

The Prospects of Freebies

What is the issue?

Concern over freebies in Indian politics has recently been expressed by those in the highest offices in the country.

What concerns were expressed against the freebie culture?

- Prime Minister Narendra Modi warned youth not to get carried away by the 'revvari culture', where votes are sought by promising 'freebies'.
- The Chief Justice of India remarked that freebies were a serious issue and asked the Central government to take a stand on the need to control the announcement of freebies by political parties during election campaigns.
- The Court also suggested that the Finance Commission could be involved to look into the matter and propose solutions.
- The basic argument is that these are a waste of resources and place a burden on already stressed fiscal resources.
- The ECI included in its Model Code of Conduct a stipulation that parties should add promises which were only possible to be fulfilled and that manifestos should contain the rationale for a promised welfare measure and indicate the means of funding it.

To know more about the issue with freebies, click [here](#)

How important are freebies?

- Freebies not only include the free distribution of what may be considered 'club goods' such as televisions and gold chains but also welfare schemes such as
 - Free or subsidised rations under the Public Distribution System (PDS)
 - Cooked meals under the mid-day meal scheme
 - Supplementary nutrition through anganwadis
 - Work provided through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- **Foodgrain distribution-** During pandemic, India implemented the 'world's largest food security programme' by distributing free foodgrain, through the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).
- The PMGKAY is probably what kept many away from the brink of starvation during the novel coronavirus pandemic.
- **PDS-** There have been studies which showed the poverty-reducing effect of the PDS.
- Subsidised foodgrains distributed under the PDS not only contribute to ensuring basic food security but also act as an implicit income transfer allowing the poor to afford commodities.
- The PDS allows foodgrains to be available for cheap for consumers while assuring

remunerative prices to farmers.

- **MGNREGA**- Some welfare schemes contribute to human development and protection of the basic rights of the people to nutrition, work, etc., essentially the right to life with dignity.
- At a time when there are few employment opportunities, working under MGNREGA can guarantee some assured wages; and is also demand-based.
- **Mid-day meals**- Mid-day meals in schools have been proven to contribute to increased enrolment and retention in schools and addressing classroom hunger.
- **Others**- Schemes such as old age, single women and disabled pensions, community kitchens in urban areas, free uniforms and textbooks for children in government schools, and free health-care services play a critical role in providing social security and access to basic entitlements.

How are freebies undermined?

The Supreme Court, in S. Subramaniam Balaji vs Government of Tamil Nadu (2013) held that as long as public funds were spent based on appropriations cleared by the legislature, they could neither be declared illegal, nor the promise of such items be termed a 'corrupt practice'.

- Undermining the importance of these Government interventions by calling them 'freebies' exposes the elitism in our society, where the poor are seen as being unproductive and dependent on charity.
- Building public pressure towards making welfare delivery an electoral issue is the need of the hour.
- It is important to recognise that most welfare schemes contribute to improving human development outcomes, which also results in higher economic growth in future.
- Around Rs. 1 lakh crore is the revenue forgone annually as a result of major tax incentives for corporate tax payers.
- Putting together all tax exemptions and concessions, including on foreign trade and personal income taxes, the revenue forgone each year is over Rs. 5 lakh crore.
- The fact that small amounts given to the poor by a system are called 'freebies', while freebies that the rich get through low tax rates and exemptions are 'incentives' is nothing but a reflection of the nature of democracy in our country.

References

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