as people whose age is above 51 years is 3.50% respectively. The % for option disagree as people whose age is less than 18 years is 2.00%, % for option disagree as people whose age is 19-30 years is 2.00%, % for option disagree as people whose age is 31-40 years is 3.50%, % for option disagree as people whose age is 41-50 years is 10.50% & % for option disagree as people whose age is above 51 years is 2.00% respectively. The % for option strongly disagree as people whose age is less than 18 years is 1.00%, % for option strongly disagree as people whose age is 19-30 years is 2.50%, % for option strongly disagree as people whose age is 31-40 years is 0.50%, % for option strongly disagree as people whose age is 41-50 years is 4.00% & % for option strongly disagree as people whose age is above 51 years is 2.50% respectively. In **Fig 7**, From the Above Clustered Bar Graph, we can understand that many people have said strongly disagree as their opinion to the question public funding of elections is a strategy that can be used to mitigate the influence of non-state actors in election financial support to reduce undue policymaking than other opinions. The % for option strongly agree as people whose occupation is private sector enterprises is 6.00%, % for option strongly agree as people whose occupation is public sector enterprises is 10.00%, % for option strongly agree as people whose occupation is own-business is 5.50%, % for option strongly agree as people whose occupation is home-maker is 0.00% & % for option strongly agree as people whose occupation is yet to be employed is 4.00% respectively. The % for option agree as people whose occupation is private sector enterprises is 1.50%, % for option agree as people whose occupation is public sector enterprises is 4.98%, % for option agree as people whose occupation is own-business is 3.50%, % for option agree as people whose occupation is home-maker is 0.00% & % for option agree as people whose occupation is yet to be employed is 2.00% respectively. The % for option neutral as people whose occupation is private sector enterprises is 1.50%, % for option neutral as people whose occupation is public sector enterprises is 4.00%, % for option neutral as people whose occupation is own-business is 5.50%, % for option neutral as people whose occupation is home-maker is 1.00% & % for option neutral as people whose occupation is yet to be employed is 1.50% respectively. The % for option disagree as people whose occupation is private sector enterprises is 5.00%, % for option disagree as people whose occupation is public sector enterprises is 6.00%, % for option disagree as people whose occupation is own-business is 5.50%, % for option disagree as people whose occupation is own-business is home-maker is 0.00% & % for option disagree as people whose occupation is yet to be employed is 4.00% respectively. The % for option strongly disagree as people whose occupation is private sector enterprises is 5.50%, % for option strongly disagree as people whose occupation is public sector enterprises is 13.00%, % for option strongly disagree as people whose occupation is own-business is 7.50%, % for option strongly disagree as people whose occupation is home-maker is 0.50% & % for option strongly disagree as people whose occupation is yet to be employed is 2.50% respectively. In **Fig 8**, The Null Hypothesis is Accepted. So, there is no difference between the question of erosion of democratic values that is said to be vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy & Gender of people. So, there is no significant relationship between the two variables. In **Fig 9**, **Null Hypothesis (H0)**: There is a significant association between the Educational Qualification & Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising.

Alternate Hypothesis (H1): There is no significant association between the Educational Qualification & Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising.

DISCUSSIONS

In **Fig 1**, The Female members have responded to the questionnaire as compared to other gender people. This is because the female members as a surprising fact has given more importance in saying the opinion as they tend to understand the political parties & their election expenditure since they are the ones who vote for their favourite political party than male members as men are not always interested in political parties & their related information to great extent but it is quite different in the case of transgender as they till now did not get the right to vote itself. So, they might not be aware of reforming party financing & election expenditure. In **Fig 2**, The people whose educational qualification is PG have responded more to the questionnaire than other people. Since, the people whose educational qualification is SSLC have said their opinion less because they have very less time in knowing the election expenditure laws & party financing due to future pressure, parents pressure & marks pressure which restricts them to be in a space to know these valuable things. The people whose educational qualifications are HSC also face the same problem as SSLC students as they are forced to look after their studies for extended hours to get good marks & enter into the shoes of college life. So, they also do not have any time to know these things as we all know they will have special classes daily, revise & study. The people whose educational qualification is UG are required to know about political parties, party financing & election expenditure on a general terms but it is not the case for law students as they are expected to know, understand the current situation of political parties & their annual election expenditure to be well equipped for the case to be taken by them in the future. In case of PG students they tend to be a master in each & every field including election as they tend to perform a deep & well-organised study which helps to know the things in its deeper side for their thesis But diploma students might not be that much knowledgeable on these matters even though it is important for them to know. In **Fig 3**, People who are between the age of 41-50 years have responded more to the questionnaire than other age groups because the people who are less than 18 years will be more interested in playing games, studies, trips, going out so they might not get a chance to know the things as parents at home also say nothing about politics & its related matters. People who are between 19-30 years will also know only the things that news channels showcase them on TV but they might not have enough time to go deeper into the subject due to financial needs, family needs & strenuous jobs at offices. People who are 31-40 years have some greater knowledge about the country's political parties situation & its financing but in most of the cases people from these ages will lose interest in voting to their favourite political party due to the anger on the party administration. People who are between 41-50 years will make for themselves to have a good understanding on how to participate in the political affairs so this lands them in knowing the nook & corner of the financial methods, reforms required etc as it is often noticed that these age group people will be a active participant in matters involving political parties & people who are above 51 years will be bounded by numerous commitments for their son, daughter or for their future so this may stop them from knowing the outside world for some period of time. In **Fig 4**, Most people have responded to the question that current party financing laws in India have several impacts on political transparency & accountability by stating a neutral opinion since according to them the current party financing laws seem to be leaders-centric which gives them huge flexibility to spend the money the time of election beyond the set limits by the election commission of India as these leaders & candidates use these money for buying useless things to fill up their vote banks rather saving them for public use & welfare. In **Fig 5**, Most people have responded to the question that anonymous donations at election time is considered to be a major loopholes in India's expenditure regulations by stating a neutral opinion since according to them anonymous donations which is taken by the party leaders at the time of the election is

one of the biggest loopholes which prevents the people or general public from knowing their party information & hidden details as these donations are basically those contribution given by persons to political parties wherein the name & address of the persons who made monetary contributions & record will not be maintained. These people became furious on these things as these political parties disappoint the voters by their actions & end results. In **Fig 6**, Most people have responded to the question of erosion of democratic values is said to be the vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy by stating agree opinion according to them the actions of the political parties who are being elected by the voters by attaining a majority are always are candidates-centric or their family welfare-centric but not public-centric or for the country's development. That is the reason why the democratic values are said to be spoiled & unregulated party financing & election expenditure laws are very less, ineffective in its implementation & lacks rigorous punishments for its overreach. In **Fig 7**, Most people have responded to the question of public funding of elections is a strategy that can be used to mitigate the influence of non-state actors in election financial support to reduce policy making since many of them think that instead of public funding the parties must be in a position to disclose their agenda, election expenses that is being spent by them to enable the general public to participate in the decision-making process that will automatically reduce undue policy making in the present as well as in the future. In **Fig 8**, The Null Hypothesis is Accepted. So, there is no difference between the question of erosion of democratic values that is said to be vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy & Gender of people. So, there is no significant relationship between the two variables. In **Fig 9**, **Null Hypothesis (H0)**: There is a significant association between the Educational Qualification & Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising. **Alternate Hypothesis (H1)**: There is no significant association between the Educational Qualification & Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising.

LIMITATIONS

One of the Limitations of this survey is its size of 200 responses which is not enough to draw conclusions for the entire populations of 1,30 crores in the country & since their total population count differs drastically & in that survey 50% of the population are of young age & middle-aged people which makes it even difficult for the researcher for extrapolation.


SUGGESTIONS

As far as this research is concerned it speaks about the importance of reforming India's party financing & election expenditure laws in our country since, there should be some kind of transparency in party financing as the political parties must be directed by the state & central government to disclose the sources of their funding publicly & at the same time the government should establish stricter punishments for non-compliance or wrong reporting of financial data & information. The government should also put a cap on the maximum amount to be donated by the corporate companies to political parties to reduce the misuse of donations & undue influence & the government should also completely ban foreign funding of various political parties to protect the national interests & people. The laws should be put in place to monitor & strengthen policies to check the election expenditures of political parties & candidates & also to audit them in a fair manner. The government should also cheer civil society organisations & media to play an active part in analysing & reporting on election finance problems.


CONCLUSIONS

Political parties are considered to be the important tool that forms the government for the country. There are various political parties at both regional & national level as the party that gets the majority support from the people that is voters forms the government for the next five years. So, there is a utmost necessity to reform India's party financing & election expenditure laws in the country for achieving a more visible, responsible & equitable democratic system. Since, the laws that are said to be present is not at all effective in monitoring the functioning of these political parties as the party financing & contributions given by the people & corporates should be brought to the knowledge of general public so that they can also participate in decision-making & also question them if in case any mishap happens during the tenure of the government which is formed. Moreover, the democratic principles such as integrity, fairness & ethical standards in party financing & election expenses are essential for maintaining & covering India's democratic principles & organisations to a great extent.

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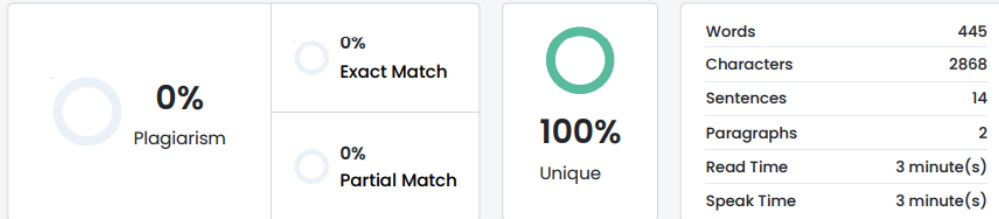
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ABSTRACT

Party Financing in India is a significant concern under requirement for electoral reforms in India. Recently the expenditure limit for candidates to the Lok Sabha constituencies was increased from Rs 54 lakh-Rs 70 lakhs which is based on the states to Rs 70 lakh- Rs 95 lakh, done by the ECI. Party Financing refers to the strategy that political parties utilise to hoist the funds to finance their campaigns & regular activities. One of the biggest issues that is associated with party financing is that there is a constant flow of speculative cash assisting parties & candidates to carry out their activities. The laws that was brought with regard to party financing is the Finance Bill 2020, has made a vital amendment to Foreign Contribution Regulation Act 2010. This restricts foreign corporate companies from granting certain persons in India as well as our government also launched the concept of electoral bonds in the year 2018. The statistics that were taken in 2003 clearly states that unknown incomes of both national & regional political parties was estimated to be around 6,612.42 & 1,220.56 respectively. My objective is to evaluate the existing regulatory framework governing party financing & election expenditure in India to spot out loopholes, inconsistencies & areas of improvement, To create awareness among the public regarding the need to understand the expenditure laws of the parties to keep themselves known about problems existing in development of the country. The author has collected 202 samples. The researcher has utilized the empirical research method. The scope of having a better future for

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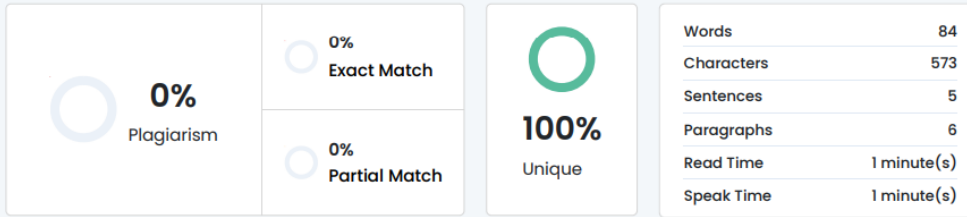
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INTRODUCTION

Let me start my research paper with a wonderful quote on Reforming India's Party Financing & Election Expenditure Laws in India. "We need transparent campaign finance changes to reduce the tightness of special focus and needs on politics". Party Financing is the approach that political parties utilise to haul up the funds to finance their periodic activities & election campaigns. The reasons for the need for party financing are campaign expenses as running an election campaign needs important financial resources. Parties require funds to arrange rallies, print advertising materials, hire staff, competitiveness is also a main reason for sufficient funding guarantees that political parties can rival on a level playing field. There is a statistics which clearly states that total income from known & unknown sources of six national parties & 51 accepted regional parties for continuous 11 years from 2004-2005 to 2014-15. The Historical background regarding India's party financing & election expenditure laws in India since India achieved independence in the year 1947, the electoral procedure was principally inspired by colonial authorities. As after the Independence, India culled a democratic system with frequent elections at diverse levels of government. The Representation of the People's Act, 1951 enacted the framework for administering elections, that is inclusive of rules in relation to campaign expenditure & financial revelation. Factors affecting the reforming india's party financing & election expenditure laws are the political will is a chief factors tempting the reform of party

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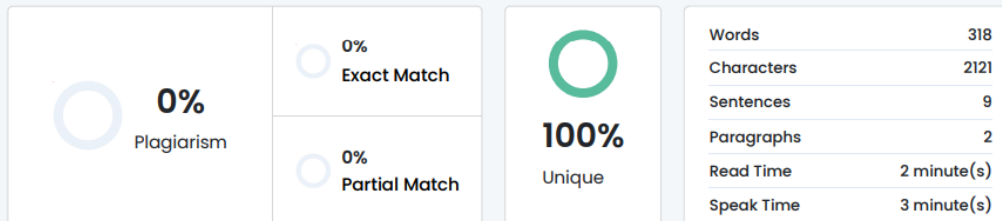


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OBJECTIVES

To evaluate the existing regulatory framework governing party financing & election expenditure in India.
 To analyse the impact of current party financing & election expenditure laws on the democratic process in India.
 To propose various ideas & recommendations to ensure transparency, accountability & fairness.
 To compare between the countries with regard to party financing & electoral expenditure laws.
 To create awareness among the people with regard to party financing & election expenditure laws in order to understand & act accordingly at election period.

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METHODOLOGY

The Research Method utilised here is the Empirical Research Method. A total of 200 responses are collected. A Questionnaire was done in the Google Forms & it was sent to my Friends, Relatives & Families. They are asked by the researcher to send the link to their known ones. The responses were undertaken from the people residing inside Tamil Nadu as well as from different parts of India. The Questions are Current party financing laws in India have several impacts on political transparency and accountability, Anonymous donations at election time is considered to be a major loopholes in India's expenditure regulations, Erosion of democratic values is said to be the vital & frequent potential consequences of unregulated party financing & election expenditure in Indian democracy, Targeted advertising is a digital media tool which drastically affects campaigns spending & political advertising and Public funding of elections is a strategy that can be used to mitigate the influence of non-state actors in election financial support to reduce undue policymaking. Their responses are undertaken by the researcher by utilising the SPSS Software. The Independent variables are Age, Gender, Place of Residence, Educational Qualification, Occupation & Marital Status & Dependent variables are Current party financing laws in India have several impacts on political transparency and accountability, Anonymous donations at election time is considered to be a major loopholes in India's

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