

## Political Finance and Patronage Behind Disinformation: Evidence From India's Election Campaigns

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Over the last decade, India has become a quintessential example of the scourge of misinformation. A particular manifestation of this problem has been seen in the sphere of competitive electoral politics where leading political parties have invested heavily in creating an elaborate “disinformation machinery” that consists of social media cells, troll armies, and professional political consultants to disseminate their partisan propaganda and half-truths. This article uses the lens of political finance to explore the aggregate and distributional costs associated with the circulation of political disinformation in India. By drawing on long-term fieldwork conducted in India, I outline three important dimensions along which the “costs” associated with misinformation should be accounted: (i) regulatory loopholes in political finance regulation and campaign expenditure; (ii) imbrication of misinformation with state patronage networks; and (iii) the (re-)distributional costs associated with the finance model that sustains disinformation.

*Keywords: political disinformation, Indian politics, political finance*

In an era where democratic politics operates in a “permanent campaign” mode and where new media technology continues to penetrate everyday life more deeply, the stakes in the game of political communication have never been higher. It is no surprise, then, that one of the most prominent (and deleterious) manifestations of misinformation today is *political disinformation*. While media propaganda and conspiratorial thinking have long accompanied competitive democratic politics, what sets the present moment apart is the speed and sophistication with which disinformation circulates in the public sphere and the precision with which it can be targeted at specific groups of voters. Much of this has been accomplished through what Howard (2020) has felicitously termed “lie machines”—the assemblage of troll armies, political consultants, spin doctors, social media volunteers, and automated bots that have been brought together by politicians over the years to design an environment of information chaos for their own benefit. This article

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examines the monetary flows and financial costs associated with the political disinformation generated by such “lie machines” in India, the world’s largest electoral democracy.

Over the last decade, the problem of disinformation has become closely imbricated with (though not entirely limited to) the electoral cycle in India, at both the national and subnational levels (Neyazi, 2020; Sharma, 2022). The early manifestation of this trend was seen on platforms such as Facebook and Twitter (now X) in the lead-up to the 2014 Indian General Election. However, with an estimated user base of more than 500 million in India, WhatsApp has become one of the most popular mediums of choice for political parties to disseminate their partisan propaganda across the length and breadth of the country. While its ubiquity cuts across the political spectrum, the right-wing Bharatiya Janata Party (BJP), which has been in power since 2014, and its wider ecosystem of supporters have accumulated the most egregious instances of foul play.<sup>2</sup> WhatsApp messages containing fudged statistics on the performance of the Indian economy, salacious stories on the personal lives of opposition leaders, paranoid fantasies about the supposed threats posed by India’s Muslim population, and hypernationalist myths about Indian history are common tropes used by the BJP and its supporters to bolster the popularity of the Narendra Modi-led government. In February 2020, the BJP made global headlines when its leader Manoj Tiwari commissioned deepfake technology to create an election campaign video in Delhi (Christopher, 2020). Assisting the party in this venture was a political communication firm called The Ideaz Factory. By leveraging publicly available audio and video recordings, Ideaz Factory created a short campaign message where Tiwari was heard speaking in the regional dialect of Haryanvi. This 44-second clip was disseminated across more than 5,000 WhatsApp groups across Delhi, explicitly aimed at narrowcasting messages and creating an emotive appeal among Haryanvi-speaking voters in the national capital. During the 2024 Indian General Elections, AI-assisted deepfake videos were used as a campaigning technique on an even larger scale (Christopher & Bansal, 2024). On the one hand, this included officially sanctioned publicity material from parties and candidates across the political spectrum to bolster their campaigns (as in the case of Manoj Tiwari). On the other hand, it involved negative smear campaigns targeting certain politicians, often with unknown origins.

The rapid proliferation of these deepfake videos and other forms of disinformation in Indian elections points toward a broader (and more troubling) trend—political disinformation has become a technologically sophisticated, professionally driven enterprise. The most viral and influential content is no longer the product of isolated actors but is carefully planned and executed by professionals who operate at the intersection of cutting-edge technology and global “best practices” in political communication. Thus, in India, we see that the sharp rise in disinformation pertaining to electoral and party politics coincides with the “professionalization” of political communication itself. By professionalization, I refer to the increasing reliance of political parties on specialized campaign professionals to manage all aspects of electoral communication and strategy (Negrine, Holtz-Bacha, Mancini, & Papathanassopoulos, 2007). Over the past

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<sup>2</sup> While it is difficult to comprehensively compare the reliance on disinformation across parties, journalistic reportage, such as that by Chaudhuri (2020, 2021) and Mihindukulasuriya (2020), and a study by Akbar, Panda, and Pal (2022) point toward BJP’s relative dominance in the game. This is in addition to the well-known instances of abusive social media trolls being patronized by the party (Gettleman, 2017; Udupa, 2015). See also Sambhav, Ranganathan, and Jalihal (2022) for BJP’s edge over other parties in running secret surrogate campaigns.

decade, India's political campaigns have become highly organized, with teams of data analysts, media consultants, and social media experts playing critical roles (Sharma, 2024). This overlap between the production of disinformation and the larger industry of campaign professionals is a key feature of the political landscape in India today.

When I speak of an "industry" of campaign professionals, I refer to a complex, networked group of actors who are both highly organized and sophisticated in their capabilities, but are dispersed enough to prevent us from drawing a clean boundary around them. This industry encompasses a wide range of professionals, including political consulting firms, pollsters, public relations experts, advertising agencies, data analysts, social media influencers, and digital media volunteers affiliated with political parties. Additionally, there is the presence of elusive social media "trolls" who engage in covert online activities.<sup>3</sup> While the production of disinformation is only one subset of this industry's activities, it includes various practices that range from orchestrating "astroturf" campaigns—artificial grassroots movements—to disseminating political advertisements laced with misleading or false information.

This article argues that the professionalization of political communication provides a unique context for deliberating the financial costs of disinformation. In contrast to advanced democracies, where political professionalization predates the rise of digital disinformation, countries like India have witnessed both developments unfold simultaneously and in a mutually reinforcing manner. This distinction between the Global North and the South is crucial, as poor transparency in political finance and lax regulatory oversight over campaign advertisements are more pronounced in the latter. The preexisting concerns about transparency and oversight in India are further compounded by outdated regulations that have not kept pace with the growing influence of campaign professionals. Thus, scholars who wish to unravel how disinformation is produced and disseminated first need to unpack the "black box" of campaign professionals and the diverse channels through which they receive financial backing.

For nearly three decades, the rising costs of campaign expenditures in India have been a serious concern, particularly because a substantial portion is financed through off-the-book transactions and dubious sources of wealth—often termed "black money"—enabling politicians to circumvent statutory political finance regulations. The increasing thrust toward the professionalization of politics has resulted in these costs skyrocketing even further. For instance, during the 2019 Indian General Elections, an estimated \$8.65 billion (INR 65 billion) was spent, with half allocated solely to publicity and advertising by political parties (IndiaSpend, 2021). By the 2024 general elections, the estimated total expenditure had doubled, crossing \$16 billion (INR 1,350 billion) (Paliwal, 2024). In light of such developments, this article considers how we may attempt to quantify the financial resources and other costs that fuel the circulation of political disinformation in contemporary India. This article considers the feasibility of putting a "price tag" on political disinformation in the most literal sense of the term. In the process, it highlights some of the unappreciated aspects of how actors responsible for fostering information chaos get remunerated and its attendant implications.

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<sup>3</sup> It should be noted that in the Indian context few social media "trolls" self-identify with this label. Nevertheless, given the scope of their activities, this term can be used as a loose descriptor.

Before proceeding further, it is important to address some potential criticisms of a financial costing approach. Many scholars have strongly critiqued this drive toward quantification that has permeated different spheres of life. For some, such techniques—in the form of, say, audit cultures—are constitutive of a neoliberal rationality that regrettably depoliticizes public life (Mennicken & Espeland, 2019; Power, 1997). For others, quantification is a reductionist exercise that fails to capture the true complexities of the problem at hand (Merry, 2016). To be sure, the costs of misinformation are indeed multiple, varied, and nuanced (as highlighted by several authors of this Special Section), and the financial costs—which form the primary focus of this article—are arguably outweighed by the social costs measured in terms of human lives and suffering that misinformation routinely exacts. For instance, in India, disinformation spread by the Hindu nationalist ecosystem has claimed the lives of countless Muslims and Dalits who have been at the receiving end of violence at the hands of lynch mobs and state-sponsored vigilante groups (see, for instance, Banaji & Bhat, 2019).

Why, then, is it analytically productive to adopt a narrower focus on the financial costs of misinformation? First, as outlined above, the sheer scale of monetary resources at stake is enormous and deserves sustained analytical scrutiny in its own regard. This article integrates perspectives from political finance scholars with insights from the burgeoning field of critical disinformation studies, contributing to ongoing debates on the regulatory reform of election campaigns and political communication. Second, it demonstrates that ascertaining the direct and indirect costs of political finance fueling disinformation is more complicated than simply summing up transactions between political elites, on the one hand, and the diffuse network of actors spreading disinformation, on the other. Such a costing exercise needs to first consider *where* to look for such transactions, *what* kinds of transactions to include, and *how* to trace the second-order indirect effects of these financial flows. Third, the costing process can be illuminating because it throws into sharp relief the intricate workings of the disinformation industry and the relationships that sustain it. In other words, putting a price tag on disinformation is a valuable exercise not only for the parsimonious numerical figure it yields at the end but also for the insights gained about disinformation in the process of arriving at that number.

Instead of providing an accounting formula, this article proceeds by outlining three stylized facts pertaining to the intricacies of how political finance enables disinformation in a country like India.<sup>4</sup> These three facts highlight aspects of disinformation financing that have been largely overlooked in mainstream public and academic debates. In particular, I examine not only the aggregate financial costs of disinformation but also the questions of distributional inequalities—specifically, which socioeconomic groups benefit the most from the financial model that sustains disinformation and the effects this produces. After a brief methodological note in the next section, I discuss the challenge of locating the money trail behind disinformation. Thereafter, I discuss the nonmonetary and indirect forms of patronage extended to disinformation producers, alongside the cost borne by the state exchequer. Finally, I highlight the

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<sup>4</sup> The term “political finance” generally refers to the financial resources used by political parties and candidates to sustain a broad range of activities, including day-to-day operations, organizational expenses, and election campaign costs. However, in this paper, I focus specifically on election campaign spending, as it constitutes the bulk of such political expenditure.

distributional implications of these financial flows and why scholars must seriously consider the consequences of this resource re-distribution.

### **Methodology**

This article draws on insights gathered from a decade-long research project aimed at investigating the evolving nature of election campaigns and political communication in contemporary India. Given the deeply sensitive nature of political finance and its critical role in sustaining campaigns and funding disinformation networks, accessing reliable information posed significant challenges throughout the research process. The monetary flows that fund these activities are a closely guarded secret, and political actors and campaign teams are typically unwilling to discuss them with external researchers. Direct questions about political finance would often result in informants becoming defensive, and in many cases, such questions shut down conversations altogether. To navigate these challenges, I relied on a combination of strategies aimed at building trust and long-term relationships with key informants across the political spectrum. The sensitive nature of the topic meant that financial details could only be broached gradually, through informal conversations, rather than direct questioning. To ensure accuracy and depth, these insights were triangulated across multiple conversations with members of different parties, allowing for the cross-verification of claims and observations. Thus, the models of campaign finance discussed in the sections below have emerged from piecing together different data points and have not been directly attributed to discrete sets of informants. Few who were more forthcoming to talk about this subject have been de-identified, as per their requests.

Fieldwork for this article was conducted over several election cycles in India between 2017 and 2024 (in particular, the 2017 state assembly elections in Punjab and Uttar Pradesh, the 2019 general elections, the 2022 assembly elections in Punjab, and the 2024 general elections). Data collection involved semi-structured interviews with, inter alia, politicians, campaign managers, political consultants, social media "trolls," and party volunteers. In addition to interviews, this article incorporates ethnographic participant observation in the "war rooms" of political parties during election campaigns, where the role of finance and disinformation strategies could often be indirectly observed. These observations were supplemented by news media reports, which sometimes acted as catalysts for more open discussions with informants. When particular financial scandals or stories related to disinformation surfaced in the news, informants were occasionally more willing to discuss related aspects, offering a rare glimpse into otherwise opaque practices. Some of these new stories informed the analysis below. By combining interviews, ethnographic data, and news media sources, this article outlines the intertwined issues of political finance and disinformation in Indian election campaigns. The triangulation of multiple data sources helped to ensure the validity of the findings given the limitations of working in a highly secretive and politically sensitive field.

### **Following the Money Trail Behind Political Disinformation**

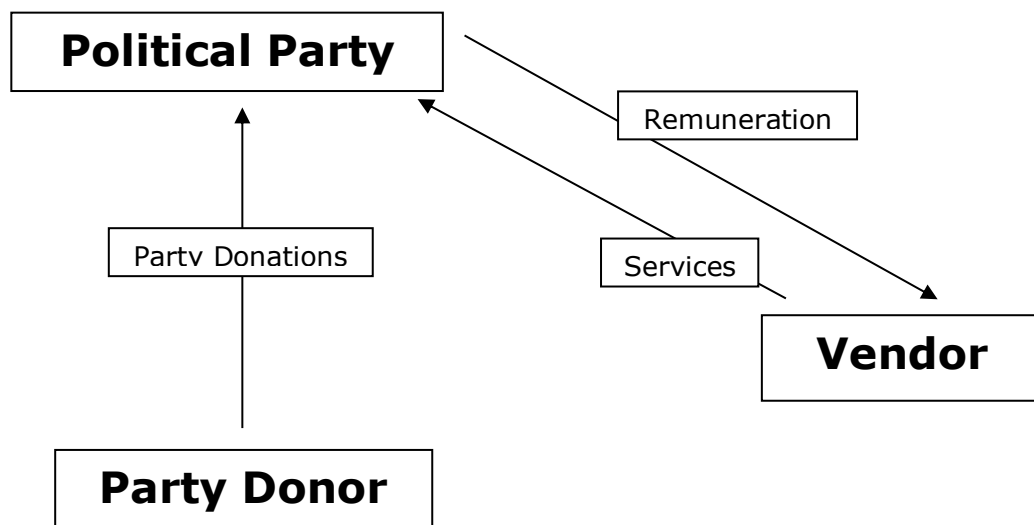
At the most basic and rudimentary level, putting a price tag on disinformation would have to begin by estimating the sum total of all monetary transfers made to the actors who participate in the production and distribution of disinformation. At the very outset, however, this approach encounters the challenge of correctly identifying and locating *when* and *where* such transactions take place.

Historically, the bulk of political finance and campaign expenditure in India—including the subset that directly finances disinformation—has occurred through mechanisms outside the formal banking system, leaving little to no reliable paper trail (Gowda & Sridharan, 2012; Sridharan & Vaishnav, 2018). Much of this is the outcome of a legal framework riddled with loopholes, producing perverse incentives for political elites to evade regulations. It is beyond the scope of this article to provide a comprehensive summary of the existing regulations pertaining to political funding in India, especially given recent legal judgments that have significantly altered the landscape (see below). However, we may note some basic facts for context in lieu of a longer discussion. Political parties in India are allowed to receive donations from both individuals and corporations, and parties are not required to disclose the identity of donors who contribute less than INR 20,000 (approximately \$238). Before 2017, private companies could donate only a limited fraction of their average net profits over the previous three years. However, the introduction of the Election Bonds Scheme in 2017 opened up a new channel for individuals and companies to donate unlimited amounts to political parties anonymously (Vaishnav, 2019). This could be done by purchasing promissory notes (or “bonds”) issued by the State Bank of India and then depositing them into the account of a registered political party. However, in February 2024, Electoral Bonds were struck down as “unconstitutional” by the Supreme Court for violating citizens’ right to information. Nevertheless, during the seven years the scheme was in place, staggering sums were donated by outfits of unknown provenance, leaving the public unaware of the identities behind these contributions (see Bose, 2024).

Concerning campaign expenditure, there are limits to how much candidates can spend during an election, but there are no real limits on expenditures incurred by parties. While candidates are expected to adhere to a spending limit of INR 7.5 or 9.5 million (for general elections) and INR 2.8 or 4 million (for assembly elections) in their constituencies, these figures are widely regarded as impractically low, with actual expenditures significantly exceeding these limits. Political parties are also expected to maintain financial accounts and expenditure reports and submit them regularly to tax authorities. In practice, however, these submissions are often delayed, and the auditing process remains lax. Consequently, political parties’ expenditure reports provide a woefully unrepresentative account of actual campaign spending (Chauchard, 2018). Even as political parties in India have started hiring a suite of campaign professionals over the last decade, the details about their remuneration—both in terms of amount and method—are rarely discernable from the official financial accounts and expenditure reports submitted to the Election Commission of India.

Over the years, several attempts have been made to increase transparency in how political parties solicit donations and incur expenditures. Even the controversial Electoral Bonds scheme was initially justified as a way of bringing the practice of corporate donations and party expenditure within the purviews of the legal banking system, thereby reducing reliance on cash (Press Information Bureau, 2018). Yet, the large hordes of banknotes and other precious assets that are routinely seized in the homes of Indian politicians (and their close aides or family members) by the Government of India’s Enforcement Directorate before important elections attests to the continued heavy reliance on “black money” to finance election campaigns. This is not least because a substantial section of the Indian economy operates in the unregistered “informal sector,” but more crucially, some of the largest donations received by politicians tend to be sourced through “criminal” activities such as mining mafias and racketeers (Harriss-White & Michelutti, 2019; Michelutti et al., 2019).

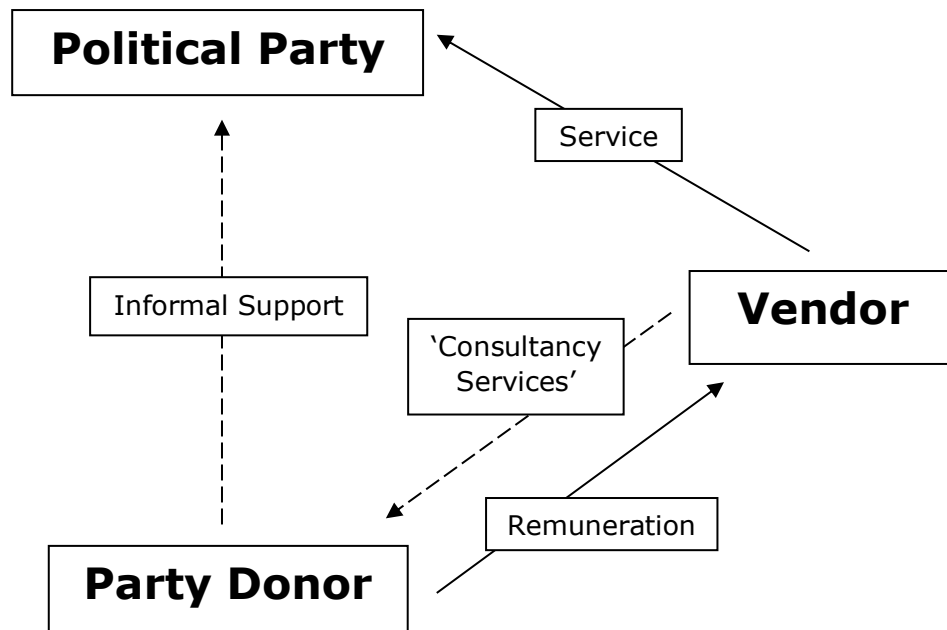
The challenge of estimating the financial costs of disinformation, however, is not merely the existence of an underground economy and the lack of a transparent paper trail. One of the lesser-acknowledged facts of the disinformation industry in India has been how it has gradually reduced its reliance on “black money” and is now operating within the ambit of the national banking system, yet it continues to evade public scrutiny. To understand how this has happened, it is useful to compare two stylized models of political finance. For the sake of simplicity, I will assume a model with only three actors: a political party (or politician), a party donor (say, a private corporation), and a vendor who provides some service related to the production and/or distribution of disinformation (e.g., a public relations firm). Figure 1 is a schematic illustration of how the financing of disinformation is conventionally understood to take place in a country like India. In this model, the party donor transfers a certain sum of money to the political party. These donations are then used by the political party to engage the services of a vendor who is remunerated in exchange for its campaign-related services. If these transactions take place in cash, the primary difficulty in putting a price tag on disinformation lies in the absence of a clear paper trail that documents such transactions. Note that in this schema, the party donor and the vendor do not have any direct relationship with one another.



**Figure 1. The conventional model of political finance.**

Next, consider Figure 2, which provides an alternative illustration of how financial flows may occur between the same three actors. Here, the political party begins by identifying a potential donor who is willing to provide financial support and a vendor who can provide some campaign-related services. In this model, however, no direct exchange of resources occurs between the political party and the donor. Instead, the party requests that the donor enter into a contractual agreement with its selected vendor. Under the terms of this agreement, the party donor, acting as a private corporation, commits to pay the vendor a certain sum of money as remuneration for some broadly defined “consultancy services” that the vendor can ostensibly perform for the corporation. This donor-vendor relationship is only intended to serve as a Trojan horse, for although the vendor receives money from the donor, it is discreetly providing services to the political party instead. Convolved as the modus operandi of this model may be, it offers the indomitable

advantage that all financial transactions can be carried out legally within the formal banking system, all the while concealing the relationship between the party and the donor, on the one hand, and between the vendor and the party, on the other. It remains nearly impossible to discern the authenticity of the intangible “consultancy services” and the corresponding remuneration, which are recorded in the financial books of both the donor and the vendor. Given that large corporations frequently hire multiple vendors to provide a suite of bespoke services, even a careful perusal of the financial accounts of such organizations is unlikely to provide a smoking gun that can indicate malfeasance.



**Figure 2. An alternative model of political finance.**

Three Cheers Pvt. Ltd. (pseudonym), a medium-sized political consulting firm based in New Delhi, is one such vendor I met during my fieldwork in the 2022 Punjab Assembly Elections.<sup>5</sup> Although the firm works exclusively with political clients, it officially describes itself as a public relations and media consultancy company. One of the codirectors of the firm is Biswajeet (pseudonym), a man in his late forties who has worked with political parties for over two decades in different capacities. He started his career as a modest freelance videographer in the late 1990s when the landscape of political communication in India was undergoing rapid mediatization, and politicians were devoting greater attention to audio-visual forms of campaigning. He recalls that in the early years of his profession, money from the parties would arrive on his doorstep “in burlap sacks stuffed with banknotes” that had been transported discreetly in the trunk of a nondescript car (Interview, January 18, 2022). Given the quasi-legal *modus operandi* of those years, he remembers that era as one filled with anxiety and trepidation. In recent years, however, such concerns have largely disappeared since the vast majority of transactions no longer need to be cash based. Through the

<sup>5</sup> The discussion in this paragraph is based on my field notes from January to February 2022.



system of financial routing described in Figure 2, nearly all transactions of his firm now take place within the bounds of the banking system, including the attractive salaries that Biswajeet pays his employees.

Over the course of the last decade, the schema outlined in Figure 2 has become an increasingly popular model of financing campaign expenditure in India—including that which pertains to political disinformation. This gradual transformation is closely linked to the professionalization of politics in India and the compunctions of the new types of political actors to whom campaign activities have been progressively outsourced. In popular understanding, the circulation of disinformation tends to conjure the image of faceless mercenaries and petty operatives shrouded in intrigue who sell their services to political parties in exchange for small sums of cash. In India, for instance, a common stereotype suggests that abusive social media trolls patronized by parties such as the BJP have been recruited from the ranks of unemployed youth who are paid a handful of rupees for every tweet they share in support of the party (Bhagat, 2015). While the production and dissemination of disinformation is certainly a highly monetized venture, such stereotypes misrecognize the scale and sophistication with which the disinformation industry operates. In an era of professionalization, the networked production of disinformation is concentrated in the hands of medium- to large-scale organizations that deal with large volumes of money, and the employees of these organizations can hardly be characterized as belonging to the lumpen proletariat. As I have elaborated at length elsewhere (Sharma, 2024), the professionalization of politics in countries like India has been driven in no small measure by the enthusiasm of a younger generation of well-educated, upwardly mobile, middle-class urban professionals who have reinvented themselves as campaign warriors in the service of electoral and party politics. Many of the employees who work in firms like Three Cheers Pvt. Ltd. have previously enjoyed stints as corporate lawyers, journalists, bankers, and management consultants. In their new avatar as campaign professionals, not only do they demand a salary commensurate with their qualifications and skills, but as white-collar, tax-paying citizens, they also expect that this should be paid to them through legally sanctioned channels. Thus, even though many campaign professionals engage in ethically and morally dubious activities during campaigning, they remain committed to maintaining the illusion of probity and rectitude. In such a context, the second model of political financing is better suited to the compulsions imposed by the new landscape of professionalization.

I will have the opportunity to return to the significance of the sociological composition of the disinformation industry below. Nevertheless, the discussion in this section suggests that the evolving model of political finance in India will raise even greater difficulties in correctly identifying and following the money trail that lies behind disinformation than what the extant debates on the role of “black money” in Indian politics have suggested. Far from being a peculiarity confined to Indian politics, this model of circuitous financing was also witnessed during the 2018 Brazilian Elections when allegations emerged that hundreds of entrepreneurs backing Jair Bolsonaro had funded a WhatsApp campaign to spread disinformation about Bolsonaro’s political opponents (Phillips, 2018).<sup>6</sup>

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<sup>6</sup> I am grateful to Natalia Viana for bringing the parallels between India and Brazil to my attention.

### **The Hidden Costs of Disinformation on the State Exchequer**

In the previous section, I discussed the financial flows related to disinformation by considering the role played by political parties in directing the flow of funds. The use of disinformation tactics, however, is not merely financed through a political party's coffers; it often drains the state exchequer as well, as politicians in power frequently misuse state resources to recompense actors who disseminate disinformation on their behalf. To this extent, we must also account for the hidden costs that disinformation poses from a broader budgetary perspective. Such hidden costs on state finances are particularly prevalent in "patronage democracies" like India. Following Chandra (2004), I use the term "patronage democracies" to refer to countries where elected representatives wield significant discretionary powers in the disbursement of state-owned or state-controlled resources, finances, goods, or services (e.g., natural resources, state credit, public sector jobs, etc.). This feature is distinctive of postcolonial countries where, historically, the postindependence state assumed a leading role in managing the economic development of the country, thereby providing political elites exclusive control over key resources and productive capacities. In India, despite the increasing liberalization and privatization of the economy, politicians continue to have considerable access to public resources that can be doled out as patronage.

Even in the United States (even though it does not conform to the formal definition of a "patronage democracy"), it has long been known that the association between politicians and campaign professionals rarely ends once the election campaign is over (Dulio & Towner, 2009; Lathrop, 2003). Campaign strategists of victorious candidates are frequently rewarded through appointments as policy advisors or chief-of-staff in their new administration. In this manner, campaign staff continue to enjoy disproportionate access to policy making at the top echelons of governments and benefit from rent-seeking and lobbying opportunities that present themselves. Such a pattern of postelection appointments has become widely apparent in Indian politics too. For instance, in the 2015 Assembly Elections in the eastern province of Bihar, Prashant Kishor, one of India's most celebrated and well-recognized political consultants, played a major role in scripting the victory for the coalition of parties that had come together under the banner of "*Mahagathbandhan*" (Grand Alliance). In the lead-up to the elections, Kishor, who had previously worked as a public health consultant before becoming a political consultant, developed a close relationship with Nitish Kumar, the leader of the Janata Dal (United)—one of the biggest constituent parties in the *Mahagathbandhan*—and a former Chief Minister of Bihar. After winning the elections, one of Nitish Kumar's first policy decisions as Chief Minister was to appoint Prashant Kishor as the head of a new social welfare program (the Bihar Vikas Mission) that was to be rolled out across Bihar (Ramashankar, 2016; Tewary, 2016). This position accorded Kishor all the power and perks that were usually reserved only for government ministers and effectively provided him with a considerable degree of control over the developmental bureaucracy across the state. Kishor's stint in Bihar is perhaps a dramatic manifestation of this trend. More commonplace are instances where the staff of political consulting firms managed to cultivate close relationships with local politicians during an election campaign and were subsequently rewarded with appointments as the politician's private secretary or as Officer on Special Duty (OSD) to government ministers.<sup>7</sup>

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<sup>7</sup> This observation is based on multiple interviews with the former employees of two major political consulting firms based in New Delhi.

The discussion in this section has thus far focused on election campaigns in general. A more direct link between the financing of disinformation and the use of state patronage in India can be surmised by a series of events that surrounded Smriti Irani, a BJP politician who served as the Union Minister of Human Resource Development in the first Narendra Modi government between 2014 and 2016. On February 9, 2016, students at Jawaharlal Nehru University (JNU) in New Delhi organized a public vigil to protest the death penalty granted to Afzal Guru (the suspected “mastermind” behind the December 2001 terrorist attack on the Indian parliament) and Maqbool Bhat (a Kashmiri separatist). JNU is one of India’s premier universities and has long been a stronghold of student activists and academics who are vociferously critical of the Hindu nationalist ideology represented by the BJP. Over the course of that February evening, clashes broke out between the event organizers and a horde of angry protesters. The ensuing fracas resulted in considerable confusion about the exact course of events, but soon after, videos surfaced on Twitter supposedly showing the JNU vigil organizers chanting “seditious” and “anti-India” slogans. This event and these videos were then rapidly amplified by mainstream news media.

Smriti Irani, who, as the HRD minister, oversees the administration of all public universities, used the incident to launch a vitriolic campaign against left-leaning student organizations and public intellectuals across Indian universities. In the hopes of uncovering a deeper conspiracy of sedition, an official investigation into the JNU episode was launched, and many JNU student activists were arrested. Over the next few months, forensic examination of the evidence revealed that many of the videos that showed “seditious slogans” being raised by JNU students were in fact doctored (Deshmane & Vishnoi, 2016). According to this forensic report, one such video was shared on Twitter by a Delhi-based architect named Shilpi Tewari, who was a well-known close personal aide of Smriti Irani and had been a prominent member of Irani’s campaign team during the 2014 Lok Sabha Elections. Tewari’s Twitter profile, which boasts more than 100,000 followers, shot to prominence in the early 2010s when she became an early vocal supporter of Narendra Modi and the BJP. Her digital activism had brought her to the attention of the BJP leadership, including Prime Minister Modi and the late finance minister Arun Jaitley who were among her Twitter followers. Subsequent news reports also revealed that months before the JNU episode took place, in 2015, Shilpi Tewari had been offered an appointment as a salaried “social media and communications” consultant by Smriti Irani’s HRD ministry (Hindustan Times, 2016). In making an offer of employment to Ms. Tewari, the HRD ministry had gone against the guidelines outlined in the selection criteria for this position, which mandated that the consultant should possess a suitable postgraduate qualification, such as an MSc or an MTech degree. Although Tewari had tweeted the doctored JNU video in her personal capacity, her association with Smriti Irani and the HRD ministry nonetheless raises a larger question about BJP’s informal reliance on social media influencers to spread disinformation and how governmental resources may be effortlessly redirected to meet this purpose. Such forms of state patronage—which carry both material benefits and access to much desired social capital—deserve to be seen as a serious cost insofar as they represent an improper and inefficient allocation of state resources.

### **Distributional Costs of Financing Disinformation**

In the discussion thus far, I have focused on the financial costs of disinformation in aggregate terms—whether they are borne by the party or the state exchequer. In either of the two cases, we find that the beneficiaries of these financial resources are actors and organizations who have recently entered

the political domain as campaign professionals. An under-appreciated consequence of this changing landscape of political communication is that it has enabled a disproportionate concentration of political patronage among certain sections of society. Since the financial model of disinformation has injected a new stream of money and patronage into Indian politics, it is important to ascertain not only how much financial wealth is at stake, but also how this is distributed among different socioeconomic groups. In other words, along with *aggregate* financial costs, we also need to consider the *distributional* costs that financing disinformation entails.

In the case of the Philippines, Ong and Cabanes (2019) highlighted how the actors responsible for producing fake news can often be “precarious digital workers” operating at the bottom of a larger hierarchy dominated by advertising firms and public relations experts. Their analysis is unique insofar as it emphasizes the uneven distribution of returns among the producers of disinformation—the financial gains of these precariously employed workers can be limited despite the essential tasks undertaken by them. In India, we see that the disinformation industry is similarly striated with hierarchies. For instance, Sharma (2024, ch. 7) has noted the internal organizational hierarchies that exist within India’s political consulting firms, wherein real power and influence are concentrated by the top-tier bosses of these firms. While digital trolls, cultivated by parties, may receive some monetary compensation for their work, these sums are trivial compared with the vast amounts accumulated by the major players who control the planning, production, and distribution of disinformation. Thus, a narrow spectrum of elite actors absorbs the bulk of the financial rewards generated by the disinformation industry.

Furthermore, the socio-demographic profile of these narrow spectrums of elites within the disinformation industry itself warrants further attention. As noted in the previous section, India’s disinformation industry (and the wider industry of campaign professionals with which it overlaps) is predominantly populated by a narrow socioeconomic section of society—well-educated, middle-class professionals. This is because to execute their disinformation campaigns, politicians have had to repose their faith in those who possess appropriate technical skills and can demonstrate the right kind of qualifications for the job. For instance, during the 2014 General Elections, Narendra Modi relied heavily on an “astroturf” campaign that had been launched under the name Citizens for Accountable Governance (CAG). Analyzing the composition of CAG’s core team (see Sharma, 2024) makes it abundantly clear that this secretive organization was led by a group of young graduates from elite institutions, such as the Indian Institute of Technology (IIT) and Indian Institute of Management (IIM). Many of them had previously lived and/or worked outside India and had enjoyed successful careers in the private corporate sector before they decided to join Modi’s campaign. Furthermore, as has been highlighted by scholars of South Asia, the opportunity to possess technical education has historically been unequally distributed across socioeconomic groups in India and continues to be a proxy for caste privilege (Fuller & Narasimhan, 2014; Subramanian, 2019; Upadhyay, 2016).

What, then, are the implications of the fact that the political actors who operate the “lie machines” in Indian politics are drawn from the ranks of the upper-castes and upper-middle classes? The financial model of disinformation in countries like India—where the distribution of skills and qualifications is segmented along the lines of caste and class—has further enabled the concentration of financial, political, and social capital among a handful of elites. As discussed in the previous section, the foot soldiers of the

disinformation industry benefit not only through direct monetary compensation; the association with politicians also opens access to the corridors of state power, enabling the cultivation of influential networks and the accumulation of valuable social capital. All of this has the effect of further entrenching their preexisting socioeconomic privilege. Paying attention to the distributional implications of the financial model of disinformation thus alerts us to an important indirect cost—its ability to deepen existing inequalities in the extent to which different groups can access material resources and socio-political capital.

Ordinarily, one might expect that the professionalization of political communication would lead to greater democratization and diversification within the industry, as a competitive marketplace could, in theory, offer opportunities to a broader range of actors capable of providing technical expertise to politicians. However, because in the Indian context, technical skills are often segmented along entrenched hierarchies of caste, gender, and class, access to the technical expertise required for running disinformation campaigns, therefore, is not equally available to all. Instead, it remains restricted to relatively privileged groups that have the social capital and resources to enter the field. As a result, the industry of disinformation producers is far from an open playing field, with limited pathways for individuals from historically disadvantaged communities to become “disinformation warriors.” It must be stated in unequivocal terms that I am not advocating that lower-caste groups should also engage in spreading disinformation, as such practices are harmful regardless of who engages in them. Rather, my point is that the current accumulation of resources and influence by disinformation producers is disproportionately benefiting already privileged segments of society, further entrenching existing social and economic hierarchies. This, too, must be acknowledged as a cost that disinformation poses to contemporary democratic politics.

### Conclusion

In this article, I have attempted to consider the possibility of putting a “price tag” on how disinformation is financed in contemporary India and the challenges we are likely to encounter in such an exercise of costing. It is important to reiterate once again that the true costs of misinformation are multidimensional, and using the lens of financial costs only reveals some aspect of the problem at hand. Nonetheless, the attempt to “follow the money trail” has served as a useful heuristic tool in this article to reveal some of the neglected aspects of how the production and distribution of disinformation has become a drain on conspicuous resources in a developing country and has created second-order negative effects.

Analyzing the financial model of political disinformation that has been patronized by political parties in India reveals three important facets of how the disinformation industry operates and the power that its members have come to enjoy. First, to evade regulatory compliance, parties and donors have experimented with new models of political finance, making it tremendously difficult to ascertain how and where disinformation funding changes hands. This model is neither entirely cash based nor reliant on money laundering through murky offshore bank accounts in foreign tax havens. Instead, political parties use legal domestic transactions within the formal banking system, but because parties have nominally extricated themselves from the flow of money to the producers of disinformation, it has become tremendously difficult to identify them. As parties continue to outsource disinformation campaigns to third-party vendors, the already astronomical amounts spent on campaigning and political communication are set to soar even further. Second, we note that misinformation is a cost borne by not only the party exchequer, but it can

also become a drain on the state exchequer because financing misinformation often opens the floodgates for different types of state patronage. Finally, paying attention to the monetary flows and state patronage behind disinformation reveals how the beneficiaries are unequally distributed across socioeconomic groups, and how these distributional inequalities need to be seen as a cost unto itself that is enabled by the disinformation industry. This article contributes to the growing literature on disinformation by adding a crucial class-based dimension to the analysis. Much of the existing research on disinformation often overlooks the economic hierarchies that shape who benefits from this industry. While many studies have examined the technological and social implications of disinformation, the question of who profits from its production—especially in terms of class—remains underexplored. By centering on India's experience, this article fills that gap, shedding light on how financial resources and benefits are distributed unevenly across different actors in the disinformation ecosystem.

While this article contributes to the growing literature that emphasizes global patterns in the production of disinformation, the case study of India also points toward unique trends particular to developing countries. In each of the three aforementioned points, we notice a Global North-versus-Global South disjuncture. Because developing countries have been "late comers" to the professionalization of political communication, regulation in these countries has yet to keep up with the task of identifying the new producers of political propaganda and disinformation. As a result, as shown above, attempts to account for the transactions that fund disinformation are likely to stumble because we are unable to connect the dots between the disinformation industry and political elites. The predominance of an informal sector of the economy that is cash based, along with unregulated "criminal" political economics, further exacerbates the problem in these countries. Similarly, the practice of disinformation producers being rewarded through state largesse is often markedly more prevalent in (though not entirely limited to) postcolonial developing countries, given their historic patterns of state formation. And the concentration of technical skill and expertise in certain socioeconomic groups, which is again a marked feature of developing countries, means that the revenue generated by the disinformation industry can further exacerbate existing inequalities and patterns of privilege in a manner that has fewer parallels in the developed world. Thus, this article cautions against the unique patterns of disinformation in developing countries being papered over by knowledge production on a subject that prioritizes perspectives from the Global North alone.

Thus, we see that even when we take a very limited and narrow *financial* approach to putting a price tag on misinformation, it is not simply a matter of accounting for how money is changing hands. In other words, it is not simply a question of finding out how much party X paid organization Y and then adding up all such transactions. Any form of costing would have to reckon with the serious logistical challenges of correctly identifying the financial flows that fuel disinformation and then estimating the associated opportunity costs and distributional effects.

Although it is beyond the scope of the article to outline a detailed solution-oriented discussion, there are several avenues where meaningful progress can be made. The first step must involve updated regulations. New platforms and entities involved in political campaigning need formal recognition, obliging them to adhere to disclosure and registration obligations, particularly about political advertisements. These regulations should aim to track the use of intermediaries and circuitous models of finance that connect political parties and disinformation producers. While these links are difficult to identify for the reasons

outlined in this article, investigative journalists have already made significant progress. For instance, careful perusal of Facebook's ad library during recent Indian elections has revealed how a group of ostensibly nonpartisan actors placed political ads through multiple Facebook pages at costs that run into hundreds of millions (Sambhav & Ranganathan, 2022; Sambhav, Ranganathan, & Jaliha, 2022). Despite functioning under the façade of political satire and meme-based pages, these Facebook accounts were effectively surrogate pages clearly identifiable with different parties. Although investigative journalists have been the first to shed light on these practices, it is crucial that state regulators take this forward. Needless to add, the cooperation of tech platforms will be critical here.

When politicians in power use state resources and privileges to patronize disinformation actors, the presence of an effective anticorruption ombudsman could help curtail these practices. Ensuring that this watchdog has real teeth to investigate the misuse of state patronage to reward disinformation production is vital. Finally, the (re-)distributional costs of disinformation identified in this article may be the hardest to quantify. However, the goal should not be to arrive at a precise figure. Rather, the task at hand is to build awareness about the class dynamics that underlie who benefits from disinformation campaigns. While the popular perception in India is that social media trolls and influencers working in this field are small-time players earning modest sums, this narrative obscures the responsibility and accountability of the larger, wealthier actors who dominate the industry and pocket substantial profits. Raising public awareness about these hidden dynamics will be key to helping ordinary citizens understand the true nature of this industry and its implications for democracy. The process of putting a price tag on political disinformation has a lot to teach us, even as the final figure may remain ever elusive.

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