

17 Oct 2023.

IAS Parliament

Compare and contrast how welfare is different from freebies. In this context discuss the impact of freebies on the finance of states (250 words, 15 marks)?

Freebies can be understood as the goods or services that we get but don't need to pay for it, in other words, something which we get for free is called freebies.

Difference b/w Welfare and Freebies?

Welfare

- It provides some goods and services at subsidized prices
- Welfare schemes are announced by the Government in power.

Freebies

- An individual has to pay nothing for services and goods
- It can be declared by individual, or political parties, Government etc.

- It makes people less productive & also lazy.
- It implies to only few portions of goods and services
- It is designed keeping in mind the Govt revenue and expenditure

- It motivates people to work hard and increase its productivity.
- It implies to any good and services.
- It results in total loss of Government Revenue.

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Impact of Freebies :-

- (1) Freebies lead to huge impact on Government revenue and also
- (2) It creates barrier to Economic Growth.
- (3) Many states like Punjab, Haryana, Rajasthan is facing a huge debt conditions because of this freebies.
- (4) People and citizens of a state will start depending on the state Government more and themselves will become less productive.

Freebies can have positive impact as well when they are planned and channeled properly. They can be equally helpful if they can generate equal revenue for the Government in return. For example :- providing education to students.

Way forward :

- ① A thick line should be generated between Welfare and Freebies.
- ② Government and states must invest more in Capital, infrastructural projects etc. Rather than providing everything free of cost.
- ③ Strengthening of ECI model Code of Conduct. And ECI should take care that such Freebies are not being part of election agenda.
- ④ Government and Citizens should focus more on Skill Development Rather than the freebies.

Conclusion :

Freebies can have both negative and positive impact. Negative effects should be minimised by avoiding freebies of the things that are not necessary. And we can have positive effect when planned and channelized properly and to the right group of people.