

**LEGAL IMPLICATION OF FREEBIES ON THE  
FEDERAL & DEMOCRATIC GOVERNMENT  
MODEL OF INDIA**

*Dissertation to be submitted in partial fulfilment of the Degree of*

LL.M.

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**2023-2024**

## **DECLARATION**

I, hereby declare that the dissertation entitled “**LEGAL IMPLICATION OF FREEBIES ON THE FEDERAL & DEMOCRATIC GOVERNMENT MODEL OF INDIA**” is based on original research undertaken by me and it has not been submitted in partially or fully or otherwise in any University for any degree or diploma.

**Place:** Galgotias University

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## **CERTIFICATE**

This is to certify that the dissertation entitled '**LEGAL IMPLICATION OF FREEBIES ON THE FEDERAL & DEMOCRATIC GOVERNMENT MODEL OF INDIA**' has been prepared by **PANKAJ KUMAR**, pursuing LL.M from School of Law, Galgotias University under my supervision and guidance. I recommend it for evaluation.

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Above all, I pay my reverence to the almighty God.

## **LIST OF ABBREVIATIONS**

1. AAM - Aam Aadmi Party
2. AAP - Aam Aadmi Party
3. ADR - Association for Democratic Reforms
4. AIADMK - All India Anna Dravida Munnetra Kazhagam
5. AIADMK - All India Anna Dravida Munnetra Kazhagam
6. AIADMK - All India Anna Dravida Munnetra Kazhagam
7. ASCI - Advertising Standards Council of India
8. BJP - Bharatiya Janata Party
9. CAG - Comptroller and Auditor General of India
10. CAG - Comptroller and Auditor General of India
11. CBO - Community-Based Organization
12. CEC - Chief Election Commissioner
13. CME - Continuing Medical Education
14. CURRENT LUC - Current Land Use Classification
15. CTVs - Colour Televisions
16. DATA - Development Assessment and Tracking Agency
17. DMK - Dravida Munnetra Kazhagam
18. DMK - Dravida Munnetra Kazhagam
19. DPDP - Data Protection and Data Privacy
20. DPSP - Directive Principles of State Policy
21. DPSP - Directive Principles of State Policy
22. ECI - Election Commission of India

23. ECI - Election Commission of India
24. EC. - Electoral Commission
25. FRBM - Fiscal Responsibility and Budget Management
26. FRBM - Fiscal Responsibility and Budget Management
27. GDP - Gross Domestic Product
28. GSDP - Gross State Domestic Product
29. HNI - High Net Worth Individual
30. IEC - Information, Education, and Communication
31. IMF - International Monetary Fund
32. IMRD - Institute of Management Research and Development
33. IRDP - Integrated Rural Development Programme
34. ISID - Institute for Studies in Industrial Development
35. MCI - Medical Council of India
36. MCC - Model Code of Conduct
37. MCC - Model Code of Conduct
38. MGNREGA - Mahatma Gandhi National Rural Employment Guarantee Act
39. MNP - Mobile Number Portability
40. MPLAD SCHEME - Members of Parliament Local Area Development Scheme
41. MSP - Minimum Support Price
42. NITI AAYOG - National Institution for Transforming India
43. NFSA - National Food Security Act
44. NRHM - National Rural Health Mission
45. NREP - National Rural Employment Programme
46. NSO - National Statistical Office

47. OPHI - Oxford Poverty and Human Development Initiative
48. PBO - Parliamentary Budget Office
49. PDS - Public Distribution System
50. PDA - Personal Digital Assistant
51. PM-GKAY - Pradhan Mantri Garib Kalyan Anna Yojana
52. PMGKAY - Pradhan Mantri Garib Kalyan Anna Yojana
53. PMUY - Pradhan Mantri Ujjwala Yojana
54. RLEGP - Rural Landless Employment Guarantee Programme
55. ROPA - Representation of the People Act
56. SEQI - School Education Quality Index
57. SP - Samajwadi Party
58. SSA - Sarva Shiksha Abhiyan
59. SUPRA - Scheme for Promotion of Academic and Research Collaboration
60. TDP - Telugu Desam Party
61. UCPMP - Uniform Code for Pharmaceuticals Marketing Practices
62. UNDP - United Nations Development Programme
63. VAT - Value Added Tax
64. YSRCP - Yuvajana Sramika Rythu Congress Party

## LIST OF CASE LAWS

- A.C. Jose v. Sivan Pillai, (1984) 2 SCC 656
- Ashwini Kumar Upadhyay v. Union of India & Another, Writ Petition (Civil) No. 699/2016, decided on August 3, 2022
- Association for Democratic Reforms v. Union of India, (2002) 5 SCC 294
- Bharatiya Janata Party & Anr. v. The State of West Bengal & Ors., (2012) 1 SCC 656
- Bhim Singh v. Union of India & Ors., (2010) 5 SCC 538
- Jacob Puliyel v. Union of India and Others, Writ Petition (Civil) No. 607/2021, decided on May 2, 2022
- Kesavananda Bharati v. State of Kerala, (1973) 4 SCC 225
- Mehsana District Co-operative Milk Society v. State of Gujarat, (2004) 2 SCC 463
- M/s Sethi Auto Service Station v. Delhi Development Authority & Ors., (2009) 1 SCC 180
- Neelima Sadanand Vartak v. Union of India, (2020) 10 SCC 720
- Parashar Narayan Sharma and another v. Union of India and others, (2020) 9 SCC 424
- S. Subramaniam Balaji v. The Government of Tamil Nadu & Ors., (2013) 9 SCC 659
- T.N. Seshan v. Union of India, (1995) 4 SCC 611
- Union of India & Anr. v. International Trading Co. & Anr., (2003) 5 SCC 437



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## **CHAPTER 1**

### **INTRODUCTION**

Election is the most pious work in the democratic country and every person should actively participate in this. We say it pious because it is the most important element of the election and democracy, simultaneously it should be free and fair. In parliamentary debate we see that initially our forefathers wanted to make voting a fundamental right but later the fundamental right committee suggested making it a constitutional right. The evolution and rationale behind the manifesto are to express the ideology of political party and to connect themselves to voters and their concerns, every voter has all the rights to know the past works of the political parties and criminal record, funds of candidate to whom they will cast their vote, and most importantly future aims of the political party, that how will a particular candidate will transform its constituency,

its state and finally its country. As we already know that India is the developing country and democratically a very young nation, which has ideology of both socialistic and capitalistic approach in the economy, most of the time we have seen that political party use this socialistic approach to the next level and offer irrational promises in their manifestos which is usually known as freebies. Freebies and welfare schemes in Indian politics are major sectors which attract every voter's attention and most of the time it's been seen that it works and now every political party is offering freebies to woo its voters to cast their vote for them. However, the implementation and impact of these schemes remain subject to scrutiny.

This dissertation aims to critically analyse the legality behind the freebies in Indian politics, examine the political implications of freebies on electoral dynamics, governance structures, and democratic institutions, evaluate the strengths, weaknesses, and ethical and legal considerations associated with the design and implementation of such policies. Recommendations and reforms aimed for enhancing the effectiveness, accountability, and sustainability of freebies and welfare schemes in Indian politics.

Critics argue that these schemes are driven by electoral gamic and term cards of the political party to influence the voters, and undermine fiscal prudence of the state and union. While these freebies schemes aim to marginalise voters of mass level and fantasise them, that it will empower the disadvantaged, but most of the time it creates financial distress and this creates a vicious cycle for the states of debt trap. Which directly or indirectly creates a tax burden on the shoulders of the taxpayers. If we find out the tax payers base in India, we would be shocked by knowing that less than 2 % of the population is paying the direct taxes to the government and if we compare it with the developed nations then we will find out that China has 15 % tax payer base and USA has 80%. The external debt, to GDP ratio declined to: 18.9 percent, at end March '23 from 20.0 percent at end March '22.<sup>1</sup>

## **BACKGROUND AND CONTEXT**

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<sup>1</sup>India's External Debt as at the end of March 2023 Date: Jun 30, 2023 (Last visited on 1 June 2024) [Reserve Bank of India - Press Releases \(rbi.org.in\)](https://www.rbi.org.in/pressreleases)

The concept of "freebies" or "populist measures" has a complex history which has deep roots connected to colonialism under British Raj and created the condition worse than ever at the time of leaving India. After independence the condition of India's finance and industries were at the mercy of government loans and philanthropists of India. At that time the government came up with the idea of a wide range of goods and services provided free or at subsidised rates by the government to the public, particularly targeting the underprivileged sections of society. The historical footprint of freebies in India can be traced back to the pre-independence era but has gained significant prominence in the post-independence period, especially during and after the 1980s with the liberalisation of the economy.

### **PRE-INDEPENDENCE ERA**

During the colonial period, India's socio-economic structure was predominantly agrarian, with widespread poverty and limited access to basic amenities like education, healthcare, and nutrition. The British colonial government did little to improve the living standards of the masses, focusing primarily on exploiting India's resources for their own benefit. However, the nationalist movement led by leaders like Mahatma Gandhi, Jawaharlal Nehru, and B.R. Ambedkar began advocating for social reforms and the upliftment of the downtrodden. The concept of providing basic necessities to all citizens, especially the marginalised, was integral to their vision of an independent India.

### **EARLY POST-INDEPENDENCE PERIOD**

After gaining independence in 1947, India adopted a socialist model of development under the leadership of Prime Minister Jawaharlal Nehru. The state assumed a significant role in the economy, aiming to achieve self-reliance and equitable distribution of resources. The early years saw the introduction of several welfare schemes aimed at poverty alleviation, rural development, and social justice. Key initiatives included the establishment of the Public Distribution System (PDS) for

food security, land reforms, and various social welfare programs. Tamil Nadu was the 1<sup>st</sup> state to subsidise the rice at 1 rupee to poor people of its state. The initial idea behind the Tamil Nadu government's decision to subsidise rice at 1 rupee per kilogram in 1956, primarily to address the widespread issue of food insecurity and malnutrition among the poorer sections of the population. This policy aimed to make availability of food to every individual with basic protein food at a more affordable price.

This welfare policy gave political parties major support and became a new way to tackle the socio-economic disparities prevalent at that time. This initiative was part of a broader strategy to promote social welfare and uplift the living standards of the marginalised communities in the state. The PDS was one of the 1st and major policies which has been running from decades and still in India even after being the food surplus country, from the list of poor countries to developing countries. The Indian government has set ambitious goals to achieve developed nation status by the year 2047. This raises the question on the effectiveness of policy. Additionally, the Green Revolution of the 1960s and 1970s, while primarily aimed at increasing agricultural productivity, also had elements of subsidies for fertilisers, seeds, and irrigation to support small and marginal farmers.

### **INSTITUTIONALISATION ERA (1970-1980)**

In the 1970s, Prime Minister Indira Gandhi's "Garibi Hatao" campaign marked a significant focus on social welfare, introducing schemes aimed at improving employment, food security, and rural development. Key initiatives included the Minimum Needs Programme (MNP) and the Integrated Rural Development Programme (IRDP), which targeted basic services for the rural poor. In the 1980s, under the Prime Minister Rajiv Gandhi, we saw further expansion of welfare programs, including the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP), focusing on employment and support for the underprivileged.

## **ECONOMIC REFORM (LIBERALISATION, PRIVATIZATION, AND GLOBALIZATION)**

In 1991, India faced a severe economic crisis with low foreign exchange reserves, high fiscal deficits, and rising inflation. Prior to this, India's economy was largely socialist. The crisis prompted Prime Minister P.V. Narasimha Rao and Finance Minister Manmohan Singh to initiate major economic reforms, opening up the economy and fostering growth. While these liberalisation reforms spurred economic growth, they also led to increased economic disparities.

To address the immediate social impacts of these reforms, successive governments implemented welfare schemes and populist measures to support economically weaker sections. This period also saw the rise of strong regional parties, which often used populist schemes to build and maintain local support. These parties introduced state-specific welfare programs to cater to their constituencies and differentiate themselves from national parties.

## **MAJOR SHIFT FROM WELFARE POLICIES TO FREEBIES POLICY (2000 TO PRESENT)**

After LPG economic reform a large amount of money was pumped into the Indian economy. Privatisation took place nearly in every sector except in the region of national importance. This also created income inequality in society. But the trend of offering freebies continued and came up with new attractive policies. Every party came up with attractive schemes like: loan waiver, TV, free electricity, scotty, mobile phone, laptop, washing machine in the name of welfare schemes. Not every policies were to woo voters , but some were really helping people to uplift them from poverty and expand across various states and at the national level for e.g. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) of 2005 was a landmark

legislation that guaranteed 100 days of employment per year to rural population, mid-day meal in all the states improved the educational and health outcomes of children, specifically in underprivileged communities, similarly National Rural Health Mission (NRHM) and the Sarva Shiksha Abhiyan (SSA), aimed at improving healthcare and education respectively. These programs were part of the broader strategy to achieve inclusive growth and human development.

Many Economists, international agencies and policy analysts raised concerns about the long-term sustainability of such measures, arguing that they could lead to fiscal imbalances and divert resources from productive investments in infrastructure and human capital development. There was also a growing debate on the political motivations behind these schemes, with critics accusing politicians of using them as tools for electoral gains rather than genuine social welfare.

Many economists, international agencies, and policy analysts expressed worries about the long-term viability of such measures, fearing they could create fiscal imbalances and divert resources away from essential investments in infrastructure and human development. There was a growing debate on whether these schemes were driven more by political motivations rather than genuine efforts for social welfare. Critics accused politicians of using these schemes as tools to secure votes, especially during elections, rather than addressing the underlying socio-economic issues.

## **RECENT TRENDS AND THE COVID-19 PANDEMIC**

In recent years, the debate over freebies has caught fire after PM Modi's speech: "*Revadi culture is dangerous for development of the country*" those with this culture will never build new expressways, new airports or defence corridors for you.

After the Modi government came in power they have taken a major hard core policy change, demonetisation, GST implementation and last nail to the coffin was covid-19 who completely slowed down the growth and gave major setbacks to the Indian economy. Pandemic posed unprecedented challenges to the Indian economy, which leads to GDP down fall of (4.0% in 2019, in 2020 it touched the -7.3%), unemployment rate (5.3% in 2019 and 7.1% in 2020) significant disruptions in



livelihoods, particularly for the poor and informal sector workers. The Indian government came up with free covid vaccine to every citizen, free food grain distribution under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), direct cash transfers, and expanded social security benefits. Indian Government gave open handed support to every sector, measures were crucial in providing immediate relief, they also reignited the debate on the sustainability and effectiveness of such schemes because some of these schemes are still running which might suck the fiscal budget and lead to show its effect up to very long run also.

## **MEANING AND DEFINITION OF FREEBIES**

There is no single definition which clearly defines the "freebie" and how we can categorise them and not a single authority has taken the initiative to define the freebies, but a gift, by definition, is something given or provided without charge. This is a very general statement we can refer to; we have to understand that these are only promises to influence the voter in the election period and lure by giving attractive promises. These freebies are referred to the distribution of free goods or services by political parties to the electorate with the aim of gaining political support, securing votes and generally addressing the short-term goal or short-term upliftment in the society, which always create burden on the public exchequer, especially hinder the long-term development goals. This also disincentives the human abilities business. Therefore, whether free education, health care, and energy can technically be considered gifts or not is a question. The role of liberal scholarship in Indian politics and elections is a subject of discussion and debate. These free gifts can range from basic necessities like food and clothing to more luxurious offerings like electronics, farm loan waivers, and subsidized housing. In this research paper, we will address the historical context of why freebies came up in Indian society and how it is impacting the society and creating the fiscal deficit in the country. India is a young democratic nation which has faced almost 100 years of British invasion which has exhausted its resources, vanished the education system and pushed India's GDP into the abyss. India is a violent democracy and faces significant challenges related to poverty, unemployment and social inequality. Political parties, especially during election periods in campaigns and manifestos, tend to use free grants as a temporary card to

attract voters and promise to address their issues. The idea of free goods and services is presented in such a way that it solves and eases the burden of economically weaker sections of the society and gains their support. One of the main arguments in favor of free gifts is their potential to uplift marginalized communities. In a country like India, where a significant portion of the population lives below the poverty line, free gifts can provide immediate relief and improve the quality of life of those struggling to meet their basic needs. By offering concrete benefits to voters, political parties can attract previously disengaged or apathetic voters to participate in the electoral process. We have to understand that if we start some policies then we should properly discuss the schemes to the experts and trial of such schemes should be properly done because India is a developing state and every penny of tax payer should be properly used for public purpose and not for advertising and influencing the voters. In India maximum government came and changed the name of policy and rarely evaluated the impact of every policy. Our policies should periodically be evaluated, so that the effectiveness, efficiency, impact, sustainability, coherence and revise the schemes so that maximum output can be attained.

## **VIEW OF IMMINENT PERSONALITY ON FREEBIES**

All these personalities have shown their concern regarding the freebies offered by the political party and fiscal situation of Indian states. Even supreme court has also shown their reaction and asked the response from the election commission, central party,

*Economic think tank ICRIER Chairman Pramod Bhasin said, "Most freebies (unless at a time of huge urgency such as COVID) which are often poorly directed are a fiscal mistake with significant adverse consequences. And these exist in most states and under most forms of government."*

Economist Sunil Alag said, *“If you make freebies permanent, no one will work. Why will you work if you get food and drink for free? Many state governments are already facing a financial crunch. The need of the hour is to not give free things, but to push citizens towards contributing towards the economy.”*

Institute for Studies in Industrial Development (ISID) Director Nagesh Kumar said *“state governments need to be responsible in terms of fiscal management unless they wish to get into an unsustainable situation.”*

*“Basically, freebies given by state governments can wreak havoc with state finances. As demonstrated in Sri Lanka's case, fiscal profligacy always leads to disaster,”* Kumar said.

N R Bhanumurthy (Vice Chancellor of BR Ambedkar School of Economics) said *“any policy intervention that does not ensure net addition to production and productivity in the medium term to long term may be treated as a 'freebie.’”*

The Supreme Court said *“freebies at the cost of taxpayers' money may push the country towards imminent bankruptcy.”*<sup>2</sup>

## **TYPES OF FREEBIES**

The term "freebies" generally refers to items or services provided free of charge, Here are various types of freebies:

- i Corporate freebies**
- ii Medical freebies**
- iii Electoral freebies**

### **I. CORPORATE FREEBIES**

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<sup>2</sup> Poorly-directed freebies may have adverse consequences on economy, like Sri Lanka': Experts, THE NEW INDIANEXPRESS, Published on 31 Aug 2022, last visited on 1 June 2024  
['Poorly-directed freebies may have adverse consequences on economy, like Sri Lanka': Experts \(newindianexpress.com\)](https://www.newindianexpress.com)

**Promotional Products:** Generally, a company or manufacturer gives its free product to take its market response and to promote in the civil society about the goodness and utility of the product. E.g. Pens, Keychains or any material goods.

**Samples:** These types of freebies usually given at stores and food industries so that buyer can easily decide and make its choice better about the quality of product e.g. Food samples in stores, Cosmetic samples, Perfume samples.

**Digital Freebies:** Usually there are many sites or software which share their access for the public to use it and use it in legitimate manner for the kindness of future world e.g. Free software or apps, E-books, Online courses, Music or movie downloads.

**Subscriptions and Trials:** There are many platforms which give the user a free trial period, so that one should feel how this application will empower him/her and how his user experience while using this tool. e.g. Free trial periods for streaming services, Free trial periods for software, Magazine or newspaper subscription trials.

India allows corporate freebies, but they are regulated to ensure ethical practices and prevent unfair competition or consumer deception. Corporate freebies can include promotional items, samples, discounts, and gifts provided by companies to consumers, business partners, or employees. The regulation of these freebies is governed by various laws and guidelines to maintain transparency and fairness in business practices. These freebies should not violate laws under this statute. E.g. Consumer Protection Act, 2019, Unfair Trade Practices, Advertising Standards Council of India (ASCI), Competition Act, The Prevention of Corruption Act, 1988.

## **II. MEDICAL FREEBIES:**

- **Gifts to Doctors:** Permissible Items: Only minimal value items that are related to patient care or benefit, such as medical textbooks or drug samples for patient use, are allowed under specific conditions. The Medical Council of India (MCI) guidelines prohibit doctors from accepting gifts, travel facilities, hospitality, cash, or monetary grants from pharmaceutical and allied healthcare companies. This includes items like gadgets, vacations, expensive dinners, and other personal gifts.
- **Drug Samples: Regulations:** Pharmaceutical companies can provide drug samples to doctors for the purpose of patient care, but these samples must not be used as a marketing tool to unduly influence prescribing behaviour. The quantity and manner of distribution of these samples are regulated to prevent misuse.
- **Continuing Medical Education (CME): Sponsorship:** Pharmaceutical companies can support continuing medical education programs, but such sponsorships must be transparent, and the content should be unbiased and not promotional in nature. Direct payments or lavish hospitality to individual doctors for attending CME events are prohibited.
- **Consultancy and Advisory Payments: Transparency:** Payments to doctors for genuine consultancy services, advisory roles, or participation in research must be transparent, fair, and based on market rates. Such arrangements should be documented and not used as a cover for offering kickbacks.
- **Ethical Guidelines and Penalties: Compliance:** The Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002, outline the ethical standards for doctors. Non-compliance with these guidelines can lead to disciplinary action, including suspension or revocation of medical licences.
- **Pharma Companies:** The Department of Pharmaceuticals under the Ministry of Chemicals and Fertilisers has issued Uniform Code for

Pharmaceuticals Marketing Practices (UCPMP) guidelines that pharmaceutical companies are expected to follow. Violation of these guidelines can lead to penalties and other legal actions.

### **III. ELECTION FREEBIES:**

- **CASH TRANSFERS:** usually political parties or candidates offer Direct Cash Payments. Promises of direct cash transfers to specific groups like farmers, women, or unemployed youth schemes e.g. Pradhan Mantri Berojgari Bhatta Yojana.
- **SUBSIDIES:** usually the government gives free or subsidised food and groceries to the poor section of society under the food safety act for e.g. Public Distribution System (PDS).
- **ELECTRICITY SUBSIDIES:** in India one fourth states offering free or subsidised electricity to households, particularly in rural areas e.g. 200 units of free electricity to all by Delhi government.
- **HOUSEHOLD ITEMS:** Consumer Electronics: Free or subsidised distribution of items like TVs, laptops, tablets, smart phones, gas stoves, pressure cookers, and other kitchen appliances e.g.: Tamil Nadu government distributed under various schemes.
- **FREE TRANSPORTATION:** free transportation services especially to students or women and old age persons. e.g.: Delhi government.
- **HOUSING:** Free Housing Promises to provide free or heavily subsidised housing to the poor.
- **HOUSING UPGRADES:** Assistance for the renovation or improvement of existing houses.

- **SOCIAL WELFARE PROGRAMS:** Pension Schemes: Promises of increased pensions for senior citizens, widows, and disabled individuals.
- **WELFARE PAYMENTS:** Specific financial support for marginalised groups like single mothers, farmers, and unemployed youth.
- **AGRICULTURAL BENEFITS:** Distribution of agricultural machinery, seeds at no cost or subsidised rates to the farmers. Irrigation Facilities: Promises of improved or free irrigation facilities. Fertiliser subsidies up to 90 % in India.
- **CULTURAL AND RELIGIOUS OFFERINGS:** free tour to old age people to visit pilgrimage sites.

In India, the distribution of electoral freebies is not regulated by any legislation, but the Election Commission of India (ECI) has a duty to ensure free and fair elections. The ECI issues guidelines to prevent the misuse of government resources and ensure that promises made in manifestos do not violate the Model Code of Conduct (MCC) 2019.

### **MOTIVATION BEHIND THE DISTRIBUTION OF FREEBIES:**

- **ELECTORAL GAINS:** The primary reason behind the distribution of freebies is to secure elections. Political Parties believe that by providing tangible benefits, touching socio economic problems of the electorate generate goodwill and ensure their support at the ballot box.
- **ADDRESSING SOCIO-ECONOMIC DISPARITIES:** Free gifts are seen as a means to directly address socio-economic emotional problems and uplift the marginalized sections of society. By providing essential goods and services to those in need, political parties seek to alleviate poverty, reduce inequality and promote inclusive growth, connecting directly with voters and increasing their chances of winning elections.

- **POLITICAL POPULISM:** Free bids often serve as a tool for political populism, where parties make unrealistic promises and offer short-term benefits to gain support. Populist actions may appeal to voters who are influenced by immediate gratification rather than long-term political considerations.
- **ATTRACT NEW VOTERS:** generally marginalised populations usually do not take interest in the long-term policies and facts and figures of public policies unless it directly affects the individuals and freebies are targeted to these marginalised sections of society, by this they feel connected and they actively participate in the elections.

### **FREEBIES AND ITS IMPACT ON ELECTORAL OUTCOMES:**

- **VOTE BANK POLITICS:** Freebies play an important role in vote bank politics, especially in a diverse country like India. Political parties target specific demographic groups or communities by offering them tailored free support. This approach reinforces identity politics and can lead to the fragmentation of the electorate based on caste, religion or other social divisions.
- **INCENTIVIZING VOTE BUYING:** Freebies can encourage vote-buying, in which voters choose representatives based on their interests rather than the merit or political positions of candidates. It undermines the democratic process by prioritizing short-term gains over long-term vision and governance.
- **SHIFT IN POLICY DISCOURSE:** The focus on election campaign freebies often diverts political debate from important issues such as development, good governance and institutional reforms. Political parties may prioritize populist actions to win elections instead of addressing urgent issues that require comprehensive and sustainable solutions.

### **STAND OF POLITICAL PARTIES OVER FREEBIES**

Prime Minister Narendra Modi, in the inauguration of Bundelkhand Express in UP stated that "Revadi culture" is very harmful to the economy<sup>13</sup> and leading India towards the darkness. The Centre asserted that irrational freebies will increase the



burden on taxpayers and would become hindrance for India on its way to becoming self-reliant. On the other hand, Aam Aadmi Party (AAP) opposed the idea of the centre. Kejriwal leader of AAP, is of the belief that offering freebies, is an imperative feature of socialist and welfare ruling. AAP also filed a counter affidavit against the petition filed by Ashwini Kumar Upadhyay over the ban on freebies. The party said that poll promises are part of freedom of speech under article 19(1)(a) of the constitution. The Congress party, Dravida Munnetra Kazhagam (DMK), and Yuvajana Shramika Rythu Congress Party (YSRCP) have a similar stand on freebies being part of welfare schemes.

## LITERATURE REVIEW

In Indian, election studies are not much explored and very few field in this subject have been researched. Maximum studies are done in the trends of voter, impact of social media on voter, efficiency of election commission. Very few people have researched on the subject freebies in Indian election, but they also end up their research at supreme court judgement which gave it legality and said it's a part of directive principle of state policy. Election commission, central government, finance commission and all state and national parties should made party and unanimously come to the solution by legislation on this subject, and judiciary has no domain in this to legislate as to what type of policies should political parties can use in manifesto and what not.

1. In the article **Concept of welfare state and its relevance in Indian scenario**<sup>3</sup> written Shraddha Ojha. The author has beautifully explained the theories of welfare state, types of welfare state, what can be the most sustainable way and build a relation of economic theory in governance. Extensively covered the issue of protection to minority and weaker section of society, Theory of laissez -faire and social security net.

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<sup>3</sup> By Shraddha Ojha, Concept of Welfare State and Its Relevance in Indian Scenario, Concept of Welfare State and Its Relevance in Indian Scenario (legalservicesindia.com), last visited on June 1 20024

2. In the article **India's Welfare State: A Halting Shift from Benevolence to Rights**<sup>4</sup> written by Reetika Khera. She has raised the several question in thus article about why welfare schemes ae not given the colour of legislations, so that it could be treated as the right of poor persons. Secondly on whether our schemes should be of general nature or targeted and Thirdly, cash transfer or benefit in kinds does effectively delivering in India.
3. In **AC Jose v. Sivan Pillai and Others**<sup>5</sup>, the Supreme Court, however, held that when there is no parliamentary legislation or rule made under the said legislation, the Commission is free to pass any order in respect of the conduct of elections, but where there is an Act and express rules made there under, it is not open to the Commission to override the Act or the rules, and pass orders in direct disobedience to the mandate contained in the Act or rules.
4. The **Association for Democratic Reforms (ADR)** is the only civil society organisation that specialises in electoral and political reforms both structurally and institutionally. They have worked tremendously well in developing Indian election law and securing the sanctity of election in India. E.g. **Association for Democratic Reforms v. Union of India, (2002) 5 SCC 294**<sup>6</sup>. In this case court decided that it's a right of voter to know criminal record of person who is contesting in election. The Election Commission of India has been regularly revising its policy and adding up new tricks & tactics and maintaining its maximum standard to attain a free and fair process of election. But political parties always try to make an escape shaft in this system to win the election and freebies is that new underpass which we will discuss in this research paper. In this research paper we will extensively touch the legality of freebies, its impact on the Indian economy and suggestions.
5. In the case of **Mehsana district co-operative milk society v State of Gujarat 2005**<sup>7</sup> the high court of Gujrat admitted that freebies are in Indian politics and affect the voters thought and influence. Freebies offered by parties; this hinders the free and fair

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<sup>4</sup> By Reetika Khera, *India's Welfare State: A Halting Shift from Benevolence to Rights*, RESEARCH GATE, April 2020, <https://doi.org/10.1525/curh.2020.119.816.134>

<sup>5</sup> A.C. Jose v. Sivan Pillai, (1984) 2 SCC 656

<sup>6</sup> Association for Democratic Reforms v. Union of India, (2002) 5 SCC 294

<sup>7</sup> Mehsana District Co-operative Milk Society v. State of Gujarat, (2004) 2 SCC 463

election process. In this case, the court decides whether the organization is fully funded or semi-funded. Who are not indulge in government work are not bound be govern by code of conduct rules.

6. In this news article **understanding freebie politics in India**<sup>8</sup> written by Satya Muley the author has raised a concern about the part and parcel of freebies in the election manifesto and challenged their ethical and legal use in Indian democracy. Indian laws are still evolving, and their provisions and interpretations are also challenged in court. In India, elections are treated as a multiparty political system at the national and state levels, with a high level of competition for the formation of government. In this competition, many political parties are innovating ways to manipulate the voter.
7. In the case **Parashar Narayan Sharma vs. Union of India and others**<sup>9</sup>high court said directive principles of state policy is enchaind in the constitution and it is obligatory for the state to frame welfare measures for the citizens and therefore political parties should avoid making such promises which can influence the voter in casting their vote.
8. In **Union of India & anr. vs. International Trading Co. & anr.**<sup>10</sup> Right to equality under Article 14 of the Constitution requires that the State must make a reasonable classification based on intelligible differentia, and such classification must have a nexus with the object of the law. In making free distributions, the State, therefore, must show that it has identified the class of persons to whom such distributions are sought to be made using intelligible differentia, and that such differentia has a rational nexus with the object of the distribution as held.
9. **S. Subramaniam Balaji appellant versus the government of Tamil Nadu & ors. of year 2013**<sup>11</sup> Supreme Court in this judgment validate the freebies which are given by

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<sup>8</sup>Satya muley, understanding freebie politics in India, FINANCIAL EEXPRESS, Published on 7 October 2022, last visited on 1 June 2024. Understanding the Freebie Politics in India - India News The Financial Express

<sup>9</sup> Parashar Narayan Sharma and another v. union of India and others WP(C)1126/2020

<sup>10</sup> Union of India & Anr. v. International Trading Co. & Anr., (2003) 5 SCC 437

<sup>11</sup> S. Subramaniam Balaji v. The Government of Tamil Nadu & Ors., (2013) 9 SCC 659

government and but direction is given to election commission of India to setup guild lines for manifesto regarding this issue. Highlighted the importance of free and fair elections and cautioned against the use of freebies in democratic setup.

10. The case **T.N. Seshan v. Union of India, (1995) 4 SCC 611**<sup>12</sup>, involved the interpretation of Article 324 of the Indian Constitution, which deals with the powers and functions of the Election Commission. In 1991, the President of India passed an ordinance amending the Representation of the People Act to allow for the appointment of two additional Election Commissioners to assist the Chief Election Commissioner. The Supreme Court held that in cases of differences of opinion among the Election Commissioners, the rule of majority would prevail.
11. The Supreme Court in **M/S Sethi Auto Service Station vs Delhi Development Authority & Ors.**<sup>13</sup> has examined the concept of 'legitimate expectation. While dealing with the question, the Supreme Court has enumerated various decisions of the concept of Legitimate Expectation and examined the law relating thereto.
12. In the recent case of **Jacob Puliyel v. union of India and others**<sup>14</sup> Policy making is a domain of the government to analyse its spending and prioritise its expenditure, but in the case of affirmative action, public policies, international treaties the government should take extra caution so that it could not hamper the growth of the country and rights of the individuals.
13. In the very landmark judgement **Kesavananda Bharati v. State of Kerala (1973)**<sup>15</sup> supreme court has Established the doctrine of the basic structure of the constitution, which limits the power of government to amend irrationally and unreasonably. Set rider on the power of government that it should not violate the basic structure and said judicial review is integral part of basic structure.

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<sup>12</sup> T.N. Seshan v. Union of India, (1995) 4 SCC 611

<sup>13</sup> M/s Sethi Auto Service Station v. Delhi Development Authority & Ors., (2009) 1 SCC 180

<sup>14</sup> Jacob Puliyel v. Union of India and Others, Writ Petition (Civil) No. 607/2021, decided on May 2, 2022

<sup>15</sup> Kesavananda Bharati v. State of Kerala, (1973) 4 SCC 225

**14. In the recent writ petition *Ashwini Kumar Upadhyay v. Union of India & Another*.**

Petitioner Ashwini Kumar has challenged the *S. Subramaniam Balaji v Government of Tamil Nadu (2013)* judgment. He contended that “persons” under Section 123 of the Representation of Peoples Act, 1951 should include political parties. Section 123 defines “bribery” as a “gift, offer, or promise” by a candidate, candidate’s agent, or “any other person” to induce a vote. Upadhyay's petition argued that promising freebies unduly influenced voters and constituted bribery (Section 171B) and undue influence (Section 171C) under the Indian Penal Code, 1860. Additionally, he claimed that using public funds for freebies that do not serve a ‘public purpose’ violates Articles 162, 266(3), and 282 of the Constitution of India, 1950. Article 162 defines the extent of State executive power, Article 266(3) prevents misappropriation of funds from the Consolidated Fund of India or a State, and Article 282 allows the use of revenues for a ‘public purpose’.

**15. The Supreme Court’s decision in *Bharatiya Janata Party & Anr. v. The State of West Bengal & Ors.*<sup>16</sup>** underscored the importance of protecting fundamental rights while also maintaining public order. The judgment reinforced the principle that any restriction on fundamental rights must be reasonable, justifiable, and supported by concrete evidence. The case is a significant example of the judiciary's role in ensuring that state actions do not arbitrarily infringe upon constitutional rights.

**16. The Supreme Court’s decision in *Bhim Singh v. Union of India & Ors.*<sup>17</sup>** is a significant affirmation of the constitutional protections against arbitrary arrest and detention. The judgment highlighted the need for strict adherence to legal procedures and the accountability of state officials. By awarding compensation for the violation of fundamental rights, the Court set a precedent for providing remedies to individuals whose constitutional rights have been infringed. The case is an important milestone in the protection of personal liberty and the enforcement of constitutional safeguards in India.

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<sup>16</sup> *Bharatiya Janata Party & Anr. v. The State of West Bengal & Ors.*, (2012) 1 SCC 656

<sup>17</sup> *Bhim Singh v. Union of India & Ors.*, (2010) 5 SCC 538

17. The Supreme Court's decision in **Neelima Sadanand Vartak v. Union of India, (2020)**<sup>18</sup> underscores the principle that transfers and administrative decisions related to service conditions are primarily within the discretion of the employer. The judiciary's role in such matters is limited to ensuring that there is no malafide intent, arbitrariness, or violation of statutory provisions. The judgment highlights the balance between administrative discretion and the protection of employees' rights, reinforcing the need for a fair and just approach in administrative decisions.

## **STATEMENT OF THE PROBLEM**

The practice of offering freebies during elections poses significant legal and financial challenges to the federal and democratic government model of India. This research aims to investigate the extent to which freebies influence voter behavior, potentially skewing election outcomes and compromising democratic principles. It also seeks to examine the financial repercussions for states, which may fall into debt traps as a result of extensive freebie distribution, raising questions about fiscal responsibility and state autonomy. Additionally, the study will assess the effectiveness of the Election Commission in ensuring free and fair elections under these conditions, and scrutinize the existing legal frameworks governing the distribution of freebies. The ultimate goal is to propose reforms that can uphold the integrity of the electoral process and maintain the balance within India's federal and democratic system.

## **OBJECTIVES**

1. Political parties in the name of welfare policies should not serve freebies and should not hamper the sanctity of election by influencing the voters.
2. Regain the fiscal health of the Indian budget which was downgraded by the freebies and idea of sustainable socio-economic policies.

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<sup>18</sup> Neelima Sadanand Vartak v. Union of India, (2020) 10 SCC 720

## **HYPOTHESIS**

Ho1. The freebies by political parties and the ruling government violates free and fair election process in India.

## **RESEARCH QUESTIONS**

1. Do freebies influence the voters in the Indian election?
2. Who will be the authorities if states are engaged in the financial debt trap?
3. Does the election commission serve its purpose of conducting free and fair elections in states where freebies are not regulated?
4. Legality of freebies in Indian elections?

## **LIMITATION OF STUDY**

This study on freebies in Indian elections, employing empirical and analytical research, is subject to several limitations. Firstly, data collection was constrained by the availability of documented like news article, research paper, government reports, RBI reports, finance commission reports, and judgments. Secondly, the study's sample may not fully represent India's diverse socio-economic landscape, possibly skewing generalizations by collecting review from 110 voluntaries by google survey. Furthermore, the study's temporal scope may have overlooked evolving trends. Establishing relationship between freebies and electoral outcomes remains challenging amidst the influence of confounding variables. Despite these limitations, the study contributes valuable insights to the discourse on Indian elections, suggesting avenues for future research to address these constraints comprehensively.

## **METHODOLOGY**

The research methodology encompasses a thorough review of existing literature on freebies in Indian elections to establish a foundational understanding. Data collection will adopt a mixed-method approach, combining quantitative analysis of documented instances of freebie distribution with qualitative insights gained through google form survey method. A strategic sampling strategy will ensure representation across diverse regions, political affiliations, and socio-economic demographics. Analysis will be guided by an analytical framework, integrating statistical methods to identify relationships between freebie distribution and electoral outcomes while considering control variables. Ethical considerations will be paramount throughout the research process, and findings will be validated through triangulation and expert verification. Interpretation and discussion of findings will be framed within the context of research objectives and theoretical frameworks, culminating in actionable recommendations for stakeholders and avenues for future research exploration.

## **CHAPTER 2**

# **LEGAL FRAMEWORK CONCERNING FREEBIES IN INDIA**

### **THE CONSTITUTION OF INDIA**

*“14. Equality before law. —The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India.”*



Article 14 of the Indian Constitution ensures that the state cannot deny anyone equality before the law or equal protection under the law within India. This article integrates the British principle of the rule of law, as defined by Professor Dicey, and the equal protection clause from the 14th Amendment of the U.S. Constitution, giving the right to equality a robust and dynamic foundation.

However, the Indian Parliament has often attempted to limit the scope of Article 14 to implement various welfare programs. Additionally, the Supreme Court, in its early years, diluted the article's impact by strictly adhering to the "classification" or "nexus" tests, which allowed for certain distinctions under the law. It wasn't until 1974 that the Supreme Court developed a new interpretation, recognizing Article 14 as a safeguard against arbitrary actions by the state.

### ***THE REPRESENTATION OF PEOPLE ACT 1951***

***“123. Corrupt practices.*** —*The following shall be deemed to be corrupt practices for the purposes of this Act: —*

*[(1) “Bribery” that is to say—*

*(A) any gift, offer or promise by a candidate or his agent or by any other person with the consent of a candidate or his election agent of any gratification, to any person whomsoever, with the object, directly or indirectly of inducing—*

*(a) a person to stand or not to stand as, or 4 [to withdraw or not to withdraw] from being a candidate at an election, or*

*(b) an elector to vote or refrain from voting at an election, or as a reward to—*

*(i) a person for having so stood or not stood, or for 5 [having withdrawn or not having withdrawn] his candidature; or*

*(ii) an elector for having voted or refrained from voting;*

*(B) the receipt of, or agreement to receive, any gratification, whether as a motive or a reward—*

*(a) by a person for standing or not standing as, or for 6 [withdrawing or not withdrawing] from being, a candidate; or*

*(b) by any person who soever for himself or any other person for voting or refraining from voting, or inducing or attempting to induce any elector to vote or refrain from voting,*

*or any candidate [to withdraw or not to withdraw] his candidature.*

*Explanation—For the purposes of this clause the term “gratification” is not restricted to pecuniary gratifications or gratifications estimable in money and it includes all forms of entertainment and all forms of employment for reward but it does not include the payment of any expenses bona fide incurred at, or for the purpose of, any election and duly entered in the account of election expenses referred to in section 78.*

“Election Law in India” by Dr. V.S. Rama Devi and S.K. Mendiratta is an authoritative source that provides a thorough understanding of corrupt practices. The book “Election Law in India” explains that bribery, as defined under Section 123(1) of the Representation of the People Act, 1951, involves any gift, offer, or promise made by a candidate, their agent, or anyone with the candidate's consent, to influence someone to vote in a certain way or not vote at all.

It further clarifies that the term “gratification” is broad and not limited to money or financial rewards. It encompasses various forms of entertainment and job offers given as incentives. This wide-ranging definition aims to prevent any form of inducement that could affect a voters choice.”

## **JUDICIAL INCIDENT REGARDING FREEBIES IN INDIAN DEMOCRATIC MODEL**

There are three major issue which are dealing with the distribution and challenging illegality of freebies, The issues are as follows:

**ISSUE 1:** Whether the promises made by the political parties in their election manifestos would amount to ‘corrupt practices’ as per Section 123 of the Representation of the People Act, 1951?

**Issue No. 2** Whether the schemes under challenge are within the ambit of public purpose<sup>19</sup> and if yes, is it violative of Article 14?

**Issue No. 3** Whether this Court has inherent power to issue guidelines by application of Vishaka principle?

**ISSUE 1: Whether the promises made by the political parties in their election manifestos would amount to ‘corrupt practices’<sup>20</sup> as per Section 123 of the Representation of the People Act, 1951?**

While deciding the judgement **S. Subramaniam Balaji Appellant(S) Versus The Government of Tamil Nadu & Ors**, Justice **P. Sathasivam And Ranjan Gogoi** has given following reason:

*(49) Keeping the parameters fixed in the above Section, we have to analyze the claim of both the parties hereunder. A perusal of sub-sections 1-8 of Section 123 makes it clear that*

*it speaks only about a candidate or his agent or any other person. There is no word about political parties. Taking note of the conditions mandated in those sub-sections, let us test the respective stand of 4 Page 46 both the parties.<sup>21</sup>*

Division Bench of Justice **P. Sathasivam And Ranjan** while deciding this judgement, judges has taken the strict interpretation and *Section 3(42) “person”<sup>22</sup> shall include any company or association or body of individuals, whether incorporated or not;*

These provisions are made for the preventive measure so that the free and fair election could be conducted. Corrupt practice could be avoided by both the level (political party and electoral candidate). It is defined in the general clause act that the person includes the associations and body of individuals and every political party is made of these electoral individuals.

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<sup>19</sup> The Constitution of India, Arts. 282

<sup>20</sup> Representation of the People Act, 1951. Section 123

<sup>21</sup> S. Subramaniam Balaji v. The Government of Tamil Nadu & Ors., (2013) 9 SCC 659

<sup>22</sup> The General Clauses Act, 1897. Sec3(42)

Political party is responsible for the statement and words spoken by their candidate because they represents the party in it, and presently it is been seen that party usually don't mention their freebies schemes in the manifesto but they publicly announce in their speeches.

*(53) As appealing this argument may sound good, the implementation of this suggestion becomes difficult on more than one count. Firstly, if we are to declare that every kind of promise made in the election manifesto is a corrupt practice, this will be flawed. Since all promises made in the election manifesto are not necessarily promising freebies per se, for instance, the election manifesto of a political party promising to develop a particular locality if they come into power, or promising cent percent employment for all young graduates, or such other acts. Therefore, it will be misleading to construe that all promises in the election manifesto would amount to corrupt practice. Likewise, it is not within the domain of this Court to legislate what kind of promises can or cannot be made in the election manifesto.*

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In India we respect the separation of power & principle of rule of law (principle of check and balance) but the court has inherent power to issue directions to the election commission and central government to form a legislature by application of Vishaka principle in this case.

Judicial pronouncements and guidelines by the Election Commission of India (ECI) attempt to delineate the boundaries within which political parties can operate, ensuring that electoral promises do not translate into fiscal imprudence or undue influence on voters.

<sup>24</sup>Election commission has several implied power given by the constitution under the article 324, under which it has obligatory duty to conduct the free and fair election, this

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<sup>23</sup> S. Subramaniam Balaji v. The Government of Tamil Nadu & Ors., (2013) 9 SCC 659

<sup>24</sup> TN Seshan On How Election Commission Must Behave

[\(935\) TN Seshan On How Election Commission Must Behave - YouTube](#)

has been also said by the former CEC of India T N Seshan in his interview that Election commission is an independent body which is not come under any government it has to directly report to president and pm and its primary and most important duty is to conduct free and fair and that is why he know for his reformation in election rules and law.

**Issue No. 2 Whether the schemes under challenge are within the ambit of public purpose and if yes, is it violative of Article 14<sup>25</sup>?**

*(57) The concept of State largesse is essentially linked to Directive Principles of State Policy. Whether the State should frame a scheme, which directly gives benefits to improve the living standards or indirectly by increasing the means of livelihood, is for the State to decide and the role of the court is very limited in this regard.*

While deciding this judgement, the court has given (Directive Principles of State Policy) DPSP more importance over fundamental right, which has been deflected from the principle of harmonious construction, which was introduced by the Supreme Court in Re: Kerala Education Bill 1957. Petitioner has challenged the policy on the grounds of equality which are not of general nature and creating the public fund into a private property. Freebies offered are grinders, mixies, electric fans, laptop computers, 4 gms gold thalis, Rs. 50,000/- cash for women's marriage, green houses, 20 kgs. rice to all ration card holders even to those above the poverty line and free cattle and sheep.

The right to equality under Article 14 of the Constitution requires that the State must make a reasonable classification based on intelligible differentia, and such classification must have a nexus with the object of the law. In making free distributions, the State, therefore, must show that it has identified the class of persons to whom such distributions are sought to be made using intelligible differentia, and that such differentia has a rational nexus with the object of the distribution as held in **Union of India & Anr. vs. International Trading Co. & Anr.**

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<sup>25</sup> The Constitution of India, Arts. 14

If we will notice that free laptop distribution is made to all the students, the Government of Tamil Nadu has decided to provide Laptop computers at free of cost to all students studying in Government and Government aided Higher Secondary Schools, Arts & Science colleges, Engineering Colleges and polytechnic colleges. In this policy intelligible differentia can be used and public money could be saved but the main agenda of the political party is to connect maximum people to the freebies.

In **MPLAD Case (Bhim Singh v. Union of India & Ors. 2010)**<sup>26</sup>The Court observed that both the Union and the States have the power to make grants under Article 282, even beyond their respective legislative competence under the Seventh Schedule, for a 'public purpose'. The Supreme Court gave it a wide scope, Justice P Sathasivam, were arrived at:

- *“Owing to the quasi-federal nature of the Constitution and the specific wording of Article 282, both the Union and the State have the power to make grants for a purpose irrespective of whether the subject matter of the purpose falls in the Seventh Schedule provided that the purpose is “public purpose” within the meaning of the Constitution”.*
- *“Both Articles 275 and 282 are sources of spending funds/monies under the Constitution. Article 282 is normally meant for special, temporary or ad hoc schemes. However, the matter of expenditure for a "public purpose", is subject to fulfilment of the constitutional requirements. The power under Article 282 to sanction grants is not restricted.”*
- Two Latin maxims underpin this doctrine:
  - *Salus populi suprema lex* (Welfare of the People Is the Paramount Law)
  - *Necessities public major EST quam* (Public necessity is greater than private necessity).

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<sup>26</sup> Bhim Singh v. Union of India & Ors., (2010) 5 SCC 538

If we refer to both the case **Bhim Singh Versus Union of India & ors of 2010**<sup>27</sup> and **S. Subramaniam Balaji versus the government of Tamil Nadu & ors. of 2013**. we can come to the conclusion that article 282 of constitution of Indian, the word public purpose is referred to the policies which are addressing the public, emergency and essentials.

Under the article 266(3) of constitution, the monies out of the Consolidated Fund of India or the Consolidated Fund of the State can only be appropriated in accordance with law and for the purposes and in the manner provided by the Constitution. Under Article 162, the extent of the executive power of the State is limited to the matters with respect to which the Legislature of the State has the power to make law. With reference to the above article Consolidated Fund of the State can only be appropriated for the execution of laws made by the State, or for any other “public purpose”.

There is very famous principle in the administrative the doctrine of ‘Legitimate Expectations’<sup>28</sup>This doctrine strengthens the relationship between an individual and public authority, the public authority is made accountable in lieu of legitimate expectation.

The Supreme Court in *M/S Sethi Auto Service Station vs Delhi Development Authority & Ors*<sup>29</sup>. has examined the concept of 'legitimate expectation. While dealing with the question, the Supreme Court has enumerated various decisions of the concept of Legitimate Expectation and examined the law relating thereto. The Court held as under;

*"19. The protection of legitimate expectations, as pointed out in De Smith's Judicial Review (Sixth Edition) (para 12-001), is at the root of the constitutional principle of the rule of law, which requires regularity, predictability, and certainty in government's dealings with the public. The doctrine of legitimate expectation and its impact in the administrative law has been considered by this Court in a catena of decisions but for the sake of brevity we do not propose to refer to all these cases... ”.*

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<sup>27</sup> Bhim Singh v. Union of India & Ors., (2010) 5 SCC 538

<sup>28</sup> [Doctrines of Legitimate Expectation \(ipleaders.in\)](http://ipleaders.in)

<sup>29</sup> M/s Sethi Auto Service Station v. Delhi Development Authority & Ors., (2009) 1 SCC 180

But political parties are using the public funds which are given to them for development of the society and public usage and essentials to lure the voters in the election periods. If these freebies are not properly defined and categorised then political parties will start competition in between them that which one could give best and Higher valuable gift to its voters.

The above analysis shows that Article 282 can be the source of power for emergent transfer of funds, like the MPLAD Scheme. Even otherwise, the MPLAD Scheme is voted upon and sanctioned by Parliament every year as a scheme for community development. We have already held that the scheme of the Constitution of India is that the power of the Union or State Legislature is not limited to the legislative powers to incur expenditure only in respect of powers conferred upon it under the Seventh Schedule, but it can incur expenditure on any purpose not included within its legislative powers. However, the said purpose must be 'public purpose'. Judicial interference is permissible when the action of the Government is unconstitutional and not when such action is not wise or that the extent of expenditure is not for the good of the State. We are of the view that all such questions must be debated and decided in the legislature and not in court.<sup>30</sup>

It is evident from the above extract that Article 282 of the Constitution has been recognized as the source of power for remittances arising from this and funds transferred for public purposes can be effectively used to promote the objectives behind the Directive Principles. state policy listed in Part IV of the Constitution. We have seen this in the state of Tamil Nadu. Dravida Munnetra Kazhagam (DMK) in their election manifesto for the Assembly Elections 2006, announced a Scheme of free distribution of Colour Television Sets (CTVs) to each and every household which did not possess the tv, and this political party came in the government, The Party justified the decision of distribution of free CTVs for the purpose of providing recreation and general knowledge to the household women, more particularly, those living in the rural areas. In pursuit of fulfilling the promise made in the election manifesto, a policy decision was taken by the then government to provide one 14 inch CTV to all eligible families in the State. It was further decided by the Government to

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<sup>30</sup> Bhim Singh v. Union of India & Ors., (2010) 5 SCC 538



implement the Scheme for which Rs. 750 crores were made in the budget for implementing the same.

In the same manner, Tamil Nadu Assembly Elections of 2011, All India Anna Dravida Munnetra Kazhagam (AIADMK), and its alliance party too announced its election manifesto which included free gifts to match up with the gifts offered by the DMK Party and promised to distribute free of cost the following items, viz., grinders, electric fans, laptop computers, 4 gms gold thalis, Rs. 50,000/- cash for women's marriage, green houses, 20 kgs. rice to all ration card holders even to those above the poverty line and free cattle and sheep, if the said party/its alliance were elected to power during the Tamil Nadu Assembly Elections 2011. The AIADMK and its political allies won the State Assembly Elections held in 2011. In order to fulfil the promise made in the election manifesto, a policy decision was taken by the then government to distribute the gifts. This clearly shows that voters of Tamil Nadu are fully induced by the freebies and free & fair elections do not happen in the state of Tamil Nadu.

**Issue No. 3 Whether this Court has inherent power to issue guidelines by application of Vishaka principle?**

71) It is the stand of the appellant that there is legislative vacuum in the given case. Hence, the judiciary is warranted to legislate in this regard to fill the gap by application of Vishaka principle. However, learned counsel for the respondent made a distinction between the Vishaka (supra) and the given case. While highlighting that in Vishaka (supra), there was no legislation to punish the act of sexual harassment at work place, therefore, the judiciary noting the legislative vacuum framed temporary guidelines until the legislatures passed a bill in that regard. However, in the case at hand, there is a special legislation, namely, the Representation of People Act wherein Section 123 enumerates 7 Page 76 exhaustively a series of acts as "corrupt practice". Therefore, this is not a case of legislative

vacuum where the judiciary can apply its inherent power to frame guidelines.

In the leading case of Calcutta high court **Bharatiya Janata party & anr. versus the state of West Bengal & ors. 2012.**<sup>31</sup> The Hon'ble Justice Pranab Kumar Chattopadhyay & Justice Murari Prasad Shrivastava has a strong denial in the mentioned judgment. The State Government can't just call something a public purpose and make a grant without proving that the grant truly serves the public. If anyone questions the validity of the grant, claiming it doesn't actually benefit the public, the government can't simply say that the issue should be addressed by the legislature or the Appropriation Committee. This view has been upheld by both the Bombay High Court and the Orissa High Court. The court cannot forget that the ordinary members of the public cannot challenge the decision of the Government either before the legislature or before the Appropriation Committee for the simple reason that save and except the members of the Legislative Assembly, no other person is entitled and/or authorised to criticise the action of the State Government in the floor of the State Assembly.

In **Kesavananda Bharati v. State of Kerala (1973)**<sup>32</sup> supreme court has Established the doctrine of the basic structure of the constitution, which limits the power of government to amend irrationally and unreasonably. Set rider on the power of government that it should not violate the basic structure and said judicial review is integral part of basic structure.

In recent covid 19 case or **Jacob Puliye v. union of India and others may 2, 2022** Policy making is a domain of the government to analyse its spending and prioritise its expenditure, but in the case of affirmative action, public policies, international treaties the government should take extra caution so that it could not hamper the growth of the country and rights of the individuals.

<sup>33</sup>Para 14 senior adv Prashant Bhushan stated that  
*“matters of public importance involving invasion of*

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<sup>31</sup> Bharatiya Janata Party & Anr. v. The State of West Bengal & Ors., (2012) 1 SCC 656

<sup>32</sup> Kesavananda Bharati v. State of Kerala, (1973) 4 SCC 225

<sup>33</sup> Para 14, Jacob Puliye v. Union of India and Others, May 2, 2022 WP (Civil) No. 607 of 2021

*fundamental rights of individuals cannot be brushed aside by this Court on the ground that they are beyond the jurisdiction of this Court. This Court has a duty to safeguard the fundamental rights of individuals and issues raised herein are of seminal importance which ought to be decided after assessing the relevant material placed before this Court by both sides.”*

<sup>34</sup>It is settled law that court should not interfere in the matter of legislative domain and executive domain but in the present issue of freebies the political parties and running government came up with the policies that only attract the attention of the people but not solve the actual problem of the society and all this is done with the public funds of the country and tax payers money. The policy is made by mala fide intentions of gaining vote only. Irrational in nature because it targets the short-term support of the public but does not add human resource quality in them, so that they should not be dependent on the government subsidies, government aid, affirmative actions of the state and contribute to the growth of the country. Arbitrariness in the policy many times the government made a policy of general nature which should target the depressed citizens, who have been willing to come out of this situation. It's a judiciary's duty to safeguard the rights of the people and direct the state to create the balance between freebies and welfare programs so that the depressed section of society could join the mainstream of the country and that of our fiscal health of the country.

The Supreme Court has decided in numerous decisions that, the authority in regard to a policy matter is with legislature & executive and judiciary shall not ordinarily interfere in decisions on policy matters since their decisions are taken and based on expert knowledge of the persons. But this same reasoning would not be placed in the issue of freebies because generally decisions are based on the whims and fancy of politicians and with respect to the competition of other political parties' offerings of freebies. This can be proved by the fiscal deficit of states and their policies of freebies

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<sup>34</sup> Para 21 Jacob Puliyeel v. Union of India and Others, May 2, 2022, WP (Civil) No. 607 of 2021

in free irrigation to farmers. Major discom companies in India are ebbed in the huge debt and losses due to fiscal policy of freebies as electricity in their states. In the financial budget of 2023-24 the government of Uttar Pradesh has allocated 1500 crore to this scheme.

Example 1: water crisis of Punjab <sup>35</sup>Despite what we have seen, this policy has negatively affected the government of Punjab and smashed the water table in the Punjab region, because of over exploitation, overdependence and carelessness of farmers. The water table has gone to its lowest despite the fact that Punjab is blessed with the 5 rivers in their state.

Example 2: DMK political party of Tamil Nadu offered colour tv in the 2006 election in their manifesto and it got majority in the election. This was similarly copied by All India Anna Dravida Munnetra Kazhagam (AIADMK) promised to provide free laptops to students studying in government-aided colleges and free mixers, grinders, and fans to households.

If the political party have given legislative colour to their mala practice schemes then this does not mean that is policy of government and cannot be reviewed by the judiciary, courts have all the right to scrutinise whether the policy in question is formulated keeping in mind all the relevant facts and situations, so that the abuse of power could not be there and sustainability of schemes could be ensured.

In Delhi Development Authority (supra), this Court held that an executive order termed as a policy decision is not beyond the pale of judicial review. Whereas the superior courts may not interfere with the nitty-gritty of the policy, or substitute one by the other but it will not be correct to contend that the court shall lay its judicial hands off, when a plea is raised that the impugned decision is a policy decision. Interference therewith on the part of the superior court would not be without jurisdiction as it is.

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<sup>35</sup> Water Security in Punjab: Issues and Challenges Dr. Sarish Khera

In recently file filed the writ petition **Ashwini Kumar Upadhyay V. Union Of India & Another (August 2022)**<sup>36</sup>

On 8 August 2022, BJP spokesperson Ashwini Kumar Upadhyay filed the writ petition for a ban on political parties which promises freebies during election campaigns. The Bench of Chief Justice N.V. Ramana and Justice Krishna Murari considered two questions.

- Is the Supreme Court the appropriate forum to hear the legitimacy of political freebies?
- What is the distinction between welfare schemes and freebies?

Senior Advocate Vijay Hansaria, appearing for the petitioners, continued his arguments from the previous hearing. He argued that the Supreme Court had erred when it upheld freebies in *S. Subramnaim Balaji v Government of Tamil Nadu* (2013). Additionally, he had argued that “persons” under Section 123 of the Representation of Peoples Act, 1951 (ROPA) include a political party.

Section 123 of ROPA defines “bribery” as a “gift, offer or promise” by a candidate, candidate’s agent or “any other person” to an elector inducing a vote in the elections. In *Subramaniam Balaji*, the Supreme Court held that the provision only extends to individual candidates and not political parties, which can include many individuals.

Hansaria relied on the definition of “person” under the General Clauses Act, 1897, to argue that a “person” includes a company, a body of persons, or an association. According to him, a political party can also be considered as a “person” under this definition.

CJI Chandrachud observed that Section 123, which defines “corrupt practices”, states that the act must have been carried out by some “individual”, and not necessarily a “person” in its juristic sense. This reasoning was adopted by the Supreme Court in *Subramaniam Balaji* when it considered freebies outside of “corrupt practices”.

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<sup>36</sup>Ashwini Kumar Upadhyay v. Union of India & Another, Writ Petition (Civil) No. 699/2016, decided on August 3, 2022

Upadhyay argued in the PIL that the promise of free influence unfairly influences voters and constitutes bribery (Section 171B) and undue influence (Section 171C) under the Indian Penal Code, 1860. He further argued that using public funds to provide free gifts that do not serve "public purpose" violates Article 162, Article 266 (3) and Article 282 of the 1950 Constitution of India defines the extent of the executive power of the state. Article 266(3) prohibits misappropriation of funds of Consolidated Fund of India (Consolidated Fund of India) or Consolidated Fund of a State (Consolidated Fund of State). According to Article 282, the Union and State Governments can use the income for "public purposes."

The Electoral Commission said that gifts were a term that was subject to subjective interpretation and lacked precise legal definitions. Providing life-saving medicine, food, or money, for instance, can save lives during a natural disaster or pandemic; however, in normal circumstances, these items may be referred to as gifts. The Reserve Bank of India report once stated that the public distribution system, employment guarantee programs, and state support for educational and health facilities are examples of gifts that are not financially beneficial. It says that the gifts include free transportation, free electricity, free water, and other benefits similar to paying off loans and utility bills. There is no proper categorisation of what should be counted as freebies and what will be counted as welfare schemes. Most recently RBI categorises these policies into merit goods and non-merit goods. The Supreme court has raised serious concerns regarding the laws and notified several parties like election commissions and finance commission and union government to come together and resolve this problem. But no one has taken the initiative to resolve this problem.

## **RATIONAL ANALYSIS OF ELECTION FREEBIES**

Freebies benefit the economically backward and minority sections of society so they can be viewed as as a part of welfare activity. But impractical election freebies have

an adverse impact on the nation's economic wealth. Election freebies are assumed to be given chiefly for the benefit of the people, but in the long term, they tend to hurt that same public. Failure of these unaddressed welfare programs could cause financial crises in various states of our country, which would increase tax burden on its own citizens. NK Singh chairperson of the 15th finance commission asserted that freebies are a quick passport to fiscal disaster. All political parties continue to offer irrational freebies while being totally aware of their adverse consequences, since it is a simplest method to charm the electorate and earn more votes. As we all are aware of the fact that freebies are given out of taxes which are paid by taxpayers instead personal income of politicians. The government could spend the same amount on some serious matters like health and education.

## **CHAPTER 3**

### **IMPACT OF FREEBIES ON FREE AND FAIR ELECTION IN INDIA**

India, renowned as the world's largest democracy, stands as a testament to the enduring spirit of democratic governance amidst diverse cultural, social, and economic landscapes. Despite embarking on its democratic journey during challenging financial times, India embraced the principles of democracy wholeheartedly, granting equal rights to all its citizens regardless of caste, creed, gender, or religion. This commitment to democratic ideals is enshrined in the Constitution, which not only safeguards the nation's rich diversity but also empowers its people with the right to choose their representatives through periodic elections. The Election Commission of India, established under Article 324 of the Constitution, plays a pivotal role in ensuring the fairness and integrity of the electoral process, thereby upholding the fundamental tenets of democracy. Over the years, the Election Commission has navigated through legal complexities and evolving electoral landscapes, striving to uphold the principles of free, fair, and impartial elections. However, despite regulatory efforts and judicial directives, challenges persist, particularly in the realm of election manifestos and campaign finance. This article aims to explore the role of election manifestos in different countries, examine the regulatory frameworks governing them, and assess the impact of populist promises on the democratic fabric of nations, with a particular focus on India's electoral landscape. By delving into comparative analyses and historical perspectives, this article seeks to shed light on the evolving dynamics of election manifestos and their implications for democratic governance in the contemporary world.

India, the world's largest democracy is truly incredible in its size and stature. India has adopted democracy at the time of its worst financial stage. This is an exception because the majority of the country was adopted at the time they were in a stable state. We chose to be purely democratic and gave equal rights to every citizen irrespective of caste, creed, gender, religion. Even modern and advanced countries like U.S.A also gave voting rights after many years. The constitution of India always safeguarded its social, cultural and ethnic diversity. The concept of democracy came



into existence in India with the first general election, which was held in 1951-1952. Democracy is the most productive form of government, in which every citizen of a country shares equal rights of adult suffrage, by this they select their representative and by whom they want to govern. If people dislike their governance, then they get a chance to change their representative every 5 years. This clearly indicates that the people hold the sovereign power in them they will decide to determine whom they want to give power to. So, in democracy the people are the ultimate source of power and its success and failure depend on their wisdom, consciousness and vigilance.

### **ELECTION COMMISSION OF INDIA**

T N Seshan 10th Chief Election Commissioner of India (1990-1996). His period of elections is known as the golden years in the era of election, because of strict policies and use of best and latest technology to determine the fairness in the elections. In his interviews he many a time pointed out that the election commission is the constitutional body and its power many a times not properly defined but the election commission can use its implied power to conduct free and fair election in the country which is its primary and most essential objective.

In **AC Jose v. Sivan Pillai and Others**<sup>37</sup>, the Supreme Court, however, held that when there is no parliamentary legislation or rule made under the said legislation, the Commission is free to pass any order in respect of the conduct of elections, but where there is an Act and express rules made there under, it is not open to the Commission to override the Act or the rules, and pass orders in direct disobedience to the mandate contained in the Act or rules.

The powers of the Commission are meant to supplement rather than supplant the law in the matter of superintendence, direction and control as provided by Article 324. Where a particular direction by the Commission is submitted to the government for approval as required by the rules, it is not open to the Commission to go ahead with implementation of it at its own sweet will even if the approval of the government is not given. In this case, the Supreme Court struck down the Commission's order, as being without jurisdiction, whereby the Commission had introduced the electronic voting machines in an election without any express provision in the Act and the rules

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<sup>37</sup> A.C. Jose v. Sivan Pillai, (1984) 2 SCC 656

which then contemplated the taking of poll only by means of ballot papers and ballot boxes.

Thus, it is clear from the above discussion, to ensure free, fair and impartial elections, the constitution establishes the Election Commission, a body autonomous character and free from political or executive influence. The Commission is an all-India body having jurisdiction over elections to Parliament, State Legislatures, offices of the president and Vice-President. In order to prevent injustice being done to any section of the people, it was thought best to have one central body which would be free from local influence and have control over the entire election machinery in the country. The Election Commission plays a pivotal role in the electoral mechanism of the Country.<sup>38</sup>

## **GUIDELINES ON ELECTION MANIFESTO**

In 2014, the Election Commission prepared the guidelines for the election program as per the directions of the Hon'ble Supreme Court regarding "S Subramaniam Balaji vs Government of Tamil Nadu". The election commission mainly noted: The election program must not contain anything contrary to the ideals and principles contained in the constitution, and it must also observe the letter and spirit of other provisions of the model code of conduct. The directives stipulated in the Constitution, the principles of state policy oblige the state to plan various welfare measures for citizens, therefore the promise of such welfare measures in election manifestos. However, political parties should; avoid making those promises which are likely to vitiate the purity of the election process or exert undue influence on the voters in exercising their franchise. In the interest of transparency, level playing field, and credibility of promises, it is expected that manifestos also reflect the rationale for the promises and broadly indicate the ways and means to meet the financial requirements for it. The Trust of voters should be sought only on those promises which are possible to be fulfilled.

In 2019 The Election Commission of India issued Model Code (MCC), which is a set of guidelines for governing parties and candidates before elections. Even after creating guidelines, there are still absurd freebies in the selection process. The

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<sup>38</sup> Dr. Ambedkar's Speech VIII Constituent Assembly Discussion 905-7 (SOURCE: M.P. Jain, Indian Constitutional Law, IV Edn (LexisNexis Butterworths Wadhwa Nagpur, 1994) P.1231)

Election Commission of India needs more powers to ensure implementation of its guidelines. of.

### MANIFESTOES IN DIFFERENT COUNTRIES<sup>39</sup>

Oxford dictionary defines ‘manifesto’ as a “public declaration of the policy and aims, especially one issued before an election by a political party or candidate”<sup>40</sup>.

Manifesto is derived from the Latin word "Manifestum," which denotes a list of facts. A wide range of welfare programmes, political concerns, major issues, and pledges are included in the manifesto, including those relating to the economy, health, education, and employment opportunities, new goals. A manifesto is a written statement of an individual, group and generally of a political party’s beliefs and objectives. It covers a political party's ideology, viewpoints, and a thorough explanation of its policies and programmes. Generally, manifestos are not legally binding in nature because it shows the ideology and agenda of the party when it is elected as a government by the voters.

- **Bhutan:** The Election Commission in Bhutan requires political parties to submit a copy of their manifesto. Clearance of Election Commission with the new rules is mandatory for all political party Manifestos before presenting in public, the party manifesto and campaign pledges shall be subjected to an evaluation by IEC. The evaluation process carried out by IEC will ensure that unrealistic or unreasonable parties’ manifestos and campaign pledges are strictly addressed.<sup>41</sup>
- **America:** Party manifestos provide a thorough overview of their platforms and programs. The American Manifesto covers topics such as immigration, the environment, health care, and foreign and domestic politics. Two months before elections, the manifestos are released.<sup>42</sup>

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<sup>39</sup> Freebies Politics in India and Its Political, Economic, and Psychological Impact on Voters ROHIT KUMAR [B2712030410.pdf \(iosrjournals.org\)](#)

<sup>40</sup> [www.oxfordlearnersdictionaries.com/definition/english/manifesto](https://www.oxfordlearnersdictionaries.com/definition/english/manifesto)

<sup>41</sup> Dorji Choden, ECB asks political parties to submit manifestos by 28 September for evaluation, THE BHUTTANESE, published on 9/9/2023, last visited on 1 June 2024, [ECB asks political parties to submit manifestos by 28 September for evaluation – The Bhutanese](#)

<sup>42</sup> <https://www.eci.gov.in/election-manifestos>

- **European nation:** Manifestos encompass policies, initiatives, and the associated budget in European nations. A manifesto is a published declaration of intentions, motives, or views of the issuer, be it an individual, group, political party or government.<sup>43</sup>
- **India:** Election manifestos are not legally enforceable documents. There is no provision in law under which political parties could be held liable for not fulfilling promises made in their election manifestos.
- With the change of time Indian politicians and political parties have adopted new definitions of manifesto to give attractive prizes for choosing to them and these prizes are pre disclosed so that people could easily select on the bases of bigger and heavier gifts, but these prizes are not fund by them, rather than theses are given by the funds which are given by citizen to be use in public purpose and betterment of society, but political party are using them to funds there political agenda and throne of supremacy.

## **FREEBIE POLICIES OF STATES**

### **POLL PROMISES ISSUES ON THE TABLE FOR 2024 GENERAL ELECTIONS<sup>44</sup>**

#### **TELANGANA**

<b>CONGRESS</b>	<b>BJP</b>
<ul style="list-style-type: none"> <li>• RUPEE 2500MONTHLY FINANCIAL ASSISTANCE, LPG CYLINDER AT 500 RUPEE, AND FREE TRAVEL FOR WOMEN IN STATE TRANSPORT BUSES</li> </ul>	<ul style="list-style-type: none"> <li>• MINIMUM SUPPORT PRICE (MSP) OF PER QUINTAL FOR PADDY CULTIVATION</li> </ul>

<sup>43</sup> Ibid

<sup>44</sup> news article by Surabhi, The economics of election freebies, BUSINESS TODAY MAGAZINE, Print Edition:07 January 2024, last visited on 1 June 2024 [The economics of election freebies - Business Today - Issue Date: Jan 07, 2024](#)

<ul style="list-style-type: none"> <li>• 200 OF FREE ELECTRICITY TO ALL HOUSEHOLDS</li> </ul>	<ul style="list-style-type: none"> <li>• 2500 RUPEE INPUT ASSISTANCE TO SMALL AND MARGINAL FARMERS TO PROCURE SEEDS AND FERTILISERS</li> </ul>
<ul style="list-style-type: none"> <li>• MONTHLY PENSION OF RUPEE 4000 TO ELIGIBLE BENEFICIARIES</li> </ul>	<ul style="list-style-type: none"> <li>• GAS CYLINDERS TO BE FREE OF COST ANNUALLY FOR PRADHAN MANTRI UJJWALA YOJANA (PMUY) BENEFICIARIES</li> </ul>
<ul style="list-style-type: none"> <li>• HEALTH INSURANCE OF 10 LAKH</li> </ul>	<ul style="list-style-type: none"> <li>• FREE MEDICAL TREATMENT OF UP TO 10 LAKH FOR ELIGIBLE FAMILIES IN GOVERNMENT AND PRIVATE HOSPITALS</li> </ul>

## CHHATTISGARH

CONGRESS	BJP
<ul style="list-style-type: none"> <li>• PADDY PROCUREMENT AT RUPEE 3,200 PER QUINTAL</li> </ul>	<ul style="list-style-type: none"> <li>• PADDY PROCUREMENT AT RUPEE 3,100 PER QUINTAL</li> </ul>
<ul style="list-style-type: none"> <li>• FREE EDUCATION FOR STUDENTS FROM KG TO POST-GRADUATION</li> </ul>	<ul style="list-style-type: none"> <li>• FREE PILGRIMAGE FOR THE POOR TO AYODHYA</li> </ul>
<ul style="list-style-type: none"> <li>• LPG SUBSIDY OF RUPEE 500 TO FARMERS</li> </ul>	<ul style="list-style-type: none"> <li>• SUBSIDISED GAS CYLINDER AT TO POOR BENEFICIARIES</li> </ul>
<ul style="list-style-type: none"> <li>• LOAN WAIVER FOR FARMERS</li> </ul>	<ul style="list-style-type: none"> <li>• FINANCIAL ASSISTANCE OF RUPEE 12,000 EVERY YEAR FOR MARRIED WOMEN</li> </ul>

## MADHYA PRADESH

<b>CONGRESS</b>	<b>BJP</b>
<ul style="list-style-type: none"> <li>● FARM LOAN WAIVER UP TO (2 LAKH)</li> </ul>	<ul style="list-style-type: none"> <li>● MSP OF FOR WHEAT AND FOR PADDY</li> </ul>
<ul style="list-style-type: none"> <li>● 1,500 ALLOWANCES FOR WOMEN UNDER THE NARI SAMMAN YOJANA</li> </ul>	<ul style="list-style-type: none"> <li>● FREE EDUCATION FOR GIRLS FROM ECONOMICALLY DISADVANTAGED FAMILIES UP TO POST-GRADUATION AND FOR UNDERPRIVILEGED STUDENTS UP TO CLASS 12</li> </ul>
<ul style="list-style-type: none"> <li>● LPG CYLINDER AT RUPEE AT 500</li> </ul>	<ul style="list-style-type: none"> <li>● COOKING GAS CYLINDERS AT OR YOJANA AND PMUY BENEFICIARIES</li> </ul>
<ul style="list-style-type: none"> <li>● 25 LAKH FREE HEALTH INSURANCECOVER FOR ALL</li> </ul>	<ul style="list-style-type: none"> <li>● MONTHLY RUPEE 1,250 FORWOMENUNDER LADLI BEHNA YOJANA</li> </ul>

## **KARNATAKA**

<b>CONGRESS</b>	<b>BJP</b>
<ul style="list-style-type: none"> <li>● RUPEE 2000 MONTHLY ASSISTANCE TO WOMEN HEAD OF ALL FAMILIES (GRUHA LAKSHMI)</li> </ul>	<ul style="list-style-type: none"> <li>● THREE FREE COOKING GAS CYLINER EVERY YEAR</li> </ul>
<ul style="list-style-type: none"> <li>● 200 UNITS OF FREE POWER TO ALL HOUSEHOLDS (GRUHA JYOTI)</li> </ul>	<ul style="list-style-type: none"> <li>● ATAL AAHARA KENDRAS TO BE SET UP IN EVERY MUNICIPAL CORPORATION FOR HELATHY, AFFORADABLE FOOD</li> </ul>
<ul style="list-style-type: none"> <li>● 3000 EVERY MONTH FOR GRADUATE YOUTHAND RI,500 FOR DIPLOMA HOLDERS (YUVA NIDHI) 10 KG RICE PER PERSON PER MONTH (ANNA BHAGYA YOJANA)</li> </ul>	<ul style="list-style-type: none"> <li>● POSHANE SCHEME UNDER WHICH EVERY BPL FAMILY TO GET HALFA LITRE OF NANDINI MILK EVERY DAY, AND SHRI ANNA-SIRIDHANYA (MILLETS) THROUGH MONTHLY RATION KITS</li> </ul>

<ul style="list-style-type: none"> <li>● FREE TRAVEL FOR WOMEN IN STATE PUBLIC TRANSPORT BUSES (SHAKTI)</li> </ul>	<ul style="list-style-type: none"> <li>● CAREER SUPPORT FOR ASPIRATIONAL YOUTH WITH FINANCIAL SUPPORT FOR COACHING FOR IAS/KAS, BANKING AND GOVERNMENT JOBS</li> </ul>
	<ul style="list-style-type: none"> <li>● MATCHING DEPOSIT OF UP TO 10000 ON FIVE YEAR FIXED DEPOSITE MADE UNDER A NEW SCHEME BY WOMEN OF SC/ST HOUSE HOLDS</li> </ul>

### RAJASTHAN

CONGRESS	BJP
<ul style="list-style-type: none"> <li>● ANNUAL HONORARIUM OF RUPEE 10000 TO WOMEN HEADS OF FAMILIES</li> </ul>	<ul style="list-style-type: none"> <li>● SUBSIDY OF U50 PER LPG CYLINDER FOR PMUY BENEFICIARIES</li> </ul>
<ul style="list-style-type: none"> <li>● COOKING GAS CYLINDER AT RUPREE 500</li> </ul>	<ul style="list-style-type: none"> <li>● SAVINGS BOND OF LAKH ON THE BIRTH OF A GIRL CHILD</li> </ul>
<ul style="list-style-type: none"> <li>● LAPTOP OR TABLET TO STUDENTS TAKING ADMISSION IN GOVERNMENT COLLEGES</li> </ul>	<ul style="list-style-type: none"> <li>● ARRANGEMENT TO PROCURE WHEAT AT 0,700 PER QUINTAL, INCLUDING BONUS ABOVE MSP, WILL BE MADE SAMMAN NIDHI SCHEME</li> </ul>
<ul style="list-style-type: none"> <li>● INSURANCE COVER UP TO Z15 LAKH PER FAMILY AGAINST NATURAL CALAMITY</li> </ul>	<ul style="list-style-type: none"> <li>● HIGHER FINANCIAL ASSISTANCE OF RUPEE12,000 PER YEAR UNDER PM KISAN</li> </ul>

## CONCERN OF FREEBIES

If we see the history of freebies then we will see in the early 60s that M G Rama Chandran started the midday meal program, which had a very positive impact on the state, reducing the infant mortality growth rate, literacy of the child, later this program was extended to the mother's nutrition. Similar schemes were copied by the central government to ensure the mothers health and child education. In the early periods these schemes were not considered as freebies and these were not meant to lure their voters to vote for individual political parties. But in the recent trend these can be seen as a tool used by the political party to influence the voters to vote.

Supreme court has shown great concern regarding the freebies culture in the election arena and said that "The "freebie culture" has been elevated to the level of "art" for fighting elections and will lead to "disaster" if some political parties understand this is the only way to deliver public welfare measures"<sup>45</sup>. There is no precise definition of freebies. It is necessary to distinguish them from public/merit goods, expenditure on which brings economic benefits, such as the public distribution system, employment guarantee schemes, states' support for education and health etc. On the other hand, provision of free electricity, free water, free public transportation, waiver of pending utility bills and farm loan waivers are often regarded as freebies. While the provision of essential services like healthcare and education can be justified as social welfare programs, the indiscriminate distribution of free goods and services without considering their long-term economic impact is problematic.

We have to understand the position of the schemes based on without a target or merit might be a waste of money, irrational spending of taxpayer's money, create financial burden on the state's economy. Many of these schemes are only to attract the voters and target the people to turn them into the voters. It disrupts the idea of free and fair elections, in democracy. It affects the idea of equality also.

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<sup>45</sup> New article by [Alok Ranjan](#), India today, published on Apr 4, 2022, last visited on 1 June 2024, [What courts have said on 'freebies' from parties during elections - India Today](#)



In this research paper we will find out the current situation of freebies and international perspective about freebies and their impact on the Indian elections, economic growth, equality principle, positive and negative side of the freebies. All the national and state level parties are announcing the freebies in their manifesto. The most important point here is that one policies have a different impact on the different sections of the society and one might feel freebies but for others it might be the social upliftment policies.

The Supreme Court also sought suggestions from senior advocate and director Kapil Sibal, to whom he said the finance commission will allocate a budget to each state. Therefore, if desired, the financial committee can also take care of how much debt each country has in this allocation. And nowhere does this country use it for free systems, taking more money. If this happens, the funds received from the state should be cut.

## **FREEBIE CULTURE AND ECONOMIC BURDEN**

India is one of the fastest-growing economies in the world. As per provisional estimates released by the National Statistical Office (NSO), the Indian economy in 2021-22 has witnessed an increase in real GDP of 8.7%. But irrational freebies and tax exemptions place a heavy financial load on the state's exchequer and hinder the nation's economic expansion. The fiscal deficit of states is widened through irrational freebies. The Government takes on debt and diverts funds from other official tasks, in order to fulfil freebies and subsidies, which creates a debt spiral that goes on forever. Since the culture of freebies is a quick way for politicians to win the public's support, all political parties want to keep it going.

The financial conditions of a few states in India are turning worse. The financial conditions of these states deteriorated because of irrational freebies and unsustainable welfare schemes. As Covid-19 arrived, the situation grew direr. Punjab has an outstanding debt of 2.82 lakh crores in the past five years. Aam Aadmi Party (AAM) announced the distribution of 300 units of free electricity every month and giving Rs 1000 to every woman every month. Experts estimated that this would cost the government twenty thousand crores annually. All of this is taking place when the

debt-to-GSDP ratio reaches 53%, in Punjab in 2021-2022. YS Jagan Mohan Reddy, the chief minister of Andhra Pradesh, claims that his government spent Rs. 1.62 lakh crore on various freebie programs, despite having a huge debt of Rs.3.37 lakh crores. The ruling party in Uttar Pradesh, Bharatiya Janata Party (BJP) has announced the distribution of free LPG gas cylinders to every household. Wherein the state already has a debt of 39%. West Bengal government also has a 39% debt-to-GSDP ratio as a result of unsustainable welfare programs by the government. Tamil Nadu government has a debt of Rs 6,50,000 crore and the debt-to-GSDP ratio is expected to be 26.24% in 2023-24. A Fiscal Responsibility and Budget Management (FRBM) panel has recommended a debt-to -GDP ratio of 38.7% for the central government and 20% for the state governments. But many states have exceeded this limit. And many states like Telangana, Rajasthan, Chhattisgarh, etc., may face worse financial conditions if the present situation is not regulated. The Sri Lankan government initiated deep tax cuts and supplied a variety of free items and services to meet the 2019 election promises. This is seen as one of the factors contributing to the decline of the economy in Sri Lanka. Controlling this issue is necessary to prevent it from developing similarly in India.

## **CHAPTER - 4**

### **CONCEPT OF WELFARE STATE AND ITS RELEVANCE IN INDIAN SCENARIO**

Imagine a society where every individual, regardless of their background or circumstances, is assured a safety net—a society where the government is not just an entity that oversees, but a compassionate force that actively works to ensure the well-being of its citizens. This vision lies at the heart of the welfare state, a concept that embodies the principles of fairness, equality, and collective responsibility. Like a caring guardian, the welfare state seeks to protect and promote the economic, political, and social welfare of its people, striving to create a world where no one is left behind.

The story of the welfare state is one of human aspirations and societal evolution. It traces its roots back to the struggles of ordinary people, who fought for dignity, justice, and a better life. From its humble beginnings in Europe to its global spread, the welfare state has undergone a remarkable journey, adapting to the changing needs and aspirations of societies around the world.

Today, the welfare state manifests in various forms, each reflecting the unique cultural, historical, and political context of its region. Whether it's the comprehensive social safety nets of Scandinavia or the evolving governance paradigms in countries like India, the essence of the welfare state remains constant—a commitment to ensuring that every individual has access to the basic necessities of life.

In this exploration, we embark on a journey to unravel the essence of the welfare state, to understand its human face—the stories of hope it embodies, the struggles it addresses, and the dreams it nurtures. Through the lens of real-life experiences, scholarly insights, and historical perspectives, we seek to grasp the profound impact of the welfare state on the lives of people, and its enduring relevance in shaping the future of societies worldwide. Join us as we delve into the heart of the welfare state, where compassion meets governance, and where the aspirations of humanity find a voice.

## **MEANING OF WELFARE**

A welfare state is a governmental concept in which the state plays an important role in protecting and promoting the economic, political and social well-being of its citizens. It is based on the principles of equal opportunity, equal distribution of wealth and public responsibility for those who fail to take advantage of the minimum conditions for a good life. The general term can cover many different forms of economic and social organization. A model in which the state assumes primary responsibility for the welfare of its citizens. This responsibility in theory ought to be comprehensive, because all aspects of welfare are considered and universally applied to citizens as a "right".

Welfare state can also mean the creation of a "social safety net" of minimum standards of varying forms of welfare.

## **FUNDAMENTAL IMPLICATIONS OF GOOD GOVERNANCE**

The essence of good governance lies in principles aimed at maximizing citizen welfare, such as efficiency, effectiveness, participation, accountability, and adherence to the rule of law. These principles are highlighted by various experts and have become central to scholarly debates, bolstered by initiatives from organizations like the World Bank.

Historically, good governance is often viewed as a modern, Western concept. This perspective stems from the belief that ancient governance systems, particularly monarchies, were heavily dependent on the discretion of the king. In such systems, laws were essentially the sovereign's commands, with the king embodying the state and citizens having no role in governance. Despite having various governmental bodies, ultimate authority rested with the king. Consequently, the idea of an administration responsive to citizens is often seen as a Western development influenced by globalization.

This paper seeks to examine ancient administrative systems as depicted in Hindu scriptures and texts to determine their alignment with the modern welfare state concept. It investigates whether these ancient texts, such as the Vedas, Mahabharata, Arthashastra, and Manusmriti, offer models of good governance.<sup>46</sup>

Ancient Hindu political thought, as reflected in these texts, provides a comprehensive and theoretical perspective on the political challenges of the time. Unlike contemporary studies, these ancient scriptures combine theoretical insights with practical considerations, suggesting that principles similar to modern good governance were contemplated even in ancient times. This challenges the view that good governance is solely a modern, Western construct.

### **THE WELFARE STATE CAN BE ORGANISED IN TWO WAYS**

According to the initial model, the state's major concern is directing resources towards "those most in need". This requires a tight bureaucratic control over the people concerned, with too much intrusion into their lives to identify who is "needful" and minimize fraud. The unintended outcome is that social welfare has been divided between "us" (the givers) and "them" (the recipients) and the producers have dismissed social welfare as a whole because they never stand to gain anything from it. That's why this model dominates in the USA.

In accordance with the second model of state responsibility there is minimal bureaucratic obstruction in delivering welfare services hence it is distributed to all those who meet easily measurable conditions such as children, medical treatment among others. This calls for high taxation whereby nearly everything goes back to taxpayers and only minimum costs are incurred on administrative personnel. Consequently, most people will receive at least something from this scheme thereby ensuring its wide support. For instance, this model was developed by Scandinavian ministers Karl Kristian Steincke and Gustav Möller in the 1930s and still remains applicable for Scandinavia as well.

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<sup>46</sup>Jhumpa Mukherjee, Revisiting good governance in ancient Indian political thought, JSTOR, The Indian Journal of Political Science Vol. LXXI, No. 1, Jan.-Mar. 2010, pp. 53-58  
REVISITING GOOD GOVERNANCE IN ANCIENT INDIAN POLITICAL THOUGHT on JSTOR

The “principled” debate on welfare states was focussed on state help and self-help. As a deductive system, Herbert Spencer’s liberalism seemed to advance the concept of self-help to the level of apotheosis which had deeper implications about the work of the welfare state. There is a false belief that Spencer was against the welfare state. His doctrine of non-intervention and positivistic connotation prima facie inconsistent with laissez-faire, but consistent with view of self- help as complementary to state help.<sup>47</sup>

In economics, “laissez-faire” refers to an economic environment in which transactions between private parties are free from state intervention including restrictive regulations, taxes or tariffs and enforced monopolies.<sup>48</sup>

It is a French phrase meaning let do, but more broadly it implies “let it be” or “leave it alone”.

The problem of that period was to search for some criteria for judging the compatibility or otherwise of various schemes of state welfare vis-à-vis self-help ideology. The problem at that time was how best can one judge if these schemes are compatible or not with other ones from different countries in terms of idea.

## **FREEBIES AND GOOD GOVERNANCE**

The author Balmiki Prasad Singh in his article “**Freebies and good governance**” has written a very beautiful article and shared his experience during work life and has wonderful knowledge about the governance.

The objective of the preamble of constitution of India has openly and clearly stated that the State will "secure to all its citizens justice -social, economic and political". Articles 38 and 39 of the Constitution under DPDP. Highlighted the role of the state in securing this justice by the welfare of the people. What author think that “governance should be in such a way that it provides all citizen facilities and opportunities that are vital to lead a decent life such as:

- i. Maintenance of peace and security of life and property and rule of law;

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<sup>47</sup> M.M. Sankhdher, The Welfare State, (Delhi: Deep and Deep Publications) p 18

<sup>48</sup> Available at <http://en.wikipedia.org/wiki/Laissez-faire>

- ii. Infrastructure like road and bridges, electricity, drinking water, telecom and means of travel;
- iii. Good education and skill development institution; and
- iv. Employment avenues in government, private sector and the market.”

He also added several new points in good governance like cultural values and belief patterns of people. People in several democracies, including India are dissatisfied with the working of the key function of government. Raise the question that Indian primary school education is dis-satisfactory and poor availability of health care facilities, but we are hoping from the new education policy that it should address all these factors and create quality education in India. Recently launched Ayushman Bharat schemes which gives 5 lakh health cover to every individual under the card holder and it covers major hospitals, private and government. This will definitely help the poor health infrastructure in India.

Author has given several suggestions regarding the political and administrative and media affair to secure good governance:

1. Decentralisation of power (as well as schemes) from the centre to state, state to panchayat and local bodies need to be vigorously pursued. Panchayat and local bodies should be empowered with funds and competent staff.
2. State sponsored schemes must aim at reducing poverty, human skill resource development so that poor people are directly involved in this and make this scheme successful. So that proper utilisation of funds can be achieved and in near future he can become a useful resource and contribute to tax income tax and dependency on state resources could be reduced.
3. Civil servants should be given clear responsibility for delivering services in respect of approval and implementation. They should also be held accountable and create transparent machinery so that fear should not become in the mind of public officials about the local goons and powerful personalities while taking strict decisions.
4. Elections to State assemblies should be held along with those of the Lok Sabha. This matter has been in the public domain for quite some time and it has gained more ground recently. In December 2015, a Parliamentary Standing Committee recommended a move in this direction by streamlining elections

into two phases-one concurrent with the Lok Sabha elections, the second in the mid-term of the Lok Sabha.

5. Persons charged with heinous offences and corrupt practices, and chargesheet is submitted to competent court should be debarred from contesting elections.

Increase reservation of women in democratic institutions for providing the stability and boost economy as well, along with this the problem of malnutrition and maintaining birth rate in India.

Another important factor is job creation. Indian youth will be in great stress if meaningful jobs are not created in the formal, informal sector and service sector. We should upgrade our skills from the traditional existing skill and try to create a local market which should be available and regulate the local economy by using the local resources.

Several States have formulated the Right to Public Services Act that guarantees time-bound delivery of services for various public services rendered by the government to the citizen and provides a mechanism for punishment of the errant public servant. This coupled with all-India right to information Jaw and constant vigil by the print and visual media and rapidly growing social media have given new content to the concept of good governance in the country.

In the article **India's Welfare State: A Halting Shift from Benevolence to Rights**<sup>49</sup>written by Reetika Khera. She has raised the several question in thus article about why welfare schemes ae not given the colour of legislations, so that it could be treated as the right of poor persons. Secondly on whether our schemes should be of general nature or targeted and my question is why don't we bring these schemes to national level so that every citizen could get equal chance to get ride out of poverty and live dignified life and contribute in the national growth. Third question was whether social support given by government is most effective way.

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<sup>49</sup> By Reetika Khera, India's Welfare State: A Halting Shift from Benevolence to Rights, RESEARCH GATE, April 2020, <https://doi.org/10.1525/curh.2020.119.816.134>



## **IMPLICATIONS FOR GOVERNANCE AND FISCAL DISCIPLINE:**

- **BURDEN ON PUBLIC FINANCES:** The distribution of free gifts places a heavy burden on the state's finances. The costs associated with the implementation and maintenance of these welfare systems can burden the state budget and lead to a deficit in public finances. Such financial burdens can hinder the government's ability to invest in critical sectors such as health, education, infrastructure and job creation.
- **DISTORTION OF RESOURCE ALLOCATION:** Free payments can distort the allocation of resources by diverting money from productive sectors to the needs of welfare systems. This can hinder economic growth and hinder the development of infrastructure and industries essential for long-term development.
- **LACK OF SUSTAINABILITY:** Free grants are often implemented without considering their long-term sustainability. Although they can provide short-term relief to beneficiaries, the lack of a comprehensive policy framework and financial conservatism can make them unsustainable, leading to a vicious cycle of dependency.

In the recent decades we found that the ideology of political parties is diminishing and freebies are their new trump card which makes them the winner in upcoming elections. Freebies and subsidies politics is not a new policy on the global level. Recent examples of Sri Lanka, Venezuela, we can see how their economy has trashed from the vicious cycle of freebies and subsidies.

In the 80's Venezuela had world's biggest oil reserves and now has the region's poorest performer in GDP growth of per capita. The billions of dollars in revenue were used to finance social programmes and food subsidies. But when the price of oil fell, those programmes and food subsidies became unsustainable.<sup>50</sup>

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<sup>50</sup> News article Venezuela's worst economic crisis: What went wrong?, AL JAZEERA, Published on 3 May 2017, last visited on 1 June 2024, [Venezuela's worst economic crisis: What went wrong? | Business and Economy | Al Jazeera](#)

Sri Lanka's presidential election was held in 2019, and Rajapaksa's Sri Lanka announced that if his party won the election, it would halve the country's VAT on goods and services. And when the Rajapaksa family won the election, the authorized VAT fell from 15 percent to 8 percent, costing Sri Lanka 2 percent of GDP.

## **DIRECTIVE PRINCIPLES OF STATE POLICY**

The proponent of freebies culture has reasoning behind this politic is that they are implementing the directive principles of state policy in their respective states by this they are securing social and economic justice and minimising inequalities in income, status, facilities, and opportunities as mentioned under article 38 of the constitution. Freebies, welfare programs, subsidies promote economic and financial growth to backward sections of society but this growth can only be seen for a short span of time because of recurring nature.

*46. Promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections. —The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.*

Article 46 of the constitution mentions the promotion and protection of the economic and educational interests of weaker sections of society, Generally such policies which give potential growth and add value to the human resources are not categorised in the freebies, example is scholarship. But if we analyse the overall public sector schemes and government schemes in education, we will find that only a few are getting benefited from this. Still unemployment is rising in the country.

If the government of India is raising concern education Major objectives behind School Education Quality Index Report. The ultimate aim of the School Education Quality Index is to lead to various reforms in the policies which are directly or indirectly linked with the quality of education in the school. It also aims to improve

the overall learning experience by trying to facilitate better infrastructure and accessibility in the education sector.

According to the School Education Quality Index (SEQI),<sup>51</sup> Education is a subject that is present in both the state list and concurrent list.

The score of Kerala is 76.63%; the score of Rajasthan is 72.86%. The score of Karnataka is 69.57% while that of Andhra Pradesh and Gujarat are 67.88% and 61.95% respectively. The bottom five states include Jharkhand, Bihar, Punjab, Jammu Kashmir and Uttar Pradesh.

Manipur has the top the list from small states. Scores of Manipur, Tripura and Goa are 64.5% and 58.37%, respectively.

Chandigarh is the top performer among the Union Territories with a score of 82.9%. We need more conclusive efforts in this field because there is a lot to achieve in the education sector.

If we analyse the education loan interest (11-12%) rate of major banks then we will find out that it is much higher than the car loans (7-9%) or home loans.

SBI STUDENT LOAN SCHEME				
Loan Limit	EBR*	CRP	Effective Interest Rate	Rate Type
Upto Rs 7.5 Lakhs	9.15%	2.00%	11.15%	Floating
Concession	0.50% concession in interest for girl students			
Above Rs 7.5 Lacs	9.15%	2.00%	11.15%	Floating
Concession	0.50% concession in interest for girl students			
	0.50% concession for students availing of SBI Rinn Raksha or any other existing policy assigned in favour of our Bank			

The article “**A decade under Modi: Rising unemployment, declining wages, poor quality jobs**”<sup>52</sup>author analysed the **State of Working India 2023 report and found**

<sup>51</sup>Report of published by NITI Aayog, The School Education Quality Index (SEQI) report 2019 [seqi\\_document\\_0.pdf \(niti.gov.in\)](#)

<sup>52</sup> Abhik Deb, A decade under Modi: Rising unemployment, declining wages, poor quality jobs, Mar 21, 2024 [A decade under Modi: Rising unemployment, declining wages, poor quality jobs \(scroll.in\)](#)

that economic distress has forced many Indians to go for self-employment due to lack of enough salaried jobs. This shows that the state is failing to provide the adequate job to its youngsters and lack of capital investment in the industries, and providing green fields to new investors. Besides working on these essential agendas, it is offering 2000 -3500 as unemployment allowance to youth.

“47. Duty of the State to raise the level of nutrition and the standard of living and to improve public health. —The State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties and, in particular, the State shall endeavour to bring about prohibition of the consumption except for medicinal purposes of intoxicating drinks and of drugs which are injurious to health”

Article 47 mentions improvement of the standard of living of the people. Free money and other welfare programs increase public confidence in the government. The election campaign promises to increase voter turnout. However, free payments have a negative impact on society. Economists and senior bureaucrats expressed concern over the issue and warned the government against poll fees. Here are some reasons why freebies undermine society.

<sup>53</sup>Nearly Rs 3.4 lakh crore of financial allotment in the budget of India which will benefit the 80 crore beneficiaries across India. “*Under the extended PM-GKAY each beneficiary will get an additional 5 kg free ration per person per month in addition to his normal quota of foodgrains under the NFSA. This means that every poor household would get nearly double the normal quantity of ration.*” This press release clearly shows that in India 80 crore people are poor and it's hard for them to purchase

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<sup>53</sup> by PIB Delhi, Ministry of Consumer Affairs, Food & Public Distribution, Posted On: 26 MAR 2022 7:29PM [pib.gov.in/PressReleaseIframePage.aspx?PRID=1810049](http://pib.gov.in/PressReleaseIframePage.aspx?PRID=1810049): ~:text=Under the extended PM-GKAY each beneficiary will get, get nearly double the normal quantity of ration.

food so the government is aiding them and completing their nutrition which is covered in the DPSP provisions of the constitution of India.

In a recent article the government of India has claimed that 415 million people moved out of poverty in India within 15 years. And this report was prepared by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford. Considering it true then this clearly shows that the government of India is wrongly addressing 80 crore people as poor and giving them free food under PM-GKAY<sup>54</sup>.

One major question we can also raise they why additionally 5 kg is given by government free, because if it completes the nutrition then we should revise the NSF act and if previously they were completing nutrition value, then what's a need of additionally 5 kg ration to general masses, Both these are opposite to each other.

## **CONCLUSION**

The concept of the welfare state, deeply rooted in the principles of equality, equitable distribution of wealth, and public responsibility, remains a cornerstone of modern governance across the globe. From Scandinavia's comprehensive social safety nets to the evolving landscape of India's governance, the welfare state continues to shape policies and perceptions about the role of government in ensuring the well-being of its citizens.

In the United States, the welfare state operates on a model that focuses on directing resources towards those deemed most in need, often resulting in bureaucratic intrusions into the lives of citizens. This model has led to a divide between the givers and recipients of social welfare, undermining the broader support for such initiatives. However, in contrast, the Scandinavian model emphasizes minimal bureaucratic obstruction, with welfare services distributed to those meeting easily measurable conditions. This approach, characterized by high taxation and comprehensive benefits, ensures broader support and participation from citizens.

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<sup>54</sup> News article- UN praises 'remarkable' India as 415 million exit poverty levels in 15 years, HINDUSTAN TIMES NEWS, 11 July,2023, last visited on 1 June 2024 [UN praises 'remarkable' India as 415 million exit poverty levels in 15 years | Latest News India - Hindustan Times](#)

The philosophical underpinnings of the welfare state have been subject to debate, with proponents advocating for state intervention to secure social, economic, and political justice for all citizens. This vision aligns with the principles enshrined in the preamble and directive principles of the Indian Constitution, which emphasize the state's responsibility in ensuring justice and welfare for its people. Balmiki Prasad Singh, in his insightful analysis, underscores the importance of good governance in fulfilling this constitutional mandate.

Good governance, as articulated by Singh, encompasses various facets, including the maintenance of peace and security, infrastructure development, quality education, and employment opportunities. However, achieving these objectives requires concerted efforts in political, administrative, and media spheres. Decentralization of power, empowerment of local bodies, accountability of civil servants, and electoral reforms are essential steps towards enhancing governance effectiveness.

The issue of electoral reform, particularly the synchronicity of state assembly and Lok Sabha elections, has gained prominence in recent years. Streamlining elections can lead to greater efficiency and accountability in governance processes, addressing concerns about corruption and malpractices. Additionally, measures such as debarment of individuals charged with heinous offenses from contesting elections can help restore public trust in democratic institutions.

Furthermore, increasing women's representation in democratic institutions is imperative for promoting stability and gender equality. Alongside, addressing challenges such as malnutrition and maintaining birth rates requires holistic policy interventions. Job creation, particularly in formal and informal sectors, remains a pressing concern, necessitating skill development and local economic revitalization.

States' initiatives such as the Right to Public Services Act and the Right to Information Act, coupled with media vigilance, have redefined the notion of good governance. These legislative measures ensure transparency, accountability, and timely delivery of public services, empowering citizens and fostering trust in government institutions.

In conclusion, the welfare state remains a pivotal framework for modern governance, embodying principles of social justice and public responsibility. From Scandinavia to India, the concept manifests in diverse forms, shaped by historical, cultural, and institutional factors. However, the core objective remains constant: to ensure the well-being and prosperity of all citizens. Achieving this goal necessitates robust governance mechanisms, characterized by transparency, accountability, and citizen participation. As we navigate the complexities of the 21st century, the welfare state continues to evolve, adapting to emerging challenges while upholding its foundational principles of equality and social justice.

## **CHAPTER 5**

### **IMPACT OF FREEBIES ON INDIAN FINANCIAL SYSTEM AND EMPIRICAL RESEARCH**

The phenomenon of freebies in Indian politics has become a defining feature of electoral campaigns, shaping voter preferences and influencing policy discourse. With promises ranging from household appliances to cash transfers, political parties vie for

public support through populist giveaways. However, behind the allure of these offerings lies a complex interplay of economic, fiscal, and governance implications that deeply impact the nation's financial system. This introduction sets the stage for an in-depth exploration of the impact of freebies on the Indian financial landscape, delving into their economic burden, implications for fiscal discipline, and broader socio-economic consequences. By examining key data points and regulatory responses, this analysis seeks to unravel the complexities surrounding the freebie culture and its implications for India's economic trajectory and governance framework.

Elections of democracy play an important role in changing the destiny of the people. People use their power to elect representatives. Political parties present their policies during election campaigns and influence voters to support their party. Free scholarships are offered as part of political campaigns to attract voters. Free offers are promises made by political parties to the public for free if they win an election. Political parties offer free gas, electricity, scooters, bicycles, laptops with internet, free bus tickets, phones and even a blender. The poll fees are from Tamil Nadu. The late Tamil Nadu Chief Minister J. Jayalalitha promised free sarees, pressure cookers, washing machines, televisions and other items in the general elections of 1991. Since then, the non-election culture has grown in Indian politics. However, there are different views on the legality of freebie culture.

## **POWER OF BORROWING OF STATES AND CENTRAL GOVERNMENT**

- Chapter II of Part XII of the Constitution of India deals with borrowing by the Central Government and State Governments.
- It comprises two provisions - Article 292 which covers borrowing by the Central Government and Article 293, which covers borrowing by State Governments.



- Article 293 (3) requires State Governments that are indebted to the Central Government to seek the consent of the Central Government before raising further borrowings.
- This was a rider, incentivising the States to adopt progressive policies to avail additional funds and not fall into debt cycle work as a choke point for the state to work on policies backed by centre regime. In October 2020, the Central government had linked permission for additional borrowing of 1% of their GSDP (Gross State Domestic Product) to implementation of four critical reforms, which are:
  1. *Implementation of One Nation One Ration Card System,*
  2. *Ease of doing business reform,*
  3. *Urban Local body/ utility reforms and*
  4. *Power Sector reforms.*
- By using this reforms-linked borrowing window, the state government can access funds of up to Rs 2.14 lakh crore on completion of all the four reforms.
- For states completing three of the four reforms, the Centre would provide additional funds assistance of Rs. 2,000 crores for capital expenditure.
- For FY 2021-22, the net borrowing ceiling for states has been fixed at 4% of the projected GSDP (about Rs 8.46 lakh crore), based on recommendations of the Fifteenth Finance Commission.
- While Hearing a public interest litigation of Ashwini Upadhyay, the supreme court also showed its concern on political parties inducing voters through freebies and this might lead to fiscal chaos and how that could be judiciously curbed. Senior advocate Kapil Sibal suggested that its finance commission gives finances to the states and it can easily curb those finances of the state if its expenditure is based on the freebies.
- President can direct the 16th Finance Commission to cut the additionally aid of states whose policies are based on freebies or might be given a mandate in the terms of reference to look into the issue of freebies, which will be set up by November this year
- But before this we should have a categorisation test for policies, which one is freebies and welfare schemes. But every institution is taking distance from

this issue, by giving a major excuse that it's a policy matter and the legislature should act appropriately.

## **FREEBIE CULTURE AND ECONOMIC BURDEN**

India is one of the fastest growing economies in the world. According to preliminary estimates published by Statistics Finland (NSO), the real GDP growth in the Indian economy in 2021-2022 was 8.7 percent. But unreasonable freebies and tax exemptions place a heavy financial burden on the national exchequer and hamper the economic growth of the country. The deficit of the public finances of the countries is increased by meaningless free gifts. The government takes on debt and diverts money from other official responsibilities to fulfill freebies and subsidies, which creates a cycle of debt that goes on forever. Since the culture of free gifts is a quick way for politicians to gain public support, all political parties want to continue it.

The economic condition of some Indian states has worsened. The economic situation of those countries has worsened due to useless free subsidies and unsustainable welfare systems. With the arrival of Covid-19, the situation worsened. 2.82 million crores in Punjab's debt in the last five years. The Aam Aadmi Party (AAM) has announced that it will distribute 300 units of free electricity every month and give Rs 1,000 to every woman every month. According to experts, it would cost the government 20,000 billion per year. All this is happening as the debt-to-GDP ratio reaches 53% in Punjab by 2021-22. Andhra Pradesh Chief Minister YS Jagan Mohan Reddy claims that his government has spent Rs. 1.62 crore from Rs. The ruling Bharatiya Janata Party (BJP) in Uttar Pradesh has announced that it will distribute free LPG bottles to every household. The country's debt is already 39%. The West Bengal government's debt-to-GDP ratio is also 39 percent, a result of the government's unsustainable welfare programs. Tamil Nadu government debt is 650 billion and the debt-to-GDP ratio is expected to be between 2023 and 2024. 24 percent. The Panel on Fiscal Responsibility and Management (FRBM) recommended a debt-to-GDP ratio of 38.7 percent for the government and 20 percent for state governments. But many countries have crossed this line. And many states like Telangana, Rajasthan, Chhattisgarh etc may face worse economic conditions if the

current situation is not regulated. The Sri Lankan government has introduced extensive tax cuts and various free goods and services to fulfill its election promises in 2019. This is considered to be one of the factors contributing to the decline of the Sri Lankan economy. Controlling this problem is necessary to prevent its similar development in India.

## **SPENDING OF INDIAN STATES ON FREEBIES AND CAPITAL EXPENDITURE**

In FY23, states' spending on subsidies increased at a faster rate than their capital expenditures, according to a Financial Express review of 20 states' spending patterns. These states, which contribute 90% to the country's GDP, saw their subsidy expenses rise by 19% to ₹2.8 trillion in FY23, compared to a 16% increase the previous year. Meanwhile, their capital expenditure growth remained flat at about ₹4.82 trillion (excluding central capex support), a stark contrast to the 29% growth seen in FY22.

Notably, three states—Punjab, Rajasthan, and Haryana—spent more on subsidies than on capital expenditures from FY21 to FY23. Punjab, despite its financial challenges, spent ₹44,871 crore on subsidies over three years, more than double its capex of ₹19,112 crore.

In terms of absolute figures, Maharashtra led in subsidy spending with ₹43,149 crore in FY23, alongside a capex of ₹61,591 crore. Tamil Nadu followed, spending ₹29,557 crore on subsidies and ₹38,732 crore on capex. Maharashtra's subsidy expenditure is expected to rise further, as the state has announced a ₹6,000 grant to each farmer household in FY24.

Karnataka, under the newly elected Congress party, plans to introduce various freebies estimated to cost up to ₹40,000 crore annually. These include 200 units of free power for all households, a ₹2,000 monthly allowance for the woman head of every family, a ₹3,000 monthly allowance for unemployed graduates, and free bus travel for women. Notably, Karnataka reported no subsidy expenditure up to FY23, according to the Comptroller and Auditor General (CAG) data.

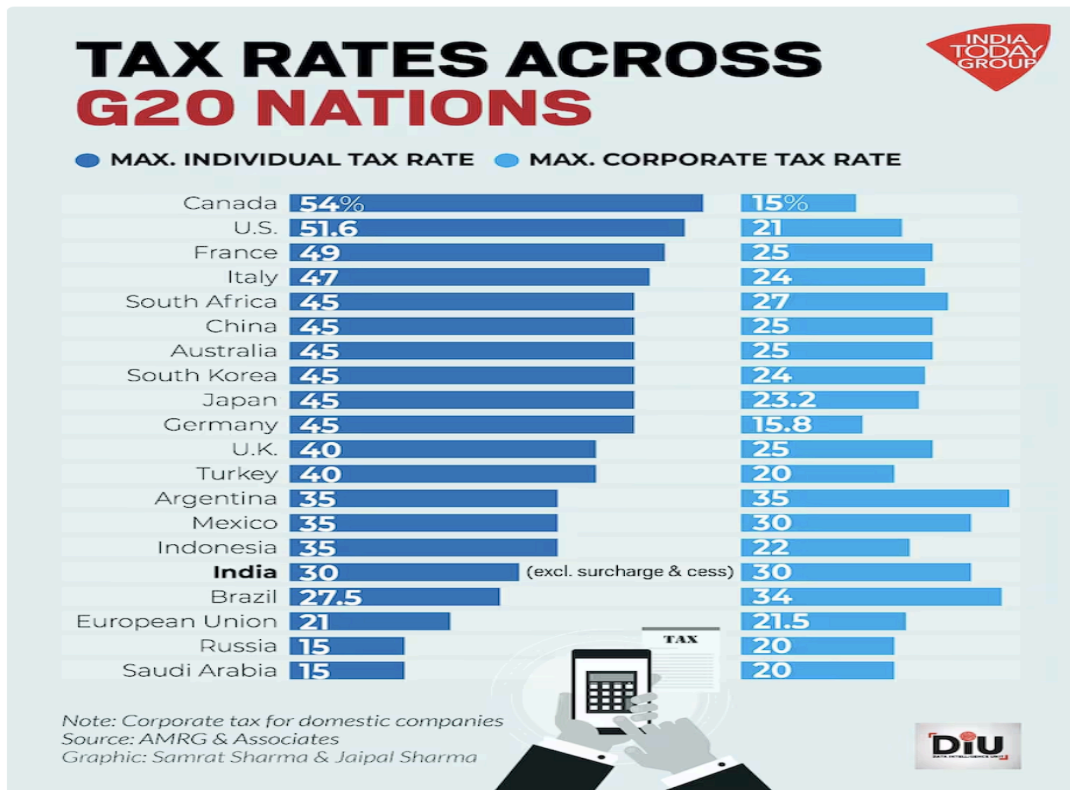
In light of the rising tendency towards non-essential spending by some states, the Central government has already started regulating their borrowings under Section 293 of the Constitution since FY23.

### **MIGRATION OF HIGH NET WORTH INDIVIDUAL (HNI): LACK OF QUALITY FACILITY AND INFRA**

India is continuously fighting with the migration of high net worth individuals (HNI) from our countries (6500) in 2023. If we draw comparison of tax slabs (income tax and corporate tax) both are 30% which shows that tax rates cannot be a major reason for the migration of riches from India, but because of adverse business conditions and many of them feel that the value they are contributing to the country in return they don't get adequate facility and quality of life and education in India, so they prefer to migrate to developed nation, earning in an appreciating currency while investing in rupee, attract rich Indian's . These HNI contribute millions and billions of tax to our GDP. Every year in India roughly 1 lakh crore rupees are spent on the freebies, which is considerably a large chunk of rupee for the countries whose budget is always prepared in fiscal deficit.<sup>55</sup>

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<sup>55</sup>Varuni Khosla, Millionaire Exodus: More than 6000 high net-worth individuals slated to leave India in 2023, LIVE MINT, Published 14 June 2023 last, visited on 1 June 2024  
[Millionaire Exodus: More than 6000 high net-worth individuals slated to leave India in 2023 | Today News \(livemint.com\)](https://www.livemint.com/News/News (livemint.com))



## IMPACT OF FREEBIES ON THE INDIAN ECONOMY

As per estimates, expenditure on freebies range from 0.1 - 2.7 per cent of gross state domestic product (GSDP) for different States. Freebies have exceeded 2 per cent of GSDP for some of the highly indebted states domestic product (GSDP) for different states.<sup>56</sup>

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<sup>56</sup>Explained: What are 'freebies' and how they may burden state finances TIMESOFINDIA.COM published on Aug 3, 2022, 15:25 IST  
[http://timesofindia.indiatimes.com/articleshow/93306455.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/93306455.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### Freebies announced by states in 2022-23

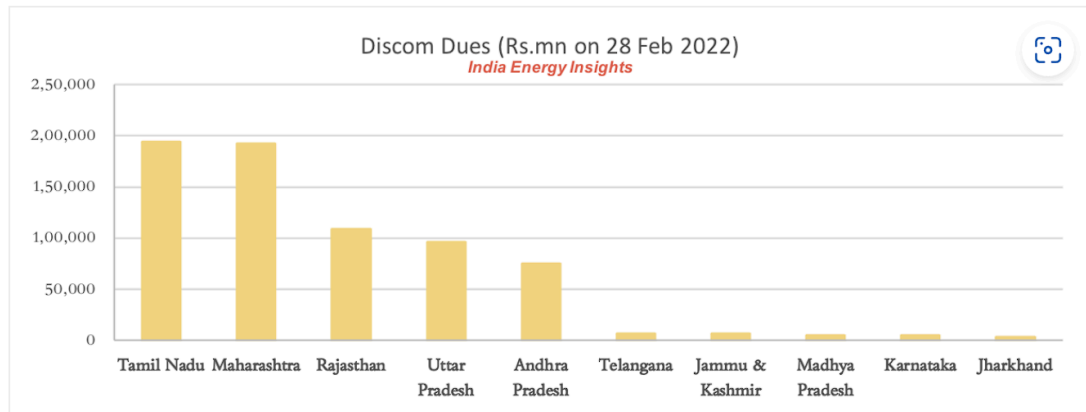
State	As % of GSDP	As % of revenue receipts	As % of own tax revenue
Andhra Pradesh	2.1%	14.1%	30.30%
Bihar	0.1%	0.6%	2.70%
Haryana	0.1%	0.6%	0.90%
Jharkhand	1.7%	8.0%	26.70%
Kerala	0.0%	0.0%	0.10%
Madhya Pradesh	1.6%	10.8%	28.80%
Punjab	2.7%	17.8%	45.40%
Rajasthan	0.6%	3.9%	8.60%
West Bengal	1.1%	9.5%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

The Supreme Court raised the concern and said that there is a need to constitute an apex body for suggestions on how to control freebies by political parties during election campaigns. Raising questions about the freebie culture causing a "significant impact" on the economy, the apex court said the panel will be required to determine the pros and cons of such dollouts by the political parties.

The hearing against the practice of promising freebies comes at a time when state governments have announced more than Rs 1 lakh crore in welfare schemes this year.

In a separate address, the Prime Minister recently targeted the "culture of subsidies" in the power sector and urged states to clear dues of power utilities amounting to Rs 2.5 lakh crore. He termed the culture of subsidies as "a serious

disorder" in Indian politics.

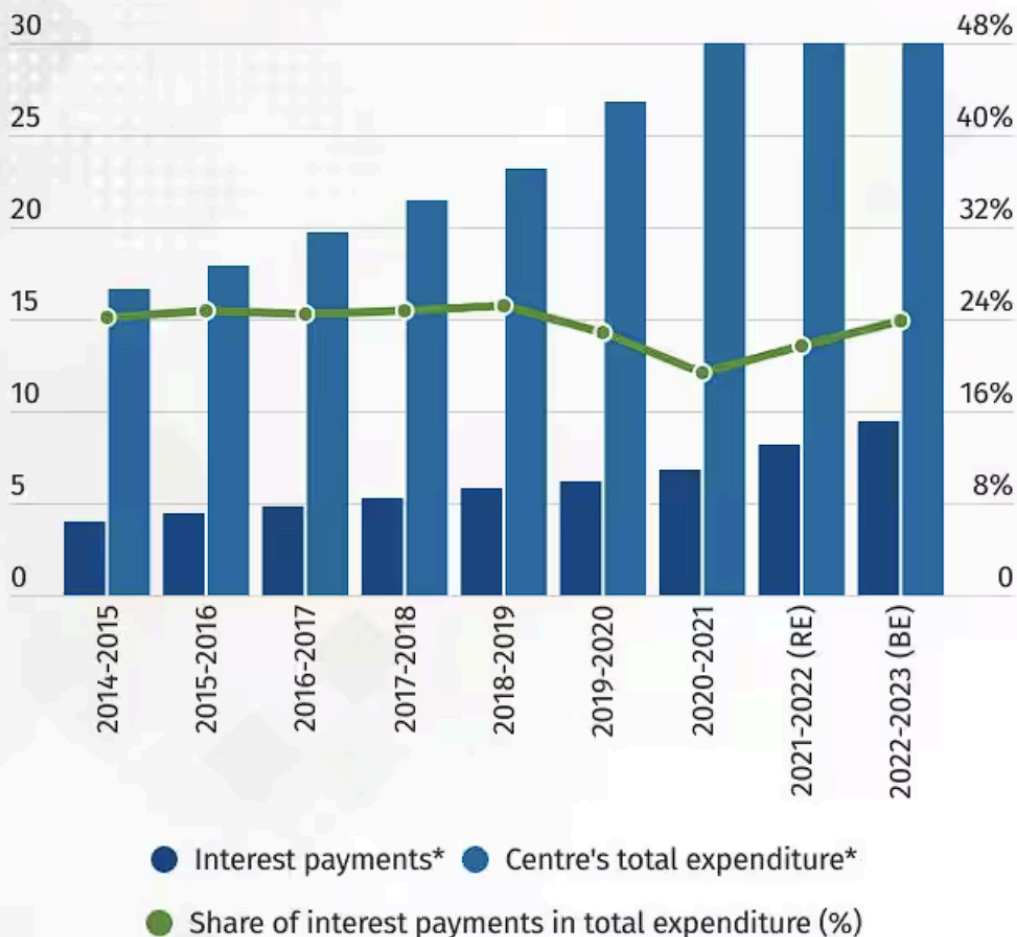


Source: MoP

If we analyse the fiscal debt of India and revenue, we will find there is huge difference in both the values and this value is filled by the external and internal loan by our government and for this they have to pay with interest, interest payments on government borrowings have shot up by 42.7 percent (Rs 9.40 lakh crore)<sup>57</sup>, in just the last two years. Every political party came in power and added several new loans. This creates an additional burden on the future government to pay and manage the fiscal discipline in the budget and it might affect our future long-term goals and compromise with the future aspirational things. If our expenditure is not regularly checked and revised in policy then it will definitely lead to conditions like Sri Lanka and Venezuela. We have to understand and create awareness in the people, so that people can ask the reason behind the expenditure of their hard earned money.

<sup>57</sup>Sreedev Krishnakumar, In Graphic Detail | The huge share of interest payments in India's expenditure, MONEY CONTROL, Published on January 16, 2023, Last visited on 1 June 2024  
[In Graphic Detail | The huge share of interest payments in India's expenditure \(moneycontrol.com\)](#)

## THE BURDEN OF INTEREST PAYMENTS ON INDIA'S COFFERS



\*in lakh crore, RE - Revised Estimate, BE - Budget Estimate

Source: Budget documents



This also raises questions on the government's fiscal consolidation efforts and the quality of the deficit, with half of the government's total borrowings annually diverted only towards interest payments.

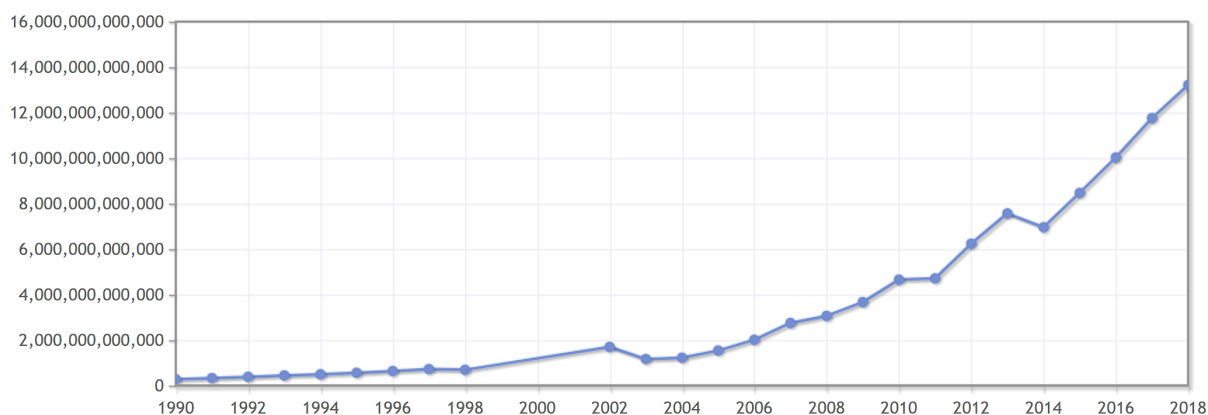
According to the RBI the expenditure on freebies in different states is 0.1% -2% of GSDP. As per the RBI report of 2014 even after increased share of state in the 14-finance commission and union budget, still social sector expenditure is



decreased. There is a decline in important sectors like education and health in which the state government plays the main role of funding.

<sup>58</sup>In the past several decades many economists have openly criticised the Indian subsidies system and freebies. Even in the international ranking of highest subsidies providing countries India stands at 9<sup>th</sup> position. The value for Subsidies and other transfers (current LCU) in India was 13,217,200,000,000 as of 2018. As the graph below shows, over the past 28 years this indicator reached a maximum value of 13,217,200,000,000 in 2018 and a minimum value of 283,110,000,000 in 1990.

**Source:** International Monetary Fund, Government Finance Statistics Yearbook and data files.



## **FREEBIES POLICIES OF STATES**

All India Anna Dravida Munnetra Kazhagam (AIADMK): In the 2016 Tamil Nadu Assembly elections, AIADMK promised to provide free laptops to students studying in government-aided colleges and free mixers, grinders, and fans to households.

Aam Aadmi Party (AAP): In the 2015 Delhi Assembly elections, AAP promised to provide free water to households up to a certain limit and to reduce electricity bills by 50% for households consuming up to a certain threshold. They also offered free Wi-Fi in public spaces and schools.

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<sup>58</sup>Subsidies and other transfers (current LCU) - Country Ranking, INDEX MUNDI, Last updated on December 28, 2019, last visited on 1 June 2024  
[Countries ranked by Subsidies and other transfers \(current LCU\) \(indexmundi.com\)](https://indexmundi.com/Countries-ranked-by-Subsidies-and-other-transfers-(current-LCU)-(indexmundi.com))

Telugu Desam Party (TDP): In the 2014 Andhra Pradesh Assembly elections, TDP promised to distribute free smartphones to women in order to enhance their safety and connectivity.

Dravida Munnetra Kazhagam (DMK): In the 2021 Tamil Nadu Assembly elections, DMK promised to provide free public transport for women and free laptops for students.

Samajwadi Party (SP): In the 2012 Uttar Pradesh Assembly elections, SP promised to distribute free laptops to students who had passed their intermediate (12th grade) examinations.

Bhartiya Janata party (BJP): Sankalpa Patra

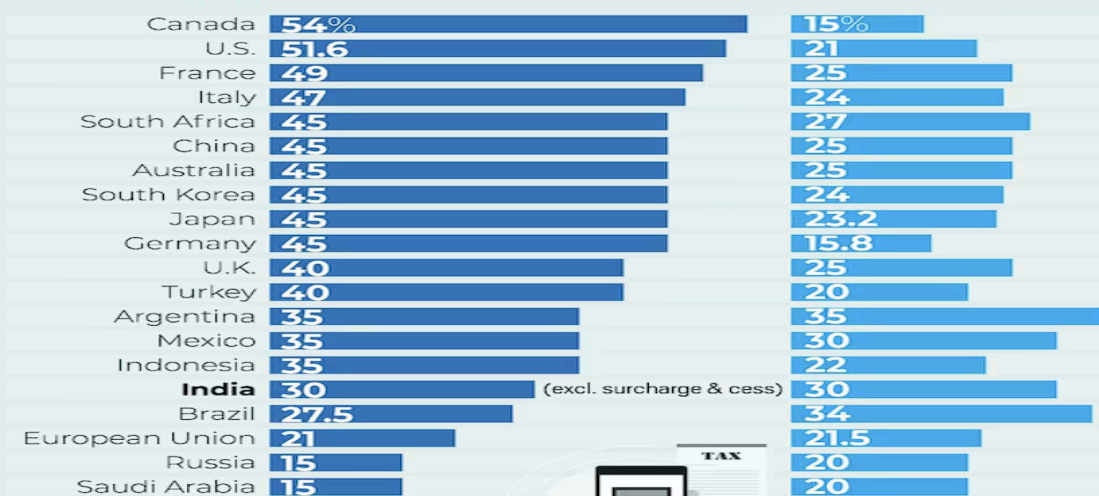
- 4+ crore families now have pucca houses under the PM Awas Yojana and other initiatives
- 80+ crore citizens are receiving free rations since 2020 through PM Garib Kalyan Anna Yojana
- Empowered citizens by transferring ₹34 lakh crore directly to their accounts
- Lives of 10+ crore women have been transformed due to free gas connections under the PM Ujjwala Yojana.

In the fiscal year 23 -24 Uttar Pradesh government has allotted 3600 crore for smartphone or tablet and 1500 crore for free irrigation to farmers. UP has become the 6th state to provide free electricity to the farmers for irrigation.

# TAX RATES ACROSS G20 NATIONS



● MAX. INDIVIDUAL TAX RATE ● MAX. CORPORATE TAX RATE



Note: Corporate tax for domestic companies  
 Source: AMRG & Associates  
 Graphic: Samrat Sharma & Jaipal Sharma



## CONCLUSION

In summary, the data highlights the intricate ramifications of the freebie culture on India's financial landscape. While these electoral promises serve as potent tools for garnering short-term political favor, their long-term repercussions are profound and multifaceted. The strain imposed on government coffers by unsustainable welfare schemes and populist giveaways exacerbates fiscal deficits, undermining economic stability and development. This fiscal burden, coupled with distorted spending priorities, not only impedes vital investments in infrastructure and human capital but also erodes investor confidence, deterring crucial capital inflows. The migration of high net worth individuals underscores the imperative of addressing systemic deficiencies in governance and economic policy. Furthermore, unchecked debt accumulation threatens the nation's fiscal sustainability, necessitating robust policy reforms and prudent fiscal management. Regulatory measures, such as categorizing policies and incentivizing fiscal discipline through borrowing conditions, are pivotal in curtailing the adverse effects of the freebie culture. Ultimately, concerted efforts

from policymakers, regulators, and society are indispensable in fostering a sustainable economic framework that balances social welfare imperatives with fiscal prudence, thereby ensuring long-term prosperity and inclusive growth for India.

## **EMPIRICAL RESEARCH ON FREEBIES IN INDIA**

India is a young democratic nation which is now walking with the ambition of Vishwaguru moto. In the vibrant and multifaceted democratic landscape of India, the practice of offering freebies (goods or services provided free of charge by political parties) has emerged as a significant and contentious issue. This offering, which can be seen in every election campaign and party manifesto, is utilised by political entities to gain support and votes from the electorate. While the distribution of freebies can be seen as a direct benefit to certain segments of society, its implications on the federal and democratic framework of India raise complex legal and ethical questions.

India's democratic model, characterised by a federal structure that balances power between the centre and the state govt, is grounded in the principles embedded in the Constitution. The practice of distributing freebies by political parties can potentially disrupt this delicate balance and undermine the democratic ethos of equality, fairness, and accountability. This paper aims to explore the legal implications of freebies within the context of India's federal and democratic system, analysing the constitutional provisions, judicial interpretations, and the broader impact on governance and public policy.

Furthermore, the role of the judiciary in addressing the legality of freebies has been pivotal. Judicial pronouncements and guidelines by the Election Commission of India attempt to delineate the boundaries within which political parties can operate, ensuring that electoral promises do not translate into fiscal imprudence or undue influence on voters. The interplay between judicial oversight and legislative action forms a critical part of the discourse on freebies and their impact on India's governance model.

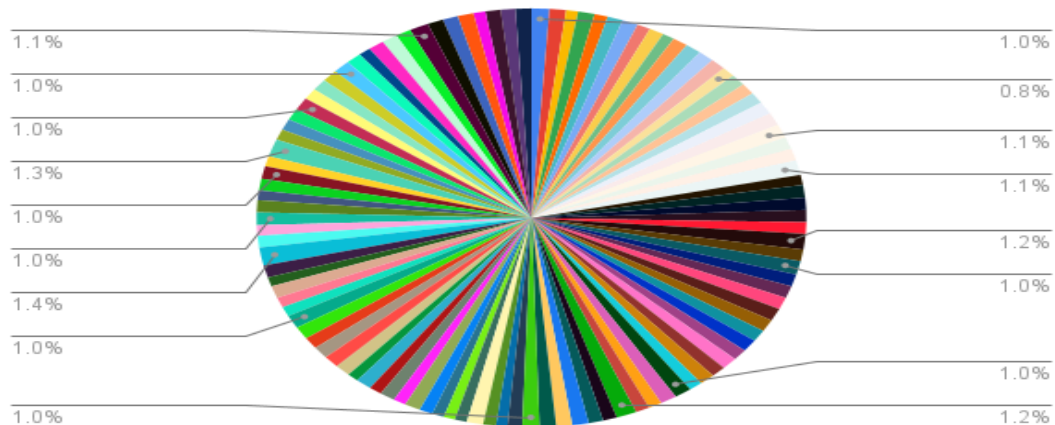
This research paper will critically analyse these dimensions, beginning with an overview of the constitution of India, election framework, governance and democracy in India. By examining case studies and empirical data collected by

us, We will further cross check our survey data with the reasoning which we have applied in analysing the issue of freebies in India. This paper will evaluate the broader implications of freebies on public policy and governance. Ultimately, the research aims to provide how the practice of offering freebies aligns or conflicts with the foundational principles of India's federal and democratic system.

## **EMPERICAL STUDIES**

This empirical study, focusing on 110 volunteers in the context of the 2024 elections, is subject to several constraints. Firstly, the sample size of 110 volunteers may limit the generalizability of findings to the broader electorate, potentially overlooking diverse demographics and political affiliations. Additionally, volunteer bias could influence results, as volunteers may possess unique characteristics or motivations not representative of the wider population. Moreover, the temporal focus on the 2024 elections may restrict the applicability of findings to other electoral contexts, given variations in political dynamics over time. Lastly, the methods employed for data collection, such as surveys or interviews, may introduce biases or limitations, impacting the reliability of the study's conclusions. Despite these limitations, the study provides valuable insights into voter behavior and attitudes within the specific context of the 2024 elections, offering a foundation for further research and analysis.

### Age of applicant



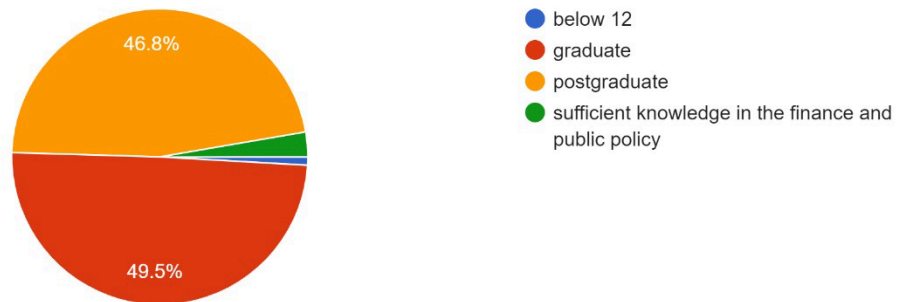
The image shows a histogram of the age distribution of applicants, with a total of 111 responses. Here's a detailed analysis of the data with a focus on the legal implications of freebies on the federal and democratic government model of India:

### Analysis of Age participants

- **Peak Age Group:** The most common age group among applicants is 24 years, representing 24.3% (27 individuals) of the total responses.
- **Secondary Peak:** The second-highest group is 25 years old, with 17.1% (19 individuals).
- **Younger Applicants:** There is a significant number of younger applicants, with 6.3% at 19 years, 8.1% at 20 years, and 9% at 22 years.
- **Older Applicants:** The number of applicants decreases significantly after 26 years, with a few outliers at ages 30, 36, and 99 years.

While freebies can provide short-term relief and immediate benefits to certain sections of society, their long-term implications on the federal and democratic structures of India are significant. A balanced approach that ensures fiscal responsibility, respects federal autonomy, and maintains the integrity of the democratic process is essential. Legal frameworks and judicial oversight play critical roles in managing these aspects, ensuring that the distribution of freebies does not undermine the foundational principles of the Indian state.

Education level  
111 responses



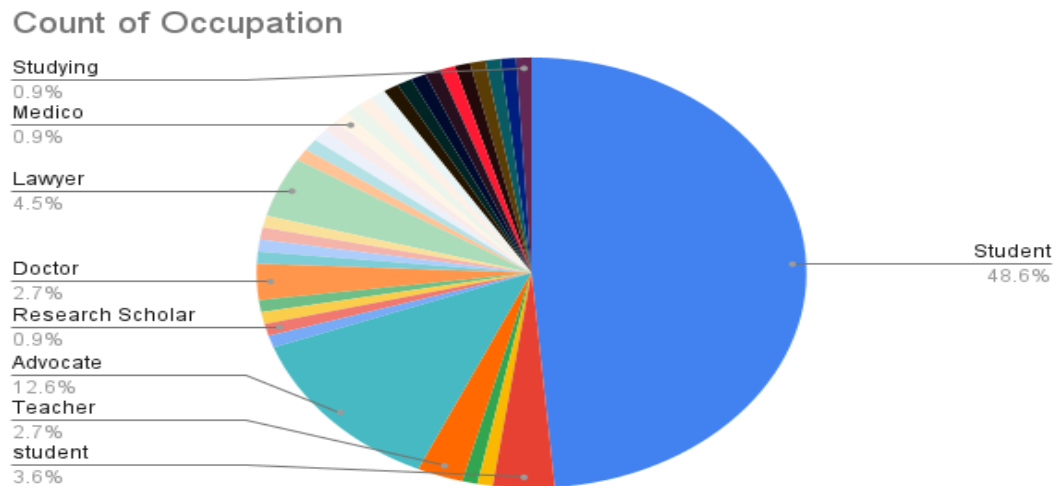
The image depicts a pie chart illustrating the education levels of 111 respondents. Here's an in-depth analysis of this data and how it ties into the legal implications of freebies on the federal and democratic government model of India:

### **Analysis of Education Level of participants**

- **Graduate Level:** The majority of respondents, 49.5%, are graduates. This indicates that nearly half of the surveyed population holds a bachelor's degree.
- **Postgraduate Level:** Close behind are postgraduates, making up 46.8% of the respondents. This shows a highly educated sample group, with nearly all respondents having at least an undergraduate degree.
- **Sufficient Knowledge in Finance and Public Policy:** A small segment, represented by a green section, has sufficient knowledge in finance and public policy. While the exact percentage is not specified, it is minimal.
- **Below 12th Grade:** An even smaller segment, represented by blue, has education levels below the 12th grade, indicating that most respondents are well-educated.

The given data shows that the majority of respondents are highly educated, which underscores the importance of informed public discourse on the issue of freebies. While freebies can offer immediate benefits to specific sections of society, their long-term implications on India's federal and democratic structures are significant. A

balanced approach is essential, one that ensures fiscal responsibility, respects federal autonomy, and maintains the integrity of the democratic process. Legal frameworks, judicial oversight, and electoral reforms play critical roles in managing these aspects, ensuring that the distribution of freebies does not undermine the foundational principles of the Indian state.



The provided pie chart shows the distribution of various occupations, with students comprising the largest segment at 48.6%. This significant representation of students is crucial for analyzing the legal implications of freebies on the federal and democratic government model of India, given their potential influence on electoral outcomes and public policy.

## **Analysis of count of occupations of participants**

### **1. Majority Representation - Students (48.6%):**

The high percentage of students suggests a demographic that is heavily impacted by government policies, particularly those involving education, subsidies, and other welfare schemes. In a federal democratic model like India, political parties might offer freebies to garner support from this significant voter base. The impact on public policy and electoral dynamics can be profound, as catering to this group can swing election results.



## **2. Advocates (12.6%) and Lawyers (4.5%):**

Combined, these legal professionals make up 17.1% of the sample, indicating a substantial presence of individuals who are likely well-versed in the legal and constitutional aspects of government policies. This group plays a critical role in scrutinizing the legality of freebie promises, potentially challenging them in courts, and ensuring that such policies adhere to constitutional principles and do not undermine the federal structure.

## **3. Teachers (2.7%) and Doctors (2.7%):**

Representing essential service providers, these professionals often benefit from government schemes aimed at public sector improvement and welfare. The impact of freebies on these professions can influence their stance on electoral issues, as well as their engagement in policy advocacy, highlighting the intersection between professional interests and governance.

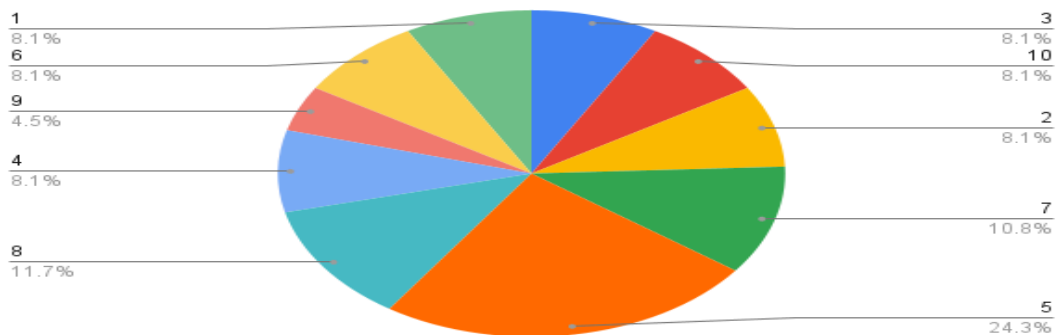
## **4. Other Minor Occupations:**

The remaining occupations, although smaller in individual percentages, collectively represent the diverse socio-economic landscape of India. Each group's response to freebies can reflect the broader societal implications of such policies, influencing public opinion and democratic processes.

## **Conclusion:**

The pie chart underscores the significance of various occupational groups in understanding the broader implications of freebies on India's federal and democratic structure. Students, as a major demographic, alongside legal professionals, service providers, and other occupational groups, play a critical role in shaping public discourse and policy responses to such electoral promises. The legal implications span constitutional, federal, and democratic dimensions, necessitating a balanced approach to ensure that freebies do not undermine the foundational principles of governance and fiscal prudence in India.

**Count of How would you rate the effectiveness of freebies in addressing social and economic issues in India? (Eliminating the**



The statistical analysis of the effectiveness of freebies in addressing social and economic issues in India provides insights that are crucial for understanding the broader legal implications on the federal and democratic government model of India.

### **Analysis of rate of effectiveness of freebies in social and economic issues**

The pie chart presents a survey on the effectiveness of freebies in addressing social and economic issues in India, with responses rated from 1 to 10. The distribution of ratings is as follows:

- Rating 1: 8.1%
- Rating 2: 8.1%
- Rating 3: 8.1%
- Rating 4: 8.1%
- Rating 5: 24.3%
- Rating 6: 8.1%
- Rating 7: 10.8%
- Rating 8: 11.7%
- Rating 9: 4.5%
- Rating 10: 8.1%

#### Analysis

1. Central Tendency:

- The highest percentage of respondents rated the effectiveness of freebies as a 5 (24.3%), indicating a median perception of their effectiveness. This suggests a general uncertainty or mixed feelings about the impact of freebies.

## 2. Distribution:

- The distribution of ratings is relatively even across the spectrum, with no extreme skewness towards either very effective or very ineffective ratings. This indicates a diverse range of opinions on the matter.

## 3. Implications for Federalism:

- Fiscal Federalism: Freebies often involve significant financial expenditure, which can strain state budgets. In a federal system, states may have different capacities to offer such benefits, leading to fiscal imbalances. Central government intervention might be necessary to ensure uniformity, which could undermine the financial autonomy of states.

- Resource Allocation: The provision of freebies can lead to inefficient resource allocation, as funds might be diverted from essential services like healthcare and education to populist measures.

## 4. Democratic Implications:

- Electoral Manipulation: Freebies can be used as tools for electoral gain, impacting the fairness of elections. They can sway voter preferences, not based on long-term policy benefits but immediate gratifications.

- Policy Formulation: The focus on freebies might shift political discourse from substantive policy debates to short-term handouts, affecting the quality of democratic governance.

## 5. Legal Concerns:

- Judicial Scrutiny: The legality of freebies has been questioned in courts, with arguments centered around whether such practices violate principles of equality and efficient use of public resources.

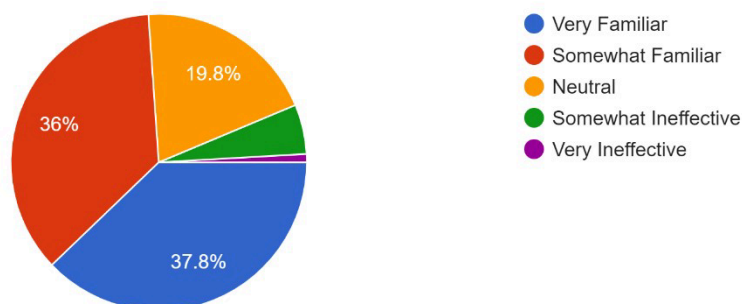
- Constitutional Balance: The constitutionality of freebies hinges on maintaining a balance between welfare measures and fiscal prudence. Excessive freebies can lead to constitutional challenges regarding the misuse of state funds.

## Conclusion

The effectiveness of freebies in addressing social and economic issues in India is perceived with significant variance among the population. The legal implications on the federal and democratic framework of India are profound. While freebies can provide short-term relief, their long-term impact on fiscal health and democratic integrity raises critical concerns. Ensuring that freebies do not undermine the principles of federalism and democratic fairness is essential for the sustained socio-economic development of the country.

How familiar are you with the various freebies and welfare schemes offered by the Indian government?

111 responses



The image displays a pie chart illustrating the familiarity levels of 111 respondents with various freebies and welfare schemes offered by the Indian government. Here's an in depth analysis of this data in relation to the legal implications of freebies on the federal and democratic government model of India:

### Analysis of Familiarity with Freebies and Welfare Schemes

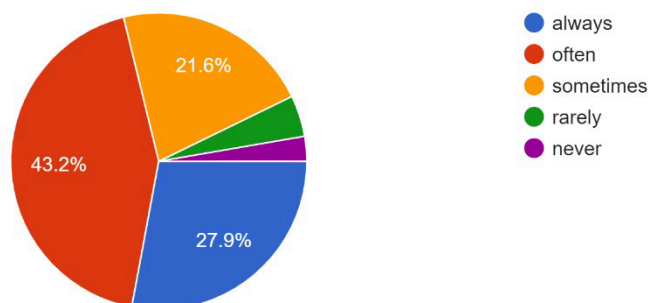
- **Very Familiar:** 37.8% of respondents are very familiar with the various freebies and welfare schemes, indicating a substantial awareness among this group.
- **Somewhat Familiar:** 36% of respondents are somewhat familiar, showing that a significant portion of the population has at least a basic understanding of these schemes.

- **Neutral:** 19.8% of respondents are neutral, suggesting that nearly one-fifth of the population neither fully understands nor is completely unaware of these schemes.
- **Somewhat Ineffective:** A small segment, represented by green, finds the schemes somewhat ineffective.
- **Very Ineffective:** An even smaller segment, represented by purple, finds the schemes very ineffective.

The data indicates that a majority of respondents are either very familiar or somewhat familiar with the freebies and welfare schemes offered by the Indian government. This awareness is crucial for informed public discourse on the issue. While freebies can provide immediate benefits, their long-term implications on India’s federal and democratic structures are significant. A balanced approach that ensures fiscal responsibility, respects federal autonomy, and maintains the integrity of the democratic process is essential. Legal frameworks, judicial oversight, and electoral reforms play critical roles in managing these aspects, ensuring that the distribution of freebies does not undermine the foundational principles of the Indian state.

How often do you think voters prioritize freebies over other factors (like governance, ideology, etc.) while voting in elections?

111 responses



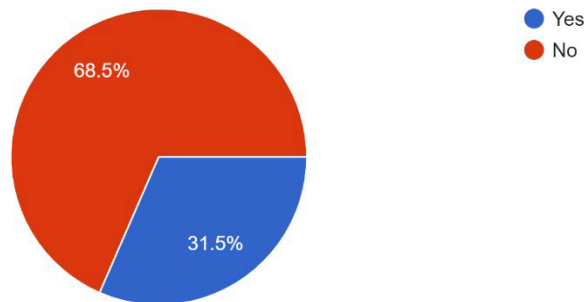
The image illustrates a pie chart representing the perceptions of 111 respondents regarding how often voters prioritise freebies over other factors (such as governance and ideology) while voting in elections. Here's a comprehensive analysis of this data in the context of the legal implications of freebies on the federal and democratic government model of India:

### **Analysis of Voter Prioritization of Freebies**

- **Often:** The largest segment of 43.2%, believes that voters often prioritise freebies over other factors. This indicates a significant perception that freebies play a crucial role in influencing voters behaviour.
- **Sometimes:** 27.9% of respondents feel that voters sometimes prioritise freebies, suggesting that while freebies are important, other factors also play a role in voter decision-making.
- **Always:** 21.6% of respondents think that voters always prioritise freebies, indicating a strong belief in the overriding influence of freebies in elections.
- **Rarely:** A smaller segment, represented by green, indicates that voters rarely prioritise freebies.
- **Never:** The smallest segment, represented by purple, believes that voters never prioritise freebies over other factors.

The data indicates that a majority of respondents perceive freebies as a significant factor influencing voter behaviour. This perception underscores the importance of addressing the legal and constitutional implications of freebies in India. While freebies can provide immediate benefits, their long-term impact on India's federal and democratic structures is substantial. A balanced approach that ensures fiscal responsibility, respects federal autonomy, and maintains the integrity of the democratic process is essential. Legal frameworks, judicial oversight, and electoral reforms play critical roles in managing these aspects, ensuring that the distribution of freebies does not undermine the foundational principles of the Indian state.

Have freebies or welfare promises influenced your voting decision in any previous elections?  
111 responses



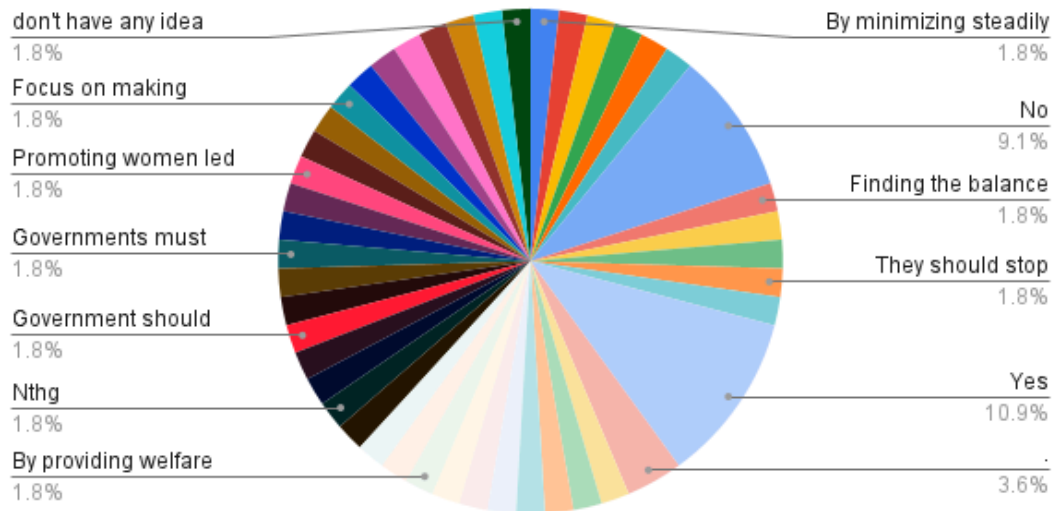
The image presents a pie chart showing the responses of 111 participants regarding whether freebies or welfare promises have influenced their voting decisions in previous elections. Here's a detailed analysis of this data:

### **Analysis of Voting Influence by Freebies or Welfare Promises**

- **Influenced (Yes):** 31.5% of respondents indicated that freebies or welfare promises have influenced their voting decisions. This shows that nearly one-third of the participants admit to being swayed by such offers during elections.
- **Not Influenced (No):** 68.5% of respondents stated that freebies or welfare promises have not influenced their voting decisions. This majority suggests that more than two thirds of the participants base their voting decisions on factors other than freebies or welfare promises.

The data reveals that while a significant majority of respondents claim not to be influenced by freebies or welfare promises, a substantial minority acknowledges their impact on voting decisions. This highlights the complex role that freebies play in Indian elections. While they can provide immediate benefits to certain sections of society, their long-term implications on India's federal and democratic structures are significant. Ensuring fiscal responsibility, respecting federal autonomy, and maintaining electoral integrity are essential. Legal frameworks, judicial oversight, and electoral reforms are critical in managing these aspects, ensuring that the distribution of freebies does not undermine the foundational principles of the Indian state.

### Count of If yes, how do you think the government should balance short-term welfare measures with long-term



The image you provided appears to be a pie chart illustrating responses to a question about how the government should balance short-term welfare measures with long-term strategies. To provide a detailed statistical analysis and explore the legal implications of freebies on the federal and democratic government model of India, let's break down the responses and integrate them into the broader discussion.

### **Analysis of views on “how government should balance short term welfare measures with long term according to participants”.**

The survey question is: "If yes, how do you think the government should balance short-term welfare measures with long-term strategies?" The responses are divided into several categories, with the percentages of responses as follows:

- No: 9.1%
- Yes: 10.9%
- Finding the balance: 1.8%
- They should stop: 1.8%
- By providing welfare: 1.8%
- Nothing: 1.8%



- Government should: 1.8%
- Governments must: 1.8%
- Promoting women led: 1.8%
- Focus on making: 1.8%
- Don't have any idea: 1.8%
- By minimizing steadily: 1.8%

### Statistical Insights

#### 1. Predominant Opinions:

- "No" (9.1%): A significant portion of respondents do not believe the government should balance short-term welfare with long-term measures.
- "Yes" (10.9%): This slightly larger group believes in balancing the two.

#### 2. Minority Opinions:

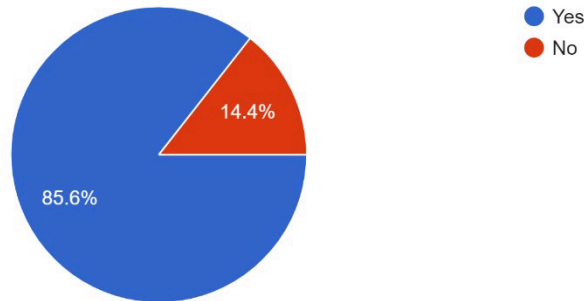
- Most other categories like "Finding the balance," "They should stop," and other similar options have an equal distribution of 1.8%, indicating a diverse range of opinions but none with substantial agreement.

### Conclusion

The pie chart survey data highlights a varied range of public opinions on balancing short-term welfare with long-term strategies. While a substantial number of respondents advocate for a balance or outright support welfare measures, a significant portion either disagrees or is unsure. Legally, the implications of freebies are profound, touching upon fiscal responsibility, democratic integrity, and constitutional mandates. Sustainable governance in India requires a judicious mix of immediate welfare measures and long-term development plans to ensure economic stability and uphold the principles of federalism and democracy.

Do you believe that the provision of freebies or welfare schemes affects the overall electoral outcome in India?

111 responses



The image shows a pie chart depicting responses from 111 participants regarding their belief about whether the provision of freebies or welfare schemes affects the overall electoral outcome in India. Here's a detailed analysis of the data:

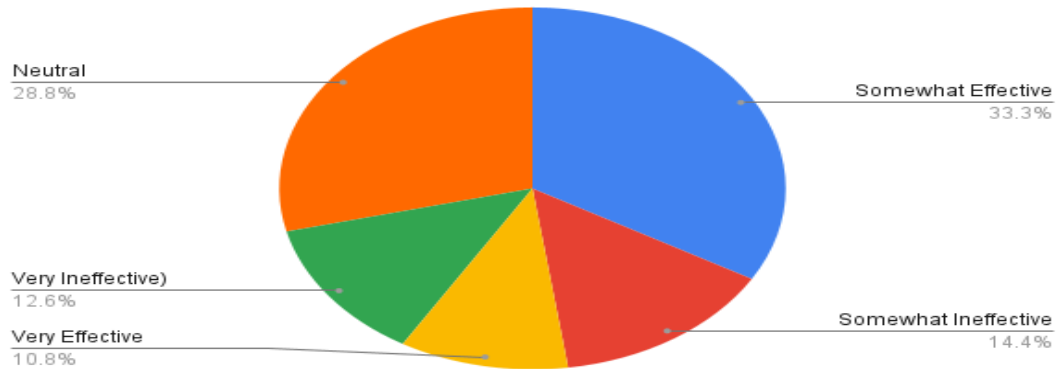
### **Analysis of Perceptions on Freebies Affecting Electoral Outcomes**

- **Affects (Yes):** A significant majority of 85.6% of respondents, believe that the provision of freebies or welfare schemes affects the overall electoral outcome in India. This indicates a strong perception that such practices play a crucial role in influencing election results.
- **Does Not Affect (No):** 14.4% of respondents do not believe that freebies or welfare schemes impact electoral outcomes. This minority view suggests that while some voters consider other factors more influential, the overwhelming perception is that freebies have a notable impact.

The data reveals a strong belief among respondents that freebies or welfare schemes significantly affect electoral outcomes in India. This perception underscores the importance of addressing the legal and constitutional implications of freebies. While they can provide immediate benefits to certain sections of society, their long-term impact on India's federal and democratic structures is substantial. Ensuring fiscal responsibility, respecting federal autonomy, and maintaining electoral integrity are essential. Legal frameworks, judicial oversight, and electoral reforms are critical in managing these aspects, ensuring that the

distribution of freebies does not undermine the foundational principles of the Indian state.

Count of How would you rate the effectiveness of India's welfare model in addressing poverty and inequality?



The image depicts a pie chart showing the responses of 111 participants regarding their perception of the effectiveness of India's welfare model in addressing poverty and inequality. Here's a detailed analysis of the data:

### Analysis of Perceptions on the Effectiveness of India's Welfare Model

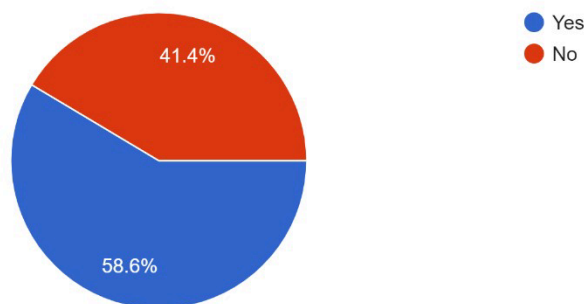
- **Somewhat Effective:** The largest segment of 32.4%, believes that India's welfare model is somewhat effective in addressing poverty and inequality. This indicates a moderate level of approval for the current welfare measures.
- **Neutral:** 28.8% of respondents have a neutral stance on the effectiveness of the welfare model. This suggests that a significant portion of the population neither strongly approves nor disapproves of the current welfare policies.
- **Somewhat Ineffective:** 14.4% of respondents find the welfare model somewhat ineffective, indicating that they see some shortcomings in the current system.
- **Very Ineffective:** 12.6% of respondents view the welfare model as very ineffective, showing a considerable level of dissatisfaction with the efforts to address poverty and inequality.

- **Very Effective:** 10.8% of respondents believe that the welfare model is very effective, reflecting a minority who are highly satisfied with the current measures.

The data indicates varied perceptions of the effectiveness of India's welfare model, with a significant portion of the population expressing moderate approval, neutrality, or dissatisfaction. Addressing the challenges in implementing welfare schemes and ensuring efficient resource allocation, administrative efficiency, and inclusivity are crucial for improving the effectiveness of these programs. The role of legal and institutional frameworks, along with continuous assessment and policy improvements, is vital in enhancing the welfare model's ability to reduce poverty and inequality. Ensuring that welfare measures are not only effective but also perceived as such by the populace is essential for maintaining the legitimacy and stability of the federal and democratic government model in India.

Do you believe that reliance on freebies and welfare schemes hinders long-term economic development in India?

111 responses



The image shows a pie chart illustrating responses from 111 participants regarding whether they believe that reliance on freebies and welfare schemes hinders long-term economic development in India. Here's an in-depth analysis of the data:

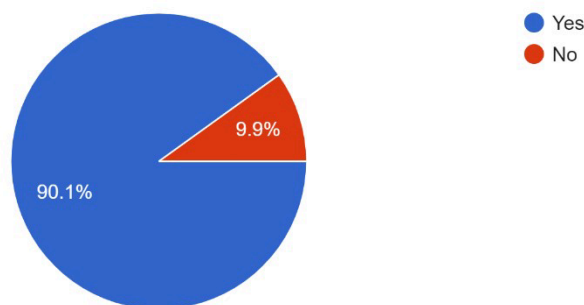
### **Analysis of Beliefs on Freebies and Long-term Economic Development**

- **Hinders Development (Yes):** 58.6% of respondents believe that reliance on freebies and welfare schemes hinders long-term economic development in India. This majority view suggests a concern that such practices may have detrimental effects on sustainable growth and development.
- **Does Not Hinder Development (No):** 41.4% of respondents do not believe that reliance on freebies and welfare schemes hinders long-term economic development. This significant minority view indicates that there is a substantial portion of the population that sees potential benefits or at least no harm in these practices in terms of long-term development.

The data indicates a majority belief that reliance on freebies and welfare schemes hinders long-term economic development in India. This perception emphasises the need for a balanced procedure that prioritises fiscal responsibility, sustainable development, and effective governance. Ensuring that welfare measures provide instant relief, while also aiding to long-term economic growth is crucial. Legal frameworks, judicial oversight, and policy reforms are essential in managing the implications of freebies on the federal and democratic government model of India, ensuring that such practices do not undermine the country's long-term developmental goals.

Do you think the government should provide more transparency about the costs and funding sources of freebies and welfare schemes?

111 responses



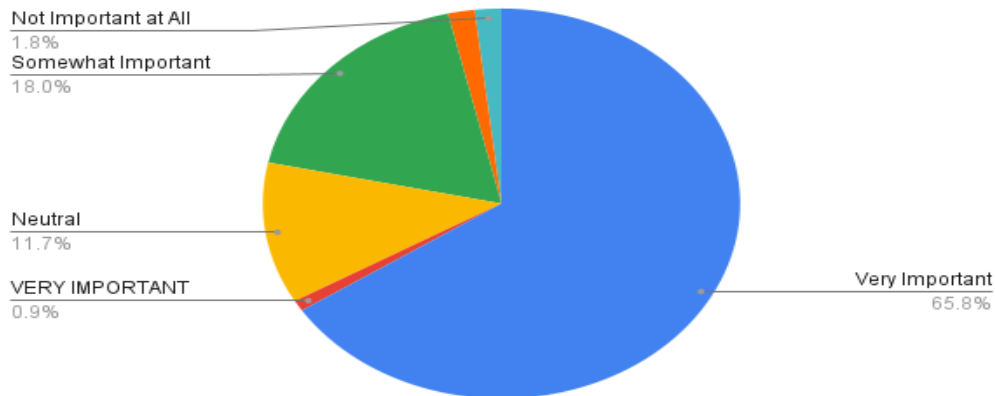
The image depicts a pie chart showing the responses of 111 participants regarding whether they believe the government should provide more transparency about the costs and funding sources of freebies and welfare schemes. Here's a detailed analysis of the data:

### **Analysis of Transparency in Costs and Funding of Freebies and Welfare Schemes**

- **Need for More Transparency (Yes):** An overwhelming majority of 90.1%, believes that the government should provide more transparency about the costs and funding sources of freebies and welfare schemes. This strong consensus indicates a high demand for greater accountability and openness in the financial aspects of these programs.
- **No Need for More Transparency (No):** A minority of 9.9%, do not believe that more transparency is necessary. This group may either trust the current level of transparency or may not see the benefits of additional disclosures.

The data indicates a strong demand for greater transparency in the costs and funding sources of freebies and welfare schemes. This transparency is crucial for ensuring fiscal responsibility, enhancing voter trust, and maintaining accountability in the democratic process. Legal and policy frameworks, along with strong political commitment, are essential for implementing this transparency. By providing clear and detailed information about the financial aspects of welfare schemes, the government can build public trust, foster informed decision-making, and ensure the long - lasting and effective use of resources. This approach aligns with the principles of good - governance and strengthens federal and democratic structures of India.

### Count of How important do you think it is for the government to be held accountable for the implementation and outcomes of



The image presents a pie chart illustrating responses from 111 participants regarding the importance of holding the government accountable for the implementation and outcomes of freebies and welfare schemes. Here's a detailed analysis of the data:

#### **Analysis of the Importance of Government Accountability**

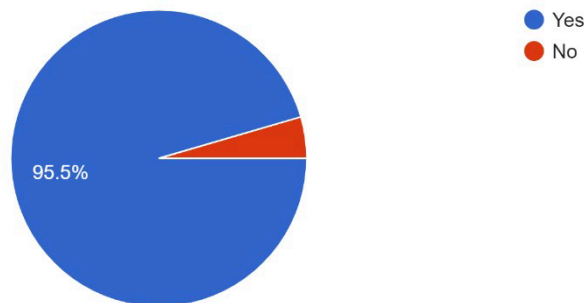
- **Very Important:** A significant majority, 64.9%, believes that it is very important for the government to be held accountable for the implementation and outcomes of freebies and welfare schemes. This indicates a strong demand for governmental accountability and transparency.
- **Somewhat Important:** 18% of respondents consider it somewhat important, reflecting a significant portion that sees accountability as crucial but perhaps not the highest priority.
- **Neutral:** 11.7% of respondents are neutral on the issue, suggesting that they neither strongly support nor oppose the need for accountability.
- **Not Very Important:** A very small segment, represented in green, indicates that accountability is not very important.
- **Not Important at All:** An even smaller segment, represented in blue, believes that it is not important at all.

The data underscores a strong demand for government accountability in the implementation and outcomes of freebies and welfare schemes. Ensuring accountability is crucial for maintaining fiscal responsibility, promoting equitable resource distribution, and fostering public trust in the democratic process. Addressing

the challenges in ensuring accountability requires robust administrative systems, strong political will, and an informed and engaged citizenry. Legal frameworks, judicial oversight, and the active role of civil society and the media are essential in this regard. By prioritising accountability, India can ensure that welfare schemes are implemented effectively, contributing to sustainable development and strengthening the federal and the democratic structure of the country.

Should the government prioritize investing in infrastructure and education over providing freebies and welfare schemes?

111 responses



The image presents a pie chart showing responses from 111 participants regarding whether the government should prioritize investing in infrastructure and education over providing freebies and welfare schemes. Here's a detailed analysis of the data:

#### Analysis of Prioritization of Investment in Infrastructure and Education

- **Prioritise Infrastructure and Education (Yes):** An overwhelming majority, 95.5%, believe that the government should prioritise investing in infrastructure and education over providing freebies and welfare schemes. This indicates a strong consensus on the importance of long-term development over short-term electoral incentives.



- Do Not Prioritise (No): A small minority, 4.5%, do not believe that prioritising infrastructure and education over freebies and welfare schemes is necessary. This group may see immediate benefits from freebies and welfare schemes as more critical or may believe in a balanced approach.

## **Implications on the Federal and Democratic Government Model of India**

### **Context:**

The debate between investing in infrastructure and education versus providing freebies and welfare schemes is crucial for India's long-term development. Infrastructure and education are fundamental to sustainable economic growth, while freebies and welfare schemes provide immediate relief to certain sections of society.

### **Impact on Federalism:**

1. **Balanced Resource Allocation:** Prioritising infrastructure and education can lead to a more balanced allocation of resources across states. This approach supports long-term growth and development, reducing regional disparities and enhancing overall national progress.
2. **State Autonomy in Development:** States focusing on infrastructure and education can tailor these investments to their unique needs, fostering innovation and localised solutions. This autonomy allows states to address specific developmental challenges more effectively.

### **Impact on Democracy:**

1. **Informed Voter Decisions:** A government prioritising infrastructure and education demonstrates a commitment to long-term development, which can positively influence voters behaviour. Voters may be more inclined to support candidates who focus on sustainable growth rather than short-term benefits.
2. **Public Trust and Governance:** Prioritising long-term investments over freebies can enhance public trust in the government's commitment to genuine development. This trust is crucial for the stability and effectiveness of democratic governance.
3. **Policy Continuity and Stability:** Investments in infrastructure and education require sustained efforts and policy continuity, fostering a stable political environment. Long-term projects tend to transcend electoral cycles, promoting policy stability and governance consistency.

### **Challenges in Shifting Priorities:**

1. Immediate Needs vs. Long-term Goals: Balancing the immediate needs of vulnerable populations with long-term developmental goals is challenging. While infrastructure and education investments yield long-term benefits, addressing urgent needs through welfare schemes remains important.
2. Political Will and Public Perception: Shifting the focus from freebies to long-term investments requires strong political will and effective communication. Politicians must convince the electorate of the long-term benefits of infrastructure and education investments.
3. Funding and Resource Management: Prioritising infrastructure and education necessitates efficient resource management and substantial funding. Ensuring adequate budget allocations and preventing corruption are critical for successful implementation.

### **BENEFITS OF PRIORITISING INFRASTRUCTURE AND EDUCATION:**

1. Economic Growth: Investments in infrastructure and education drive economic growth by improving productivity, enhancing connectivity, and fostering innovation. A well educated workforce and robust infrastructure are essential for a competitive economy.
2. Social Equity: Education investments promote social equity by providing opportunities for all citizens to improve their socio-economic status. Infrastructure development ensures equitable access to essential services, bridging regional and social divides.
3. Sustainable Development: Prioritising infrastructure and education supports sustainable development by confronting the root cause of inequality and poverty. Long-term investments create a foundation for enduring progress and resilience against economic shocks.

### **Legal and Policy Considerations:**

1. Strategic Planning: Developing comprehensive strategic plans for infrastructure and education investments ensures that resources are allocated

effectively. Long-term planning must align with national development goals and regional needs.

2. **Public-Private Partnerships:** Encouraging public-private partnerships can leverage additional resources and expertise for infrastructure and education projects.

These collaborations can enhance efficiency and innovation in implementation.

3. **Regulatory Frameworks:** Establishing robust regulatory frameworks ensures accountability and transparency in the implementation of infrastructure and education projects. Regular audits and evaluations can monitor progress and address any challenges promptly.

### **CONCLUSION:**

The data indicates a strong consensus on the importance of prioritising investments in infrastructure and education over providing freebies and welfare schemes. This prioritisation is crucial for sustainable economic growth, social equity, and long-term development. Balancing immediate needs with long-term goals, fostering political will, and ensuring efficient resource management are essential for this shift. Strategic planning, public-private partnerships, and robust regulatory frameworks play vital roles in realising the benefits of prioritising infrastructure and education. This approach aligns with the principles of good governance, strengthening the federal and democratic structures of India while promoting enduring progress.

## CHAPTER 6

### CONCLUSION AND SUGGESTIONS

Freebies are not new in socialist countries but with the time and from it gained the wrong direction and started affecting the socio-economic economic and political rights of citizens, and also degrading the values and quality of governance to Indian democratic setup. Decisions of political parties regarding the populist schemes are arbitrary, irritational, general targets, not properly revised with the change in targets.<sup>59</sup>

While distributing freebies to the general masses with the public funds is a wasteful expense if it will never upgrade and improve the life of the poor and depressed class. And by this we will never meet the socio, economic justice which was the motive of our forefathers at the time of formation of the constitution.

### TEST FOR CLASSIFICATION OF FREEBIES

These are some tests which every policy should qualify:

1. **OBJECTIVE OF THE SCHEMES (BASED ON DPSP):**

Every policy should pass this test and should have a predefined objective which should primarily focus on the constitutional value and directives given under DPSP under the constitution of India. States should prioritise its long-term goal over short term recurring expenditure. Adding value in human resources will give a multi value return in near future, remove dependency over state assets and become a valuable taxpayer which contributes large tax to the nation's funds.

Example: In 1955 Madurai, Tamil Nadu government gave rice meal (mid-day meal) to its government school students this policy gave the boost in next year's admission and decreased the malnutrition of students and significantly reduced the dropout rates of students of Tamil Nadu. On 28th Nov 2001 the Supreme Court asked all the state

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<sup>59</sup> Balmiki Prasad Singh, freebies and good governance, Published on 01 October 2016

governments to implement this mid-day meal programme in their schools also within six months of time. Later these schemes were implemented at national level and it also worked well at national level. The Mid-day Meal Scheme has enlarged the number of school going children.

- 2. LEGISLATIVE BACKING:** every policy should priorly be discussed with experts and the co party workers in case of political party and to the persons on whom it may be implementing and proper planning should be done with trial, so that its reaction and challenges can be foreseen, so this policy can be successfully implemented.

Example: above mentioned mid-day meal program was in its initial phases as a policy of the state government then implemented at national level by supreme court's directions and later it was backed by the National Food Security Act, 2013.

- 3. ITS IMPACT (LONG TERM IMPLICATIONS OF POLICY): COST-BENEFIT ANALYSIS:**

Regular examination of the policy is the most important thing in policy because every penny spent in this policy is of taxpayers and government is accountable for this money, so if policy is not working and not up to the objective target then we should either revise the policy or close the policy.

- 4. INTELLIGIBLE DIFFERENTIA:** Policies should never be general, policy makers should make intelligible differentia and target the person who needs the most, because of limited resources and efficient spending of funds to attain highest efficiency.

- 5. REPETITIVENESS:** if policy is successful in completing its target or giving positive response, then it should be implemented on a larger level and should also be borrowed by other states and can be implemented at national level. We will again take the same example of the mid-day meal of Tamil Nadu, which was started with Madurai. Tamil Nadu shared the impact report of these schemes with other states and the supreme court ordered the implementation of the policy by every state within the 6 months of direction.

## **SOLUTION FOR MANAGING FISCAL DEFICIT**

### **1. PARLIAMENTARY BUDGET OFFICE**

India needs a special office which should consist of member who have specialisation in public governance and finance of states which can have forward nodding projection and give advice to the parliamentarians about the policy impact and cost benefit of policy, so that we could spend our energy, time, money in the right direction and on regular bases they analyse these policies. In India we have special bodies like NITI Aayog and CAG (controller and auditor general). NITI Aayog is a specialised body which was recently created on 1 January 2015 to improve cooperative federalism in India through structured support initiatives and with state machinery. It's a think tank of India which suggests the govt to formulate policies in the interest of national security and the area which are specified. CAG is the highest auditing agency in the union and state which works after the expenditure has happened and reviews the expenses of the state from the finance point of view but it does not have any forward fore sightedness and does not suggest or have policy making powers. While presenting budget P. Chidambaram highlighted high fiscal deficit budget pattern and suggested the US CBO (Congressional budget office)<sup>60</sup> which will work as a watchdog over the fiscal budget and suggest best policy and fiscal discipline. We need a new fiscal architecture of the parliamentary budget office (PBO) to control our politically motivated seches which have high subsidies and incentivising schemes in the budget and this will work neutral and independently which gives an actual report card of the government and the effectiveness of policies and its consequences.

### **2. STRICT FOLLOWING OF FRBM ACT 2003 AT UNION AND STATE LEVEL**

Fiscal policy plays a crucial role in the macroeconomic of nations economy, and there we need FRBM Act 2003. It provides stability and predictability to the policy regime, but also ensures the resource allocation in an equitable manner by the Indian

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<sup>60</sup>Niranjan Rajadhyaksha , A fiscal watchdog for India, 4 min read08 Jul 2014, 07:44 PM IST

[A fiscal watchdog for India | Mint \(livemint.com\)](http://www.livemint.com)

government. In 1991 economic reform IMF also suggested working on the issue of inflation and balance of payment. And suggested to maintain 4.5 fiscal deficit in the budget, since then the medium-term fiscal plan has been followed by the Indian government. Increasing the tax base in India and improving the tax collection.

The Indian government is aiming at prioritising expenditure, but failing to achieve this goal. Later on, we decided to finally come up with statutory obligation, FRBM Act 2003 was enacted.

One additional feature was added, every time while presenting budget finance minister should also lay down 3 additional statements:

1. Fiscal policy strategy statement
2. Medium term fiscal policy statement
3. Macroeconomic framework statement

- **SETTING UP AN INDEPENDENT FISCAL COUNCIL:** The Supervisory Committee of FRBM recommended the formation of such a council in 2017 and also the recently formed Finance Committee, including the 15th Finance Committee.
- **PROVIDING INFORMATION AND ADVISORY:** According to the FRBM report, the council plays both an ex-ante role by providing independent forecasts of key macro-variables such as real and nominal GDP growth, tax increases, commodity prices and an ex-post role. the authority advises on triggering the escape clause and also determines the return route.
- **MONITORING FINANCE:** this type of council should work for both the union as well as for the states. Monitoring finances and fiscal rules can also help to ensure that states obey medium-term fiscal policy frame which has been long argued by financial experts.

## **SUGGESTIONS FOR FORBIDDING THE FREEBIES**

**INSTITUTIONAL STRENGTH:** Developed countries often have stronger institutions, making it harder for politicians to directly exchange goods for votes. However, they may still use policy promises strategically. Formulation of policy

should be in such a manner that public participation could be placed in the policy formation and focus on root cause problems and elimination. Skill based development so that we can compete in the international market and target their markets from our locally produced goods.

**PROPER MANIFESTO SCRUTINY:** The political parties should carefully adopt the statistical data to be used in the manifestos from reliable sources; preferably from government documents and databases. The manifesto should lay down the fiscal ground plan to achieve such targets and the impact of such commodities on financial reserves.

**PUBLIC SCRUTINY:** There is generally more robust media scrutiny and public debate, which can limit the extent and impact of such practices. Media has to play a vigilance over the expenditure of public finance particularly in those which are not touched by CAG and judiciary. Media has a higher reach and ability to spread awareness and rights to ask questions from every source of government without going biased and interrupting Indian security and national harmony.

**REGULATION AND TRANSPARENCY:** Campaign finance laws and regulations are usually stricter, providing some checks against the misuse of public funds for electoral gain.

### **STRENGTHEN THE ELECTION COMMISSION**

Additional power to election commissioners to take immediate response against the violator, regular amendment and precautionary laws should be prepared in advance. Sufficient power should be given so that they could mobilise the government machinery, to deliver free and fair elections in the country. EC Should be well kept with the advanced technological setup eg. allegation was imposed on the national parties that WhatsApp and other social media agency are been used for influencing the voter in 2014, 2019 elections, In recent 2024 election many cases were seen where deep fake videos were artificially viral on these platforms, where the individual personalised message, phone calls were delivered up to last day of voting. So the



Election Commission of India needs strengthened amendment in the existing laws to curb these types of activity in future, along with freebies.

Bhutan government has very unique setup with manifesto law in which every political party has to submit their manifesto to election commission and election commission will confirm that these schemes and promises should not be violative of constitutional features of Bhutan and if something found in the manifesto then it must be removed and without election commission approval party is not allowed to contest the elections. The election manifestos in Bhutan can be issued three weeks before the election day. This type of setup India should also adopt.<sup>61</sup>

## **CONCLUSION**

The findings of this research provide substantial evidence supporting the hypothesis that the distribution of freebies by political parties and ruling governments undermines the principles of free and fair elections in India.

## **INFLUENCE OF FREEBIES ON VOTER BEHAVIOR**

The analysis indicates a significant influence of freebies on voter behaviour, highlighting that such incentives can sway electoral outcomes. This impact is particularly pronounced in regions with high socio-economic vulnerabilities, where voters may prioritize immediate tangible benefits over long-term policy considerations. The quantitative data underscores a correlation between the distribution of freebies and increased vote shares for the parties involved, reinforcing concerns about the distortion of democratic processes.

## **FINANCIAL RESPONSIBILITY AND DEBT TRAPS**

The issue of financial responsibility for states engaged in extensive freebie distribution raises alarm. When states fall into financial debt traps due to

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<sup>61</sup> By Rachit Garg, Legal enforceability of election manifesto: an analysis, September 18, 2023  
Last visited on 1 June 2024, [Legal enforceability of election manifesto: an analysis - iPleaders](#)

unsustainable promises, the burden often shifts to central authorities, complicating fiscal management and potentially leading to broader economic instability. The research identifies a gap in regulatory mechanisms to prevent such fiscal imprudence, suggesting a need for more stringent oversight and accountability measures.

## **EFFECTIVENESS OF THE ELECTION COMMISSION**

The role of the Election Commission in maintaining the integrity of elections in the face of unregulated freebies is critically assessed. Despite its mandate to ensure free and fair elections, the commission's current regulatory framework appears insufficient to address the complexities introduced by freebie culture. Instances of unchecked distribution activities cast doubt on the effectiveness of the Election Commission's efforts and highlight the necessity for enhanced regulatory protocols and enforcement mechanisms.

## **LEGALITY OF FREEBIES IN INDIAN ELECTIONS**

The legality of freebies in Indian elections emerges as a contentious issue. The lack of clear legal prohibitions against such practices creates a grey area that political entities exploit. This legal ambiguity undermines electoral fairness and calls for comprehensive legislative reforms to explicitly address and regulate the distribution of freebies.

## **PROVING THE HYPOTHESIS**

The hypothesis Ho1: The freebies by political parties and the ruling government violate the free and fair election process in India is substantiated by the following points:

1. **INFLUENCE ON VOTER BEHAVIOR:** The correlation between freebie distribution and increased vote shares demonstrates how such practices can manipulate electoral outcomes, thereby violating the principles of free and fair elections.

**2. FINANCIAL IRRESPONSIBILITY:** The resultant fiscal imprudence and debt traps caused by excessive freebie promises highlight the broader economic risks and the lack of regulatory mechanisms to prevent such practices, further compromising the fairness of the electoral process.

**3. ELECTION COMMISSION'S ROLE:** The current inefficacy of the Election Commission in regulating freebie distribution indicates a failure to maintain electoral integrity, supporting the claim that freebies violate the free and fair election process.

**4. LEGAL AMBIGUITY:** The lack of explicit legal prohibitions against freebies allows political entities to exploit this loophole, undermining the fairness of elections.

## **FINAL REMARKS**

In conclusion, the distribution of freebies poses a significant challenge to the democratic ethos of free and fair elections in India, proving the hypothesis that such practices violate the election process. The research underscores the urgent need for robust regulatory frameworks, enhanced electoral oversight, and legislative clarity to safeguard the democratic process. Future research should explore the long-term socio-economic impacts of freebie culture and develop actionable strategies for promoting sustainable and equitable electoral practices. These findings aim to inform policymakers, electoral authorities, and civil society to foster a more transparent and accountable electoral system in India.

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