



"Freebies" -- The political path to economic disorder

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Abstract –

The provided article discusses the impact of "freebies" in Indian politics and their consequences on the economy. The culture of offering free goods and services as political promises has been on the rise in India for the past few decades. Political parties make reckless promises in order to win over voters, without considering the economic implications. The article highlights examples of political parties in India, such as the Indian National Congress, All India Anna Dravida Munnetra Kazhagam (AIADMK), Aam Aadmi Party (AAP), Telugu Desam Party (TDP), Dravida Munnetra Kazhagam (DMK), and Samajwadi Party (SP), that have made promises of providing free electricity, laptops, water, transportation, and other benefits to gain electoral support. These promises create a burden on the government's finances and hinder the development of other welfare programs that could be more effective for the overall well-being of the population.

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. The article mentions that schemes like Ayushman Bharat, food security bills, and PM KISAN Yojana, which target specific beneficiaries based on need, cannot be classified as "freebies" since they contribute to the long-term growth of the nation.

Comparisons are made with other countries like the United States, Brazil, and Scandinavian countries, where politicians also promise and implement social welfare programs. However, the tax-to-GDP ratio in these countries is higher than in India, indicating a higher capacity to fund such services through tax revenue. In contrast, India has a lower tax-to-GDP ratio, resulting in deficits and increased debt burdens when governments fulfill their freebie promises. The article also emphasizes the negative consequences of freebies on public finances. The government's expenditure on giveaways can divert resources from essential projects such as infrastructure, healthcare, education, and social welfare. It can lead to resource misallocation, discourage private investment, and hinder economic growth. The 2008 loan waiver program implemented by the UPA government is cited as an example of how freebie culture can disrupt the banking system and create a credit crisis.

In conclusion, the article argues that while some social welfare programs are necessary for the development and well-being of the population, indiscriminate freebies offered for political gains can

have adverse effects on the economy. It calls for a more responsible approach to governance and a focus on sustainable development rather than short-term populist measures.

Key words- Freebie, electricity, farmer loan waiver, election, public finance, revenue , budget, deficit

Elections in Karnataka were recently held. All political parties have been actively organising and advertising over the past two months. Every political party was engaged in activities aimed at winning over the people, which led to them, as usual, making reckless promises. If we examine the political parties' platforms, we can readily conclude that in their quest for political dominance, these key figures have neglected the state of the economy. That is harming not just the country's economy but also its residents' ability to work productively. There is no way for the government to ever escape that web of loss once you have destroyed human output. Okay, so what is this commitment we are discussing, and are these the only elections to have used this particular political strategy? No, these kind of political promises have increased over the past roughly five decades. In these elections Indian national congress promised 200 units of free electricity to each household under the *gruhajyoti yojana* scheme[1]. To lure people , this is not the only promise ever made by any political party. We can refer many such occurrences where political parties literally sold these public foods for free without any productive return.

All India Anna DravidaMunnetraKazhagam (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[2].

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.

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.

DravidaMunnetraKazhagam (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.

Therefore, it is evident that political parties might go above what is promised in order to win over people. Such promises undermined not just the nation's economy but also the human ability to think for oneself. It is the root cause of India's worst demographic crisis issue, which might materialise if we do not put an end to such esoteric endeavours to acquire political power.

According to estimates, states spend between 0.1% and 2.7% of their respective gross state domestic products (GSDP) on giveaways. Additionally, several states spend 10% more than they get in. In addition to straining the public budget, this is taking resources away from other economic sectors. This means that additional funds may be utilised for various social reasons, but they are used to curry favour with the political class rather than for welfare[3].

There are two fundamental laws of supply and demand in economics. According to the law of demand, when prices are reduced, there is an increase in demand for the output. It is a straightforward illustration of fundamental consumer behaviour. Just keep in mind that the demand will only grow exponentially if you offer any form of product at no cost. However, supply won't be significantly impacted because, on the demand side, every income group will want the goods if the price drops or is eliminated, regardless of class. However, supply requires a solid, cost-effective production model. It is impossible to make the same thing without incurring any costs when you give the finished good without placing a price on it.

Once this happens, the institution offering to provide the goods for free is ultimately burdened by the growing discrepancy between sales revenue and manufacturing costs.

The same thing is happening to the economy as a result of "rewadi culture," or the culture of freebies. It not only places a heavy financial load on the government and results in a fiscal imbalance, but it also hinders the creation of other welfare programmes that may be much more effective for the general welfare. Prior to delving into the economic and public finance components of the freebies. Let's begin by discussing the origins of freebies. This culture's emergence is accompanied by the issue it is causing.

History and the Concept of Freebie-

Generally speaking, the origins of freebie culture in modern India can be traced back to the south, specifically the politics of Tamil Nadu. The late Kumaraswami Kamaraj, as the Chief Minister of the erstwhile Madras state, introduced sops in the form of free education and free meals for school students between 1954 to 1963[4]. The state politics in India can be used to track the history of welfarism there. The government of Tamilnadu's free sops, as previously indicated, had a significant impact on the schools' enrollment rates. The Tamil Nadu administration experienced considerable success, and other party states view it as a development and election-winning model. With less emphasis on poverty and more on political achievement, freebie culture began to take off in full force. According to historical statistics, the DMK spent more than Rs 3,340 crore on 14-inch colour televisions between 2006 and 2010. In just the 2012–2013 course of the year, its opponent AIADMK spent more than Rs 1,200 crore on 7,84,000 laptops for students[5]. Even such freebie culture exploded that the individual candidates too started promising free facilities from their public pockets. Thus, southern politics were flawed?. Because of the period in which these sops were offered, we cannot affirm so with absolute certainty. India wasn't as advanced as it is now. Every societal issue was at its height. There was a high rate of illiteracy, malnourishment, unemployment, and poverty. Because education was the most crucial aspect, it was difficult for governments to raise labour productivity to the point where it could encourage the development of industrial skills. However, due to poverty, many people were unable to enrol in a primary school. Therefore, free midday meals not only addressed the issue of enrolling but also the issue of malnourishment in order to draw them towards education.

Due to colonial extraction the country was in dire need of such government interventions. It was totally based on the Keynesian policy of economics. Keynes postulated the policy of short term government intervention to balance the disequilibrium in the market .

Keynesian economics promotes countercyclical policies, which involve government intervention to counteract the negative effects of economic recessions. Freebies can be viewed as countercyclical measures that provide immediate relief and support to individuals and communities during times of economic hardship. By providing free goods or services, the government aims to increase disposable income, encourage spending, and mitigate the negative impact of the downturn [6].

The Keynes policy is quite clear about the government intervention when it comes to uplift the underdeveloped economy. Hence the freebie decision taken during the 60's 70's can be justified because that was the need of an hour. It was essential for state governments to implement drastic policies so they can pull people out from the hell of poverty and malnourishment. Even if we look at the definition given by Reserve Bank Of India

Freebies, according to a Reserve Bank of India (RBI) assessment, are not reward products or expenditures like the public distribution system, employment guarantee programmes, and state funding for facilities for education and healthcare. According to this, freebies include provisions for

things like free transport, water, energy, and waivers of past-due debts and utility bills[7].

So when government provides health related or education related sops we cannot term them as freebies because those are for enhancement of social productivity. But things like free transport, electricity, loan waiver are naturally termed as freebies because they are not directly connected to the public welfare. Hence whenever any government tried to implement policies regarding social infrastructure and provides some subsidized services , it may put financial burden on the state purse but we must understand in long term it can provide higher capital returns if implemented correctly and without any internal corrupt leakages.

In India , schemes like AyushmanBharat , food security bill, PM KISAN Yojana cannot be termed as freebie . because in some way they are going to be beneficial for the long-term growth of the nation. Here not everyone is getting benefits of the scheme, people who are needy and are lacking something only getting the benefits of above scheme, but when it comes to freebie culture irrespective of income class everyone gets the benefits which is quite irresponsible in nature. Now the question comes , is india the only nation with freebie culture or there any other countries with such political scenario?

The answer is no. in other political nations , the social welfare schemes providing free services is also promised and implemented.

United States: In the United States, political candidates often make promises of free or subsidized healthcare, education, or housing as part of their election campaigns. For instance, proposals for free college tuition or universal healthcare have been put forward by politicians from different parties.

Brazil: Brazilian politics has seen the implementation of various social welfare programs, such as Bolsa Família, which provides conditional cash transfers to low-income families. These programs aim to alleviate poverty and provide basic necessities to vulnerable populations [8].

Scandinavian Countries: Countries like Denmark, Sweden, and Norway have well-established welfare states, offering a wide range of free or heavily subsidized services, including healthcare, education, childcare, and social security. These benefits are often part of the comprehensive welfare systems in these countries.

But the question is, how much of the public wealth does the government use for the people? The tax to GDP ratio in the aforementioned nations is higher than 10%. This indicates that the government's revenue comes entirely from collecting taxes. Therefore, when governments take on the duty for such free services, we can conclude that they are financially competent to spend a sizable portion of the money obtained from public taxes. But things are very different in India. India only has a 6.1% direct tax to GDP ratio. The total tax-to-GDP ratio is 11%, which includes indirect taxes and many other sources. [9]

A major public budget disaster has resulted. How is it possible to carry such a heavy burden if the Indian economy contributes so little to public taxes? There will inevitably be deficits and a significant weight of debt on the public coffers as a result. When it comes to giveaways, the loan waiver programme is one of the most popular. The complete revenue and spending position of the government will be covered in the next section. And while some claim that the freebies are part of public welfare programmes, we can actually demonstrate the value of the freebies by conducting a social audit.

The Public finance status vs the extravagant spending patterns –

Before we move further with the total expenditure and revenue figures , the recent RBI report on state finances can give us some glimpses regarding how the precarious situation is there when it comes to the debt load.

The forecast of the debt to GDP ratio for several states between 2026 and 2027, based on staff

estimates from the RBI, is as follows: Bihar accounts for 31.2% of the total, Punjab 46.8%, Kerala 38.2%, Rajasthan 39.4%, and West Bengal 37%. According to the RBI's analysis, the majority of the other states will probably have debt-to-GSDP ratios more than 30% in 2026–2027. With a forecasted debt-to-GSDP ratio of around 45% in 2026–2027, Punjab is predicted to do the worst. By 2026–2027, it is anticipated that Rajasthan, Kerala, and West Bengal will have debt-to-GSDP ratios higher than 35%. [10]

This forecasting shows how much extra money state governments are spending on the welfare schemes. To fulfil the budgetary requirements, it is quite clear that these governments have to take loans from various national- international institutions. the interest over these loans turns the whole public money for repayment of it. Then next doubt arises , is government really spending this money on capital expenditure ?

According to the CAG report, the share of subsidies in total revenue expenditure by states has also risen from 7.8 per cent in 2019-20 to 8.2 per cent in 2021-22. According to the RBI report, Jharkhand, Kerala, Odisha, Telangana and Uttar Pradesh are the top five states that have seen the largest rise in subsidies in the last three years[11]. Subsidies are not the part of capital expenditure which ensures the productive return. Hence such level of expenditure hampers the government's ability to work efficiently in other developing sectors .

Freebie programmes may put financial restrictions on the government. The money allotted to giveaways could cut into cash needed for other urgent projects like building infrastructure, providing healthcare, education, or social welfare services to disadvantaged groups. This may have a detrimental effect on society as a whole and impede long-term economic growth. Spending on gifts has the potential to skew the economy's distribution of resources. When the government offers free goods or services, it might drive away private investment and deter people from engaging in worthwhile undertakings. This could result in resource misallocation and impede the growth of the economy.

The loan waiver of 2008 by the UPA government is live example of how such freebie culture can destroy the whole banking system. In the name farmers welfare, instead of investing in productive mechanism , government waives the loan repayment . just look at the below report by the PIB press.

Under the scheme, direct agricultural loans disbursed by Scheduled Commercial Banks, Local Area Banks, Cooperative Credit Institutions and Regional Rural Banks between 1st April, 1997 to 31st March, 2007 to farmers, which were overdue as on 31st December, 2007 and remained unpaid upto 29th February, 2008 were eligible for Debt Waiver/Debt Relief.

While 'Small and Marginal Farmers' were entitled to cent per cent debt waiver, 'Other Farmers' were given a rebate of 25 per cent of eligible amount, subject to the condition that the farmer pays the balance of 75 per cent.

As many as 3.73 crore farmers were benefitted to the extent of Rs. 52,259.86 crore.[12]

That suggested the 53 thousand crore of loan should be reimbursed by the governmet itself. All the analysts and media experts commented on this decision as the worsening the credit culture in india . instead of providing income support to farmers , government shattered the whole banking system with this single decision. The flood of increasing NPA in banking area is the immediate result of this unfortunate decision.

The loan waiver of 2008, known as the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), was implemented by the Indian government to provide relief to distressed farmers by waiving their agricultural loans. While aimed at addressing agrarian distress, the loan waiver had significant consequences for the banking system. Banks incurred losses and erosion of their capital

base, impacting their profitability and financial stability. The loan waiver also disrupted the credit flow to the agricultural sector, as banks became cautious in lending to farmers due to increased risk perception. The scheme created moral hazard by signaling that defaulting on loans could lead to future debt waivers, potentially impacting credit discipline. The government provided compensation to lenders, but delays and challenges in the compensation process affected the liquidity and cash flow of banks. The loan waiver raised concerns about the sustainability of agricultural lending, loan recovery mechanisms, and the need for comprehensive measures to address agricultural distress. Overall, the loan waiver had both immediate and long-term implications for the banking system, emphasizing the importance of careful implementation and the need for targeted and sustainable solutions to support the agricultural sector.

According to the RBI's Financial Stability Report published in December 2016, NPAs from agriculture and allied sectors have consistently climbed from 3.3% of total banks loans to the industry in March 2011 to 6% in September 2016. Some bankers blame this increase on the politicians' recurring loan waivers, which have damaged the rural communities' habit of payback. They point out that when the then-finance minister P Chidambaram declared a massive Rs 60,000 crore relief for small and marginal farmers in the 2008-09 union budget, the steady rise in agriculture NPAs began[13].

The loan waiver halted the supply of credit to the agriculture industry. Banks grew more cautious when lending to farmers as a result of losses and a higher sense of risk. Farmers, especially those with a poor credit history, had less access to loans as a result of the uncertainties the loan waiver scheme produced. See when you provide something worth to repay for free, the consumer behaviour turns towards consuming rather than spending. After loan waiver scheme, the natural urge to waive all kind of loans increased and even the farmers able to repay got benefits of this scheme.

Such kind of freebies create the moral hazard issues in the society. Moral hazard is the basic issue which leads to the market failure. Market failure is the condition where the product's real value and real information gets totally distorted and will not reach towards the consumer in proper way. Market failure is disastrous phenomenon when it comes to the economic stability. Freebie culture breeds and spread the moral hazard in a legal way. Free electricity, free laptops etc not just make those products available to people, but make people less competent and more greedy.

Due to such moral hazard NPA gains the ground tremendously. Many borrowers were not willing to pay their dues back due to the possibility of the loan waiving scheme. Here are some revelations from the study conducted by the NABARD.

A farm debt waiver involves significant financial resources, and if it is not well planned, it might easily put a strain on the state's finances. Some of the impacts are summarised below.

1. A waiver amount is generally counted towards government's revenue expenditure; thus, an FLW is most likely to expand the revenue expenditure of the state;
2. A higher revenue expenditure is usually financed through higher market borrowings. Increased market borrowings lead to higher interest rates, which crowd-out private investments;
3. If some part of the FLW is financed from budgetary provisions, then it is likely to result in
 - a. a cutback in capital expenditure;
 - b. Deterioration in the quality of expenditure, where expenditure on asset formation like irrigation works, creation of cold storages and others, is foregone or reduced.
4. Financing of FLW expenditure from outside budgetary provisions widens the fiscal deficit with likely inflationary consequences.

In this study, NABARD paper focussed on the loan waiver scheme of Punjab government

implemented in 2017. Which is known karjamukti yojana. Under this scheme , Punjab government waived the loan of upto 2 lakh for many marginal and small farmers . at the end of disbursement in 2019-20 , total expenditure was done around 6586 crore. After summarizing this paper , we can point out the following points.

1. After the farm loan waiving scheme , the budgetary allocations in Punjab state government departments changed drastically.
2. There was sharp increase in the borrowing from the market from 2016-17 to 2018-19. It was directly connected to the farm loan waiver scheme. (– Barring the spike in 2016-17,when the state government’s market borrowing shows an exceptional increase to touch Rs.84,000 crores from Rs. 38,000 crores the year before, the rate of growth of market borrowings has been steady. After a fall of about 45 per cent in 2017-18, market borrowings again started to grow annually)[14]
3. Then next observation was the increase in the scale of revenue expenditure happened. It should be noted that when capital expenditure increases, there is certain creation of assets but revenue expenditure is that kind of expenditure which does not create and kind of asset for the government. It includes such expenses where there is no way for any profitable return i.e. transfer payments, salaries of the government employees
4. Next observation includes the allocation of funds to the departments. The composition of allocation was totally changed.

The following departments saw a drop in actual spending in 2018–19 versus 2017–18:

a. The Power Department saw a decrease of around 27% from Rs. 3,013 crores in 2017–18 to Rs. 2,202 crores in 2018–19.

Home Affairs saw a decrease of roughly 6.9% from Rs. 6,674 crores in 2017–18 to Rs. 6,211 crores in 2018–19.

c. Health and Family Welfare - A decrease of roughly 1.3% from Rs. 2,830 crores in 2017–18 to Rs. 2,793 crores in 2018–19

Water resources decreased from Rs. 2,815 crores in 2017–18 to Rs. 1,422 crores in 2018–19. an improvement of 49.5%

Public Works saw a decrease of roughly 40.9 percent from Rs. 2,329 crores in 2017–18 to Rs. 1,377 crores in 2018–19[15].

5. And most importantly, the budget allocation in agriculture department increases not because there was actual expenditure was done on the agricultural sector , but the amount of loan waiving was included in allocation of agricultural department.
6. And last thing non-development expenditure was highest than the development expenditure .
7. Also the intra agriculture allocation pattern was changed , the expenditure on research and development was decreased drastically.

Another concern which is always talked about when it comes to farmers loan waiver , that is the increase in the inflation rates . when the waiver is announced , there is not any kind of fresh money is returned to the bank yet nor any money was injected by the central bank of that country. Hence farmers again become eligible to apply for the loan. So money supply remains same and the demand for money increases crazily. Which increases the interest rate over the loans and crowd out the private investment from the market. Saving became the priority of business community due to uncertainty in the credit system of the country. Higher credit flow definitely creates the inflationary pressure in the market. Another reason for such inflation is fiscal deficit which is funded by the additional market borrowing by the state government. Deficit financing is one of the biggest reason for the inflation.

So it was the short analysis of loan waiver , one of the celebrated freebie announced by any government. The NABARD study shows us that how much one state can go through management trouble . then just think about the whole banking system.

After the loan waiver scheme , the most popular freebie is free electricity to the consumers. In last decades , many election campaigns had seen the manifestos where the free electricity till certain units was promised. But the generation of power and its total consumption in the market should be analysed to find these promises reasonable.

Following are some examples where free electricity was promised –

Uttar Pradesh Assembly Election, India (2017):

Samajwadi Party (SP) promised to provide free electricity to households consuming less than 300 units per month.

Delhi Assembly Election, India (2020):

Aam Aadmi Party (AAP) promised to provide free electricity to households consuming up to 200 units per month.

Tamil Nadu Assembly Election, India (2021):

DravidaMunnetraKazhagam (DMK) promised to provide free electricity to households consuming up to 100 units per month.

These are some promises made by the political parties to provide free electricity to the consumer. Now lets try to calculate that how much cost these parties will bear if they really implement these promises.

First how much cost any supplier bears to generate 1 kw/h or 1 unit of electricity. Then the cost of generating 1 unit of electricity is Rs. 6.09.[16] which means government implemented the free electricity policy, then SP in Uttarpradesh needs to spend 1800 rs per household, AAP has to spend 1200 Rs per household and BJP has to spend 600 rs per household as per the mentioned benefitted class.

We are taking the price of 6 Rs because it is cost of electricity production by the coal based generation. In India still almost 50% of electricity generation is done under coal based power plants or thermal power plants[17].

Maharashtra has the annual power subsidy valued around 8500 crore , where due to outstanding and delay in repayment the arrears are arising rapidly. Outstanding dues stand for 42000 crore. That is huge. Some officials said due to the political motive and need for the agriculture such subsidized power provision is needed. [18]

Therefore, when a political party in Maharashtra made a promise of free electricity of this nature, the power producing industry was dug into a deep hole.

We must comprehend that a portion of the unit payment should be waived rather than the entire amount, or that the cost per unit should be kept to a minimum. However, supplying electricity for free seems more political than practical from an economic one.

Lets find about the current situation DISCOMS, distribution companies in state level.

State-owned discoms registered cumulative losses of about three lakh crore rupees between 2017-18 and 2020-21. The liabilities of these discoms are contingent liabilities of the state government[19]. Aggregate losses of distribution utilities rose 66.47% to ₹50,281 crore in FY21, showed a report by

Power Finance Corporation (PFC).

Lets find out what are the certain reasons for such distribution losses and how its is directly linked to power subsidies and free power service.

1. **High Aggregate Technical and Commercial (AT&C) Losses:** AT&C losses refer to the losses incurred during the transmission and distribution of electricity. These losses can occur due to technical inefficiencies, such as transmission losses, as well as commercial losses, including theft, billing irregularities, and **non-payment of electricity bills**. High AT&C losses result in revenue leakage and financial losses for DISCOMs.
2. **Inefficient Tariff Structure:** In some cases, **the tariff structure set by regulatory authorities may not accurately reflect the cost of electricity generation**, transmission, and distribution. If the tariffs are not aligned with the actual costs, DISCOMs may face financial challenges and struggle to cover their operational expenses, leading to losses.
3. **Subsidized Tariffs and Cross-Subsidization:** In many countries, electricity tariffs for certain categories of consumers, such as agricultural, residential, or low-income households, are subsidized to provide affordable access to electricity. **While these subsidies are important for social welfare, they can create a financial burden on DISCOMs**. Additionally, cross-subsidization, where higher tariffs for commercial and industrial consumers subsidize lower tariffs for other categories, can also impact DISCOM finances.
4. **Inadequate Cost Recovery:** DISCOMs may **face challenges in effectively collecting revenue from consumers**, particularly in cases of high levels of non-payment or inefficiencies in billing and collection systems. Insufficient cost recovery leads to financial stress and losses for DISCOMs.

If we carefully examine the causes of the discom failure, the repayment problem and the consumer's obligation are the common factors in all three causes. Discom resurrection is not still the subject of a robust policy. But when the distribution network is losing money at this rate. Therefore, it is somewhat absurd to provide such free power as a form of welfare. If your phone lacks range, you will find it difficult to communicate with others on the phone. The electricity distributor is not in good health, but you are burdening him with increased power supply without making any type of payment for past due amounts. The loss of discom and revival of distribution companies should be the first priority of governments rather than providing such freebies.

Way forward and Suggestions –

The freebie culture is already been criticised by the highest judiciary of the country. The court said the government as well as organisations like Niti Aayog, Finance Commission of India, the Law Commission, Reserve Bank of India, Opposition, etc, have to be involved in the process of brainstorming on the problem of freebies and come up with constructive conclusions on the issue. The court also said that if such freebie culture is not stopped then india will lead towards the economic disaster[20].even election commission is taking effort to curb the freebie culture .Political parties are required by the Election Commission to provide financial viability disclosures throughout the campaign in accordance with the model code of conduct. Such generous freebie promises not only harmed the premise of a free and fair election but also worsened the economic situation.

Here are some suggestions to stop freebie culture in India-

1. Focus on Productive Investments: Prioritising investments in infrastructure, education, healthcare, and other fields that have a beneficial long-term influence on the economy should be a top government priority. This can increase productivity, open up new employment prospects, and lessen reliance on populist short-term fixes.
2. Strengthen Social Welfare Programmes: Experts recommend bolstering current social welfare programmes that offer specialised assistance to individuals in need rather than turning to giveaways. This guarantees that resources are distributed more fairly and effectively.
3. Promotion of Public Awareness and Education: It's crucial to inform people about the long-term effects of freebies. This might encourage voters to think more carefully about how political promises will affect society and the economy as a whole.
4. Election Reforms: To discourage the use of giveaways as a strategy to win elections, some experts advise introducing electoral reforms. Increased transparency in political spending, stricter campaign finance laws, and a higher focus on upholding political parties' ethical standards could all be part of this.

As a result, experts have drawn attention to the negative consequences of the "freebie culture" in politics and provided insightful suggestions for how to resolve this problem. Freebies are so common that they undercut budgetary restraint and slow long-term economic progress. Experts stress the significance of open budgeting, rationalising subsidies, concentrating on profitable investments, bolstering social welfare programmes, raising public awareness and education, enacting electoral changes, and emphasising good governance as ways to overcome this culture.

Governments can change their emphasis from short-term populist initiatives to long-term, sustainable policies that benefit society as a whole by implementing these recommendations. To resist the appeal of freebies and place the long-term prosperity of the economy and its people first, political leaders, policymakers, and citizens must work together.

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