

AIR SPOTLIGHT: Election Freebies and Challenges

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panellists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation. This article features a discussion on Election freebies and Challenges.

Participants:

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Introduction:

- Recently, the Supreme Court of India referred petitions to ban freebies distributed by political parties before elections to a three-member bench which would weigh in on the implications of such a practice before coming to a conclusion.
- The term ‘freebies’ has become a point of contention in the political culture of India. In order to woo voters to their side, political parties try to outdo each other by promising free goods, such as mobile phones, laptops, etc.
- There are both economic and moral aspects to it. The moral aspect to it is that when it comes to choosing political parties, it all boils down to how much a party has given incentives packaged as freebies, in other words, it can almost be said that political parties are bribing people into voting for them.

Significance of Supreme Court’s cognizance of the issue:

- The subject of this petition before the supreme court is to restrain freebies without financial responsibility and accountability.
- An extensive hearing is needed on the issue as these grants by a state government without full responsibility in terms of fiscal responsibility have a huge impact on the state’s finances.
- As per the study, the expenditure on various freebies announced by the state governments in their latest budget speeches ranges from 0.1 – 2.7 % of GSDP for different states.
- The economic aspect of the issue is how sustainable it is for the state to keep providing freebies at state expenses. The [Sri Lankan Crisis](#) itself is an example of economic collapse brought about by the lavish bestowing of freebies.
- Politically motivated freebies come in to cater to certain small groups and not the larger public as a whole and mainly for a political outcome by way of electoral returns in terms of votes.

Freebies announced by states in 2022-23			
State	As % of GSDP	As % of revenue receipts	As % of own tax revenue
Andhra Pradesh	2.1%	14.1%	30.30%
Bihar	0.1%	0.6%	2.70%
Haryana	0.1%	0.6%	0.90%
Jharkhand	1.7%	8.0%	26.70%
Kerala	0.0%	0.0%	0.10%
Madhya Pradesh	1.6%	10.8%	28.80%
Punjab	2.7%	17.8%	45.40%
Rajasthan	0.6%	3.9%	8.60%
West Bengal	1.1%	9.5%	23.80%

Arguments in favour of freebies:

- In a society which has a lot of inequality, some form of distributive justice which includes actually providing something to some segments of society which cannot otherwise access a basic service or a requirement which could provide housing, water, food, education or health care is fine and that should be the goal of a just and equitable society.
- Governments being sovereign have the ability to raise debt at very low risk and therefore low cost, and running a deficit is a well-tested way of actually achieving developmental goals. Therefore spending a little bit beyond its means to achieve these goals is fine.

Issue with the nature of freebies:

- The issue with election freebies is the nature of the subsidy which is granted by the government for the benefit of the public.
- The Indian Constitution under the [Directive Principles of State Policy](#) aims at providing social and economic justice and sets the path towards a welfare state. However, the Supreme Court of India observed that there has to be a clear categorization of the state being able to meet that promise to make the economy viable and not be on the verge of bankruptcy.
- Fiscal responsibility is important because the present governments are actually passing the fiscal burden on to future generations. Therefore it is a societal problem as the burden is passed on to the larger community and it is a non-sustainable solution.
- Delivery of these promises is uneven, and the process is not transparent, without any financial

audit.

- Poor public accountability and not having an institutional mechanism to enforce this accountability is one of the reasons behind poor service delivery regarding public welfare.

Way Forward:

- It requires a multi-pronged approach with the crucial participation of the [Election Commission](#).
- Political parties have found workarounds to various rules and regulations with respect to poll promises. So, there needs to be strict implementation of the model code of conduct with legal backing.
- A higher level of debate and discussion amongst the political parties and a broad-based consensus are crucial to overcome the issue.
- The [Fiscal Responsibility and Budget Management \(FRBM\) Act](#) provides legal backing to the fiscal discipline to improve the management of public funds, strengthen fiscal prudence, and reduce its fiscal deficits. This Act necessitates public discussion and procedure to take an informed decision on issues like freebies.
- Instead of making poll promises which are not really deliverable or enforceable we can set welfare issues as national goals and work our way towards them.