

1. Do you think state funding of electoral campaigns can address the misuse of money power during elections? Critically examine.

Approach –You need to examine both sides of the arguments over whether state funding of electoral campaign scan address the misuse of money power during elections with proper substantiation.

Introduction

India stands as a model for many emerging democracies around the world. Free and fair elections are the hallmark of a well-functioning democracy. But there are still a number of areas which need to be strengthened for us to realise the true potential of a well-functioning democracy, one of which is misuse of money power during elections.

Body

Indian elections are the world’s biggest exercise in democracy but also among the most expensive. India’s campaign spend is only rivalled by the American presidential race, the world’s most expensive election. In this regard, state funding of electoral campaigns can be considered to address the misuse of money power during elections in the following manner -

- The financing of elections has become a major issue in the past few decades. This has resulted in lack of transparency, widespread corruption, and the pervasiveness of so-called ‘black money’. Such a phenomenon can be tackled with state funding of elections.
- NCRWC, 2001 notes that the high cost of elections “creates a high degree of compulsion for corruption in the public arena” and that “the sources of some of the election funds are believed to be unaccounted criminal money. It also states that “Electoral compulsions for funds become the foundation of the whole super structure of corruption”.
- A major concern associated with the high cost of elections is that it prevents parties and candidates with modest financial resources from being competitive in elections. Thus, state funding will provide for a level playing field for all the players involved.
- With public funding the State can encourage or demand changes in for example how many women candidates a party fields - In the same way as private donations can come with demands on party or candidate behaviour, the State can use public funds to level the playing field and encourage (or force) political parties to undertake reforms, hold internal elections or field a certain number of women candidates, youth or persons from an ethnic minority on their ballots.
- If parties and candidates are financed with only private funds, economical inequalities in the society might translate into political inequalities in government - If political parties receive all their income from private

donations, there is a risk that socioeconomic differences in the society will translate into differences in representation and access to political power.

- Political parties and candidates need support in meeting growing costs of campaigning - Politics and political campaigning is an increasingly costly business. Now they need to pay for expensive advertising in newspapers or on posters, or buy time on radio or television to get their message through to the voters.
- In societies with high levels of poverty, ordinary citizens cannot be expected to contribute much to political parties - If parties and candidates receive at least a basic amount of money from the State the country could have a functioning multi-party system without people having to give up their scarce resources.
- The Indrajit Gupta Committee on State Funding of Elections had endorsed state funding of recognised political parties and their candidates in elections way back in 1998, but the lack of political will has prevented any serious discussion on this.

But at the same time, state funding of electoral campaigns cannot be seen as ultimate panacea for the misuse of money power during elections as:

- Public funding increases the distance between political elites (party leadership, candidates) and ordinary citizens (party members, supporters, voters)- When political parties and candidates do not depend on their supporters or members, they might be less likely to involve them in party decisions or consult their opinions on policy issues.
- Public funding preserves a status quo that keeps the established parties and candidates in power - Public funds are often allocated among political parties and candidates in the national legislature. This may make it more difficult for new political forces to gain representation.
- Through public funds, taxpayers are forced to support political parties and candidates whose views they do not share - Many believe that ordinary taxpayers should not be forced to support political parties or candidates that they would never choose to vote for.
- Public funds to political parties and candidates takes money away from schools and hospitals to give to rich politicians - Public resources are scarce and needed for everything. To many people, using public funds to give to political parties and candidates would be far down their list of priorities.
- Political parties and candidates both take the decision and collect the money - The decision to allocate public funds to parties and candidates is most often taken in the national legislature. This means that the political parties and candidates who will collect the money, also take the decision.
- Political parties risk becoming organs of the State rather than parts of civil society - If all or a substantial amount of the party income comes directly from the State rather than from voluntary sources, political parties risk losing their independence and become organs of the State, thereby losing their ties to the civil society.

Way Forward –

- The 1999 report of the Law Commission of India concurred with the Indrajit Gupta Commission that only partial state funding was possible at the present time given the economic conditions of the country.
- The Report “Ethics in Governance” of the Second Administrative Reforms Commission also recommended that “a system for partial state funding should be introduced to reduce the scope of illegitimate and unnecessary funding of expenditure for elections.”
- The National Commission to Review the Working of the Constitution, 2001, did not comment on the desirability of State funding of elections but reiterated the point of the Law Commission that the appropriate framework for regulation of political parties would need to be implemented before proposals for State funding are considered.
- The Election Commission is not in favour of state funding as it will not be possible to prohibit or check candidate’s own expenditure or expenditure by others over and above that which is provided by the State.

Conclusion

While the success of democracy in a complex and large country with widespread poverty and illiteracy has earned India global respect and applause, the country’s democratic process in terms of electoral funding still leaves much to be desired for and the above suggestions can be important in this regard to have fully functioning democracy in true sense.

2. The office of Governor has ceased to be apolitical in recent years. Do you agree? Substantiate your response.

Approach:

It expects students to write about office of Governor and how it ceased to become a apolitical in recent years with suitable examples.

Introduction:

Article 154 of the Constitution envisages Governor as the executive chief of the state. B R Ambedkar called the office of the Governor as the “office of dignity”. His office is the linchpin of Indian Cooperative Federalism. From a long time, the office of the Governor has been at the centre of controversies for several reasons, the most important one being the range of discretionary powers that the holder of the office enjoys.

Body:

Office of Governor in recent years ceased to be apolitical:

- Intervention by governors: Most notably, the governors of West Bengal, Puducherry and Maharashtra are in news for the wrong reasons. For example, Maharashtra governor issue over the opening of temple after lockdown in state and controversy over secularism.
- Non-neutrality of the office of the Governor: The governors are the agents of the Central Government and since most of them are retired politicians belonging to a particular political party, they remain loyal to the people, who appoint them. As a result of it, they try to topple the State Government if it happens to be a Government by the opposition party.
- Appointment and dismissal of the Chief Minister: Governor appoints Chief Minister, other ministers, Advocate General, Chairmen and members of the State Public Service Commission in the state. After elections in the state, there is a convention to invite the largest party to form government in the state. This convention has been flouted many times at the whim of the governor. Eg: The recent episode Maharashtra where Governor inducted a new government at 5:00 am without ascertaining the requisite numbers for the government.
- Gubernatorial powers: The task of inviting the largest party/alliance post-election is a discretion of the Governor which is wrought in controversy. Eg: Karnataka, in 2018 election presented a hung assembly. Ultimately the issue had to be resolved in Supreme Court leading to fall of the government that couldn't prove its majority.

- Removal of the Governor: Article 156 says that the governor will hold office during the pleasure of the President for five years. President works on aid and advice of the Council of Ministers under Article 74. In effect it is the central government that appoints and removes the Governors. The governor has no security of tenure and no fixed term of office. E.g: The mass changing of the governors of state whenever a new government comes to power at Centre.
- Advising the President for proclamation of Emergency: The Assemblies of Uttarakhand, Arunachal Pradesh had been placed under suspended animation on the recommendation of the Governor due to alleged failure of Constitutional Machinery (Article 356). However, the State Governments were reinstated by reversal of President's rule by Supreme Court due to lack of sufficient evidence.
- Reservation of Bills for Consideration of President: On his/ her discretion, the Governor can reserve a bill passed by the state legislature for president's assent. However, situations are mentioned in Article 200, when he will reserve the bill, yet he can use, discretion regarding this matter. Governor has discretion to refuse to sign to an ordinary bill passed by the state legislature.
- Seeking information from the chief minister: With regard to the administrative and legislative matters of the state Many governors have been criticised for expanding their discretionary powers suo motu. Tamil Nadu (TN) governor Banwarilal Purohit has been criticised for running a parallel administration of universities within TN and appointing vice-chancellors without consulting the state government. He was already under fire for conducting "review meetings" of government schemes.

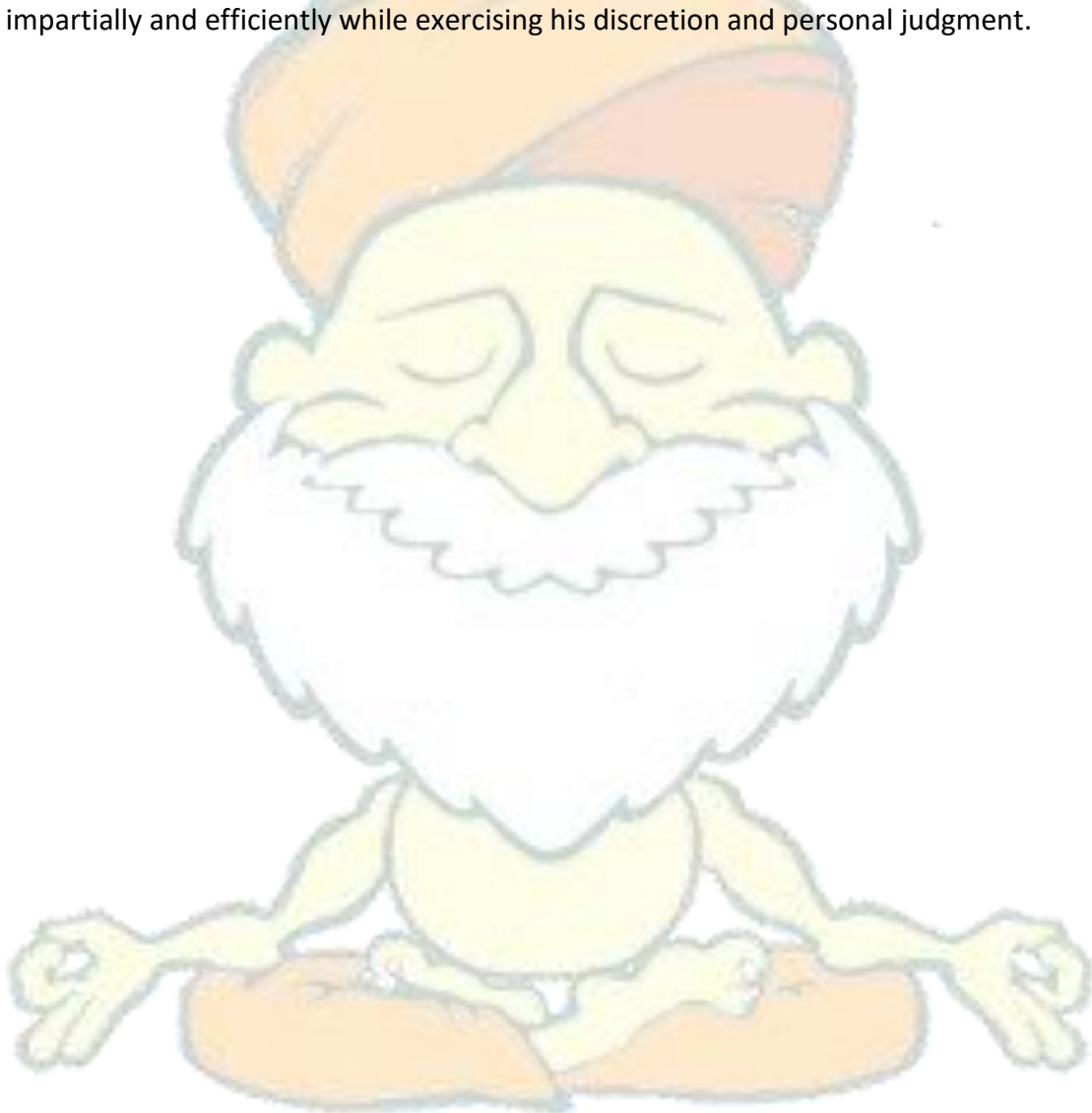
Recommendations of SC Judgements and Committees:

- SR Bommai vs. Union of India, 1994: The case was about the limits to the Governor's powers in dismissing a state government under Article 356 of the Constitution. The floor of the Assembly is the only forum that should test the majority of the government of the day, and not the subjective opinion of the Governor.
- Rameshwar Prasad Case, 2006: Supreme Court was called upon to pronounce its verdict on the validity of the proclamation of President's Rule and the dissolution of the Assembly in Bihar in 2005. The SC held that the Governor could not decide based on his subjective assessments.
- Sarkaria Commission Report (1988):
 1. Governor should be an eminent person and not belong to the state where he is to be posted.
 2. State chief minister should have a say in the appointment of governor
 3. Governor should be a detached figure without intense political links or should not have taken part in politics in recent past.
 4. Governor should not be a member of the ruling party.

- Punchhi Commission (2010): The phrase “during the pleasure of the President” should be deleted from the Constitution. Governor should be removed only by a resolution of the state legislature.

Conclusion:

The role of governor is indispensable for the successful working of the constitutional democracy. He must refrain from aligning himself to any political ideology. For the smooth functioning of a democratic government, it is equally important to have 'Code of Conduct', 'norms and principles' the governor must act judiciously, impartially and efficiently while exercising his discretion and personal judgment.



3. India's Election Commission is an embodiment of institutional excellence and professionalism. Comment.

Approach:

It expects students to write – in first part write why Election Commission is an embodiment of institutional excellence and professionalism – in second part write challenges faced by Election commission – in end in few words write way forward.

Introduction:

Election Commission of India plays a crucial role in organising elections. The most significant role of the Election Commission of India is to ensure free and fair elections as per the norms and the Model Code of Conduct. It is in charge of monitoring the actions and activities of the political parties and candidates and try to ensure free, fair and transparent elections in India.

Body:

Election Commission is an embodiment of institutional excellence and professionalism can be seen from:

- It plays an important role in stopping the dissemination of misinformation with the help of technological tools.
- It conducts elections with the highest standard of credibility, freeness, fairness, transparency, integrity, accountability, autonomy and professionalism.
- It creates awareness about the electoral process and electoral governance amongst stakeholders namely, voters, political parties, election functionaries, candidates and people at large.
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- It creates awareness about the electoral process and electoral governance amongst stakeholders namely, voters, political parties, election functionaries, candidates and people at large.

However, some challenges are faced by Election commission:

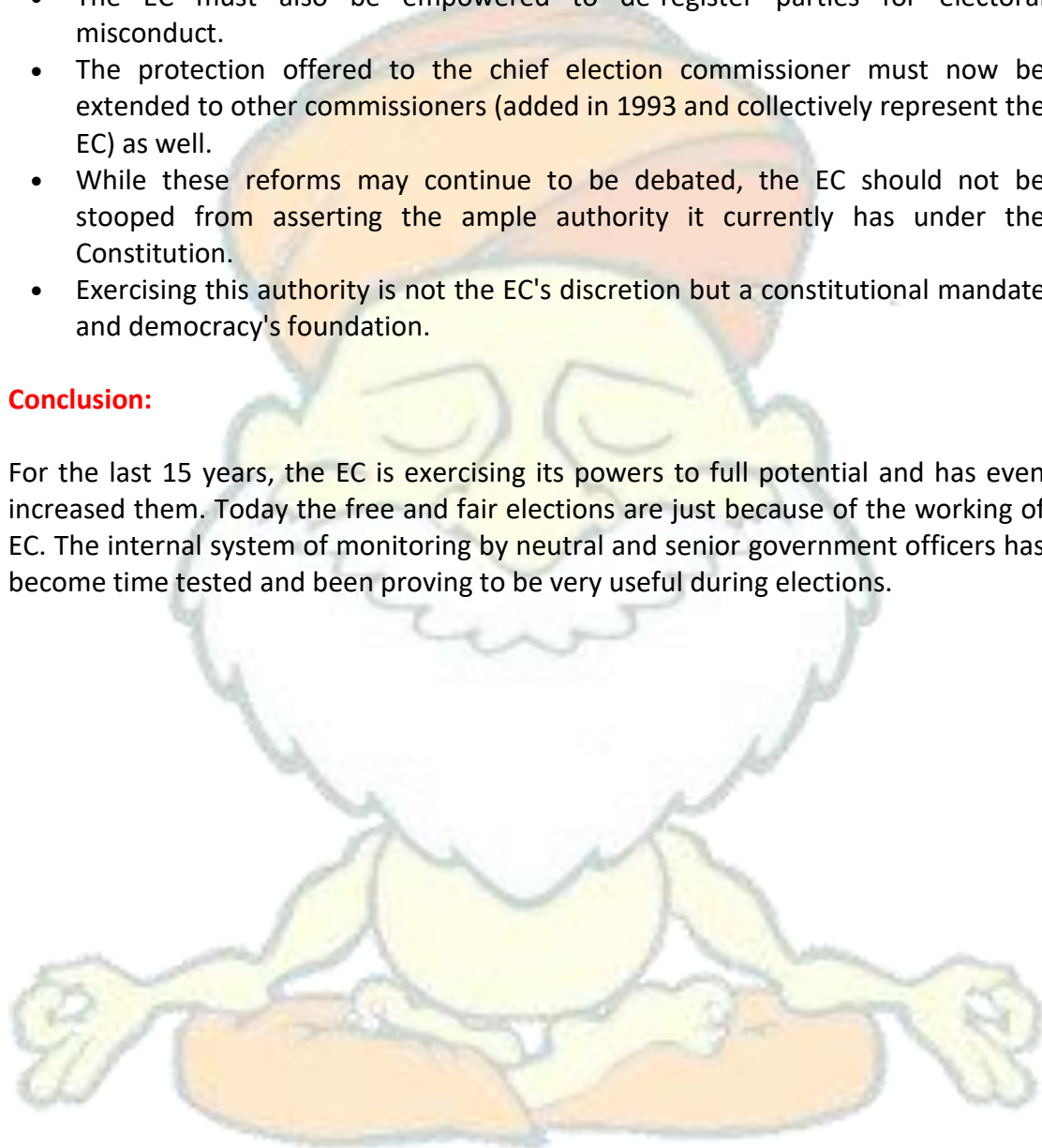
- Allegation of partisan role- The opposition alleged that the ECI was favouring the ruling government in giving clean chits to the model code violations made by the Prime Minister.
- Lack of capacity- The Election Commission is vested with absolute powers under Article 324, but still has to act according to laws made by Parliament and it cannot transgress the same. E.g. Despite being the registering authority for political parties under Section 29A of the Representation of the People Act, 1951, it has no power to de-register them even for the gravest of violations.
- Lack of proactive use of authority- The Election Commission had told the Supreme Court that its powers to discipline politicians who sought votes in the name of caste or religion were “very limited”.

Way forward:

- Elections are the bedrock of democracy and the EC's credibility is central to democratic legitimacy.
- Hence, the guardian of elections itself needs urgent institutional safeguards to protect its autonomy.
- It is high time that appointments of election commissioners is depoliticised through a broad-based consultation mechanism.
- The EC must also be empowered to de-register parties for electoral misconduct.
- The protection offered to the chief election commissioner must now be extended to other commissioners (added in 1993 and collectively represent the EC) as well.
- While these reforms may continue to be debated, the EC should not be stoooped from asserting the ample authority it currently has under the Constitution.
- Exercising this authority is not the EC's discretion but a constitutional mandate and democracy's foundation.

Conclusion:

For the last 15 years, the EC is exercising its powers to full potential and has even increased them. Today the free and fair elections are just because of the working of EC. The internal system of monitoring by neutral and senior government officers has become time tested and been proving to be very useful during elections.



4. Critically evaluate the performance of the Comptroller and Auditor General of India in ensuring executive accountability.

Approach:

It expects students to write about – in first part write how Comptroller and Auditor General of India in ensuring executive accountability – in second part write some issues faced by CAG

Introduction:

The Constitution of India (Article 148) provides for an independent office of the Comptroller and Auditor General of India (CAG). He is the head of the Indian Audit and Accounts Department. He is the guardian of the public purse and controls the entire financial system of the country at both the levels—the Centre and the state.

Body:

Comptroller and Auditor General of India ensures executive accountability by:

- **Accountability:** The accountability of the executive (council of ministers) to the parliament in the sphere of financial administration is secured through audit reports of the CAG.
- **Ensure financial transparency:** The CAG ascertains whether money shown in the accounts as having been disbursed was used for the purpose to which they have been charged. Thus, it ensures proper use of money.
- **Fiscal watch:** In addition to this legal and regulatory audit, the CAG can also conduct the propriety audit, that is, he can look into the wisdom, faithfulness and economy of government expenditure and comment on the wastefulness and extravagance of such expenditure.
- **Effective check:** It is the duty of the CAG to audit all receipts which are payable into the Consolidated Fund of India. The rules and procedures are designed to ensure an effective check on the assessment, collection and proper allocation of revenue.
- **Financial administration:** His duty is to uphold the Constitution of India and laws of Parliament in the field of financial administration. The accountability of the executive (the council of ministers) to the Parliament in the sphere of financial administration is secured through audit reports of the CAG.
- **Expose corruption:** CAG reports play an important role in exposing corruption and misuse of government money. For example, CAG role played an important role in exposing coal scam.

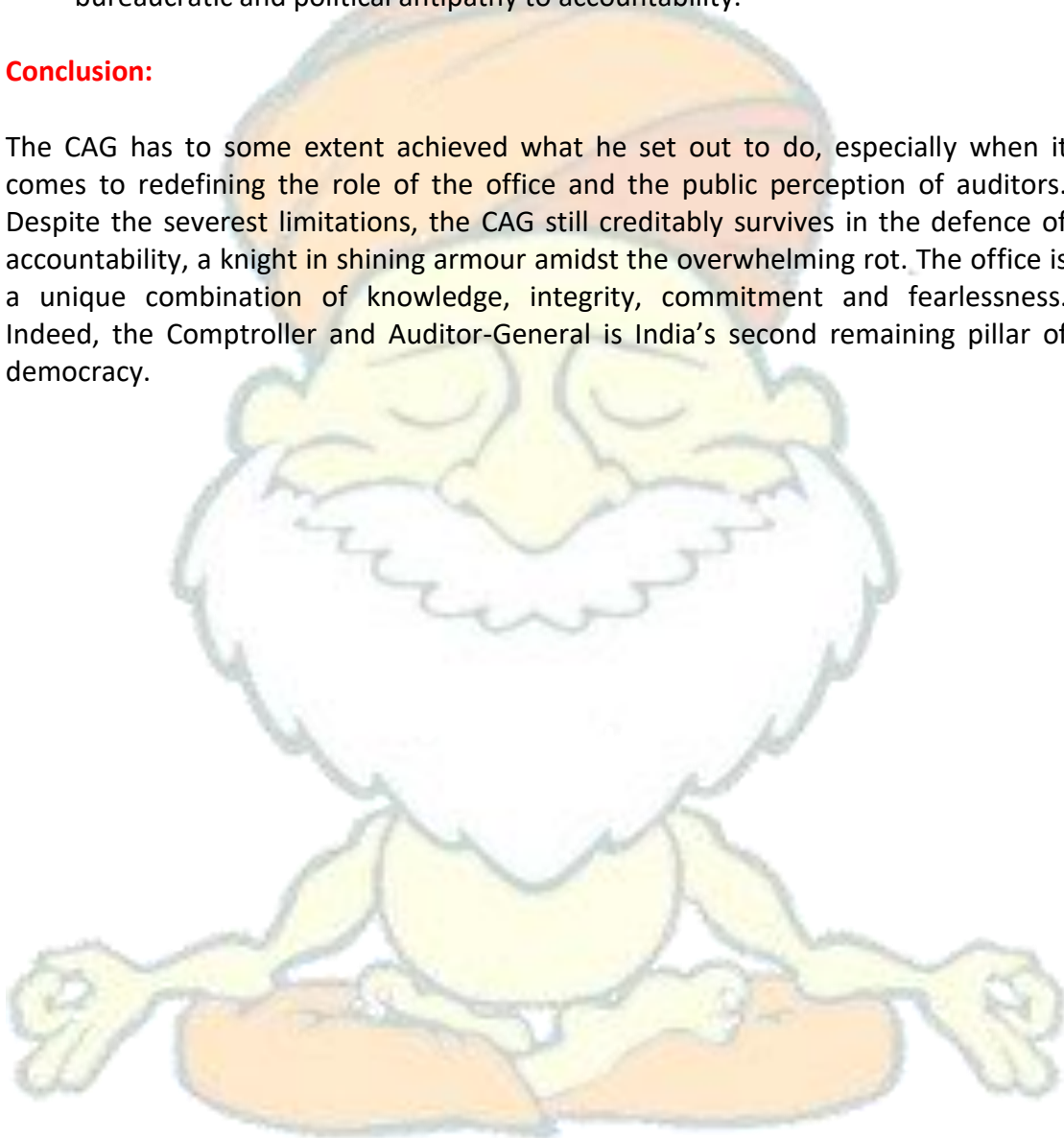
However, some issues faced by CAG:

- The CAG mostly find his reports hitting the junk pile of government records in the absence of any provision such as Article 141 that confers power to pass any decree and make any order for the purpose of securing the attendance of any person, the discovery or production of any documents, or the investigation or punishment of any contempt of itself on the Supreme Court.

- There is no deadline for the production of documents and replies nor any contempt proceedings for their denial.
- The CAG doesn't have the right to release these reports in the public domain if they are not presented in the legislature within a month of their submission.
- Nor can CAG enforce any of its findings by decree, akin to Parliament's Public Accounts Committee.
- Criticism of the CAG is rooted in uneducated opinion and deliberate suppression and/or obfuscation of facts. To that can be added the deep-rooted bureaucratic and political antipathy to accountability.

Conclusion:

The CAG has to some extent achieved what he set out to do, especially when it comes to redefining the role of the office and the public perception of auditors. Despite the severest limitations, the CAG still creditably survives in the defence of accountability, a knight in shining armour amidst the overwhelming rot. The office is a unique combination of knowledge, integrity, commitment and fearlessness. Indeed, the Comptroller and Auditor-General is India's second remaining pillar of democracy.



5. Examine the role of the Finance Commission in India's federal political economy.

Approach:

As the directive here is examine, it is necessary to cover various angles of the topic. In the introduction you can explain about Finance Commission. In the main body part you need to explain about the role of Finance commission, the 'role' in the context of this question indicates how Finance Commission supplements, strengthens India's federal political economy. Just only mentioning what functions/role Finance commission performs will not be sufficient. Though only role is asked, from the examination point of view it is necessary to assess Finance Commission's performance and issues related to it. An optimistic conclusion with necessary way forward will fetch you more marks.

Introduction:

Finance Commission is a constitutional body for the purpose of allocation of certain revenue resources between the Union and the State Governments. It is time to time established under Article 280 of the Indian Constitution by the Indian President. It is created to define the financial relations between the Centre and the states.

Body:

The First Commission was set up in November 1951 under the Chairmanship of K C Neogy, a former member of the Constituent Assembly and diwan of a princely state. The President has appointed 14 more Commissions since then. Most recent one is the 15th Finance Commission which was constituted by the President of India in November 2017, under the chairmanship of NK Singh.

Role of Finance commission in India's federal political economy:

- As a federal nation, India suffers from both vertical and horizontal fiscal imbalances.
- Vertical imbalances between the central and state governments result from states incurring expenditures disproportionate to their sources of revenue, in the process of fulfilling their responsibilities. However, states are better able to gauge the needs and concerns of their inhabitants and therefore more efficient at addressing them.
- Horizontal imbalances among state governments result from differing historical backgrounds or resource endowments and can widen over time.
- Unity: Article 1 of the Constitution of India recognises India as a Union of States. Real fairness and equity in the matter of devolution of powers and resources to the States is essential to preserve this stated unity. The foremost objective of the FC is thus an equitable distribution of financial resources between the two units of the Union.
- Resources - The fundamental tasks relating to income growth, human development, livelihoods, environment, etc are entrusted to the States. At present, the States do not have adequate resources as well as the right to raise such resources to fulfil these tasks. FC's role gains significance in

equipping states with adequate resources to take up these major tasks of nation-building.

- Federalism - The Centre's capacity to mobilise resources is far greater than that of the States. But states are required to undertake development expenditures that far exceed their revenue generating capabilities. The Constitution entrusts FC with the responsibility of addressing this anomaly and asymmetry in India's federal system.
- To ensure same kind of federal political economy in the state, state finance commissions are constituted. The State Finance Commission (SFC) is an institution created by the 73rd and 74th Constitutional Amendments (CAs) to rationalize and systematize State/sub-State-level fiscal relations in India.
- Article 243I of the Constitution mandated the State Governor to constitute a Finance Commission every five years.
- Article 243Y of the Constitution states that the Finance Commission constituted under article 243 I shall also review the financial position of the Municipalities and make recommendations to the Governor.
- The Commission's recommendations along with an explanatory memorandum with regard to the actions done by the government on them are laid before the Houses of the Parliament.
- The FC evaluates the rise in the Consolidated Fund of a state in order to affix the resources of the state Panchayats and Municipalities. The FC has sufficient powers to exercise its functions within its activity domain.
- As per the Code of Civil Procedure 1908, the FC has all the powers of a Civil Court. It can call witnesses, ask for the production of a public document or record from any office or court.

Issues with respect to finance commission:

- Terms of references are narrow: For instance, The 15th Finance Commission's terms of reference are to recommend a fiscal consolidation roadmap for sound fiscal management. Besides, ensuring to take in to account the responsibility of the Central Government and State Governments to adhere to appropriate levels of general and consolidated government debt and deficit levels.
- A periodic body: Finance commission is an important body which looks at the fiscal federalism between centre and states. However, despite being such an important body, it is not a permanent body. A financial trouble can occur any time and we cannot rely on the executive to look at the trouble and then constitute the Finance commission as and when necessary. For instance, the economic upheaval happened due to Covid-19.
- Finance commission is a body which ensure federal political economy work as per its functioning requirement. However, appointment of its members are mainly handled by the central government which undermines the role of states.
- Recommendations are not mandatory in nature. Which makes the whole exercise of constituting, surveying and reporting a futile exercise if the recommendations are not implemented. For instance, recommendation to

constitute a fiscal council was recommended by 13th and 14th Finance Commission. The same recommendation is reiterated by 15th Finance commission. However, this recommendation is not implemented by the central government yet.

Conclusion:

Finance commission is known as a balancing wheel of fiscal federalism in India. However, the issues related to it have questioned the reliance of finance commission's recommendations. To strengthen the functioning of federal political economy it is necessary to look in to the issues related to finance commission and take necessary steps so that the foundation and working of fiscal federalism in India gets strengthened.

