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CONSTITUTIONAL VALIDITY ON ELECTORAL BOND

INTRODUCTION :

Electoral bonds were introduced by the Government of India as a means to cleanse political backing by promoting transparency and reducing the influence of black money in choices. These bonds allow individualities and commercial realities to contribute plutocrat to political parties anonymously. The obscurity point was touted as a safeguard against victimisation or overdue influence on donors. Electoral bonds are a fiscal instrument that allows individualities and pots to make donations to political parties while maintaining their obscurity. These bonds can be bought from select branches of State Bank of India (SBI) and can be redeemed by political parties within fifteen days. The government of India introduced electoral bonds as a volition to cash donations, which were believed to be the main source of black money in Indian politics. The primary ideal of electoral bonds was to bring transparency in political funding. Before the preface of this scheme, political parties relied heavily on cash donations, which were frequently unaccounted for and raised questions on the credibility of political parties. Electoral bonds were introduced to address this issue and to insure that political parties admit clean and legitimate donations. The main argument against electoral bonds is that they violate the principle of translucency and obscurity of political backing. The electoral bonds scheme allows for obscurity of donors, which goes against the introductory principle of transparency in electoral backing. The obscurity of benefactors can lead to a lack of responsibility in the funding of political parties, making it delicate to trace the source of donations and implicit conflicts of interest. Also, the system of electoral bonds also lacks translucency in terms of the amount of donation entered by each political party. Unlike the previous system where political parties were needed to expose all donations above ₹ 20,000, electoral bonds don't have any

exposure demand. This lack of translucency raises enterprises about the implicit abuse of this scheme for money laundering and corruption¹.

FUNDAMENTAL RIGHTS AND ELECTORAL PROCESS :

The essential validity of electoral bonds hinges on various fundamental principles enshrined in the Indian Constitution. crucial among these are the rights to freedom of speech and expression(Article 19), right to information(Article 19), and the right to vote(Article 326). Critics argue that the obscurity surrounding electoral bonds undermines these abecedarian rights by impeding transparency and responsibility in the electoral process.

POLITICAL IMPLICATIONS: INFLUENCE AND ACCOUNTABILITY :

The political implications of electoral bonds extend beyond legal considerations. Critics assert that the obscurity afforded by these bonds could facilitate quid pro quo arrangements between political parties and donors, leading to the implicit subversion of popular processes. The lack of transparency in political funding also raises enterprises about the responsibility of elected representatives to the electorate².

CONSTITUTIONAL BENCH RULINGS: BALANCING ACT :

In a historic judgement delivered in April 2019, a constitutional bench of the Supreme Court confirmed the validity of electoral obligations while also providing certain guarantees to enhance their transparent. The court ruled that even where anonymity of political donations is permitted, appropriate mechanisms must be in place to ensure accountability and prevent abuse. The ruling requires political parties to submit details of electoral bond transactions to the Election Commission of India in a sealed cover³.

¹ Oliver Heath, Party systems, political cleavages and electoral volatility in India, 24 Electoral Studies 177–199 (2005).(Lastly accessed in March 22)

² Rekha Diwakar, Judicial Review, Electoral Laws and Democracy in India, Judicial Review and Electoral Law in a Global Perspective 283–304 (2024).(Lastly accessed in March 22)

³ Cécile Richetta, Imke Harbers & Enrike van Wingerden, The subnational electoral coercion in India (SECI) Data Set, 1985–2015, 85 Electoral Studies 102662 (2023). (Lastly accessed in March 22)

FUTURE OUTLOOK: TOWARD TRANSPARENT POLITICAL FINANCING

The constitutional validity of electoral bonds remains a dynamic and evolving issue within the Indian polity. As the country grapples with the complexities of democratic governance, the debate over the role of money in politics and the safeguards necessary to uphold constitutional principles is likely to intensify. Ultimately, the quest for transparent and accountable political financing requires a multifaceted approach that balances constitutional imperatives with practical considerations of governance and institutional integrity.

Rates of Donations and Funding Sources The highest donations from Electoral Bonds, totaling Rs 3,438.8237 crore, were entered in 2019- 20, the time of the general elections. The time 2021- 22, which witnessed 11 Assembly elections, saw donations worth Rs 2,664.2725 crore through Electoral Bonds.

Association for Democratic Reforms v Union of India Citation 2024 INSC 113 The Supreme Court held that the Electoral Bond Scheme was unconstitutional for violating the right to information of voters.

CONCLUSION

While the reservation system in India has played a crucial role in promoting social justice and equality, it is high time for it to be reevaluated and reformed. The government should focus on providing quality education and employment opportunities for all individuals, regardless of their caste or social background. The question of the legality of electoral bonds in India is a controversial topic that attracts interest from many stakeholders. The government said it will increase transparency and remove black money from elections. However, the Supreme Court's decision on this issue will have far-reaching consequences for the future of political financing in India and the fairness of elections. It is important for the court to carefully analyze every argument before making a decision respecting the principles of democracy and free and fair elections.

