

Sansad TV Perspective: Election Freebies; Politics and Economy

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: Election freebies; Politics and Economy

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Participants:

1. Gopal Krishna Agarwal, National Spokesperson, BJP.
2. Syed Nasir Hussain, MP, Rajya Sabha, INC.
3. Dr. Rajan Sudesh Ratna, Economist.
4. Jasmine Shah, National Spokesperson, AAP.

Context:

- 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 - UP, Uttarakhand, Goa, Punjab, and Manipur. The article will discuss different aspects of the issue.

Background:

- With the poll season round the corner, political parties are busy planning to lure the electorate with their promises which also include freebies.
- While some political party is offering free electricity, others are offering a monthly allowance to unemployed, daily wage workers, and women. Scooters and smartphones are also part of these promises.

Arguments in favour of freebies:

- There are arguments both in favour of and against this practice. The supporters of such freebies argue that poll promises are essential for voters to know what the party would do if it comes to power and have the chance to weigh options.

The argument against freebies:

- Those against these freebies point out that this places an economic burden on the exchequer.

Also read: [Electoral reforms in India](#)

Various political parties and their perspectives on freebies:

Bhartiya Janata Party (BJP):

What are the promises?

- The BJP government has promised to offer certain freebies in Uttar Pradesh that include:
 - Free ration to those who belong to Below Poverty Line (BPL) and Antoyadaya Anna Yojana (AAY) cardholders.
 - [Direct Benefit Transfer \(DBT\)](#) of Rs. 1000 per month to daily wage workers.

Why these freebies?

- Freebies are a kind of subsidy to the people who need them. They are provided to uplift society.
- Every party has the right to create a subsidy ecosystem but that subsidy should make economic sense.

Congress Party:

What are the promises?

- The general secretary in charge of Congress in Uttar Pradesh has announced scooters and smartphones for women.

Why these freebies?

- The freebies are offered to accommodate the people below the poverty line in the development plan of the country.
- They are not freebies, they are need-based or demand-based promises that should be judicious and should not violate the rules.

Aam Aadmi Party (AAP):

What are the promises?

- Free power up to 300 units of consumption.
- Rs. 1000 monthly aid will be deposited in the bank accounts of all women above the age of 18 in Punjab.

Why these freebies?

- There is a huge inequality in India and the vision of AAP is that all citizens should live a life of dignity.
- AAP has come up with smart targeted subsidies to the different sections of society.
- **Benefits of subsidy on electricity:**
 - Providing subsidies on electricity up to 300 units of consumption will benefit the poor people who are in need of electricity and also focus on electricity conservation because if a person consumes even one unit above 300 units of electricity, the citizen has to pay the full charges of power.
 - If people save money from electricity charges that would be used for other things such as health and family welfare, education, etc. and that will also boost the local economy.
 - Higher per capita power consumption has a direct correlation with the Gross Domestic Product (GDP). A study by OPEC shows that with every one percent increase in power consumption, the GDP increases by 0.7 percentage points.

Economic Challenges brought by these Freebies:

Resources:

- If the government is providing such freebies then what will be the source of resources? That is a major concern.
- Either the government will tax people or will take similar measures. Hence, the burden will be ultimately on the taxpayers.

Lack of funds:

- State governments have very limited resources in terms of revenue. Many times, they resort to the central government for revenue.
- Hence, that will put a negative impact on the funds of the government.

Long-term burden:

- Providing such freebies puts a long-term burden on the government. One such example is the case of Oil bonds.

Measures to be taken:

The following measures should be taken with regards to the introduction of such freebies or targeted subsidies:

Incorporation into the budget:

- If any party is announcing any kind of subsidy or freebie then, that party should incorporate those subsidies into its budget or memorandum or manifesto.
- The party should provide a roadmap for the provision of the freebie that should include how the scheme will be implemented, from where the resources will come, etc.

Focus on boosting infrastructure:

- The focus of the political parties or the government should be on introducing those policies that will boost the economic infrastructure.
- If such schemes are implemented without any leakages then the economic infrastructure will take care of the people in the country and there will be no need for such freebies.

Conclusion:

Different parties have made various promises to the people. They have different views on the promises. While some say that they're a kind of subsidy, others say that they are demand-based offerings. The parties should work in the direction of upliftment of society and provide a push to people through better economic infrastructure to work towards their betterment.