



FREEBIES FOR VOTES – POLITY / GOVERNANCE

NEWS: Is freebies really support citizens or only costing government budget? India needs a transparent framework to regulate them.

WHAT'S IN THE NEWS?

Overview of Freebies in Indian Politics

- **Election Strategy:** In the lead-up to elections, Indian political parties often promise “freebies”—state-sponsored giveaways like free electricity, water, subsidized food, and electronics—to attract voter support.
- **Popularity and Political Influence:** These handouts have become a standard part of political manifestos, offering immediate benefits to targeted groups, thus increasing the popularity of the parties promising them.

Fiscal and Regional Concerns

- **Fiscal Strain:** Critics argue that such freebies create significant fiscal strain on state budgets, especially in poorer states with limited resources.
- **Regional Disparities:** Wealthier states like Delhi, Tamil Nadu, and Maharashtra, with higher per capita incomes, can more readily afford these schemes, while poorer states like Bihar struggle to provide even basic services, leading to inequality.

Global Examples and Risks of Over-Reliance

- **Greece's Crisis:** Greece's economic crisis in the 2000s was partly due to excessive welfare spending that led to unsustainable fiscal deficits. The country eventually had to impose harsh austerity measures, which caused social and economic challenges.
- **Sri Lanka's Economic Meltdown:** Sri Lanka also faced a financial crisis after years of unsustainable subsidies for fuel, food, and electricity, resulting in a severe economic downturn and the need for austerity measures.

Balanced Welfare Models: Global Lessons

- **Singapore's Targeted Approach:** Singapore provides targeted subsidies focused on healthcare, housing, and education while promoting self-reliance. Its Central Provident Fund (CPF) ensures welfare without overburdening the state, balancing welfare with fiscal discipline.

Call for Transparency and Accountability

- **Role of Regulatory Bodies:** The Election Commission of India and other bodies could enforce transparency by requiring political parties to disclose funding sources and economic impact assessments for proposed freebies.



- **Economic Impact Assessment:** If a party promises free services, it should explain how it plans to fund them—through higher taxes, loans, or reallocation of funds. This could prevent extravagant promises that may compromise the state's financial health.

Issues with Universal Freebies

- **Non-Targeted Benefits:** Many freebie schemes, such as free electricity in Delhi, apply universally rather than targeting the most vulnerable, leading to inefficient use of resources.
- **Need for Targeted Welfare:** Implementing means-testing and targeted subsidies would ensure that limited resources are directed toward those who need them most, enhancing the efficiency of state welfare programs.



Long-Term Empowerment through Human Capital Investment

- **Kerala's Model:** Kerala, through investments in education and healthcare, has fostered a self-reliant population that contributes to economic growth without depending heavily on state handouts.
- **Focus on Sustainable Policies:** Kerala's approach highlights the benefits of investing in human capital over temporary relief measures like freebies, leading to more sustainable economic and social outcomes.

Environmental Consequences of Certain Freebies

- **Punjab's Free Electricity Policy:** Punjab's provision of free electricity for farmers, while initially supportive of agriculture, has led to overuse of groundwater and environmental degradation, illustrating the need for environmentally sustainable policies.



- **Long-Term Productivity Over Short-Term Gains:** Punjab's experience underscores the importance of policies that prioritize sustainability and long-term productivity, rather than encouraging dependency on resources that may be depleted.

Shifting Focus to Sustainable Development

- **Prioritizing Employment and Infrastructure:** Political parties should prioritize creating job opportunities, improving infrastructure, and building human capital rather than offering short-term handouts.
- **Investments in Education and Healthcare:** Sustainable development efforts should focus on education, healthcare, and job creation to alleviate poverty and reduce inequality.

Achieving Balance between Welfare and Fiscal Responsibility

- **Framework for Responsible Freebies:** Instead of banning freebies, India should create frameworks that promote transparency, fiscal responsibility, and targeted welfare.
- **Encouraging Self-Reliance:** By empowering citizens with tools for long-term self-improvement, the government can reduce dependency on state subsidies, leading to economic stability and prosperity.
- **Long-Term Vision:** A balanced approach that combines welfare with economic stability can empower citizens, maintain democratic integrity, and support India's long-term development.

SC Judgement: The Supreme Court in *S Subramaniam Balaji vs Government of Tamil Nadu 2013* case held that unrealistic poll promises and freebies are a serious issue that disturbs the level-playing field in elections.

- The court also held that **promises in the election manifesto cannot be construed as "corrupt practice" under the Representation of People Act** or under any other prevailing law and hence, distribution of freebies can't be stopped when the ruling party uses public funds for this purpose through passage of Appropriation Acts in state assembly.
- At the same time, the court noted that there is no enactment that directly governs the contents of the election manifesto, and **directed ECI to frame guidelines for the same in consultation with all the recognised political parties.**

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