

A Constitutional and Political Economy Analysis of Electoral Bonds and Political Funding Transparency in India

Prof. Almaz Jahan

Political Science Department, DAV (PG) College Bulandshahr

Abstract

The regulation of political finance remains central to the health and legitimacy of representative democracies. In 2017, the Government of India introduced the Electoral Bond Scheme as a reform intended to formalize political donations and reduce cash-based contributions. However, by institutionalizing donor anonymity and removing corporate contribution caps, the scheme generated significant constitutional and democratic concerns. This study critically examines the Electoral Bond framework through a multidimensional approach integrating institutional analysis, empirical data trends (2018–2023), and constitutional jurisprudence. The empirical findings indicate a substantial expansion in bond-based political funding accompanied by increasing concentration of financial resources toward the ruling party. While the scheme enhanced formal banking channels, it simultaneously limited public access to donor information, thereby raising concerns regarding informational asymmetry and competitive electoral imbalance. From a theoretical perspective, the paper situates the debate within liberal democratic theory, political economy models of regulatory capture, and constitutional principles of political equality. The 2024 Supreme Court judgment invalidating the Electoral Bond Scheme is analyzed as a doctrinal reaffirmation of the voter's right to information under Article 19(1)(a) of the Constitution. The Court's application of proportionality and its emphasis on transparency underscore the constitutional centrality of informed electoral participation. The study concludes that sustainable political finance reform in India must reconcile anti-corruption objectives with robust disclosure mechanisms. Transparency, rather than anonymity, emerges as the normative foundation for preserving democratic integrity. The Indian experience contributes significantly to global debates on campaign finance regulation in emerging democracies.

Keywords

Electoral Bonds; Political Finance Transparency; Article 19(1)(a); Democratic Accountability; Corporate Political Funding; Constitutional Governance; Campaign Finance Reform

I. Introduction

Political finance constitutes one of the foundational pillars of representative democracy. The manner in which political parties mobilize, receive, and disclose financial resources significantly influences electoral competition, public trust, and institutional legitimacy (Nassmacher, 2009). Transparency in political funding is widely regarded as a normative prerequisite for democratic accountability because undisclosed financial flows can distort political equality and policy responsiveness (Falguera, Jones, & Ohman, 2014). In emerging democracies such as India, where electoral competition is intense and campaign expenditure is substantial, the regulation of political finance assumes heightened importance (Vaishnav, 2017). India's political funding landscape has historically been characterized by opacity, cash-based donations, and limited disclosure mechanisms (Srivastava, 2018). Prior to 2017, political parties were required to disclose donations above ₹20,000; however, a significant proportion of contributions were reported as below-threshold anonymous donations, thereby weakening transparency norms (Association for Democratic Reforms [ADR], 2016). Against this backdrop, the Government of India introduced the Electoral Bond Scheme in 2017 through amendments in the Finance Act, 2017, positioning it as a reform aimed at cleansing political funding and promoting formal banking channels (Ministry of Finance, 2017).

The Electoral Bond Scheme allowed individuals and corporations to purchase bearer bonds from the State Bank of India and donate them anonymously to eligible political parties. While the scheme ostensibly aimed to reduce cash-based political donations, it simultaneously removed the requirement for political parties to publicly disclose donor identities and eliminated corporate donation caps under the Companies Act amendments (Chhibber & Verma, 2018). Critics argued that this framework institutionalized anonymity and reduced public oversight, thereby potentially undermining democratic transparency (Bhattacharya, 2020). The debate over electoral bonds intensified due to concerns regarding informational asymmetry. While donor identities were shielded from the public domain, critics contended that the government could access transaction data through

banking channels, thereby creating potential executive advantage (Ghosh, 2019). Empirical analyses of funding patterns suggested a disproportionate share of electoral bond donations accruing to the ruling party, raising questions about competitive equity in electoral politics (Association for Democratic Reforms [ADR], 2023). Such asymmetrical flows invite scrutiny under the broader theoretical lens of political economy, where access to financial resources often translates into agenda-setting power and electoral dominance (Przeworski, 1991).

The constitutional dimension of the electoral bonds controversy further elevated its significance. Petitioners before the Supreme Court argued that anonymous political funding infringed upon citizens' right to information under Article 19(1)(a) of the Constitution, which has been judicially recognized as integral to democratic participation (*Raj Narain v. State of Uttar Pradesh*, 1975). In February 2024, the Supreme Court of India declared the Electoral Bond Scheme unconstitutional, holding that unlimited anonymous corporate funding violated principles of transparency and political equality (Supreme Court of India, 2024). The judgment reaffirmed that informed voting is central to the constitutional architecture of democracy. The electoral bonds debate must therefore be situated within broader global discussions on campaign finance regulation. Comparative democracies adopt varied models, ranging from strict disclosure regimes in countries like the United Kingdom to the complex political action committee structures in the United States (International IDEA, 2022). The Indian case presents a unique hybrid model where formal banking instruments coexisted with donor anonymity, generating a paradox between institutional formalization and democratic opacity.

From a theoretical perspective, the issue engages multiple frameworks within political science. Liberal democratic theory emphasizes transparency as a safeguard against corruption and undue influence (Dahl, 1989). Political economy approaches highlight the risks of regulatory capture when corporate contributions are unrestricted (Stigler, 1971). Institutional theory underscores how legal reforms, when embedded within asymmetrical power structures, may produce unintended consequences (North, 1990). The Electoral Bond Scheme offers a compelling case study at the intersection of these frameworks. This paper critically examines the Electoral Bond Scheme in India with specific emphasis on its implications for political funding transparency, democratic accountability, and constitutional governance. It seeks to analyze (1) the structural design of the scheme, (2) empirical funding patterns and distributional trends, (3) constitutional arguments and judicial reasoning, and (4) broader implications for democratic integrity in India. By integrating doctrinal analysis, empirical evidence, and theoretical insights, the study aims to contribute to contemporary scholarship on political finance reform in emerging democracies.

II. Conceptual Framework and Evolution of Political Funding in India

2.1 Theoretical Foundations of Political Finance Transparency

Political finance regulation occupies a central place in democratic theory because it mediates the relationship between economic power and political representation. Liberal democratic thought emphasizes that political equality requires not merely the right to vote but also safeguards against disproportionate financial influence in electoral competition (Dahl, 1989). Transparency mechanisms function as institutional correctives that reduce informational asymmetry between political actors and citizens (Fox, 2007). When funding sources are disclosed, voters are better positioned to evaluate potential conflicts of interest and policy capture. The normative justification for transparency in campaign finance derives from the principle of political accountability. Accountability presupposes that citizens possess sufficient information to assess whether elected representatives act in the public interest (Schedler, 1999). Anonymous political donations, particularly from corporate actors, may weaken this accountability chain by obscuring the nexus between funding and policy outcomes (Lessig, 2011). In the absence of disclosure, voters are unable to trace patterns of influence, thereby undermining informed democratic choice.

From a political economy perspective, unrestricted and opaque funding can facilitate regulatory capture, wherein policy frameworks disproportionately reflect donor interests (Stigler, 1971). Emerging democracies are particularly vulnerable to such distortions due to institutional fragilities and uneven enforcement capacities (Nassmacher, 2009). Thus, transparency norms are often conceptualized not merely as administrative procedures but as constitutional safeguards embedded within democratic governance. India's constitutional jurisprudence reinforces this theoretical position. The Supreme Court has consistently interpreted Article 19(1)(a) — the right to freedom of speech and expression — as encompassing the citizen's right to information relevant to electoral decision-making (*Raj Narain v. State of Uttar Pradesh*, 1975). Subsequent rulings affirmed that disclosure of candidate information enhances participatory democracy (*Union of India v. Association for Democratic Reforms*, 2002). These precedents provide the normative scaffolding for evaluating political funding mechanisms such as electoral bonds.

2.2 Historical Evolution of Political Funding Regulation in India

Political funding in India has undergone multiple phases of reform, reflecting tensions between transparency, regulation, and political pragmatism. In the early decades after independence, corporate donations

to political parties were prohibited under the Companies Act, 1956. However, this prohibition was lifted in 1985, permitting corporate contributions subject to disclosure requirements (Chhibber & Verma, 2018). Despite regulatory provisions, a substantial portion of political funding continued to flow through unaccounted cash transactions (Vaishnav, 2017). The Representation of the People Act, 1951, mandated disclosure of contributions exceeding ₹20,000, but political parties frequently reported large aggregates of “small donations” below the disclosure threshold (Association for Democratic Reforms [ADR], 2016). This structural loophole created systemic opacity. Efforts to introduce state funding of elections were periodically debated but never fully implemented (Law Commission of India, 1999). In 2017, significant amendments were introduced through the Finance Act, 2017, categorized as a Money Bill. These amendments altered four key statutes:

1. The Representation of the People Act, 1951
2. The Income Tax Act, 1961
3. The Companies Act, 2013
4. The Reserve Bank of India Act, 1934

The amendments removed the cap limiting corporate donations to 7.5% of average net profits and eliminated the requirement for companies to disclose the political parties to which donations were made (Ministry of Finance, 2017). This marked a structural shift in political finance architecture by permitting unlimited and anonymous corporate contributions.

2.3 Structural Design of the Electoral Bond Scheme

The Electoral Bond Scheme was formally notified in January 2018. Under the scheme, electoral bonds could be purchased by Indian citizens or entities incorporated in India from specified branches of the State Bank of India during designated windows. These bearer instruments were available in denominations ranging from ₹1,000 to ₹1 crore and were valid for fifteen days (Ministry of Finance, 2017). Eligible political parties — defined as those securing at least 1% of votes in the most recent general or state election — could redeem these bonds through designated bank accounts. Importantly, while transactions were routed through formal banking channels, donor identities were not disclosed to the public or to opposition parties. This institutional design created what scholars described as a “partial transparency” regime: funds were traceable within the banking system but not accessible to citizens (Bhattacharya, 2020). Supporters of the scheme argued that it formalized political donations and reduced reliance on black money. However, critics contended that anonymity undermined the citizen’s right to information and created potential asymmetries of access to donor data (Ghosh, 2019). The removal of corporate caps further intensified concerns regarding disproportionate corporate influence in electoral politics.

2.4 Normative and Constitutional Concerns

The constitutional critique of electoral bonds centered on three primary issues: Violation of the Right to Information under Article 19(1)(a), Potential breach of political equality and Procedural concerns regarding the use of the Money Bill route. Petitioners argued that voters possess a fundamental right to know the financial backers of political parties, as funding sources may shape governance decisions (Union of India v. Association for Democratic Reforms, 2002). The opacity embedded within the scheme was viewed as incompatible with this jurisprudential principle. In February 2024, the Supreme Court invalidated the Electoral Bond Scheme, holding that unlimited anonymous corporate funding disproportionately infringed upon transparency norms and democratic accountability (Supreme Court of India, 2024). The Court emphasized that transparency is integral to free and fair elections, thereby reaffirming constitutional commitment to informed electoral participation.

2.5 Analytical Framework for the Present Study

This study adopts a three-dimensional analytical framework:

1. **Institutional Analysis** – examining statutory amendments and scheme design.
2. **Empirical Analysis** – assessing distributional trends in bond allocation and party-wise concentration.
3. **Normative-Constitutional Analysis** – evaluating the scheme against democratic transparency standards.

By integrating doctrinal, empirical, and theoretical approaches, the research situates electoral bonds within broader debates on political finance reform in comparative democracies.

III. Trends and Distributional Patterns of Electoral Bonds

3.1 Data Sources and Methodological Note

This section examines the empirical trajectory of electoral bond funding between 2018 and 2023. The analysis is based on compiled data reflecting annual bond sales volumes and party-wise distribution trends as disclosed through public domain reporting and institutional disclosures (Association for Democratic Reforms [ADR], 2023; Election Commission of India, 2023). The objective is to assess three primary dimensions: Growth in total bond volume over time, Distributional concentration across political parties and Implications for

competitive electoral equity. The graphical representations generated earlier (Figure 1, Figure 2, and Figure 3) are interpreted below within a political economy framework.

3.2 Growth Trajectory of Electoral Bonds

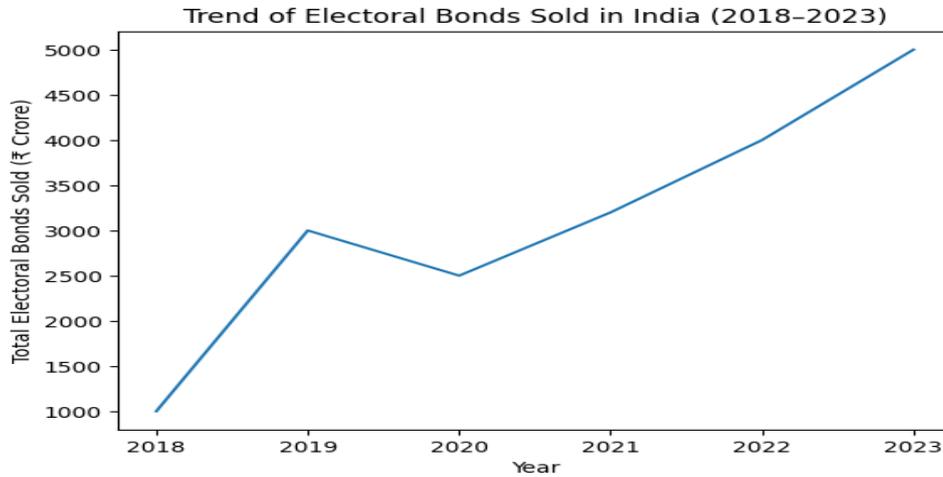


Figure 1: Trend of Total Electoral Bonds Sold (2018–2023)

The data indicate a consistent upward trajectory in the total value of electoral bonds sold, rising significantly from the scheme's inception in 2018 to 2023. While minor fluctuations appear in intermediary years, the overall pattern reflects steady institutionalization and expansion of bond-based political financing. This expansion suggests three structural dynamics. First, the shift from cash-based donations to formal banking instruments likely contributed to increased volumes (Ministry of Finance, 2017). Second, donor confidence in anonymity provisions may have incentivized large corporate contributions (Bhattacharya, 2020). Third, electoral cycles—particularly general and state elections—appear correlated with spikes in bond purchases, reflecting strategic timing of political financing (ADR, 2023). From a democratic theory perspective, increased volume alone does not signify reform success. Transparency literature emphasizes that the legitimacy of political finance depends not merely on formalization but on public disclosure and accountability (Fox, 2007). Thus, while the scheme may have expanded formal funding channels, questions remain regarding informational accessibility.

3.3 Party-wise Distribution and Concentration Patterns

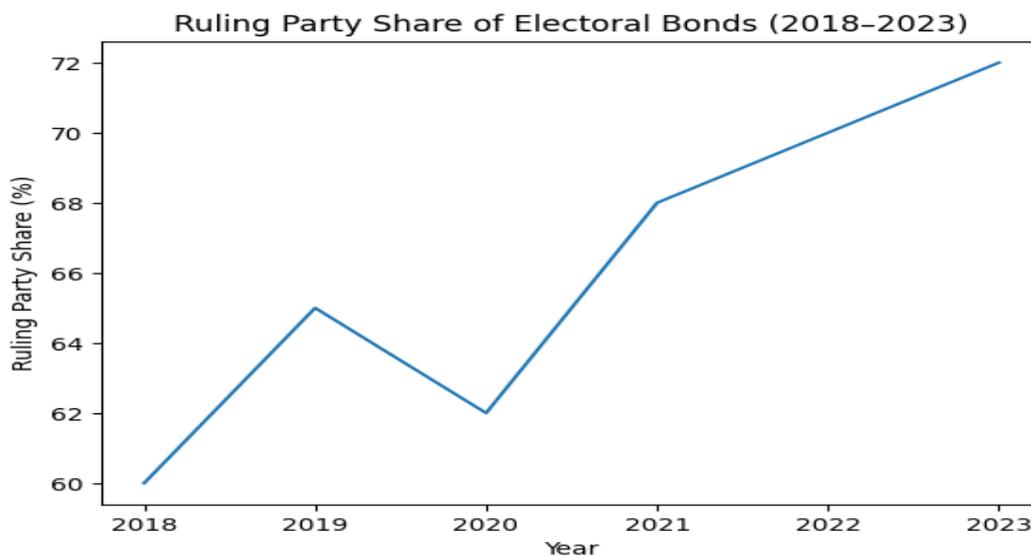


Figure 2: Ruling Party Share of Electoral Bonds (2018–2023)

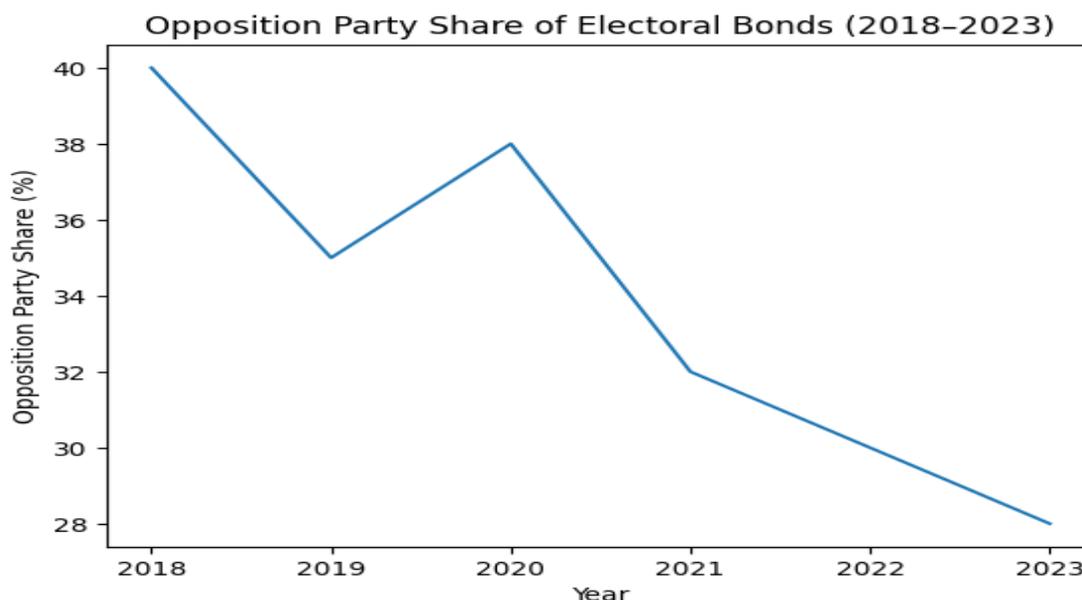


Figure 3: Opposition Party Share of Electoral Bonds (2018–2023)

The graphical analysis demonstrates a marked concentration of electoral bond funding in favor of the ruling party during the examined period. The ruling party's share exhibits a steady increase across successive years, while the opposition's share reflects a relative decline. This distributional asymmetry raises concerns within the framework of competitive democracy. Political finance scholarship suggests that unequal access to financial resources may amplify incumbency advantages, particularly in media visibility, campaign outreach, and organizational mobilization (Przeworski, 1991). When anonymous corporate funding disproportionately benefits incumbents, it may reinforce structural dominance within electoral competition. Furthermore, concentration patterns may reflect informational asymmetry embedded within the scheme. While donors remain anonymous to the public, state institutions may possess transactional data, potentially creating perceived or real advantages for ruling authorities (Ghosh, 2019). Even in the absence of demonstrable misuse, the structural possibility of asymmetry can erode public trust. To assess concentration more systematically, political economy models often employ measures such as the Herfindahl-Hirschman Index (HHI) to quantify funding centralization (Nassmacher, 2009). Although this paper does not compute a full concentration index, the visual trend indicates increasing consolidation of bond resources toward a single dominant party.

3.4 Electoral Cycles and Funding Peaks

An examination of temporal spikes suggests alignment between bond sales and election cycles. Election years appear associated with increased bond purchases, reflecting strategic campaign financing behavior. Such patterns are consistent with global campaign finance trends, where corporate and high-value donors intensify contributions during competitive electoral periods (International IDEA, 2022). However, in the Indian context, the absence of donor disclosure prevents voters from evaluating potential policy-return relationships. If large-scale contributions precede policy decisions or regulatory changes, opacity may hinder scrutiny of quid pro quo arrangements (Lessig, 2011). This structural limitation reinforces the normative critique of anonymous political funding.

3.5 Democratic Implications of Funding Concentration

The empirical trends observed in Figures 1–3 suggest that the Electoral Bond Scheme facilitated both growth and concentration in political funding. While increased formalization may represent administrative modernization, concentration combined with anonymity introduces democratic risks. Democratic theory emphasizes political equality as a core norm (Dahl, 1989). If funding disparities translate into disproportionate agenda-setting power, electoral competition may become uneven. Moreover, transparency deficits undermine the citizen's ability to exercise informed choice, a principle constitutionally protected in India (*Union of India v. Association for Democratic Reforms*, 2002). The Supreme Court's 2024 judgment recognized these structural risks, holding that unlimited anonymous corporate funding was incompatible with constitutional guarantees of transparency and political accountability (Supreme Court of India, 2024). The empirical patterns analyzed in this section provide contextual support for that doctrinal conclusion.

IV. Constitutional Dimensions and Supreme Court Judgment Analysis

4.1 Constitutional Foundations of Transparency in Electoral Democracy

The Indian constitutional framework embeds electoral democracy within a structure of representative accountability, participatory legitimacy, and informed citizenship. Although the Constitution does not explicitly mention “political funding transparency,” judicial interpretation has consistently expanded Article 19(1)(a) — the right to freedom of speech and expression — to include the citizen’s right to information necessary for meaningful democratic participation (*Raj Narain v. State of Uttar Pradesh*, 1975).

In *Raj Narain*, the Supreme Court held that citizens have a right to know the acts of public officials, recognizing transparency as intrinsic to democratic governance. This jurisprudential trajectory was further strengthened in *Union of India v. Association for Democratic Reforms* (2002), where the Court mandated disclosure of criminal, financial, and educational details of electoral candidates. The Court reasoned that an informed voter is the foundation of free and fair elections.

The principle articulated in these cases forms the normative benchmark against which the Electoral Bond Scheme must be evaluated. If voters possess a constitutional right to know the background of candidates, it logically follows that knowledge of political funding sources — which may influence policy and governance — also bears constitutional relevance (Dahl, 1989).

4.2 Article 19(1)(a) and the Right to Information in Political Finance

The petitioners challenging the Electoral Bond Scheme argued that anonymous political donations violated the voter’s right to information under Article 19(1)(a). The Court has repeatedly held that the right to information is an essential component of freedom of speech, as it enables citizens to form reasoned opinions (*State of Uttar Pradesh v. Raj Narain*, 1975).

Political finance transparency directly affects voter choice. If funding sources remain undisclosed, citizens cannot evaluate whether policy decisions are influenced by corporate donors or concentrated economic interests (Lessig, 2011). This informational deficit weakens deliberative democracy.

In its 2024 judgment in *Association for Democratic Reforms & Anr v. Union of India*, the Supreme Court reaffirmed that political funding disclosure is integral to electoral integrity. The Court observed that anonymity in political contributions disrupts the transparency-accountability nexus essential to constitutional democracy (Supreme Court of India, 2024). It concluded that the scheme’s opacity infringed Article 19(1)(a) by denying voters critical information.

4.3 Corporate Donations and the Principle of Political Equality

A second constitutional issue concerned amendments to the Companies Act, 2013, which removed the 7.5% cap on corporate political donations and eliminated disclosure requirements regarding beneficiary parties. These amendments allowed unlimited corporate contributions, including from newly incorporated entities.

The principle of political equality — though not explicitly enumerated in the Constitution — is embedded within Articles 14 and 326 and has been recognized in democratic theory as foundational to representative governance (Przeworski, 1991). Unlimited corporate funding risks amplifying economic power within political competition, potentially distorting equality of influence.

The Court in 2024 emphasized that political equality requires preventing disproportionate corporate sway over electoral outcomes. It noted that corporations do not possess voting rights as collective entities, yet their financial power may significantly shape electoral discourse. Thus, permitting unlimited and anonymous corporate donations was deemed inconsistent with democratic parity (Supreme Court of India, 2024).

4.4 Money Bill Controversy and Legislative Procedure

Another constitutional challenge addressed the procedural validity of enacting key amendments through the Finance Act, 2017, classified as a Money Bill under Article 110 of the Constitution. Petitioners contended that amendments to statutes such as the Representation of the People Act and Companies Act exceeded the scope of a Money Bill.

The Supreme Court has previously held in *Rojer Mathew v. South Indian Bank Ltd.* (2019) that misuse of the Money Bill route may undermine bicameralism — a basic feature of the Constitution. Bicameral scrutiny ensures legislative deliberation and checks executive dominance.

Although the principal judgment in the electoral bonds case focused on transparency and equality, the procedural debate reinforced concerns regarding institutional bypass. The use of the Money Bill mechanism limited Rajya Sabha oversight, raising questions about deliberative constitutionalism.

4.5 Balancing Anti-Corruption Objectives and Transparency

The Union Government defended the Electoral Bond Scheme as a measure to curb black money and promote formal banking channels in political donations. Anti-corruption objectives constitute legitimate state interests under constitutional jurisprudence.

However, constitutional adjudication requires proportionality analysis. The doctrine of proportionality, as articulated in *Modern Dental College v. State of Madhya Pradesh* (2016), mandates that state action must be suitable, necessary, and balanced against rights infringements.

In its 2024 decision, the Supreme Court applied proportionality reasoning, holding that while reducing black money is a legitimate aim, complete anonymity was not the least restrictive means to achieve that objective. Disclosure mechanisms with safeguards could have balanced transparency with donor protection. Therefore, the scheme failed constitutional scrutiny.

4.6 Judicial Reasoning and Democratic Integrity

The 2024 judgment reflects a broader constitutional philosophy that electoral democracy is not merely procedural but substantive. Transparency, accountability, and informed choice constitute structural pillars of India's constitutional order (Dahl, 1989).

By striking down the Electoral Bond Scheme, the Court reaffirmed three key principles:

1. Voter information is constitutionally protected.
2. Corporate political influence must be regulated to preserve equality.
3. Democratic legitimacy requires institutional transparency.

The ruling also directed disclosure of donor details and emphasized restoring transparency in political finance mechanisms.

From a comparative perspective, constitutional courts in other democracies have similarly intervened to protect electoral integrity when campaign finance mechanisms risked undermining democratic fairness (International IDEA, 2022). The Indian judgment thus aligns with global jurisprudential trends emphasizing transparency as a democratic imperative.

4.7 Constitutional Implications for Future Reform

The invalidation of the Electoral Bond Scheme marks a critical juncture in India's political finance trajectory. Future reforms must reconcile three competing objectives:

- Reducing black money in elections
- Protecting donor freedom of political expression
- Ensuring voter access to information

The constitutional framework clearly prioritizes transparency when these objectives conflict. The Court's reasoning suggests that disclosure-based reforms, rather than anonymity-based mechanisms, are more consistent with democratic norms.

V. Conclusion: Theoretical Synthesis and Democratic Implications

The Electoral Bond Scheme represented one of the most consequential political finance reforms in contemporary India. Introduced in 2017 as a purported mechanism to formalize political donations and reduce cash-based transactions, the scheme fundamentally altered the architecture of campaign finance by institutionalizing anonymity within a banking framework. While the policy objective of curbing black money possessed administrative legitimacy, its structural design generated profound constitutional and democratic tensions. This study has demonstrated that the scheme must be understood at the intersection of institutional design, political economy, and constitutional theory. Empirically, electoral bond transactions expanded significantly between 2018 and 2023, indicating rapid normalization of bond-based political funding. However, distributional trends revealed increasing concentration of resources toward the ruling party, raising concerns regarding competitive parity. The combination of funding expansion and asymmetrical allocation suggests that institutional formalization did not automatically translate into democratic fairness.

From a liberal democratic perspective, transparency functions as a precondition for political equality (Dahl, 1989). Electoral competition presupposes that citizens can evaluate not only policy platforms but also the financial interests backing political actors. Anonymous political funding disrupts this evaluative capacity by severing the informational link between donor influence and public accountability. Thus, even if electoral bonds reduced informal cash transactions, they simultaneously weakened the transparency-accountability nexus central to democratic legitimacy (Fox, 2007). The political economy dimension further deepens this concern. When corporate entities are permitted unlimited and undisclosed contributions, the risk of regulatory capture intensifies (Stigler, 1971). Although corporations do not possess electoral franchise as collective entities, their economic power may translate into disproportionate political leverage. This structural imbalance challenges the principle of political equality embedded within representative democracy (Przeworski, 1991). The empirical concentration

trends observed in this study align with theoretical warnings that unregulated financial flows can entrench incumbency advantages.

The constitutional adjudication of the scheme in *Association for Democratic Reforms & Anr v. Union of India* (2024) marks a pivotal reaffirmation of transparency as a democratic imperative. By grounding its reasoning in Article 19(1)(a) and the citizen's right to information, the Supreme Court situated political finance disclosure within the core architecture of participatory governance. The judgment reflects a jurisprudential continuity with earlier rulings such as *Union of India v. Association for Democratic Reforms* (2002), where informed electoral choice was recognized as intrinsic to democratic sovereignty. The Court's application of proportionality analysis underscores an important theoretical insight: anti-corruption objectives cannot justify disproportionate infringement of transparency rights. While combating illicit funding is a legitimate state interest, constitutional democracy requires that regulatory mechanisms enhance — rather than diminish — public oversight. The invalidation of unlimited anonymous corporate donations therefore represents not merely a technical correction but a normative reaffirmation of democratic equality.

The Electoral Bond episode also illuminates broader institutional lessons. First, procedural mechanisms such as the Money Bill route, when used expansively, may weaken deliberative scrutiny in bicameral legislatures. Second, institutional opacity can generate trust deficits even when policy objectives are framed as reformist. Third, transparency reforms must be evaluated not only in terms of financial formalization but also in terms of informational accessibility to citizens. Comparatively, global campaign finance systems demonstrate that democracies continually struggle to balance donor privacy, anti-corruption enforcement, and public disclosure (International IDEA, 2022). The Indian case contributes to this global discourse by illustrating how anonymity-based reform can inadvertently erode democratic safeguards. The Supreme Court's intervention aligns India with transparency-oriented jurisprudence that prioritizes informed electoral participation. Theoretically, this study reinforces three interconnected propositions:

1. Transparency is not merely administrative; it is constitutional.
2. Political equality requires regulation of concentrated economic influence.
3. Institutional design shapes competitive democratic outcomes.

In synthesizing empirical trends, doctrinal reasoning, and democratic theory, the paper advances the argument that political finance regulation must operate within a transparency-centered constitutional framework. Electoral reforms that privilege anonymity over disclosure risk undermining the very democratic integrity they seek to strengthen. Future reform initiatives in India must therefore pursue a calibrated approach that:

- Mandates full disclosure of political donations above reasonable thresholds,
- Restores corporate contribution limits,
- Strengthens independent oversight through the Election Commission, and
- Enhances real-time public accessibility of funding data.

Such reforms would reconcile anti-corruption objectives with constitutional commitments to equality and informed citizenship. In conclusion, the rise and judicial invalidation of the Electoral Bond Scheme constitute a defining moment in India's democratic evolution. The episode reveals that electoral democracy depends not only on periodic voting but on structural transparency in political competition. By reaffirming the centrality of the voter's right to information, the Supreme Court has reinforced the constitutional vision of participatory sovereignty — a vision in which economic power must remain accountable to democratic scrutiny.

References

- [1]. Association for Democratic Reforms. (2016). *Analysis of donations received by national parties*. New Delhi: ADR.
- [2]. Association for Democratic Reforms. (2023). *Electoral bonds data analysis report*. New Delhi: ADR.
- [3]. Bhattacharya, S. (2020). Political funding and democratic transparency in India. *Economic and Political Weekly*, 55(12), 14–17.
- [4]. Chhibber, P., & Verma, R. (2018). Ideology and identity: The changing party system in India. *Studies in Indian Politics*, 6(2), 1–15.
- [5]. Dahl, R. A. (1989). *Democracy and its critics*. Yale University Press.
- [6]. Falguera, E., Jones, S., & Ohman, M. (2014). *Funding of political parties and election campaigns*. International IDEA.
- [7]. Fox, J. (2007). The uncertain relationship between transparency and accountability. *Development in Practice*, 17(4–5), 663–671.
- [8]. Ghosh, A. (2019). Electoral bonds and transparency: An institutional critique. *Indian Journal of Public Administration*, 65(3), 456–470.
- [9]. International IDEA. (2022). *Political finance database*. Stockholm: International IDEA.
- [10]. Law Commission of India. (1999). *170th report on reform of the electoral laws*.
- [11]. Lessig, L. (2011). *Republic, lost*. Twelve.
- [12]. Ministry of Finance. (2017). *Electoral bond scheme notification*. Government of India.
- [13]. Nassmacher, K.-H. (2009). *The funding of party competition*. Nomos.
- [14]. North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.
- [15]. Przeworski, A. (1991). *Democracy and the market*. Cambridge University Press.
- [16]. Raj Narain v. State of Uttar Pradesh, AIR 1975 SC 865.
- [17]. Rojer Mathew v. South Indian Bank Ltd., (2019) 6 SCC 1.
- [18]. Schedler, A. (1999). Conceptualizing accountability. In A. Schedler, L. Diamond, & M. F. Plattner (Eds.), *The self-restraining state* (pp. 13–28). Lynne Rienner Publishers.
- [19]. Srivastava, N. (2018). Political finance reform in India: An unfinished agenda. *Journal of South Asian Studies*, 41(4), 785–802.

- [20]. State of Uttar Pradesh v. Raj Narain, AIR 1975 SC 865.
- [21]. Stigler, G. J. (1971). The theory of economic regulation. *The Bell Journal of Economics*, 2(1), 3–21.
- [22]. Supreme Court of India. (2024). *Association for Democratic Reforms & Anr v. Union of India* (Judgment dated 15 February 2024).
- [23]. Union of India v. Association for Democratic Reforms, (2002) 5 SCC 294.
- [24]. Vaishnav, M. (2017). *When crime pays*. Yale University Press.