



Political and economic aspects of freebies politics in India: An analysis

Deepak Kumar Dinkar

Assistant Professor, Department of Political Science, S. M. College, Tilka Manjhi Bhagalpur University, Bhagalpur, Bihar, India

Abstract

Elections in India are often a time of enticing promises and opulent gifts, and everyone in politics is suddenly and touchingly concerned about the daily suffering of the regular citizen. Bicycles, phones, computers, free water and power, cheaper food and fuel, significant amounts of cash, and free water and electricity are usually on the menu. Freebie culture has reached such alarming heights that the majority of some political parties' election platforms are, as carefully thought-out plans, based only on offers of freebies, explicitly promising voters that they will receive tonnes of freebies if the political party wins. In India, it is a common tradition for political parties to present voters with gifts right before elections. Money has always been offered to voters; this has never been a secret. Political parties, however, are increasingly luring voters with freebies like energy, water, internet, public transport and even meals if they back and elect them to office.

Freebie culture has reached such alarming heights that the majority of some political parties' election platforms are, as carefully thought-out plans, based only on offers of freebies, explicitly promising voters that they will receive tonnes of freebies if the political party wins. Our government's various branches have recently voiced concern over the "freebies" mindset in political campaigns. A feeble attempt has been made by the prime minister to validate political rivals' welfare plans by calling for an end to the "revdi" attitude. The Reserve Bank of India linked "freebies," in particular power subsidies, to the unstable state finances in a paper published in June. The Supreme Court entered the discussion last week and urged the creation of an expert group to investigate the matter.

Keywords: Freebie politics, electoral politics, poll promises, subsidies, revdi culture, election commission

Introduction

Political parties frequently provide voters with a variety of benefits in exchange for their support in India. This behaviour is widespread in a number of Indian states, particularly around election season. Freebies can range from frivolous things like televisions, laptops, and smartphones to things that are necessary for living, getting healthcare, and getting an education. Freebies have long been a commonplace in politics. But it became more well-known in the late 1990s and early 2000s when several states, notably Tamil Nadu, Andhra Pradesh, and Karnataka, started giving the poor free energy, reduced-priced food, and other essentials. These schemes were created with the goal of eradicating poverty and guaranteeing that people's basic necessities were met.

Over time, freebies have evolved into a vote-bank strategy. Offering gifts to voters can be a successful strategy for political parties, especially when targeting lower-income demographics (Pathi 2020, p. 6) ^[8]. As a result, during election season, political parties make a multitude of promises to voters, such as cancelling debt, offering free healthcare, and offering financial aid for other services. Free-market politics has benefits and drawbacks. Freebies have a positive effect on lowering poverty and improving the quality of life for the poor. For instance, programmes like the noon meal programme and the National Rural Employment Guarantee Act (NREGA) have been successful in reducing poverty and opening up employment opportunities.

Giveaways, however, could have a negative effect on the economy. The government is responsible for paying the costs associated with implementing these schemes, which

could lead to inflation and financial deficits. Freebies can also encourage a culture of reliance in which people rely on the government to fulfil their basic necessities. Freebie politics dominate Indian politics nowadays. It can improve living conditions and reduce poverty, but it can also harm the economy. Therefore, political parties should find a middle ground between providing essential services and upholding fiscal responsibility. People should also be aware of the long-term consequences of giveaways and support political parties that advocate for environmentally friendly forms of governance.

On July 16, 2022, Prime Minister Narendra Modi issued a warning against what he called revadi (a culture of "freebies") and described it as "dangerous for the development of the country" as he opened the Bundelkhand Motorway in Jalaun, Uttar Pradesh. After the prime minister made his remarks, a member of the ruling party filed a Public Interest Litigation (PIL) in the Supreme Court (SC) calling for strict regulations on the practise of political parties promising and giving away free things. According to the PIL, "distribution of freebies from the public fund influences voters, disturbs the level playing field, affects free and fair elections, and vitiates purity of the process (Kumar and Kaur 2022, p. 9) ^[3].

In order to avoid interfering with the legislative branch's authority, the Supreme Court bench hearing the petition initially suggested creating a committee made up of various interested parties to investigate the situation. Later, the Supreme Court sent the case to a fresh, three-judge panel to hear the plea. That bench has not yet heard the matter as of the drafting of this report. After first remaining mute, the Election Commission of India (ECI) produced a uniform

pro-forma in October 2022 for political parties to utilise in revealing how they will pay for their election promises. Opposition parties responded angrily to the ECI's directive, with some of them branding it a "overreach" and a "interference in their democratic rights" (Kumar 2022, p. 10) ^[1].

Of course, freebie-related discussions are nothing new in India. The SC had to deal with several petitions regarding giveaways ten years ago. The bench hearing Subramaniam Balaji v. the State of Tamil Nadu (2013) ruled that although the promise or distribution of freebies cannot be considered bribery or corruption and that it is not the role of the court to direct the government how to use public funds, it does influence people and "shakes the foundation of free and fair elections." Based on this decision, the ECI in 2014 mandated that political parties justify their promises and limited them to those that could be kept.

This time, however, it is none other than the prime minister who has brought up the subject, reigniting a complicated and important discussion about the nation's welfare policy. The nature of the welfare state in India and the underlying political, economic, and institutional circumstances in which 'freebies' are dispersed are also raised in greater detail by this. How can we distinguish freebies, which are given out by political parties based on electoral concerns, from social welfare initiatives, which aim to put the 'welfare state' characteristic of India into policy on the ground? Do they actually differ from one another, with one being a necessity that has been acknowledged by a number of governments and the other being a wasteful use of tax dollars?

The definitional dilemma serves as the starting point for the entire argument, which this essay seeks to summarise. The main arguments for and against such a welfare regime are outlined, including any 'populist' elements and the functions of the regulatory institutions in resolving these issues (Verma 2022, p. 7) ^[5]. The remainder of the paper examines the development of the welfare state in India through various phases, provides context for the main research question, which examines the nature and dynamics of the social welfare regime in India at the federal and state levels, and makes suggestions for potential institutional safeguards and reforms that could simplify the social welfare regime to stop its abuse.

Genesis of freebies culture in electoral politics

In India, political parties have a widespread practise of giving away gifts to voters just before elections. The fact that voters are given money has never been a secret. However, political parties are increasingly promising voters goodies like as free energy, water, internet, public transportation, and even free meals provided they support their political party and bring it to power. Freebie culture has gotten to such frightening levels that the majority of some political parties' election platforms are, as well-planned strategies, based exclusively on offers of freebies, expressly telling voters that they will receive tonnes of freebies if the political party wins.

The political parties in South India historically started the giveaways culture in the 1960s by providing free or significantly subsidised rice. Later, when it was deemed appropriate to provide free healthcare and education because these issues were even believed to be in line with welfare goals outlined in the Constitution, the technique was replicated across the country. Aam Aadmi Party (AAP)

provided some free water and power to urban voters in 2015. One can accept providing uninterrupted power around-the-clock, but providing a set amount of free electricity is undoubtedly a quid pro quo arrangement and is in no way consistent with constitutional and welfare goals.

India is still a young country after gaining independence from the British, despite having a tradition of being the oldest democracy. The Constitution's provisions are still being interpreted and contested, and political parties are constantly coming up with new strategies to influence voter opinion and win elections. Many Indian laws continue to change. Contrary to our Constitution's description of India as a socialist country, the Indian market also appears to have a strong capitalist economy. The Representation of Peoples Act of 1951 specifies corrupt practises by political candidates and, as a result, makes it illegal to bribe voters in order to influence their vote. Political parties have overdone the strategic planning of their campaigning in this case. Offering free electricity, water, clothing, travel, television sets, and other necessities on the one hand and free education on the other speaks volumes about the extent of election law violations our political parties have committed in an effort to sway voters and seize power (Sahoo and Ghosh 2023, p. 11) ^[2]

The problem is undoubtedly already making a mockery of our democracy and the electoral process. The Election Commission requested recommendations from all recognised political parties to help draught rules on the freebies promised in the election manifesto after sensing the risks and acting at the Supreme Court's directive, but little progress was made. The Supreme Court raised this as a significant concern at the beginning of 2022 and requested replies on the matter from the Union Government and the Election Commission of India. As the respondents were the politicians themselves, this again did not produce many results. Such freebies, according to the Union Government, are setting the stage for a "economic disaster."

The Supreme Court noted in August 2022 that the "reality" is that neither political party wants to eliminate freebies, and that the Parliament may not be able to fully debate the topic of doing away with nonsensical freebies supplied to voters before elections. The Supreme Court suggested creating a specialised group of individuals who can "dispassionately" assess the issue. Finally, after carefully weighing the different reasons presented by all parties, the Supreme Court referred the case to a three-judge panel for review (Lok Sabha Secretariat Report 2022, p. 19)

Economic implications of freebies politics

The ongoing discussion about giveaways has created a rift in politics, with some clearly on one side and others undecided and vacillating with demands from the people. Everyone is caught up in the debate about whether freebies are good or harmful. Ironically, no one has agreed on a precise definition of the contentious term. Prime Minister Narendra Modi has rather aptly labelled this frivolous pastime of freebies distribution as "Revdi Culture" warning the electorate against the risky habit of "buying people" by offering free items paid for by the public.

Freebie distribution has long been a crucial component of Indian election politics. Before every election, parties have made a variety of promises, including giving away free gas, water, electricity, TVs, laptops, tablets, bicycles, and scooters. These incidents are excellent reminders of how

crucial it is to create boundaries between freebies and charity programmes. We cannot dismiss as giveaways or accept public bribes disguised as welfare measures real welfare programmes. It will be necessary to consider the correct context of time, place, and the government's fiscal space in order to distinguish between freebies and necessary services. According to Part IV of the Indian Constitution's Directive Principles of State Policy, the state shall advance the welfare of those who are Below the Poverty Line (BPL) or who are unable to advance without assistance. Evidently, political parties frequently disregard such distinctions in their electoral manifestos.

Freebies and gifts serve as a quick way to win over voters and hide the shortcomings of the current administration rather than attaining long-term development goals through the public distribution system, employment guarantee schemes, and state support for educational and healthcare facilities. These pointless expenditures made in response to populist demands are morally repugnant and dissuade voters from making informed choices (Potla 2022, p. 4) ^[6]. It all comes down to how generously a political party showers the populace with freebies under the pretext of socioeconomic upliftment incentives. The ubiquity and appeal of "freebie politics," which serve as a covert attack on state welfare programmes, are a damning indictment of our economic strategy and a dismal failure to inspire decision-makers to make investments in human capital. Therefore, achieving excellent administration and winning elections are two different things.

Freebie politics, which pose a serious financial danger to the state governments in India, especially the heavily indebted ones, cannot be ignored because of its moral consequences. The fiscal condition of the states cannot be viewed as unimportant in the free-gift issue. The portion of tax revenue that the Centre distributes to the states has decreased dramatically as a result of the termination of the GST compensation payments and the increased imposition of cesses. The state governments' finances have been strained by this decrease in tax collection, high committed expenditures, growing contingent liabilities, PSU debt that is ballooning past due, rising spending on non-merit giveaways, and the subsidy load, which was already made worse by Covid-19 (Election Commission Report 2022, p. 1). Freebies appear to have had a significant negative impact on state finances, including undermining the culture of credit, distorting pricing through cross-subsidization, eroding incentives for private investment, and disincentivizing employment at the existing wage rate, which leads to a decline in labour force participation. The most indebted state governments' budgetary situations are predicted to get worse if this mindset persists since their debt loads are unsustainable and, in some circumstances, debt growth is surpassing GDP growth.

The Supreme Court of India declared in 2013 that the budgets for freebies are exceeding ordinary budgets, upending the level playing field and severely undermining the foundation of free and fair elections. Access to public monies won't be available to all political parties. This conflicts with Article 324 of the Constitution, which stipulates that it is the responsibility of the Election Commission to hold free and fair elections. This raises concerns about the morality of the practise of giving away free things because, according to some, doing so is equivalent to paying bribes to your electorate.

Given the severe circumstances, an immediate and workable solution is desperately needed. Freebie effects should be examined from an economic standpoint rather than via a political lens. Making sure that the recipients are forever able to refuse such advantages, it is crucial to distinguish between freebies and legitimate, carefully targeted social sector expenditures. Long-term, states should work to enhance the stock of productive capital, develop long-term assets, generate income, and improve operational efficiency while routinely undertaking fiscal risk evaluations and stress-testing their debt profiles.

Freebies in political scenario

In India, political parties have a widespread practise of giving away gifts to voters just before elections. The fact that voters are given money has never been a secret. However, political parties are increasingly promising voters goodies like as free energy, water, internet, public transportation, and even free meals provided they support their political party and bring it to power. Freebie culture has gotten to such frightening levels that the majority of some political parties' election platforms are, as well-planned strategies, based exclusively on offers of freebies, expressly telling voters that they will receive tonnes of freebies if the political party wins (Verma 2022, p. 8) ^[5]

Freebies are now an essential component of Indian politics. Freebies have been used by parties to win over votes for decades. bicycles, laptops, televisions, free electricity, water, and Wi-Fi are all available. These giveaways have cost the exchequer a lot of money, and they have frequently come under fire for being populist solutions that don't deal with the problems' underlying roots. In India, freebies are nothing new. In actuality, they have existed for a very long period. Freebies used to be mostly provided by the government in the form of subsidies, no-cost healthcare, education, and other necessities. Freebies, however, have lately come to be associated with electoral pledges made by political parties. Voters are offered the moon by parties in exchange for their support.

Freebies are not necessarily a terrible idea. In rare circumstances, they may even help the populace. Free healthcare, education, and other basic amenities, for instance, can significantly raise peoples' standards of living. The issue emerges, though, when gifts are utilised as a political ploy to win elections. Parties make unsustainable promises of freebies, which strain the government's finances and eventually hurt the people they are supposed to help. Political parties frequently make free gifts in the form of tangible items like bicycles, laptops, televisions, and smartphones. These freebies may seem like a terrific way to get people to support a certain party, but they are frequently not viable in the long run (Kumar 2022, p. 3) ^[1]. The taxpayers foot the bill for these freebies, and eventually, it is the public that suffers. Parties have also begun to promise voters free electricity, water, and Wi-Fi in recent years. Though initially appealing, these freebies are frequently impractical in the long run. Free water and electricity can burden the exchequer, which ultimately lowers the quality of these vital services. Furthermore, offering free Wi-Fi in a nation with low internet penetration is not a long-term fix for the issue.

Freebies also fail to address the underlying causes of the issues they purport to fix, which is another drawback. Giving girls free bicycles to encourage them to go to school

may seem like a nice idea, but it does not address the underlying problems, such as a lack of infrastructure, safety concerns, and social norms, that prohibit girls from going to school. Freebies also frequently foster a sense of entitlement among the populace, which can be harmful to the nation's overall development. People become to depend on the government for handouts and stop taking charge of their own life. This may result in a culture of reliance and entitlement, which is detrimental to the nation's expansion and advancement.

Freebies may appear to be an easy way to win elections, but they frequently have detrimental effects on the economy. Freebies are expensive and deplete public resources, causing budget deficits and rising public debt. This might result in inflation, increased interest rates, and decreased investment—all of which would be detrimental to the nation's overall economic expansion (Singh 2022, p. 2). Freebies can also encourage corruption since officials may divert cash intended for their distribution. It's crucial to remember that freebies don't always take the shape of election-related promises. Additionally, many companies give out free things to draw in clients. Despite the fact that this may appear to be a harmless marketing tactic, the economy may suffer as a result. Giving out things for free frequently results in increased consumption, which can harm the environment and make waste generation a bigger issue. Additionally, companies could give out free stuff to cover up their subpar goods or services.

There have recently been discussions about the effectiveness of freebies in decreasing poverty and inequality. Freebies may offer momentary assistance to the poor, but they do not deal with the underlying reasons of inequality and poverty. Long-term efforts to combat poverty and inequality are more successful when they include access to chances for employment, healthcare, and education. Freebies can also exacerbate social inequalities and divisions. Freebies may not be available to everyone, and those who do not receive them may feel excluded or unfairly treated. This can cause social discontent and resentment. Governments must put their attention on long-term solutions to the issues the nation is currently experiencing. For instance, spending money on healthcare and education can raise everyone's standard of living and lessen inequality and poverty. Providing infrastructure like water, power, and roads can boost the nation's overall economic growth and open more job opportunities. Governments and corporations need to abandon the culture of giveaways. Then and only then will society as a whole experience long-term development and growth.

The way forward

Three important factors that should define any conversation on “freebies” in India have been highlighted in the aforementioned discussion. First, welfare programmes are a lifeline for sizable populations in a nation with high rates of poverty and persistent economic inequalities. People who in India rose out of poverty between 2005 and 2012 may do so again after just one economic shock, according to a March 2021 World Bank report. In fact, the COVID-19 pandemic drove millions of people into poverty. Therefore, social security programmes have been essential in easing the suffering of the weak and disadvantaged.

Second, even when compared to other emerging nations, India still has a long way to go in terms of spending on

healthcare and education despite the extensive network of social programmes. India is also struggling with issues related to hunger, unemployment, and general human development. The wide range of developmental difficulties cannot be successfully addressed by the welfare programmes that make up India's social protection architecture because long-term capacity-building initiatives in employment, healthcare, and education are not being fully employed (Verma 2022, p. 5) ^[5]

Third, the frequent practise of politicians giving away things for nothing in order to gain votes wastes public funds that could be used for more direct policy efforts. Such custom-made strategies complicate their reconfiguration based on actual demands that can avoid overlaps, provide better targeting, and minimise resource misuse due to the vote-bank imperatives and potential electoral benefits garnered from them. The directive from the Election Commission to political parties to control their gifts may also have detrimental effects. Since political parties see such directions as infringing on their democratic rights, they could easily backfire (Singh 2022, p. 2)

The interference, perceived or real, of non-elected institutions can also distort the dynamics of electoral democracy and diminish the electorate's agency and sense of judgement because the welfare promises made by political parties to their electorates are part of the crucial bargaining process in a democracy—where the voter's judgement is paramount. As a representative entity, the parliament is able to hold discussions on the matter and pass laws, albeit it can be challenging to reach political agreement on legislation that will benefit all parties. The freebies discussion should be framed by parliament and other democratic venues, such as intergovernmental organisations, who should also forge a political agreement on the redlines.

Several institutionally-based policy options are available to aid in enhancing the use of welfare programmes in India. First, it is important to enhance the financial regulatory institutions so that hidden and irrational spending by the federal government and the states may be effectively tracked and directed towards more useful purposes. Institutional reforms must be planned for in order for these regulatory organisations to operate with more autonomy. To identify and meet the needs of the poor, welfare programmes that seek for targeted assistance should be streamlined. Through wise policy revision, corruption-prone entry points during the distribution of welfare products should also be closed (Potla 2022, p. 4) ^[6]

In order to define “welfare goods and freebies”, it is also crucial to take into account new categories and typologies based on their relevance and effects. Last but not least, laws that are in place but are not being properly followed need to be addressed. For instance, according to the Fiscal Responsibility and Budget Management (FRBM) Act of 2003, “the revenue deficit must be eliminated, which means no borrowed money can be used for revenue expenditure, including freebies.” However, there hasn't been a noticeable change in the situation. Instead of court action or the ECI publishing advice for political parties, a combination of legislative instruments and improved public awareness regarding the requirement of long-term positive welfare agendas can be more useful in the long run.

Conclusion

Political pledges made by political parties cannot entirely be prevented. Nevertheless, despite the possibility of some freebies, such promises must largely be reasonable and consistent with the welfare goals set forth in the Constitution. In order for voters to make an informed decision, even when a free meal is offered, political parties must be forced to disclose the source of cash used to satisfy their promises of freebies. The political parties must notify potential beneficiaries of freebies, supporters, detractors, and voters in general that these freebies are not reward products, presents, or subsidy programmes like food grains provided through public distribution systems.

Political parties must disclose if the money for freebies will come from the public coffers because if it does, it essentially means that the voter's money is being transferred from one pocket to another or, worse still, that the State is spending more money to win elections. Most significantly, in a democracy like ours, the freebie culture is out of control and is shaking the foundation of free and fair elections. Before the freebie culture grows further and opens the door for even more hazardous economic and political unrest, it is urgently necessary to establish regulations governing it. Otherwise, the complimentary meal can end up being the most expensive.

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