

Politics of Freebies in India and their Impact on Voters' Emotions, Economy, and Mental Health: An Analysis

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Abstract

Freebies have become an integral part of the Indian political landscape. Parties have been wooing voters with freebies for decades. From free electricity, water, and Wi-Fi to bicycles, laptops, PCs, and televisions. Freebie politics have grown to be a major factor in Indian elections over the years, and this was evident in the 2014 assembly elections in several states, including Uttar Pradesh, Uttarakhand, Goa, Punjab, and Manipur. This article examines the socio-economic costs of freebies by differentiating them from the concept of "expenditure on the public good with overall benefits." The present paper highlights how these freebies have come at a great cost to the exchequer and have often been criticized for being populist measures that do not address the root causes of the problems they aim to solve.

Keywords: Background, freebies, promise and policies

Introduction

Freebies are nothing new in India. In fact, they have been around for a long time. In the past, freebies were mostly given by the government in the form of subsidies, free education, healthcare, and other essential services. However, in recent times, freebies have become synonymous with election promises made by political parties. Parties promise the moon to voters in exchange for their votes. Something that is provided without any expense or payment is what the word "freebie" literally means. Political parties are surpassing one another in their efforts to provide free computers, bicycles, electrical gadgets, energy, and water supplies. These are referred to be "freebies" and are seen foolish in the long run for maintaining budgetary stability.

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On the other hand, the RBI and the federal and state governments implemented a number of steps to lessen the impact of the epidemic. This includes extending the food security programme for a full two years, as well as expanding the employment programme and offering farmers cash transfer programmes. Freebies are not always a negative thing. In fact, in some cases, they can be beneficial to the people. For instance, free healthcare, education, and essential services can go a long way in improving the standard of living of the people. However, the problem arises when freebies are used as a political tool to win elections. Parties promise freebies that are not sustainable in the long run, which puts a strain on the exchequer and ultimately harms the people they are meant to benefit.

Historical Background of freebies

The goal of the constitutional mandate for citizen welfare is to give everyone equal opportunities and is founded on the values of equality. Ensuring a fair distribution of wealth is another goal. A framework for good governance and welfare was established in the 4th century BC in a book on the art of statecraft. Nevertheless, in the modern period, it is crucial to distinguish between subsidies or handouts and spending that helps the public good more. While focusing mostly on introducing programmes for their largest portion of the vote bank-the lower strata of society - political parties running for office release manifestos outlining their goals and intentions for every segment of society. Freebies are frequently used as a ploy to hide the current government's dismal socio-economic record and provide voters a chance to shift their focus from pressing problems to immediate benefits.

Parties have used some sort of giveaway promise to entice voters ever since independence. Even if a new party wins elections, it will still be unable to defend or outright renounce the previous administrations' promises of freebies. For instance, political pressure has compelled several State Governments to maintain irrigation and power subsidies. Governments worry that if they stop, their supporters will get enraged. New political parties have emerged as a result of the coalition era's ascent in politics throughout the 1990s. To attract voters, smaller and newly established parties must provide more freebies than more established ones. In addition, as the struggle for

votes among the parties intensifies, each one strives to provide more populist promises than the other.

Freebie culture is not a recent development. The first Lok Sabha elections were won by Pandit Jawaharlal Nehru in 1952 with a substantial majority. In order to win votes, political parties started providing free lunches and rations to schools in the 1960s. In order to attract voters during elections, the parties later promised to give away free televisions, sarees, chappals, and other products in the 1980s. Political parties have promised various things these days: free water and electricity; pension plans for widows and the elderly; financial aid for the poor; financial support for women and farmers; free bus transportation for women; distribution of laptops, smartphones and bicycles; control over contract workers; loan forgiveness, etc. (Krishan Mahajan & Yogesh Singh, 2018)

Between 1954 to 1963, the late Chief Minister K Kamraj suggested providing free food and education to pupils in an effort to increase the number of youngsters enrolled in schools. In 1967, D.M.K.'s founder, C.N. Annadurai, offered 4.5 kg of rice for 1 rupee via the Public Distribution System. He implemented the idea after winning, but he ultimately gave it up due to the expense. During the 2006 Assembly elections, the DMK pledged free gas stoves, two acres of land for the homeless, maternity help, and Rs. 1000 for all disadvantaged women, in addition to free television and rice valued at Rs. 2 per kilogramme. In addition, AIADMK promised to provide the impoverished with free chappals, bicycles, saris, dhotis, and other goods. Many states, including Punjab, Chhattisgarh, Andhra Pradesh, Karnataka, etc., copied the plans from Tamil Nadu. These days, national and local parties use giveaways to win over voters before elections. Examples include giving away laptops, cell phones, and bicycles to students, waiving loans, distributing free water and electricity, paying monthly stipends to the poor, women, farmers, the disabled, and the jobless, controlling contract workers, giving away free cylinders, and offering free bus rides to women. (Arun N.K, 2013).

Literature & theoretical overview

Sehgal (2023) Freebie policies are seriously poisoning Indian politics. It is steadily but gradually turning into subject of a corrupt scheme that exchanges favors for votes. Such practises have grown and thrived unfettered in the largest democracy in the world for more than 20 years, and this fact alone says a lot about the vacuousness of our supposedly democratic political system. The Economic Times (2022) everything given or offered without charge is referred to as a "freebie," which has a bad connotation and can't genuinely claim legitimacy. It is not unexpected that there is a strong consensus that it is undesirable. What exactly qualifies as a freebie, who is giving them out and why, and who should put an end to it are the main topics of the current freebies debate. The political elite that distribute freebies refer to the action as a fantastic public good. Muley (2022) 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 tones of freebies if the political party wins. Nothing is supposed to be given out for free in this world. Freebies, vouchers, and other offers from marketing companies aimed at capturing and eventually converting potential customers into customers in a way that is permitted, allowed, and thoroughly stated to the demographic in question in advance, however, are likely to seduce people because of human psychology. In India, it is a common tradition for political parties to present voters with gifts right before elections. Sharma (2022) On the Indian political arena, the "rise" of regional political parties appears to be a recurring issue. Deluging readers with enthusiastic descriptions of India's fractured party structure and the multitude of local parties that appear to spring up like weeds after a monsoon downpour has really become a typical cliché of Indian political analysis. Observers also prefer to draw attention to the Indian National Congress and the Bharatiya Janata Party's ongoing decline as the country's two genuinely national parties. The political landscape in Delhi began changing form Anna Hazare's Jan Lokpal Bill and anticorruption movement in 2011.

Singh and Kaur (2020) Following losing the Punjab Assembly elections in 2017 and the general elections in 2019, the AAP decided against trying its luck in other states and instead concentrated on growing in Delhi, where it started its political career. Over the passage of time, the Aam

Aadmi Party was able to save its sinking ship in Delhi. Kejriwal proven to be a knowledgeable politician in addition to being an honest cop. Kejriwal was instrumental in meeting the needs of Delhi's residents on a local level. The AAP played a key role in completing its fair share of the work that was promised in its election manifesto. The AAP's great display in Delhi was supported by the work it has done for the people's welfare. When asked how the Kejriwal administration was doing, a voter responded, "I had no electricity bills for several months in a row. I have to concede that Kejriwal has kept his word. Dusi and Still (2020) In India, vote-buying is such a widespread instance of electoral "malpractice" that it has shaped election culture. And yet, we don't know a lot about how it operates, what consequences it has, or how voters feel about it. The instrumentalist perspective dominates analysis, and the term "vote buying" assumes one meaning for an activity that actually has more than one. Here, we look at several viewpoints on vote-buying while paying careful attention to Dalits and how it is carried out. We argue that the broader political economy of coercion and control that our informants described and experienced deserves more attention.

Singh (2016) Freebies are now offered to inhabitants of every state in the Indian Union and encompass a wide range of goods and services. Examples of free or significantly reduced goods and services include Amma's cafeterias in Tamil Nadu, Bihar Kumar's bikes in the state of Bihar color plasma screens, cell phones, mixer-grinders, laptops, cattle, cows, and goats, as well as mangalsutras for future brides and many other items. During election season, this list expands. The term "subsidy" refers to another facet of "freebies" in usage. It is a type of monetary or material assistance given to a person or a company with the intention of advancing social welfare or economic prosperity. Panda (2014) in low-income nations, political elite control of public assistance programmes is rampant. A household connected to a local political executive significantly increases the likelihood that it will receive an important poverty alleviating entitlement, such as a below-poverty-line ration card, in all three contexts: national, rural, and urban, according to our analysis of a nationally representative Indian household survey dataset.

Theories of election policy and programmes centering on the substance of election manifestos, numerous theories have been proposed by researchers to examine and comprehend the policies

and plans of political parties that find a place in manifestos. The said theories are as follows (Islam Muhammad, 2021):

i. Spatial Theory

Anthony Downs' theory is based on the basic concept that there is a reciprocal relationship between voters' policy preferences, rival parties' policies, and party policy programmes. But these dynamics only matter when the public's viewpoint diverges from the political party's policy stance.

ii. Salience Theory

The salience theory states that in order to obtain votes, political parties that are running for office highlight some policies or topics more than others in their public declarations, or election manifestos, which align with the issues that the electorate finds appealing. Budge and Farlie created this notion.

iii. Function Theory

The function theory, which was put forth by Benoit, maintains that campaign communications serve specific purposes that ultimately aim to win elections. To a significant degree, election manifestos serve these purposes that is, they uphold positions, criticise an opponent, and provide defence in the event of an earlier attack. According to this viewpoint, election manifestos can therefore be viewed as multipurpose policy papers.

Election manifestos from a Rhetorical perspective

In their election manifestos, political parties frequently use sentimental language and emotive language. The claim that using such rhetoric makes the messages that are meant to be communicated to voters more appealing justifies their use. Whether or not parties convey distinct policy viewpoints determines whether or not to use emotive language in their manifestos (Islam Muhammad, 2021). Positive and emotive rhetoric is more likely to be used when a policy viewpoint is less distinctive, and vice versa. This tactic is also used if a sizable percentage of voters remain uncertain (Islam Muhammad, 2021). Additionally, positive emotion is used more

frequently by a party in power than by the opposition in their election manifesto when that party holds a single majority. Nonetheless, political parties who are in power in a coalition and occupy the position of prime minister also have a tendency to prioritise positive sentiment in their manifestos above those of their coalition partners. It has also been observed that radical ideological parties employ positive sentiments more frequently. In a similar vein, optimistic attitudes in political manifestos decline amid economic downturns.

Winning elections and having good government are two very different things. Freebies don't seem to be conducive to good administration. The social, political, and economic effects of giveaways happen almost immediately. Many States offer a plethora of freebies and subsidy programmes, but there are still deaths from malnutrition, power outages, and inadequate health and education facilities. As a result, incentives or freebies are unable to ease the suffering of the Indian people. This research article focuses on the ways that a culture of giving away things leads to economic instability. It could jeopardise sound financial standing. States are forced to shift funding from welfare programmes to initiatives driven by politics. Irrational giveaways are detrimental to free and fair elections and will ultimately weaken democracy by upsetting the equilibrium of power. Freebie culture will inevitably result in resource misuse and irresponsibility towards the environment, causing more harm to the environment. For example, free water, free power, etc. Freebies and subsidies drive up the budget deficit and strain government revenue, which drives up the deficit even more. Freebies have a negative impact on voters' ability to make decisions. Free loan waivers could have unforeseen consequences, like destroying the credit culture as a whole and hiding the main issue of why a significant segment of the farming community keeps being trapped in debt. This is unquestionably a big problem. The budget allocated to giveaways exceeds the overall budget.

Objective of the Study:

Objectives refer to the basic purpose for which the research work is conducted. It is guiding light behind the conduction of any research activities. The primary goal of this paper is to examine "the contents of election manifestos in India and the regulations in place regarding manifestos." The objectives of the present study focus on the political practices of freebies and welfare

measures of politics in India. The current paper explores potential remedies as well as outlining the current system for regulating election manifestos.

Rational behind the Study

Despite India's vast size, many people there continue to live in poverty. The country's development plan ought to consider the needs of the entire population. Understanding the financial implications of freebies and how they connect to tax revenue is crucial. It's also important to understand the distinction between a subsidy and a freebie, as the former are advantages that are targeted, justified, and the outcome of demand. A sophisticated social security scheme guided by legislation intended to help the impoverished lift themselves out of poverty is perfectly acceptable. But such a programme cannot be devised just before an election; it needs careful planning. That is tantamount to a dishonest practise, akin to bribing voters. Prior to an election, the distribution of private products or services using public monies that are not for public purposes is prohibited by various constitutional provisions, notably Article 14 (equality before law).

Methodology

This study is primarily based on descriptive research and is a qualitative study based on a perception survey used in order to make an in-depth study covering all aspects of political impact of increasingly offering electoral promises of doling out freebies by politicians on the decisions made by citizens and its rationality. The current study uses an analytical technique to examine the fundamental tenet of democracy free and fair elections which is also a component of the Indian Constitution's fundamental framework. This prompts us to read the Constitution's provisions in the context of accepted ideas about fair and impartial elections. As a result, the data used in it is gathered from a variety of secondary sources, including government websites, blogs, magazines, newspapers, research papers that have been published, social media, and annual reports from businesses, among others. Appropriate statistical tools were used to analyse the data that was collected. The information is gathered between 2022 and 2023 in order to track the effects of giveaways throughout election season. The information is used as a reference point to

examine the effects of freebies on a range of topics, including social, economic, health, unemployment, migration, violence, etc., both generally and specifically for direct taxpayers and salaried individuals. It also provides insight into the occasionally shifting tactics employed by political parties to win over voters. Even the Government of India, the Election Commission of India and the Supreme Court are helpless, how can the freebie system in politics be controlled?.

Politics of Freebies

The foundation of a healthy democracy is free and fair elections. They bring about changes in policies and the government. This type of government works well in the modern world because it allows people to choose their leaders. People must have options or candidates in an election, in order to exercise their right to vote. Voting is ultimately determined by the policies, beliefs, and promises made by political parties, as represented by their candidates. Election manifestos have become an important part of national, state, and local elections, even if conventional methods of reaching out to voters include campaigning, public rallies, and speeches (Irfan Ahmad, 2021).

There were several changes in politics and election campaigning during the 20th century. The development of communication media meant that political parties had to use every tool at their disposal to reach voters. What had previously been a discursive process-in which political parties seeking office only had to articulate broad principles - saw the shift to a period of detailed policymaking and the pledge of a set of guidelines to be followed after winning office. Political parties therefore created electoral manifestos, the contents of which were disseminated by newspapers, radio, television, and these days, social media (Islam Muhammad, 2021).

India is currently experiencing election fever, with assembly elections in Uttar Pradesh, Uttarakhand, Punjab, Goa, and Manipur already under way. The Election Commission of India (ECI) is solely responsible for ensuring that elections in these five states are free and fair. Given the current circumstances, the more important question is whether the politics of freebies should be interpreted as an attempt to justify corrupt practises in the nation generally and enticing voters during elections in particular. If not, it has already had a significant impact on the legislature's ability to function, making it irreversible, and as a result, we have all begun to turn a blind eye to

these openly corrupt practises. More astonishingly, the Election Commission of India (ECI), which is renowned around the world for its effective operations, appears to be equally oblivious to the corrupt activities taking the form of freebies that are being given right in front of its eyes. Election commissions from other nations come to ECI for advice on how to run smooth, free, and fair elections in their own countries, as the organisation is praised for its ability to conduct free and fair elections in a nation with a population of over 1.3 billion people and diversity on all fronts.

The fact that we cannot measure a shared problem using two separate standards and that corruption in all its forms needs to be denounced and curbed should be duly noted by the ECI. It doesn't really matter if individuals are being bought off with cash or given goodies; the reality remains that offering freebies to voters will inevitably affect the results of polls. The majority of the nation's leading political parties openly try to buy off the voters every day by offering promises of one kind or another. The Indian electorate is often presented with freebies during election seasons, including laptops, bicycles, two-wheelers, hardship allowances for unemployed men and women, free electricity and water, waivers on borrowed loans, transfers of funds to farmers, and more. These promises, or more accurately, bribes, are made by political parties to the constituents of the nation. However, giving away free alcohol has remained a tactic used to sway voters over time, particularly among rural populations. The only thing that appears to have changed is the way that corruption is now openly practised, with parties in power giving away freebies or promising freebies to voters once in power.

Arvind Kejriwal, the leader of the Aam Aadmi Party (AAP) and the current chief minister of New Delhi, deserves all the credit for inventing the politics of giveaways. It goes without saying that Arvind Kejriwal won the election on the platform of offering free water and electricity, albeit with certain restrictions. The AAP party was so successful in this endeavour that Mr. Kejriwal was elected chief minister of Delhi three times in a row starting in 2013. The most regrettable aspect of this freebie politics is that, despite being the so-called smartest class of citizens who, in a sense, represent the face of India by living in the nation's capital, Delhiites are oblivious to the fact that nothing in this cruel world is free and that, as we all know, there can

never be an interest greater than the interest of the nation. People in Delhi have unfortunately demonstrated this tendency to prioritise personal interests over national interests.

Political opportunism can drive a politician to the lowest point of morality, not with the intention of serving the country and fellow citizens but rather of achieving one's own political ambition. For the majority of politicians, personal political ambitions are paramount, and they are willing to pursue them at any cost. Arvind Kejriwal's ascent to the Delhi Assembly's political hierarchy and his ambitions to expand it are not secret to the Indian public. The party is also gradually gaining traction at the federal level by running candidates in state assembly elections. The AAP has run in elections in 15 states so far, but it has only been successful in Delhi and Punjab, where it won 20 assembly divisions in 2017 out of 112 contests. It remains to be seen how many takers the AAP will find for its freebies across these states; we will have to wait until March 10, the verdict or the counting day. Arvind Kejriwal is determined to expand his politics of freebies to other states, and this time he will be experimenting with freebies in three additional states that are currently undergoing polls: Himachal Pradesh, Uttar Pradesh, and Uttarakhand. Furthermore, what remains to be seen is the wisdom of the electorate of these states as to what they will choose between their individual interest and the national interest (Mathur Mudit, 2022).

The Indian Election Commission has periodically taken steps to guarantee that every new election is better than the previous one. Equally commendable are some of the significant steps that the Indian Election Commission has taken over the years to prevent corrupt activities during elections. The election campaign used to last for months at a time, with no cap on the amount of money spent on it. Political parties would pour all of their resources into the campaign, even going so far as to directly influence voters with gifts or cash the day before the election, particularly in rural areas. But, with the induction of a cap on the campaign amount, a party can spend between Rs. 50 lakhs and Rs.70 lakh for a parliamentary seat and Rs. 20 Lakh and Rs 28 lakh for the assembly seat, depending upon the assembly or the parliamentary segment a candidate is contesting. Similarly, the ECI has extended the silent time before polling from 48 hours to 72 hours over the years, while reducing the campaign period from 20 days to 14 days. We always support any and all such actions that contribute to a free and fair electoral process. The more important query is whether or not these steps are sufficient to guarantee a free and fair

election. The electoral commission must recognise that instead of outright corrupting voters under false pretences, politicians are astute enough to come up with novel strategies to mislead the public (Pandita Ramesh, 2022: 20).

People in general and the country's population in particular need to realise that all of the freebies that politicians or, for that matter, political parties promise are solely funded by tax payers' dollars. Therefore, it's important to recognise that any money spent on freebies will have an impact on the state coffers, and in the end, funding for the deficit resulting from freebie spending will have to come from somewhere, which will regrettably put more money in the hands of taxpayers. Freebie politics should be outlawed completely in the future, and political parties should be forewarned of the grave repercussions of making any such promises, which could be interpreted as indirect bribery or corruption. The country must realise that nothing is free, that everything has a price, and that price must be paid by either party. Make sure you won't receive anything for free from politicians who promise it to you; you will have to pay for it somehow (Pandita Ramesh, 2022: 20).

There is no getting around the fact that all of the major and local political parties must solicit votes on various platforms and that they must provide their platform, which takes the shape of an election manifesto. Any pledge made in the manifesto documents that does not address the national interests or is not in the best interests of the nation and its citizens should be seriously questioned. Any poll promise given to a particular neighbourhood or constituency merely to win over voters ought to be seen as unethical. Communities or pockets around the nation do require special care and treatment, but they must receive it in accordance with the national programme and policy of welfare and development for everyone. This cannot be denied (Pandita Ramesh, 2022: 20).

Since there are already five states holding elections, it would be unfair to expect ECI to take notice of the freebies being offered. However, as time goes on and people become more aware of the advantages and disadvantages of freebie politics, they will undoubtedly reject it, and as a result, we should expect ECI to take the necessary steps to ensure that all corrupt electoral practices including the offering of freebies are eliminated. The fact remains that there are many

ways to sway the electorate in order to affect the desired results of polls, and luring them in with freebies is just one of them, regardless of the wide range of viewpoints we may hold regarding the politics of freebies and the efforts we make to defend the practise as lawful (Pandita Ramesh, 2022: 20).

Freebies vs Welfare Measures in politics

Since there is a blurry line between freebies and entitlements, it is challenging to identify welfare programmes and freebies in India. Freebies eliminate the important distinction between who should and shouldn't be the beneficiaries by removing the ability to distinguish between those who can afford to pay and those who cannot. Conversely, entitlement, or welfare, is a legitimate benefit for individuals who are unable to pay. Freebies are a prime illustration of this; yet, providing free food grains to the 80 crore people during a pandemic is an entitlement! Freebies entail significant financial costs and lead to inefficiencies through resource misallocation and pricing distortion. When given to the needy with minimum leakage, certain freebies may aid them and the society more broadly by supporting Self-aid Groups (SHGs). However, political parties make a lot of promises during election campaigns, such as free electricity, free water, cheaper food grains, cellphones, computers, bicycles, and waivers for farm loans. These pledges appear to be intended to inspire voters and are paid for with tax dollars. Moreover, it seems that certain governments are playing political games with the return to the former pension scheme.

Recently, in India it has been seen that the political parties are promising to offer a number of freebies to get votes in the elections. Freebies are difficult to define precisely, but it's important to distinguish them from public or merit goods such as the public distribution system, employment guarantee programmes, and state support for health and education, those are expenses that yield financial returns. However, freebies such as free public transport, free electricity, free water, waivers of outstanding utility bills and waivers of farm loans are sometimes seen as giving something away. These actions have the potential to damage the credit culture, distort prices through cross-subsidization, which lessens the incentive for private investment, and disincentivize work at the current wage rate, which lowers labour force participation. When given to the poor in the right way with little leakage, some freebies may help

them, but their benefits must be weighed against the significant financial costs and inefficiencies they create due to price distortion and inefficient resource allocation. Free water and power are also known to hasten the deterioration of the environment and the decline of water tables.

The question now becomes whether it is acceptable to spend taxpayer funds in such a reckless way in order to appease some voters. Freebies that are not intended to promote social or economic growth are now illegal. As these freebies are financially risky and may hamper States' financial position in future. After petitions were filled in Supreme Court, the Court has formed a panel to re-examine the rampant freebies schemes that has the potential to economically ruin the country. Thus, there needs to be a thorough set of rules for defining freebies. A basic package of necessities, including food, clothes, housing, healthcare, and school costs, might be covered by the idea. The state must guarantee this package for all. Unfortunately, we have failed to provide this minimum package but are announcing the maximum package. While giving grants, or free electricity or water or bus fare, the government has a moral obligation to ensure that it aims at providing relief to the poorest of the poor. In conclusion, we might wonder whether not taxing wealthy farmers is not freeloading. However, it is a politically sensitive Issue.

Table-1: Freebies Announced by the States in 2022-23

States	(As % of GSDP)	(As a % of Revenue	Receipts) (As a % of Own Tax Revenue)
Andhra Pradesh	2.1	14.1	30.3
Bihar	0.1	0.6	2.7
Haryana	0.1	0.6	0.9
Jharkhand	1.7	8.0	26.7
Kerala	0	0	0.1
Madhya Pradesh	1.6	10.8	28.8
Panjab	2.7	17.8	45.4
Rajasthan	0.6	3.9	8.6
West Bengal	1.1	9.5	23.8

Sources RBI, Budget documents of the State Government

Give-aways have surpassed 2 percent of GSDP in several of the most indebted states, like Andhra Pradesh and Punjab. In Andhra Pradesh, Madhya Pradesh, and Punjab, the share of total revenue that is attributed to subsidies is 14.1 percent, 10.8 percent, and 17.8 percent, respectively.

The primary danger to freebies is when a nation's economy collapses. One such example is Sri Lanka, which declared a financial emergency as a result of its economy collapsing. They impose strain on the government's budget because there is no capital formation or future returns from giving the government freebies. As the deficit widens, so will the burden of interest payments. Economic inflation was brought about by the distribution of free products. Free power, water, and other consumer goods are examples of freebies that affect renewable energy, public transport, and the environment and sustainable growth. Humans generally have a tendency to abuse or overuse items that are given to them for free.

The RBI recently released a report outlining the significant cash transfers, interest free loans, loan or fee waivers, utility subsidies, and financial assistance that the states had announced in their most recent budget speeches (i.e., for 2022-23). These figures indicate that the amount of money spent on giveaways varies by state and falls between 0.1 and 2.7 percent of the Gross State Domestic Product (GSDP). In some of the most indebted states, including Andhra Pradesh and Punjab, the handouts have surpassed 2 percent of GSDP.

Table-2: Outstanding Guarantees of State Governments

States	% of GSDP	States	% of GSDP
Andhra Pradesh	9.8	Odisha	1.4
Chhattisgarh	4.9	Punjab	3.7
Gujarat	0.2	Rajasthan	7.1
Haryana	2.7	Sikkim	10.8
Himachal Pradesh	1.4	Tamil Nadu	2.8
Jharkhand	0.5	Telangana	11.7
Karnataka	1.8	Tripura	1.3

Kerala	4.0	Uttar Pradesh	6.3
Madhya Pradesh	3.4	Uttarakhand	0.2
Maharashtra	1.5	West Bengal	1.1

Source: SBI Research, latest available as per RBI data and budget documents

However, state governments have placed the same blame on the Centre's door. "In the last seven years, the Centre has more than doubled its debt outstanding. Who is going to pay that debt? Aren't those debts going to be paid by the Indian children? It is not as if the state debt gets paid by the state children and the Union debt gets paid by God," said Palanivel Thiagarajan, the Tamil Nadu Finance Minister. He questioned why the Centre has a larger annual budget deficit than the majority of states. "Why is the devolution to states continuously reducing every year and they are not able to give the fair share that the Union Finance Commission said they should give? So, it is a farce," he added. As they say, bad economic news frequently leads to excellent political news. But in the end, the taxpayer bears the cost. Actually, nothing is free. It's always someone's fault. However, in a nation where disparities in opportunities and outcomes are growing, the state must provide assistance to the impoverished and marginalised as well as to occasionally struggling segments of the population, such as certain industries and small businesses (CNBCTV18.com).

Table-3: Election Promises Made By Various Political Parties

States	Promised Expenditure as a % of Revenue Receipts	Promised Expenditure as a % of Own Tax Revenue
Himachal Pradesh	1-3%	2-10%
Gujarat	5-8%	8-13%
<i>Memo: Unfunded Pension Liabilities as a % of Own Tax Revenue</i>		
States	% of Own Tax Revenue	
Himachal Pradesh	450%	
Gujarat	138%	
Chhattisgarh	207%	
Rajasthan	190%	
Jharkhand	217%	

Punjab	242%
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Source: SBI Research, State Budget Documents

From economic perspective

Freebie politics have moral consequences that one can overlook, but they also have serious financial ramifications for India's state governments, particularly the highly indebted ones. It is impossible to view the freebie issue as unaffected by the governments' financial situation. The amount of tax revenue that the federal government provides to the states has decreased dramatically since the cessation of the GST compensation payments and the implementation of increasingly substantial cesses. The state governments' finances are being stressed, which Covid-19 has already made worse, by the decrease in tax collection in addition to high committed expenditure, growing contingent liabilities, the increasing arrears of PSUs, rising spending on non-merit giveaways, and the cost of subsidies. Freebies appear to have had a significant negative impact on state finances, as evidenced by the way they have undermined credit culture, distorted prices through cross-subsidization, eroded incentives for private investment, and disincentivised employment at the existing pay rate, which has resulted in a decline in labour force participation. The most indebted state governments' financial situation is predicted to worsen if such a culture persists since their debt load is unmanageable and, in certain circumstances, debt growth is exceeding GDP growth. This evaluation of financial health also serves as a timely reminder of the vital significance of the sustainability of public debt, particularly in light of the current situation in Sri Lanka.

There is an overwhelming need for a quick and practical solution given the horrible circumstances. It is important to consider the effects of giveaways from an economic standpoint rather than a political one. It is critical to distinguish between giveaways and legitimate, carefully targeted social sector spending, making sure that the recipients have the ongoing capacity to refuse such benefits. Over time, governments should aim to build longterm assets, raise revenue, improve operational efficiency, and expand the stock of productive capital while constantly stress-testing their debt profiles and doing fiscal risk evaluations. It is necessary to construct a strong, financially stable, and operationally effective economic system that allocates resources to

infrastructure, health, education, agriculture, and research and development. Doing so will contribute to the long-term creation of jobs and the reduction of poverty.

Ground realities

When we examine the actual state of affairs in India's regions, we find numerous issues like as unemployment, inadequate infrastructure for health and education, and uneven development. Here the researcher has reflected the expenditure of 5 states of five regions: Maharashtra in the west, Tamil Nadu in the south, Punjab in the north, West-Bengal in the east, and Assam in the north-east. Their capital cities' pioneering contributions to the expansion of the State, the region, and occasionally even beyond had an influence on this decision as well. Mumbai lies in the west, Chennai in the south, Kolkata in the east, Chandigarh, which is a recently constructed metropolis in the north, and Guwahati, which is a growing city in the northeast. The ensuing data would indicate that these States' plans have been significantly reduced as a result of giveaways and subsidies, while non-plan spending has grown exponentially.

Table - 4: Profile of States including Plan and Non-Plan Expenditure – 2015-16

States	Population (in Crores)	Plan (In Billion Rs.)	Non-Plan (In Billion Rs.)	State GDP (In Billion Rs.)
Assam	3.12	26.43	222.25	195
Maharashtra	11.24	71.64	612.35	1792
Panjab	2.77	6.9	114.79	368
Tamilnadu	7.21	64.0	438.98	1120
West Bengal	9.13	49.09	430.11	

Sources: Vivekananda International Foundation, New Delhi

Subsidies and giveaways have also significantly increased these states' debt. Political parties make election-related promises to give away free gas, water, electricity, and monthly allowances to jobless people, daily wage workers, women, and farmers. To entice people to cast their votes, they pledge to give away electronics like computers and smartphones. In the next term becoming habitual of giving freebies, they offer additional freebies like various types of loan waivers or free Television, Scotty and much more and try to fulfill all their promises to remain in power for

next term. Offering such types of free goods and services to remain in the power is known as freebie politics.

Table - 5: Total Outstanding debt Liabilities of 5 State Governments (in Rs. Billion)

States 2015 (RE)	Revised Estimates 2016	(BE) Budget Estimates
Assam	354.80	399.80
Maharashtra	3459.90	3793.60
Punjab	1134.80	1253.20
Tamilnadu	2049.50	2352.60
West Bengal	2843.30	3088.00

Sources: Vivekananda International Foundation, New Delhi

Investigations of these five states have likewise shown a wide range of poverty and inequality, as well as differences in the income of their citizens.

Table - 6: The per capita income statistics as of 2014-15 would reveal it.

States	2014 – 2015 in Rs.
Assam	129235
Maharashtra	128366
Punjab	99578
Tamilnadu	78903
West Bengal	49480

Sources: Vivekananda International Foundation, New Delhi

West Bengal and Assam have lower per capita incomes than the country as a whole, which is Rs. 93,293. In the state of Bihar, where it is only Rs. 36,143, the situation is much more concerning. When we compare Bihar to Sikkim, where it is Rs. 1,76,491, it appears even more shocking. In all five of these states, there is pervasive inequality in addition to this economic gap. For instance, in Assam, the Marwaris are compared to labourers in tea gardens, the Assamese Muslims are compared to migrant Bengali Muslims, and the Assamese caste-Hindus are richer than the Bodos. That likewise applies to the other four States. The truth is that other nations

throughout the world, including India, have also been dealing with the issue of subsidies. One example is the phenomenon of energy subsidies. Over ten percent of the economies of Turkmenistan, Egypt, Iran, Iraq, Uzbekistan, Saudi Arabia, and Turkmenistan are subsidies for energy. Due to subsidies, a number of State Electricity Boards in India have shut down. It is true that India has a great record of raising people out of poverty and into the lower middle class in the twenty-first century roughly 200 million individuals have moved up the social ladder. However, 200 million people worldwide still live in poverty.

The low productivity standards of public sector firms in the states and the centre, including banks, railways, and postal services, require serious investigation. Nonetheless, certain benefits and subsidies are necessary and should be maintained. Providing security and aid during natural disasters like floods, earthquakes, and pandemics are essential to the establishment of states. Public distribution systems that provide basic food commodities to the underprivileged and marginalised segments of society at reduced prices are not giveaways. It is envisaged that the new GST regime will maintain the exemption status for both critical food items and pharmaceuticals.

Distribution of election freebies – A critical Analysis

Political parties' expensive manifestos indicate a distribution tendency that is permeating society. The political parties outline their goals and programmes for improving a particular community or the wider public in all areas in their manifestos. According to *Roberts v. Hopwoods* 1925 AC 578, the state cannot act in support of "eccentric principles of social philanthropy." As is evident, offering and giving away freebies is swiftly taking over the world. "Something that is given for free without charge" is what the Merriam-Webster dictionary defines as a freebie. Freebies include gold coins, milche cows and goats, laptops, televisions, grinders, and other electrical items; there is even a programme to help daughters get married. Therefore, it becomes crucial to understand the specifics of whether the freebies offered or dispersed during the pre-election or post-election are benefiting society or harming it. According to the US Court, the entire act must collapse if such distributions for the purpose of expenditure are partially private and partially

public (Coates vs. Campbell & Others 37 Minn. 498). Thus, it is necessary to critically examine and pose a question regarding the distribution of freebies in India!

Whether culture of freebies is a corrupt practice or Not

Freebies have become an integral part of the Indian political landscape. Parties have been wooing voters with freebies for decades. From cycles, laptops, and televisions to free power, water, and Wi-Fi. These freebies have come at a great cost to the exchequer and have often been criticized for being populist measures that do not address the root causes of the problems they aim to solve. Freebies are nothing new in India. In fact, they have been around for a long time. In the past, freebies were mostly given by the government in the form of subsidies, free education, healthcare, and other essential services. However, in recent times, freebies have become synonymous with election promises made by political parties. Parties promise the moon to voters in exchange for their votes. The idea of freebies is not inherently bad. In fact, in some cases, they can be beneficial to the people. For instance, free healthcare, education, and essential services can go a long way in improving the standard of living of the people. However, the problem arises when freebies are used as a political tool to win elections. Parties promise freebies that are not sustainable in the long run, which puts a strain on the exchequer and ultimately harms the people they are meant to benefit.

The most common freebies promised by political parties are in the form of material goods such as cycles, laptops, televisions, and smart phones. While these freebies may seem like a great incentive to vote for a particular party, they are often unsustainable in the long run. The cost of these freebies is borne by the taxpayers, and ultimately, it is the people who suffer. In recent years, parties have also started promising free power, water, and Wi-Fi to voters. While these freebies may seem like a great idea, they are often not feasible in the long run. Providing free power and water can put a strain on the exchequer, and ultimately, the quality of these essential services suffers. Moreover, providing free Wi-Fi in a country where internet penetration is still low is not a sustainable solution to the problem. Another problem with freebies is that they do not address the root causes of the problems they aim to solve. For instance, providing free cycles to girls to encourage them to attend school may seem like a great idea, but it does not address the

underlying issues that prevent girls from attending school, such as lack of infrastructure, safety concerns, and societal norms.

Moreover, freebies often create a sense of entitlement among the people, which can be detrimental to the overall development of the country. People start expecting freebies from the government and do not take responsibility for their own lives. This can lead to a culture of dependency and entitlement, which is not conducive to the growth and development of the country. While freebies may seem like a quick fix to win elections, they often have negative consequences for the economy. Freebies are costly and drain public resources, leading to budget deficits and increased government debt. This can lead to inflation, high-interest rates, and reduced investments, all of which negatively impact the overall economic growth of the country. Moreover, freebies can lead to corruption, as officials may siphon off funds meant for the provision of freebies.

It is important to note that freebies do not only come in the form of promises made during elections. Many businesses also offer freebies to attract customers. While this may seem like a harmless marketing strategy, it can have negative consequences for the economy. Freebies often lead to increased consumption, which can strain the environment and exacerbate the problem of waste generation. Moreover, businesses may offer freebies to mask the poor quality of their products or services. In recent times, there have been debates about the efficacy of freebies in reducing poverty and inequality. While freebies may provide temporary relief to the poor, they do not address the root causes of poverty and inequality. Sustainable development policies that provide access to education, healthcare, and employment opportunities are more effective in reducing poverty and inequality in the long run. Furthermore, freebies can create disparities and divisions within society. Not everyone may be eligible to receive freebies, and those who do not receive them may feel left out or discriminated against. This can lead to resentment and social unrest.

It is important for governments to focus on sustainable policies that address the root causes of the problems the country is facing. For instance, investing in education and healthcare can improve the overall standard of living of the people and reduce poverty and inequality. Providing

infrastructure such as roads, electricity, and water can also create employment opportunities and improve the overall economic growth of the country. It is time for governments and businesses to move away from the culture of freebies. Only then can we achieve long-term development and growth that benefits everyone in society.

Arguments in favour of freebies

Inequality has increased within the past 30 years. India has a population that is nearly half impoverished. In fact, for both the population and the economy to continue growing in such a scenario, some form of population relief in the form of subsidies is required. The Public Distribution System, employment guarantee programmes, free public education, and increased health expenditures, especially during the epidemic, demonstrate a number of advantages and contribute to the country's overall development. Over time, it raises the population's potential for productivity and contributes to the development of a stronger and healthier labour force, both of which are essential components of any growth strategy. States such as Tamil Nadu and Bihar gave women sewing machines, saris, and bicycles from their budgetary earnings, boosting the sales of these businesses in a way that might be viewed as beneficial to the supplier industry rather than an unnecessary expense. Such freebies become necessary for the majority of people in less developed states where a higher percentage of the population lives in poverty, and it becomes imperative to provide the people with such subsidies for their own advancement.

Arguments against freebies

Giving away free things has an effect on the public coffers, and the majority of Indian states do not have strong enough economies to support both general development and giving away free things. The foundation of macroeconomic stability is undermined by the provision of different subsidies, and the politics of giveaways skews spending priorities. If states keep spending money for political gains and remain in power their finances will go awry and fiscal profligacy would prevail. States' borrowing options are likewise restricted, and any deviation requires central bank and federal government approval. As a result, states are often limited in their ability to exceed their deficit boundaries, even though they have discretion over how they choose to spend their

money. Free and fair elections are likewise opposed by the freebie politics. Voters are excessively influenced and the integrity of the electoral process is weakened by the promise of numerous freebies prior to elections. To put it plainly, freebie politics are immoral practices akin to offering bribes to voters. Offering loan waivers in exchange for freebies may encourage borrowers to default on their loans because they believe the government would eventually waive them.

Corrective action and steps

Freebies are a political problem, but there is an easy fix: both parties, state and federal, should come together and create a list of things that they would never do, or at least not advocate. In light of states deviating from the spirit of federalism, the centre must collaborate with states to promote fiscal prudence while guaranteeing that states maintain their independence. This calls for the Centre to balance delicately and strong, visionary leadership at the top. The Fiscal Responsibility & Budget Management (FRBM) Act, which is currently in place as a check on fiscal spending, has to be given more weight and credibility.

FRBM Amendment: The Fiscal Responsibility and Budget Management (FRBM) being comprehensive legislation, which was passed to curb fiscal profligacy also needs to be amended to ensure that state governments disclose their complete liabilities including explicit guarantees and any other servicing obligation.

Judicial Intervention: It is challenging to have productive debates and discussions in parliament since the freebie culture affects all political parties, either directly or indirectly. Therefore, the proposal of measures necessitates the intervention of the judiciary. Recently, the Supreme Court advised setting up an apex body to offer guidance on how to control gifts that political parties give to each other.

ECI Model Code of Conduct: The Model Code of Conduct for Guidance of Political Parties and Candidates is expected to be strictly enforced by the Election Commission of India to control election manifestos and stop the manipulation of informed voter behaviour.

Change the type of expenditure: The author does not believe that all expenditure that results in a deficit is bad, however, the increasing trend of borrowing to finance revenue expenditure which does not create asset creation is concerning.

The freebies model of governance undermines people's judgment and the election process, as well as the Indian parliamentary and democratic systems. If the government party understands the needs of the people or has faith in its own governance, there is no need to give and no need for people to accept a freebie. It ultimately boils down to the difference between productive and non-productive spending. Rather than wasting the limited resources on giveaways, it is crucial to invest in the creation of jobs. The debate over growth vs equity also involves how much money should be spent on freebies in comparison to productive expenses. In the end, the electorate has the power to respond to that question. Voting for the parties in power that they believe have struck the proper balance will be their way of doing this. In order to address the problem of freebies, democratic accountability is crucial.

Conclusion

All political parties use gifts these days to win over voters. In addition to waiving loans, they promise to give away 15 lakhs in bank accounts, give away free power and water, give monthly allowances to women, the jobless, and the disabled, give away free bus service for girls, regulate the employment of contract workers, and give out free meals and cylinders. Even the current government made an effort to win over people by providing them with free goods. The government utilises "freebies" as a tactic to win over voters because this illustrates how poorly it operates. Unfortunately, instead of announcing development policies that would provide young people with jobs and access to high-quality education, eradicate poverty, protect women, and expand the economy, political parties continue to court votes with freebies even after 75 years of independence. This is concerning because it would deny their citizens a chance to compete with those of developed nations. But now is the moment to reconsider what constitutes a freebie and what kind of social programme is legal. Sometimes freebies helps many such as free bicycle to

girl child, free breakfast to school children etc but these schemes shouldn't bleed the national/state economy.

It is important for governments to focus on sustainable policies that address the root causes of the problems the country is facing. For instance, investing in education and healthcare can improve the overall standard of living of the people and reduce poverty and inequality. Providing infrastructure such as roads, electricity, and water can also create employment opportunities and improve the overall economic growth of the country. It is time for governments and businesses to move away from the culture of freebies. Only then can we achieve long-term development and growth that benefits everyone in society.

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