



Perspective: Election Freebie Politics and Economy

Why in News

With the poll season around the corner, political parties are busy planning to lure the electorate with their promises which also include freebies.

- Over the years the **politics of freebies has become an integral part of the electoral battles** and the scenario is no different in the forthcoming assembly polls in five states, Uttar Pradesh, Uttarakhand, Goa, Punjab And Manipur.

Freebies in Indian Politics

- **About:** Political parties **promise to offer free electricity/water supply**, monthly **allowance to unemployed**, daily wage workers and women as well as gadgets like laptops, smartphones etc. **in order to secure the vote of the people**. There are arguments both in favor of and against this practice:
 - Supporters of such freebies argue that **pole promises are essential for voters** to know what the party would do if it comes to power and they have the chance to weigh these options.
 - Those against the freebies point out that this **places a huge economic burden on the exchequer of state** as well as center (if the elections are held for Lok Sabha).
- **Arguments in Favor of Freebies:**
 - **Essential for Fulfilling Expectations:** In a country like India where the states have (or don't have) a certain level of development, upon the emergence of the elections, there are **expectations from the part of people which are met by such promises** of freebies.
 - Moreover, there are also **comparative expectations** when the people of the adjoining/other states (with different ruling parties) get freebies.
 - **Helps Lesser Developed States:** With the states that have comparatively lower level of development with a larger share of the population suffering from poverty, **such kind of freebies become need/demand-based** and it becomes **essential to offer the people such subsidies for their own upliftment**.
- **Arguments Against Freebies:**
 - **Unplanned Promises:** Offering freebies has become a competitive bidding done by every political party, however, a big problem is the subsidies or any of the freebies announced are **not incorporated into the budget proposals**.
 - The financing of such proposals are often not incorporated into the memorandums or manifestos of the parties.
 - **Economic Burden on States:** Offering freebies, ultimately, has an **impact on the public exchequer** and **most of the states of India do not have a robust financial health** and often have very **limited resources in terms of revenue**.
 - **Unnecessary Expenditure:** Announcing freebies in haste without legislative debate does

not produce the desired benefits but only ends up in irresponsible expenditure.

- Welfare schemes in the form of power and water bill waivers could be justified if it were to help the poor.
- However, election-induced impractical announcements by parties turn out to be far removed from the budgetary and infrastructure realities of the States.

Way Forward

- **Better Policy Reach:** If the political parties go for effective economic policies where the welfare policies or **government schemes have good reach without any leakages or corruption** and it is **targeted at the right audience**, then infrastructure and development will take care of itself and the **people will not require such kinds of freebies**.
 - The economic policies or development models that the parties plan to adopt have to be very clearly stated and implemented effectively.
 - Moreover, the parties should have (and provide) a proper understanding on the economics and expenditure of such policies.
 - The **ruling parties at center and states shall be the first one to follow** such measures and set examples.
- **Judicious Demand-Based Freebies:** India is a large country and there is still a huge set of people who are below the poverty line. It is also **important to have all the people accommodated in the development plan** of the country.
 - The judicious and sensible offering of freebies or subsidies that can be easily accommodated in the states' budget do not do much harm and can be leveraged.
 - The subsidies in basic necessities such as giving **free education to younger children** or **offering free meals** at schools are **rather positive approaches**.
- **Utilizing the Time in Power:** The right notion is to utilize the time in power i.e. the **five-year tenure when a political party is a ruling government** and make provisions in this crucial period rather than making promises in terms of freebies.
 - It is the responsibility of the government and all the other political parties to **ensure betterment of the society** and **good governance**, therefore, it is important to have a limit to offering such freebies to the people.
- **Differentiating Subsidies and Freebies:** There is a need to understand the impacts of freebies from the economic sense and connect it with the taxpayers money.
 - It is also essential to distinguish between subsidy and freebies as **subsidies are the justified and specifically targeted benefits** that arise out of demands. However, the freebies are quite different.
 - Although every party has a right to create subsidy ecosystems to give targeted needy people the benefits, **there should not be a long-term burden on the economic health** of the state or the central government.
- **Awareness Among People:** The People should **realize the wrong they do in selling their votes for freebies**. If they do not resist, they cannot expect good leaders.
 - If the money spent for freebies is utilized constructively by creating job opportunities, building infrastructure such as dams and lakes and better facilities and providing incentives to agriculture, there will definitely be social uplift and progress of the State.
 - It is the people who can more effectively discourage the political parties from offering such freebies by making the right choices.

Conclusion

While talking about the promises made during the election campaigns, solely considering the political aspect is not wise, it is also important to keep in mind the economic part because ultimately the budgetary allocation and resources are limited. Politics and economy should go hand in hand when talking about freebies.

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