



# Case Study | 2

India

**By T.S. Krishna Murthy  
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## Acknowledgements

The source information in this case study was made available primarily by the Election Commission of India and the office of the chief electoral officer in the state of Madhya Pradesh. Additional information was obtained from the Web site of the Commission<sup>7</sup> and from CD-ROMs produced by the Legislative Department within the Government of India's Ministry of Law, Justice and Company Affairs. References regarding the working of the Constitution are based on various reports by the National Commission.<sup>8</sup>

### I. Summary of findings

To date, there have been no authentic, overarching studies assessing the cost of elections in India. A few attempts have been made, but all have been piecemeal approaches. One undeniable factor is that the absence of serious enforcement of the legal provisions requiring political parties to maintain accounts and to have them audited with respect to election expenditures means there is a clear lack of transparency in this area. Undoubtedly, unaccounted money in the form of cash expenditures operates in a major way and distorts any sincere attempt at documenting expenses. Hence, election expenses described in this report should, at best, be regarded as educated guesses.

On the one hand, political parties and candidates in India spend much more money than in other countries of parallel economic development. Yet at the same time, the cost of holding elections in India per registered voter is quite low—about 28 rupees (\$0.62).<sup>9</sup> The introduction of electronic voting machines in all 688,000 polling stations in India produced a saving of 8,800 metric tons of security papers for printing the ballots, as well as other substantive cost savings in transporting, storing and securing those ballots. In general, the amount of money required by the Election Commission to conduct each successive general election continues to increase, but the government has not hesitated to make available the necessary funds, including those required for introducing new technology. As noted above, the areas of political party finance and campaign finance are not transparent, leading to lack of good governance; to date, though, no major effort has been undertaken to reform the existing system.

### II. Structure of the EMB

India is the world's most populous democracy, with more than 672 million registered voters, and holding an election is a mega-event. The Election Commission of India (hereinafter referred to as the Commission) is responsible for the oversight, direction and preparation of the electoral rolls as well as election-related interaction with Parliament, to state legislatures, and the offices of president and vice president. The Commission is highly independent of the government and is generally able to provide a level playing field for all political parties and candidates during an election. There

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<sup>7</sup> See Election Commission of India's Web site at <http://www.eci.gov.in/>.

<sup>8</sup> See reports of The National Commission to Review the Working of the Constitution, available online at <http://lawmin.nic.in/ncwc/ncwcreport.htm>.

<sup>9</sup> The basis is the total expenditure of the Government of India at 13,000 million rupees, and 17 times the expenditure of state of Madhya Pradesh.

are three commissioners, one of whom is designated as the Chief Election Commissioner. The commissioners are appointed for a period of five years or until they attain the age of 65, whichever is earlier. The terms and conditions of such an appointment cannot be varied to one's disadvantage during the course of an appointment. What is noteworthy in India's case is the procedure for removal. Only the president of India can remove the Chief Election Commissioner, a step that requires the same procedure prescribed for the removal of a judge from the Supreme Court and High Courts, i.e., by a formal impeachment in the Parliament on account of proved misconduct or incapacity. Other election commissioners can be removed by the president only at the recommendation of the Chief Election Commissioner. Once appointed, they do not depend on the mercy of the ruling party or the government, thus enabling them to exercise powers independently, impartially and with an even hand.

India is a federal country; there are 28 provinces (called 'states' in India) of varying size and seven union territories. Each of the federal entities has a subordinate officer of the federal Election Commission, called the chief electoral officer (CEO), along with a few other officers. Although the CEOs and other key officials are drawn from the federal civil service posted in the respective state, their names are selected by the Commission from a list submitted by the state government. They cannot be transferred or removed without agreement from the Commission, which therefore has substantial control over these important officials. In the districts, there are electoral registration officers and district electoral officers who work under the supervision and control of the Commission. All officials, from top to bottom, are deemed to be directly responsible to the Election Commission of India during all election operations—an Indian innovation whereby the Commission retains a firm grip over all electoral staff and machinery as part of its mandate to ensure the impartial and neutral conduct of elections.

Authority to conduct elections to the first two levels of governing structures—the national Parliament and state legislatures—is vested in the National Election Commission. Local elections to urban and rural bodies, meanwhile, are conducted by various State Election Commissions set up by the respective states. This discussion of the cost of registration and elections will be confined to the first two levels of elections, which are popularly called 'general elections.'

### III. Legal framework

Surprisingly, there are no direct legal provisions on the issue of election funding, or for that matter, on any other aspect of political party finance. The limited (but important) provision relating to control of election expenditure is laid down in the Representation of People Act (1951). There is no mention of how political parties are to raise money needed for election campaigns or for meeting their day-to-day expenses. It was only in 1996, through a decision of the Supreme Court,<sup>10</sup> that certain guidelines were established: political parties are required to file tax returns (as per section 13A of the Indian Income Tax Act, 1961) in order for the contesting candidates of those parties to benefit from an exemption from the prescribed ceiling of the election

<sup>10</sup> See the decision of the Supreme Court of India in *Common Cause, A Registered Society V/s Union of India*, Writ Petition (Civil) No. 24 of 1995, dated 4 April 1996.

expenditure. Another reference to political funding is contained in section 293A, which was introduced through an amendment in 1985, of the Indian Companies Act (1956). This section stipulates a limit of 5 percent of the average profit for the last three years can be paid by a company to a political party or to a person for political purposes. Another indirect reference is contained in the regulations of the Commission, where media prime time is made available free to various national and state political parties for election campaigning.

There are two important and relevant features of Indian bureaucracy that must be noted because they contribute greatly towards reducing the Commission's direct election costs. The first is the crucial office of the district magistrate (variously known as the district collector or the deputy commissioner of the district)—an institution established by the British during colonial rule. On average, one district is equal to a parliamentary constituency. The district magistrate is the leader of all district-level government officials and coordinates their work. Since the holder of this office is designated as the district election officer (often also as returning officer), the control by the Commission over the whole of the government machinery of the district is substantial.

The second feature is the tradition of the bureaucracy as neutral and impartial and the Commission's legal power to requisition the services of federal and various state government units, including a large reservoir of public sector employees, without having to pay for their services for the period of deployment to the Commission for electoral duties. Therefore, there are certain costs related to these government employees, whose services are taken over by the Commission as part of its requirement to find close to 4 million individuals to staff more than 688,000 polling stations, that go unnoticed. It also becomes difficult to calculate this hidden cost—a cost that might be apparent in other countries.

## IV. Electoral costs

### a) Election Commission's ordinary operations

According to the Government of India's Ministry of Law, Justice and Company Affairs (Legislative Department), the official expenditures for the conduct of elections have been increasing steeply in each successive general election. Without adjusting for inflation, the estimated cost of the 2004 general election is 125 times greater than the cost of the first general election held in 1952.

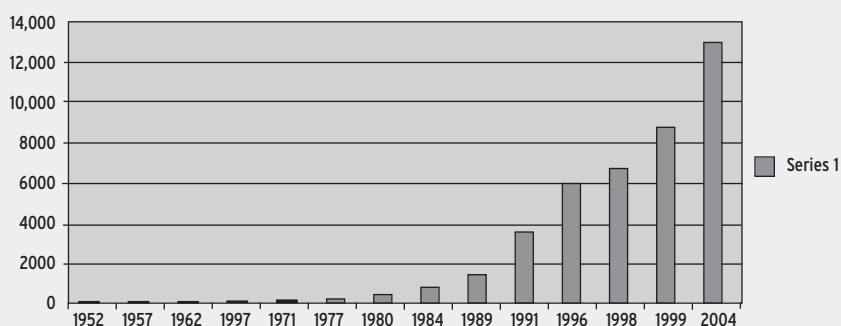
For the 14 general elections held in India to date (from 1952 to 2004), the official costs as computed by the government are listed in Table 1 next page.<sup>11</sup>

<sup>11</sup> See the Web site of the Election Commission of India at [http://www.eci.gov.in/MiscStats/misc\\_fs.htm](http://www.eci.gov.in/MiscStats/misc_fs.htm)

Case Study 2 - Table 1. Election costs between 1952-1977

| Year of general election | Expenditure incurred (in million rupees) | % increase or decrease over the previous general election |
|--------------------------|------------------------------------------|-----------------------------------------------------------|
| 1952                     | 104.50 (\$2.4 million)                   | -                                                         |
| 1957                     | 59                                       | (-) 43.54                                                 |
| 1962                     | 73.20                                    | (+) 24.06                                                 |
| 1967                     | 107.97                                   | (+) 47.5                                                  |
| 1971                     | 116.09                                   | (+) 7.52                                                  |
| 1977                     | 230.37                                   | (+) 98.44                                                 |
| 1980                     | 547.74                                   | (+) 137.77                                                |
| 1984                     | 815.13                                   | (+) 48.82                                                 |
| 1989                     | 1,542.20                                 | (+) 89.20                                                 |
| 1991                     | 3,591.02                                 | (+) 132..85                                               |
| 1996                     | 5,973.44                                 | (+) 66.34                                                 |
| 1998                     | 6,662.22                                 | (+) 11.53                                                 |
| 1999                     | 8,800                                    | (+) 32.09                                                 |
| 2004                     | 13,000                                   | (+) 47.73                                                 |

Case Study 2 - Figure 1. Increase in the cost of general elections between 1952 and 2004



These figures refer to the amounts spent by the Government of India (including the Election Commission of India) and not the amounts spent by state governments, political parties and candidates, and other actors involved in the electoral process.

Another cost is for deploying observers who monitor the process of elections in each constituency by following various directions issued by the Commission. There are two types of election observers appointed by the Commission: general observers and expenditure observers. The Commission appoints senior civil servants who either have vast experience in election and general administration and who have worked as district election officers and returning officers, or who have intimate knowledge of taxation, audit and accounting matters. Because of this deployment, the cost of conducting an election increases, but the monitoring costs are considered money well spent. The observers act as the eyes and ears of the Commission in the field and keep the Commission abreast of what is going on in various constituencies.

## b) Voter registration

Although the operation of updating the voter register is huge, most of the costs remain hidden. This work is carried out in a decentralized manner by electoral registration officers. Under the Representation of People Act (1950) and the Registration of Electors Rules (1960), there are *intensive revisions* and *summary revisions* of the electoral rolls (in addition, sometimes for special reasons, the Commission orders a *special revision* of the electoral rolls). On average, the number of voters grows by two percent each year, reflecting the rate of population growth in India. There is a need to update the rolls on a continuous basis as well. Between the two revisions of electoral rolls, therefore, continuous updating goes on by adding the names of persons who reach 18 years of age as of 1 January each year.

Of course, the cost goes up substantially when an intensive revision of voter rolls is undertaken (generally once every five years) in which enumerators visit households from door to door to register voters (active registration). In the summary revision (passive registration), updating of voter rolls occurs by calling on prospective voters and political parties to apply or to suggest additions and deletions in the roll during a specified period.

Linked with voter registration are the preparation of voter photo-ID cards and the computerization of rolls throughout the country for 672 million voters. There are 16 national languages in India, and computerization of electoral rolls must take into account the fact that in each constituency the voter roll will be printed in one of the prescribed 16 languages. Therefore, new language software has been developed. There is always ongoing work of replacing lost and mutilated voter photo-ID cards, and general maintenance work of updating information on computers and online. The cost of voter registration has varied over time; during the introduction of these new technological innovations, the cost was much greater. This cost was reduced in later years; however, in our calculation we have used an average cost, as photo-ID cards are still being issued in some states of India.

### c) Boundary delimitation

The Constitution provides that upon completion of each census (undertaken every 10th year since 1921), the allocation to the states of seats in the House of the People and the division of each state into territorial constituencies shall be adjusted. For delimiting these constituency boundaries, there is a separate, three-member Commission (the Delimitation Commission) provided under the Delimitation Act (2002). This Commission is headed by a retired judge of the Supreme Court. One of the election commissioners is nominated as a member of the Delimitation Commission, and the state election commissioner of the state in question is (*ex officio*) the third rotating member. Secretarial support and institutional memory are provided by the Election Commission. Though there is a separate budget allocation for the Delimitation Commission, a substantial portion is also contributed by the Election Commission. Various costs involved include the cost of meetings and travel of the members of the Commission to various parts of the country to consult with political parties and government agencies; cartographic expenses; collecting and collating census information; developing computer-aided GIS facility; publicity and public relations; and publications.

Since the Election Commission and each of the 35 CEO offices provide support to the Delimitation Commission, they have earmarked funds for this important exercise. Hence, expenses of these other bodies should be taken into account in addition to direct costs for the Delimitation Commission.

### d) Polling operations

Polling operations constitute the single largest component of election expenses, as the entire activity revolves around polling and the huge number of staff required. As in other democracies, the Election Commission undertakes routine polling operations; what is different, of course, is the gigantic scale on which these operations are carried out in India. Holding a simultaneous general election to central and state legislatures is the largest peacetime logistics operation carried out in the country (and perhaps in the world). To put the scale of this undertaking in perspective, consider the following data:

| Case Study 2 - Table 2. Electoral operation estimates                                                                                                       |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Number of registered electors                                                                                                                               | about 672 million  |
| Number of polling stations                                                                                                                                  | more than 688,000  |
| Number of electronic voting machines used for general election (2004)                                                                                       | 10,25,000          |
| Number of polling staff required (for single election at the rate of five officials per polling station along with a provision of 5% reserve polling staff) | about 3.62 million |
| Number of security personnel (paramilitary, police, home guards and village guards)                                                                         | about 570,000      |

| Case Study 2 - Table 2. Electoral operation estimates (continued)                                                            |               |
|------------------------------------------------------------------------------------------------------------------------------|---------------|
| Number of voter-registration staff required (for intensive revision of elector roll)                                         | about 700,000 |
| Number of central counting centers (which depends whether there are simultaneous state legislative elections in some states) | over 700      |
| Number of staff required for counting ballots                                                                                | about 275,000 |

The single most important reduction in the cost of election operations has been due to the introduction of electronic voting machines. Previously, for each constituency (for both the national and state legislatures), separate ballots were printed under tight security conditions and continuously supervised by a team of officials and security personnel. These ballots then had to be transported first to the district level and later to the polling station level. The introduction of electronic voting machines saved about 8,800 metric tons of security paper, in addition to savings on printing, transportation and security.

**e) External voting costs**

The Indian diaspora numbers some 20 million (non-resident Indians and persons of Indian origin) all over the globe, but they have not been offered citizenship or voting rights. Even members of the armed forces posted outside the territory of India are not provided the opportunity to vote by post or absentee ballot. Only members of the armed forces stationed within India, even if away from their places of registration, are given postal ballot facility. Recently, a proxy vote has also been introduced for voters in the armed forces.

Only members of the diplomatic community posted abroad have the right of absentee vote in a general election. This cost is quite insignificant compared to the total cost of an election.

**f) Campaign funding costs**

Campaign funding is not a part of the electoral budget; there is no direct state funding of election campaigning. Campaign funds are mostly supplied through private contributions, although some contributions from public companies are permitted (up to 5 percent of the profits of the company per the Indian Companies Act of 1956, as amended in 1985). Private contributions generally come from the business community, many members of which are thought to expect special attention of their candidate wins. There is absolutely no transparency in this area. The national commission appointed to review the working of the Constitution (hereinafter the Constitutional Commission) has, in its report,<sup>12</sup> stated the following:



*[T]he problem of political funding is a complex one and there are no panaceas. Political parties need hefty contributions from companies and from other less desirable sources. The greater the contribution, the greater the risk of dependence, corruption and lack of probity in public life....In fact, while it is essential to strengthen regulation and the mechanisms and capabilities of supervision and controlling entities, all this addresses only a part of the problem. Quite often, funding commitments do not reach the parties, but rather go directly to the candidate and his/her inner circle of supporters....Senior leaders and party members may often not be aware of private contributions (many of them dubious in origin and in quite large sums).*

Transparency is needed for both the contributions received by political parties and candidates, as well as in their expenditures. For a long time, there was a gaping hole in the form of Explanation 1 to section 77(1) of the Representation of People Act (1951), under which the amounts spent by persons other than the candidate and his election agent were not counted as election expenses. This meant that there could never be any violation of expenditure limits, however realistically they might be fixed. But following a 1996 Supreme Court judgment and the recommendation of the Constitutional Commission, this Explanation 1 was amended in 2003.<sup>13</sup> Any money spent by a recognized political party on its 40 identified leaders during the period of an electoral campaign is exempt from inclusion in the ceiling of election expenditures of individual candidates set up by the parties. Such exemption extends to expenditures incurred for air travel (whether regular flights or chartered aircraft) by those 40 leaders of the party. Earlier, part of such expense on air travel of party leaders would have been presumed to have been incurred by the candidates and counted towards their prescribed ceiling on electoral expenditures. The number of leaders has been fixed at 20 for political parties other than those recognized (but registered) by the Election Commission of India.<sup>14</sup> In our opinion, this step by the government has only confused the situation even more and made little headway toward increasing transparency.

To put this problem in perspective, it is apt to quote from the judgment of the Supreme Court:<sup>15</sup>

*The General Elections—to decide who rules over 850 million Indians—are staged every five to six years since independence. It is an enormous exercise and a mammoth venture in terms of money spent. Hundreds and thousand of vehicles of various kinds are pressed on to the roads in the 543 parliamentary constituencies on behalf of thousands of aspirants to power, many days before the general elections are actually held. Millions of leaflets and many millions of posts are printed and distributed or pasted all over the country. Banners by the lakhs are hoisted. Flags go up, walls are painted, and hundreds of thousands of loudspeakers play out the loud exhortations and extravagant promises. VIPs and VVIPs come and go, some of them in helicopters and air taxis. The political parties in their quest for power spend more than one thousand crore<sup>16</sup> of rupees on the General Election (Parliament alone), yet nobody accounts for the bulk of the money so spent and there is no accountability*

<sup>12</sup> Chapter 4 on 'Electoral Processes and Political Parties,' Constitutional Commission Report.

<sup>13</sup> Substituted by section 4 of the Amendment Act 46 of 2003 for the explanation I to section 77 (1) in the Representation of People Act (1951).

<sup>14</sup> Under the Allotment of Symbol Order 1968 of the Election Commission of India, political parties initially register, and later some of these registered parties, on fulfilling certain threshold requirements, are recognized both as national parties and as state parties. There were six national parties, 45 state parties, and 720 registered parties in India as of March 1, 2004 as per Election Commission of India notification number 56/2004/Judicial-III dated 3 September 2004.

<sup>15</sup> See footnote number 9 above, paragraph 15.

*anywhere. Nobody discloses the source of the money. There are no proper accounts and no audit. From where this money comes, nobody knows. In a democracy where rule of law prevails this type of naked display of black money, by violating the mandatory provisions of law, cannot be permitted.*

Furthermore, the judgment states:<sup>17</sup>

*The General Elections bring into motion the democratic polity in the country. When the elections are fought with unaccounted money, the persons elected in the process can think of nothing except getting right by amassing black money. They retain power with the help of black money and while in office collect more and more to spend the same in the next election to retain the seat of power. Unless the statutory provisions meant to bring transparency in the functioning of the democracy are strictly enforced and the election-funding is made transparent, the vicious circle cannot be broken and the corruption cannot be eliminated from the country.*

Political parties recognized as national parties and state parties are given free prime time slots on state-owned electronic media, according to a formula devised by the Election Commission. It is difficult to calculate this cost exactly, but a conservative estimate is offered in this report.

Based on policies in the United Kingdom and a number of other countries, until very recently in India no political advertising was permitted in the electronic media; this ban was effected as part of an effort to provide a level playing field to all participants in an electoral contest. But in 2003, again as a result of public interest litigation, the Supreme Court ruled that banning such political advertisement is against the fundamental right to free speech and expression was therefore in violation of the Constitution. Since then, large amounts of party funds have begun to flow toward political advertising in electronic media, but no estimates on the actual amounts are available yet. At best guess, the parties spent between 100 million and 150 million rupees (\$2.3 million to \$3.5 million) on such efforts prior to the 2004 general election. These costs are in addition to what the parties incurred in traditional advertising in print media, for which again the best guess is an expenditure of approximately 100 million rupees.

### g) Political party finance

No state funding or budgetary support is provided to the political parties. The issue has been debated in India for a long time, and there have been a number of committees established to look into this question (the Goswami Committee, The Indrajit Gupta Committee on State Funding of Elections, the 128th Report of the Indian Law Commission etc.). However, no consensus has been reached on introducing state funding of political parties in view of the existing loopholes in the law.

Various political parties frequently are given office accommodations in prime locations at no or negligible cost. Also, at present, the government provides free airtime on state-owned TV. Although a law has been enacted providing for in-kind state assistance in other areas, as well as for making free time available on private TV channels through notification, no such notification has been made to date.

<sup>16</sup> A crore is a unit in a traditional number system, still widely used in India and Bangladesh. An Indian crore is equal to 10 million. (*Wikipedia*)

<sup>17</sup> See footnote number 9 above, paragraph 17.

## **h) Civic education expenses**

Although a majority of India's electorate is illiterate, most citizens are nonetheless quite aware of issues and parties when it comes to elections—a fact that testifies to a number of changes in the ruling parties' fortunes in forming a government. The EMBs (the Commission as well as the offices of the CEOs in the States) have an earmarked budget for civic education, which is spent on payments to electronic media, print media and NGOs. Part of this budget is also spent on directly educating the polling and counting agents of the political parties. In most states, apart from political parties, civil society organizations play a major role in voter education.

## **i) Cost of introducing new election technology**

The Commission recently has taken certain steps to introduce new technology into the electoral process. Issuing photo-ID cards for voters was aimed at preventing fraudulent voting, and computerizing electoral rolls at the constituency level was undertaken with a view to cleaning the rolls and making it easy to add and delete names and maintain the rolls. Similarly, the introduction of electronic voting machines throughout the 850,000 polling stations was done to eliminate invalid votes and to bring greater accuracy and speed to the counting process. Given the cost of \$200 per electronic voting machine (and this was the concessional cost for the Commission because the machines are manufactured by a state-owned public sector company, Electronic Corporation of India), there was a huge expenditure for the Commission to acquiring them. The recurring cost could be set at 3 percent, which as also represents a large amount. In addition, the cost of computers for CEO offices and the district election officers combined with the IT maintenance cost for election support could be in the vicinity of 200 million rupees (\$4.6 million).

Certainly, introducing these technological innovations required sizeable funds. To the credit of the Commission, it was able to persuade, and at times even compel, the central and state governments to provide adequate funds for these initiatives. As these innovations have been introduced over the last 10 years, the cost of introducing new technology has been included and calculated in various other costs discussed above.

## **j) International financial assistance**

India's laws do not permit political parties to receive direct foreign funding for their routine expenses or for campaign expenses. Even the Commission does not require any international financial assistance because its budget is covered completely by the government itself.

# **V. Overall assessment**

By and large, the government has provided the necessary funds to the Commission to carry out its statutory functions without much ado (and there is little reason to believe that the Commission has not been using those funds responsibly). As has been made clear, a major part of election expenses relating to the conduct of elections actually come from various state governments; funds from those sources have also been forthcoming readily. Sometimes, as in the introduction of new technology (for example,

preparation of photo-ID cards or computers), a few states have resisted or delayed providing funds; however, in terms of the actual conduct of elections, no problem have been reported by the Election Commission. A major cost for the state governments is salaries and allowances for polling staff. But, since the government is obliged by constitutional provision<sup>18</sup> to make available to the Commission necessary staff for the conduct of elections, these salaries are automatically paid by the government.

The best educated guesses for various electoral expenses of all the states and union territories in India can be found in Annexes I and II. There are many costs that cannot be calculated in the Indian context, such as the money spent by political parties and

| Case Study 2 - Attachment I. Election Operations Costs                                                        |                                                                   |                                    |                                |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------|--------------------------------|
| Case Study 2 - Table 1. The Cost of various components of election operations in the state of Madhya Pradesh* |                                                                   |                                    |                                |
| Point number in the CORE Survey Form                                                                          | Major component                                                   | Cost for state (in million rupees) | % of total costs               |
| 5 (a) Cost of EMB's ordinary operations                                                                       | Salaries and allowances                                           | 21.3                               | 6.2%                           |
|                                                                                                               | Other office expenses                                             | 6.97                               | 2%                             |
| 5 (b) Voter registration cost                                                                                 | Cost of staff for survey                                          | 47.89                              | 14%                            |
|                                                                                                               | Computerization of voter lists and publication of electoral rolls | 29.91                              | 8.7%                           |
|                                                                                                               | Photo-ID cards                                                    | 35.86                              | 10.5%                          |
|                                                                                                               |                                                                   |                                    |                                |
| 5 (c) Boundary delimitation                                                                                   | Cost to the states                                                | 2.4                                | 0.7%                           |
| 5 (d) Polling operations cost                                                                                 | Normal polling operations                                         | 92.36                              | 26.9%                          |
|                                                                                                               | Electronic voting machines                                        | 17.50                              | 5.1%                           |
|                                                                                                               | Polling station kits                                              | 55                                 | 16%                            |
|                                                                                                               | Cost of election observation and monitoring                       | 15.1                               | 4.4%                           |
| 5 (e) External voting operations                                                                              | Postal ballot papers, postage, and cost of staff time             | 1.18                               | 0.3%                           |
|                                                                                                               |                                                                   |                                    |                                |
| 5 (f) Campaign funds by the EMB                                                                               | Nil                                                               | -                                  | Not provided by the Commission |

<sup>18</sup> See article 324 (6) of the Constitution of India.

**Case Study 2 - Attachment I. Election Operations Costs****Case Study 2 - Table 1. The Cost of various components of election operations in the state of Madhya Pradesh\* (continued)**

| Point number in the CORE Survey Form | Major component                                                                                                                                                                                            | Cost for state (in million rupees) | % of total costs                            |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------|
| 5 (g) Political party finance        | Only cost of free telecast and broadcast time on state-owned media for national parties and state Parties                                                                                                  | 16.18                              | 4.7%                                        |
| 5 (h) Civic education                | Through NGOs, newspapers, and TV                                                                                                                                                                           | 1.25                               | 0.4%                                        |
| 5 (i) Cash transactions by the EMB   | None for the parties except for the staff and office expenditure                                                                                                                                           |                                    | Already included in various estimates above |
| 5 (j) Inventory of unused supplies   | Essentially it is only the electronic voting machines that are returned. The cost of other unused supplies is insignificant.                                                                               |                                    |                                             |
| 5 (k) New technology                 | Cost for computerization of electoral rolls, Photo-ID cards, IT maintenance, and replacement and maintenance of electronic voting machines is already included in the respective categories of expenditure |                                    |                                             |
|                                      | <b>Grand total of expenditure for the states (not including the cost for central EMB)</b>                                                                                                                  |                                    | <b>342.9 million rupees (\$7.9million)</b>  |

candidates; the cost of state resources used by various candidates of the party in power to facilitate their campaigns, especially forcibly using various vehicles to bring people and supporters to major political rallies; the cost of holding a by-election on vacating the second seat; and the cost of frivolous complaints and enquiries.

Election expenditure figures for all the 28 states and seven union territories are not available readily. However, figures from the state of Madhya Pradesh can be extrapolated to give an estimate of overall expenses. Both in terms of number of polling stations and number of Legislative Assembly seats, one can surmise that the overall expenses will be about 17 times the expense in Madhya Pradesh:

| Case Study 2 - Attachment I.                                                         |                                 |                       |
|--------------------------------------------------------------------------------------|---------------------------------|-----------------------|
| Case Study 2 - Table 2. Comparison of electoral figures for Madhya Pradesh and India |                                 |                       |
| Criteria for comparison                                                              | For the state of Madhya Pradesh | All India             |
| Number of polling stations                                                           | 42,285                          | 688,000 (16.27 times) |
| Number of legislative assembly seats                                                 | 230                             | 4,120 (17.91 times)   |
| Average size of All India vis-à-vis Madhya Pradesh                                   |                                 | 17.09 times           |

## About the author

Mr. T. S. Krishna Murthy, Chief Election Commissioner of India, was in the Indian Civil Service in India for 37 years prior to joining the Election Commission of India in 2000. While in the Civil Service, he served in several capacities, including investigation of tax fraud, enforcement of company law, fiscal policy formulation (including expenditure control), negotiation of tax treaties for tax avoidance, and the training of revenue service officers. He oversaw the conduct of recent parliamentary elections in India in 2004—in which 670 million voters used electronic voting machines and there was no major incidence of violence