

A Free Run for Freebies

Context

All parties endorse the freebie culture and are responsible for piling debt.

What is Freebie?

- Freebies are short-term, populist measures without a long-term vision. They differ from welfare measures, which enforce the Directive Principles of State Policy. Freebies are provided by the government in terms of free Food, Electricity, Rasan etc.
- In 2022, the RBI report defines freebies as “a public welfare measure that is provided free of charge”. It has distinguished freebies from long-term welfare measures. However, the Election Commission of India has not defined freebies in legal and objective terms.

Difference between Freebies and Welfare?

The difference between freebies and welfare schemes is not always clear, but a general way to distinguish them is by their long-term impact on beneficiaries and society. Welfare schemes have a positive impact, while freebies can create dependency or distortions.

- Freebies are goods and services given free without any charge to the users.
 - They are generally aimed at benefiting the targeted population in the short term.
 - They are often seen as a way of luring voters or bribing them with populist promises.
 - Some examples of freebies are free laptops, TVs, bicycles, electricity, water, etc.
- Welfare schemes, on the other hand, are well thought-after plans that aim to benefit the target population and improve their standard of living and access to resources.
 - They are typically aimed at fulfilling the constitutional obligations (Directive Principles of State Policy) towards citizens.
 - They are often seen as a way of promoting social justice, equity, and human development.

- Some examples of welfare schemes are public distribution system (PDS), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), mid-day meal scheme, etc.

History

- Kumaraswami Kamaraj's Initiatives (1954-1963): Introduced free education and free meals for school students in erstwhile Madras state.
- CN Annadurai's Promise (1967): DMK founder Annadurai continued the trend, promising 4.5 kg of rice for Re 1 if elected as part of their electoral strategy.
- DMK in 2006 elections: In the 2006 state election, DMK elevated the freebie trend by offering colour televisions to voters.
- Cycle of Competitive Freebies: A trend ensued where political parties compete by offering various incentives, including gas stoves, cash handouts, pieces of land, smartphones, and maternity assistance.

Advantages

- Productivity Enhancement: Freebies ensure the fulfilment of the population's basic needs, resulting in good health and consequential productivity.
- Article 38 and the Preamble of the Indian Constitution envisage the Indian state as a welfare, socialist state. It emphasises the just social order.
- Socio-Economic Upliftment: Former CEC S.Y. Qureshi favours free food grains and supports them to counter deep-seated inequality and poverty in India. The same can be observed in Pradhan Mantri Garib Kalyan Anna Yojana.
- Digital Empowerment: Free laptops, smartphones, internet have now become necessities for not only availing government schemes but also for education and learning.
- Women Empowerment: With female pensions and free equipment like sewing machines, the socio-economic empowerment of women is being observed. NITI Aayog report observed increased enrolment with free bicycles to female students in Bihar.

Disadvantages

- Dependency Syndrome: Freebies can create a negative pattern of dependency and entitlement among the recipients, who may expect more freebies in the future and become less motivated to work hard or pay taxes.

- No Productivity Enhancement: MNREGA and other cash handouts are criticised based on poor or no productivity.
- Environmental Unsustainability: The CAG report observed that **free** electricity for farmers in Punjab led to over-exploitation, a decline in groundwater level, and poor performance of DISCOMs.
- Low Infrastructure investment: The more allocations to freebies, investment in infrastructure projects falls at the backfoot.

Way Forward

- The Line Between Welfare and Freebie: Freebies must be understood from an economic perspective and connected to taxpayers' money.
- Priority to Investment: The Economic Advisory Council to the Prime Minister (EAC-PM) member suggested that 'open-ended' freebies should be 'discouraged' and the amount can be utilised for building infrastructure or investing in the health and other sectors.
- Amendment of the FRBM act to include all sources of debt and off-budget financing can be done. It would result in democratic fiscal accountability.
- The Election Commission of India needs to be empowered to stricter implementation of the Model Code of Conduct to counter such corrupt practices during elections.
- Focus on Inclusive Development: It would address the root causes of poverty, inequality, and exclusion that make people vulnerable to freebies. Inclusive development would also create a more conducive environment for economic growth and social progress, which would benefit all sections of society in the long run.

Conclusion

Considering India's socio political dimension freebies should be provided in a restricted manner and target only the group of deserving people, otherwise it would be a curse in disguise for the generations to come .