



**CENTRE FOR NEW ECONOMICS STUDIES
CONVERSATIONS IN DEVELOPMENT STUDIES**

VOLUME 4 ISSUE III

**THE 'FREEBIE CULTURE' & WELFARE: A
DEVELOPING WORLD PERSPECTIVE**

Image: Dependency and Charity - François Bonvin

CONVERSATIONS IN DEVELOPMENT STUDIES (CIDS)

Volume 4: Issue III

THE 'FREEBIE CULTURE' & WELFARE: A DEVELOPING WORLD PERSPECTIVE

ABOUT CIDS

CIDS (Conversations in Development Studies) is a peer-reviewed, quarterly research journal publication produced by the research team of the Centre for New Economics Studies, Jindal School of Liberal Arts and Humanities, O.P. Jindal Global University. This student-led editorial journal features solicited research commentaries (between 2500-3000 words) from scholars currently working on the cross-sectional aspects of development studies. Each published CIDS Issue seeks to offer a comprehensive analysis of a specific theme identified within development scholarship.

The editorial team's vision is to let CIDS organically evolve as a space for cultivating creative ideas for research scholars (within and outside the University) to broaden the development discourse through conceptual engagement and methodological experimentation on contemporary issues. Any research commentary submission features: a) a brief review of the literature on a research problem, b) the argument made by the author with details on the method used, c) documenting the findings and relevance of them in the larger scope of the literature, and (in some instances) d) present a brief policy action plan for agencies of the state (to address the issue highlighted in the commentary). There are no pre-identified limitations or restrictions to methodological frameworks used by solicited scholars (*i.e.*, those writing the commentary). However, the research method incorporated in any accepted submission must be explained along with its relevance in context to the study undertaken.

CONTENTS

About this Issue.....	3
The Trade-off between Welfarism and the Economic Impact of ‘Freebies’	8
The Political Economy of ‘Freebies’ in India	17
‘Freebie Culture’ in the Developing World: A Case Study of Brazil’s Bolsa Familia Programme	23
CIDS Editorial.....	36

About this Issue

THE 'FREEBIE CULTURE' & WELFARE: A DEVELOPING WORLD PERSPECTIVE

The recent national debate on the 'freebie' or 'revdi culture' as proclaimed by the Indian Prime Minister, Shri Narendra Modi - necessitates an examination of freebies at the crux of the controversy and their place in the nation's socio-political and economic landscape.¹ The definition of 'Freebie' has invited excessive contestation, for it can have significant electoral and economic consequences, while also acting as a potential welfare tool for the masses. The Reserve Bank of India, in its report 'State Finances: A Risk Analysis', defined freebies as "a public welfare measure that is provided free of charge".²

The term 'public welfare measure' seems to be vague and arbitrary and could be perceived in a way to maximize political goals. Hence, what exactly can be considered as 'welfare' and which section of society benefits from freebies needs further clarification. Employment schemes like MGNREGA, pension schemes, state-supported education, and healthcare schemes, are all formulated keeping public welfare as their core principle. However, according to the RBI report³, these cannot be classified under freebies. In contrast, free bus rides for women, free cycles for women, and free electricity and water are often considered freebies; or are at the border of a blurred understanding of 'freebies versus welfare'.

What is the basis for this classification? Hence, the most important question that stems from this debate is, on what grounds does one distinguish a freebie from a welfare policy? Furthermore, what are the parameters that decide who is entitled to receive freebies? Are they any different from the parameters of other welfare policies? These questions must be placed in the larger context of India's position as a developing economy and welfare state, so as to understand the impact of 'freebies' on public welfare, and its role in shaping the political economy.

It is crucial we interrogate the economic rationale of these 'freebies', their impact on the exchequer of the various Indian states where these schemes have been most prominent, and the trade-off that is faced between fiscal prudence and welfare. N.K. Singh, the Chairperson of the Fifteenth Finance Commission, argued that freebies are detrimental to the macroeconomic stability of the governments, and warned of the prospect of "sub-national bankruptcies" if this practice is continued.⁴ These comments come in the backdrop of the already debt-stressed Punjab Government promising 'freebies' ranging from free electricity up to 300 units per household, and

¹ Sunjay Dutta, 'PM Modi blames freebie culture in politics for power sector ills' (*The Times of India*, 30 July 2022) <<https://timesofindia.indiatimes.com/india/pm-modi-blames-freebie-culture-in-politics-for-power-sector-ills/articleshow/93241178.cms>>

² Reserve Bank of India, *State Finances: A Risk Analysis* (June 2022) <https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=21070#F15>

³ *Ibid.*

⁴ Vikas Dhoot, 'Freebies race could lead to bankruptcy of States' (*The Hindu*, 19 April 2022) <<https://www.thehindu.com/business/Economy/freebies-race-could-lead-to-bankruptcy-of-states/article65336044.ece>>

Rs. 1000 per month to every woman in the state, aged 18 years and above.⁵ These promises are expected to put an additional burden of Rs. 20,600 crores on the state's exchequer.

While many may describe these promises as expensive “irrational” freebies⁶, their potential as a welfare tool for the poor must also be highlighted. *For example*, the monthly Rs. 1000 transfer to every woman in the state of Punjab is akin to Unconditional Cash Transfers (UCT) seen in many developing countries, and which have worked to great effect. Research by J-PAL Africa - *Innovations for Poverty Action* in Kenya⁷ found that providing unconditional cash transfers to low-income households leads to a positive impact on the welfare of the recipients, including “increased income, improved psychological well-being, and greater empowerment for women”.⁸

This is a direct consequence of these UCTs that allow poor households the choice and flexibility of allocating resources to meet the needs that they find most pressing. Thus, there is evidence to support the argument that this initiative of UCTs for women by the Punjab Government can potentially bear dividends for social welfare in the state. The question is: at what cost? The economic feasibility of a similar scheme in the form of a Universal Basic Income (UBI) for India has already been explored.

In 2017, The Economic Survey of India proposed an annual transfer of Rs 7,620 to 75 percent of India's population. It estimated that such a transfer would push “all but India's poorest” above the 2011-12 poverty line and give them a base income to survive on. The survey put the cost of such a scheme at 4.9 percent of India's GDP.⁹ While it is evident that these ‘freebies’ benefit the economically disadvantaged, worries about their fiscal impact are also valid. With debt-burdened states like Punjab and Andhra Pradesh continuing their policy of doling out freebies, an inquisition into the choice between fiscal health and welfare, and consequently, a deeper understanding of the economic, social, and political connotations of ‘freebies’ becomes necessary.

The Indian Prime Minister recently invoked the ‘revdi culture’ to warn people, especially young voters, of this dangerous political development wherein votes are being bought by the promise of ‘freebies’. He described this ‘freebie culture’ as harmful to India's development and called for the removal of such politics from the country. Several top bureaucrats have also raised concerns against the prevalent practice of ‘freebie’ promise and distribution, which is done to win over voters during the election period.¹⁰ Thus, while the economic and welfare consequences of these

⁵ Shreya Maskara, ‘Decoding Long-Term Impact of Freebies on State Finances’ (*The Daily Guardian*, 27 April 2022) <<https://theguardian.com/decoding-long-term-impact-of-freebies-on-state-finances/>>

⁶ ‘PIL against freebies: Need to strike balance between ‘economy losing money’ and welfare measures, says Supreme Court’ (*The Times of India*, 11 August 2022) <https://timesofindia.indiatimes.com/india/pil-against-freebies-need-to-strike-balance-between-economy-losing-money-and-welfare-measures-says-supreme-court/articleshow/93501483.cms>

⁷ Edward Miguel, *et. al.*, ‘Unconditional Cash Transfers to Increase General Welfare and Local Public Finance in Kenya’ (J-PAL, 2016) <<https://www.povertyactionlab.org/evaluation/unconditional-cash-transfers-increase-general-welfare-and-local-public-finance-kenya>>

⁸ Miguel (n 7)

⁹ Abhijit Banerjee & Esther Duflo. *Good Economics for Hard Times* (Juggernaut 2019)

¹⁰ Dipak K Dash, ‘Freebies unsustainable, states can go bust, say secretaries at meet with PM’ (*The Times of India*, 4 April 2022) <<https://timesofindia.indiatimes.com/india/freebies-unsustainable-states-can-go-bust-say-secretaries-at-meet-with-pm/articleshow/90629435.cms>>

‘freebies’ are important, it is equally crucial to look at the ‘Freebie Culture’ through the lens of electoral politics.

In a Public Interest Litigation (PIL) filed in the Supreme Court, the petitioner has argued against the practice of promising ‘irrational’ freebies during the election period and deregistering parties that indulge in these practices. The three-judge bench hearing the petition acknowledged the seriousness of the issue as well as the hesitancy of the political parties and Election Commission in opposing the ‘freebie culture’. Former Chief Justice N.V. Ramana argued that “no political party would oppose freebies”,¹¹ alluding to the obvious electoral benefits that a continuation of the practice of freebie distribution holds for them.

As a consequence, the judiciary has called for an ‘independent expert body’, rather than the Parliament, to tackle the issue. In her article¹² ‘Let’s Debate Freebies’, Yamini Aiyar, a policy researcher, opposes this expert body creation — calling it a gross judicial overreach and arguing that freebies are a matter between voters and their elected representatives; not experts — who are essentially ‘urban elites’. She further goes on to exonerate the voter in this ‘revdi culture’: “...*the prevalence of freebie politics is really an indictment of our economic policy and the abject failure to build a welfare state that invests in human capital*”¹³. In the face of these arguments, it becomes pivotal to place freebie politics within the larger discourse of welfare policy in the country, and in developing countries across the globe.

In much of the developing world, like India, inequality and poverty remain pressing issues. The Latin American region, for instance, is characterized by some of the worst income disparities in the world, as well as high degrees of labor market informality.¹⁴ Over roughly the last decade and a half, countries in the region have developed new schemes to battle poverty — primarily Latin America’s flagship Conditional Cash Transfer (CCT) programs. Such initiatives are very popular in the region — a World Bank Report states that nearly 129 million people from 18 countries within Latin America and the Caribbean are covered by these CCTs.¹⁵

The idea is that rather than transferring income to the poor through “price subsidies, food stamps, or direct distribution of foodstuffs” (milk, tortillas, bread, and the like), it is better to transfer income directly in monetary form, conditioned on the recipient households’ investments in their human capital — associated with children’s attendance to school, health clinics, and nutrition levels.¹⁶

¹¹ Staff, ‘No Political Party Would Oppose Freebies: SC Suggests Expert Panel to Examine the Issue’ (*The Wire*, 3 August 2022) <<https://thewire.in/law/supreme-court-freebies-expert-panel>>

¹² Yamini Aiyar, ‘Let’s debate freebies’ (*The Indian Express*, 9 August 2022) <<https://cprindia.org/wp-content/uploads/2022/08/freebie.pdf>>

¹³ *Ibid.*

¹⁴ Sonia Fleury, ‘The Welfare State in Latin America: reform, innovation, and fatigue’ (2017) 33 *Sup. (2) Cad. Saúde Pública*

¹⁵ Mariana Ceratti, ‘One in every four Latin Americans is covered by programs such as the Bolsa Família and Oportunidades’ (*The World Bank*, 15 July 2013) <<https://www.worldbank.org/en/news/feature/2013/07/15/Brazil-Latin-America-covered-social-safety-nets>>

¹⁶ Santiago Levy, ‘Is social policy in Latin America heading in the right direction? Beyond conditional cash transfer programs’ (*Brookings*, 21 May 2015) <<https://www.brookings.edu/opinions/is-social-policy-in-latin-america-heading-in-the-right-direction-beyond-conditional-cash-transfer-programs/>>

A striking example of such a CCT is Brazil's Bolsa Familia Programme (BFP), which was set up in 2003 to reduce poverty and inequality, by providing a minimum basic income for extremely deprived families based on the above criteria. Indeed, the scheme has won international acclaim and proved to be a resounding welfare policy success, with positive effects seen on poverty and inequality,¹⁷ as well as in human development indicators like education and health.¹⁸

The BFP, along with other pro-poor policies and a commodity boom, helped more than 30 million Brazilians escape poverty between 2003 and 2014.¹⁹ On the other hand, in India, it is highly likely that a scheme like this, involving direct cash transfer, would be labeled as a 'freebie' and hence excluded from welfare policy; despite its evident benefits. This is not to say that welfare policies like the Bolsa Familia do not suffer from electoral politics in Brazil. On 30th December 2021, the far-right administration of President Jair Bolsonaro replaced the internationally acclaimed Bolsa Familia Programme with a new social security scheme — the Auxílio Brasil — which effectively doubled the size of cash welfare payments to poor families and increased the number of beneficiary families to 17 million.²⁰

However, there has been contention in Brazil about the potential political intentions of Bolsonaro behind the scheme's implementation, with the opposition calling it an electoral ploy to increase the incumbent President's popularity ahead of the elections in October 2022.²¹ The Auxílio Brasil has also been criticized on grounds of economic feasibility — with growing fiscal concerns over excessive government spending. The worry is that this free-handed welfare expenditure will further increase prices in the country, with the inflation rate having already surged into double digits. Indeed, the economic and political colours of the discourse surrounding this scheme are of shades similar to India's 'freebie politics'. The welfare model in Brazil, and its prevalent circumstances, can thus help contextualize Indian welfare schemes and its national debates on freebies, through a developing world perspective.

This issue of the *Conversation in Development Studies (CIDS) Journal* explores the various definitions of 'freebies' and its inextricable links with welfare policy and economic health. This will be done by situating the national debate on the 'revdi culture' within the larger discourse on social security schemes in developing economies like India and Brazil. In doing so, this issue will look to unblur the lines between 'revdi' and welfare; giving us a deeper look at the conversations surrounding the 'freebie' issue and its deep interlinks with the spheres of the economic, social, political, and legal.

¹⁷ Fábio Veras Soares, Rafael Perez Ribas & Rafael Guerreiro Osório, 'Evaluating the Impact of Brazil's Bolsa Família: Cash Transfer Programs In Comparative Perspective' (2010) 45(2) *Latin American Research Review* 173-190

¹⁸ Luis Henrique Paiva, Tereza Cristina Cotta & Armando Barrientos. 'Brazil's Bolsa Família Programme' in Paul 't Hart & Mallory Compton (eds.), *Great Policy Successes* (OUP 2019)

¹⁹ Maranhão Beláqua, 'Bolsa Família, Brazil's admired anti-poverty programme, is flailing' (*The Economist*, 30 January 2020) <<https://www.economist.com/the-americas/2020/01/30/bolsa-familia-brazils-admired-anti-poverty-programme-is-flailing>>

²⁰ Maria Carolina Marcello, 'Brazil's lower house approves replacement of Brazil's famed Bolsa Familia' (*Reuters*, 26 November 2021) <<https://www.reuters.com/world/americas/brazils-lower-house-approves-replacement-brazils-famed-bolsa-familia-2021-11-25/>>

²¹ *Ibid.*

For the first subtheme, we interviewed **Prof. Dipa Sinha, Assistant Professor (Economics), Ambedkar University** to examine the trade-off between Welfarism and the economic impact of 'Freebies'. Also, it explores the prominent freebie policies in various Indian states, the need for freebies among BPL and low-income families, historical improvements in social indicators and experiments done by economists which can be implemented in India, their consequences on fiscal management and budgetary allocation, and the possible way forward.

In the second section, we interviewed **Prof. Balveer Arora, Former Emeritus Professor, Jawaharlal Nehru University & Chairman, Centre for Multilevel Federalism** to look at the political angle within Indian freebies; and for an inquisition into the popular political support freebies generate, that is, its links to populism, the stance of the Central government over freebies and the recent controversy regarding 'Revdi' culture.

For the third and last subtheme, the CIDS Team interviewed **Prof. Devika Misra, Assistant Professor, Jindal School of International Affairs** to build a better understanding of 'Freebie Culture' in the developing world; to compare India and Latin America's socio-economic situation at large and their respective welfare policies, taking the case study of the acclaimed Bolsa Familia Program (BFP) in Brazil, and looking at whether it has achieved its goals as a welfare program, the BFP under the far-right President Jair Bolsonaro, and its consequential replacement by the Auxilio Brasil; thus building a global developing world understanding of India's 'freebie versus welfare' debate.

The Trade-off between Welfarism and the Economic Impact of ‘Freebies’

The recent national controversy on ‘freebie culture’ in India²² – necessitates an understanding of what constitutes a ‘freebie’ policy, and whether it can be distinguished from social welfare policies. This sub-theme seeks to explore these nuanced distinctions between them through the lenses of economic feasibility, welfare potential, and electoral politics. In doing so, we examined the significance of such policies in the context of developing countries like India. Can they play a role in improving human development indices or are they just a populist tool to win elections? Through examples like the Midday Meal Scheme given by interviewees, the discourse on the social impact of ‘freebies’ is furthered.

This subtheme also looks at the economic implications of government expenditure on ‘freebie’ policies, and the differences in social expenditure and fiscal prudence practiced by the States and the Centre arising from differences in budget. Discussions on economic concepts like capital and social expenditure also give us an insight into the impact the latter has on employment and welfare. To place these ideas in a larger developing world context, we look at a popular social welfare policy: cash transfer schemes. Thus, this subtheme looks at the economic technicalities of such schemes and their impact, further highlighted in India recovering from the devastations of the pandemic.

*The CIDS Team interviewed **Dr. Dipa Sinha, Assistant Professor (Economics), Ambedkar University, New Delhi** for this sub-theme to examine the trade-off between welfarism and the economic impact of freebies.*

How would you define freebies? Is there a difference between freebies and general welfare policies?

Dr. Dipa: There exists no clear definition of what is, and what is not, a ‘freebie’. The term has always existed, not as such in academic literature but its literal definition refers to anything that one is giving for free. With regards to the government’s distribution of these ‘freebies’, the word has had a very negative connotation attached to it and seems to indicate something which is wasteful. Moreover, it becomes even more difficult to distinguish between ‘freebies’ and welfare policies since in many contexts it is the role of the government to give out such ‘free’ goods and services.

I don’t particularly like the usage of the word ‘freebies’ and do not think that it should be used to describe any expenditure of the government, because it then gives the message that the administration is some sort of king who has their pot of money and is spending out of it – when that is not the case.

We know that it is our money that has been collected through taxes and since it is a democracy, there exists a process wherein our elected representatives decide how to spend that money. Having said that, depending on their understanding of the economy and political ideologies, one could

²² Dutta (n 1)

define certain expenditures to be better than others. So, each one of us can have a different opinion on what is wasteful. However, there are certain expenditures that are clearly welfare, *for example*, education and health.

Of course, there are debates on how much and in what way should the government spend on them. However, nobody across the political or economic ideological spectrum will argue that the state has absolutely no role in these spheres. Therefore, one can clearly define what welfare is, but describing what ‘freebies’ become difficult and problematic.

How do policymakers decide who would be entitled to receive freebies? How is this process different from deciding targets for welfare policies?

Dr. Dipa: Again, as previously stated, I feel we should rephrase and not use the term ‘freebies’ in our discourse. With regard to your question, it is important to remember that the formulation of a public policy is not only done by policymakers but also politicians. This entire debate surrounding what people describe as ‘freebies’ started from what it is that politicians can promise. The comments by the Prime Minister and the Supreme Court were addressing the politicians, whom I am separating from the bureaucrats for now.

How they decide whom to target is determined by a number of factors, including primarily what is going on in the country and what is prevalent in the national debate. We do see that there exists some sort of ‘competitive populism’. In a democracy like ours where there is so much inequality and most of the voters have meager living conditions, promising certain goods and services becomes a popular way to garner votes and show people immediate benefits.

So, politicians make these promises during the campaigning for the elections and if they win, these schemes will have to be made and implemented through the usual administrative procedures. That is, the same decision-making bureaucratic procedure is implemented as any other targeted welfare scheme. Often, for most such schemes, the Below Poverty Line (BPL) was the criterion that was used for the people targeted in these schemes. Whether it was scholarships, health insurance, laptops, etc. it would be BPL households would receive it, because it is a defined category and easy to implement.

Sometimes other criteria are also used, like recent data from the SECC (Socio-Economic Caste Census) has become the basis for many schemes. There could also be a priority given to certain geographies or social groups. Therefore, selecting the individual recipients or the beneficiaries mostly happens through similar processes of welfare policy targeting used across schemes and programs. However, the scheme itself and what will be given — whether it will be a laptop or a cow; depends on the political process.

In a developing country like India, how significant is the role of a ‘freebie’ in terms of economic and electoral aspects?

Dr. Dipa: There has been the critique that issues that really matter to people, *for example*, health, education, and the delivery and quality of these public services have not become as important electoral issues as they should be. So, on the one hand, you have these substantive issues which affect the lives of the poor that often do not become electoral issues. And on the other hand, certain singular points of party agendas like cash transfers to farmers, income guarantees, or wages for housework, end up becoming electoral issues. These are also valuable.

With regards to the significance of such ‘freebies’, I feel that post-1990s, we have seen more and more such promises coming up. However, it has also not been uniform across the country — different states have had different trajectories of such policies and promises. For instance, the southern states have had a long history of such policies being part of electoral politics while it is a newer phenomenon in some of the northern states. Overall, I think it is better that rather than identity-based issues being taken up, discourses surrounding development and people’s welfare becoming electoral issues is a desirable direction.

How would you describe the process of certain schemes which are described as ‘freebies’ when they are introduced, and then evolve into an unanimously accepted welfare policy, like the Midday Meal Scheme? How do we guide this ‘freebie’ to the welfare scheme trajectory?

Dr. Dipa: As previously mentioned, I do not like to call any particular scheme a ‘freebie’ and the Midday Meal Scheme is a good example of why so. When it started off, maybe all its benefits were not understood. However, the scheme contributes to the enrolment and attendance of children, addresses classroom hunger, provides local employment, gives opportunities for socialization, could address age-old caste barriers, and so on.

With the scheme in place, important issues such as serving eggs in school meals, kitchen gardens, appointing Dalit cooks, etc. are all now being fought for. Connecting to what I mentioned earlier, since these substantive issues are not becoming electoral issues, hopefully, these promises can become a route through which citizens can further lay their claims on the State. I see it as a way of people engaging with the state much more as citizens and rights holders. The very fact that we are having a debate on this topic is a step in the right direction because it is crucial to building such discourses on the role of the state in ensuring human development in our country.

Are there successful cases of freebie distribution in India where freebies have contributed to the improvement of social indices in the country?

Dr. Dipa: Yes, I think there are many such cases of successful welfare policies. For instance, a look at the inter-state differences in human development outcomes in India shows that Kerala and Tamil Nadu are much more advanced in terms of literacy rates, infant mortality, maternal mortality, etc. We also see that their state governments have played a very proactive role in these outcomes, not just after the 1990s but from much earlier.

Much before other states, they had the foresight to distribute free uniforms, free cycles for girl students, free meals, and rice at prices of Rs. 1 and Rs. 2. They have developed these schemes

further as well. Now, Tamil Nadu has subsidized canteens for the urban poor where a good meal is available at Rs. 5 a plate. Also, for example, looking at data on out-of-pocket expenditure on health, we can find that it is one of the least in India because the government hospitals in the state are functioning and people are able to go there to receive quality medical treatment.

Of course, it is not just a singular factor that has contributed to these outcomes. However, government schemes have played a significant role in improving human development indices in many Indian states. There are also many other examples of such government-sponsored schemes globally as well, in the form of free education and healthcare, that can be seen in some of the most free-market nations as well. So, I would not write off these 'free' welfare policies.

Despite the corruption and implementation problems, I feel many of these schemes have contributed quite significantly to welfare indices and will continue to do so. If you negate anything that is given for free calling them 'freebies', we would be disregarding the importance of so many things. For instance, it has been seen that if the additional free grains that are being given under the Pradhan Mantri Garib Kalyan Anna Yojana did not exist people would probably have been on the brink of starvation. If anything, what was needed was its expansion to cover those excluded.

What repercussions do freebies have on the wider budgetary allocations of a state?

Dr. Dipa: This is the crux of the entire debate surrounding the issue is – people have an objection to 'free' welfare policies because it is argued that we don't have the money, and we cannot afford them. There are two important things to consider here — one is that the budget of a government is not the same as the budget of a household. The government does have some space to have a deficit which households don't because the government can borrow from the public, can borrow internationally, can print money, and resort to other alternate means of raising resources.

Moreover, in times of recession and high unemployment, the government running a deficit is often seen as a good thing because excess spending can revive the economy. Having said that, I also agree that such spending cannot be limitless. So, in that context, we can look at some of these schemes and understand them better. *For example*, would you spend your limited money on building one more hospital or giving free gold chains? It is obvious that one would prefer building a hospital. On the other hand, if you look at how much was spent on giving the free gold chains as a proportion of the budget, it is quite small. Another example would be of giving free laptops.

However, I did not put it in place of gold chains in my example because post-COVID, one has realized that laptops are very important to access your right to education. In hindsight, it was beneficial that students in higher classes were given free laptops, and maybe more need to be given out like so in the future. However, if you analyze these kinds of schemes which are a direct transfer of goods like laptops, they are often a very small proportion of the state budgets. Even more so if you compare them with 'freebies' being given to the corporate sector. *For example*, if you look at the subsidy given to Vedanta recently for the silicon plant, it is substantially more than all of these 'freebie' distribution policies of the different state governments put together.

So, when we are looking at the budgetary implication of these policies and schemes, I think it must be in relation to what are the other spendings of the state, and in consideration of the question of whether the state is raising as many resources as it can and as it should. So, is our taxation system progressive enough? Are we taxing the rich enough? What are the exemptions and ‘incentives’ being given to big corporations? We need to ask all these questions, and if we do answer them honestly then I do not think it is such a big issue.

What measures can the Centre and states take to ensure fiscal prudence in state-wise expenditure on ‘freebies’?

Prof. Dipa: We have to separate the Centre and the states here because the state governments don’t really have much power or space to raise their own resources. So, they have to depend on the Centre’s resources, and post GST, that space has been reduced even further. Direct taxes are done completely by the Central Government and then they divide it. Therefore, the states’ hands are tied a little more. The rules of the FRBM are stricter on the states as well. So, while you might say that some states are doing quite poorly in terms of their fiscal management, they cannot continue it for very long. There are rules which will not allow them to do so.

Therefore, I think the Centre plays a more important role here because resource mobilization happens at the level of the Centre. What measures can the Centre take? I think one potential answer is that the Central Government can improve its revenue collection. If you look at the Tax-GDP ratio, it is quite poor in India. Furthermore, if you look at the Direct Tax-GDP ratio, it is really low. One reason for this is that most of the population is really poor but another reason is that even those who have money are paying low taxes. So, I think there is a need to look at our entire taxation system. Some measures like taxing the top 1% or having a wealth tax can be taken up, which can improve the taxation on the revenue side of the budget, and thereby fiscal prudence.

I think one of the best ways to ensure fiscal prudence on the spending side is to decentralize the spending. If we decentralize the spending as much as possible, so that it reaches the local communities, then that would be truly democratic. Then, people are really deciding what their money should be spent on and this further leads to greater monitoring and accountability. So, we need to look at ways in which our spending can be made more effective and that there are fewer leakages; leakages both in terms of corruption and efficacy.

One way of achieving these objectives is decentralizing the spending to the Gram Panchayats. Of course, not the entire budget, since many things cannot be done at that level of governance. However, a process similar to what Kerala has implemented, where a lot of the funds are transferred to the Gram Panchayats for them to decide how to spend. I think that is the way to go forward.

How does a state strike a balance between capital expenditure versus social expenditure?

Dr. Dipa: There is no simple answer to this, and it depends on the context of what the country requires at any given point in time. There seems to be a general opinion that capital expenditure is better than social expenditure considering how a capital expenditure is never seen as a freebie.

Capital expenditure is seen to be an effective expenditure and examples of the same would be the fixing of roads and building of highways. On the other hand, social expenditure which directly goes to people is seen as a wasteful expenditure.

In fact, I think one needs to reverse that completely and this also leads to the question of a broader idea of what development means to us. The idea of development itself and progress has been linked to urbanization, industry, and big cities. The narrative is that we are becoming a Singapore when we make big buildings and roads but if people are illiterate and malnourished and don't have access to basic resources, is that really where we want to go? What are the assessments made when capital expenditure is made to decide whether it is desirable for the people and the economy?

One thing I would like to be assessed when capital expenditure is made or a subsidy or a freebie is given to big corporations is to see what the employment elasticity of that expenditure is. There is a need for employment impact assessments in order to see how much the increase in jobs is because of such capital expenditures.

Can you elaborate on employment elasticity? Also, is it linked to social expenditure?

Dr. Dipa: Employment elasticity is basically the percentage change in employment for every percentage increase in our GDP. Post the 90s, the employment elasticity of output in India is continuously declining. So, the growth that is happening is what we call jobless growth. Despite the growth, there are no jobs. COVID made this situation worse. The logic for public expenditure, including the CAPEX in the recent budget, is that such expenditures create direct jobs leading to more employment creation through the multiplier effects. The Finance Minister, Ms. Nirmala Sitharaman - also made a mention of this. But I feel there is nothing automatic about capital expenditure creating jobs. With the shift in technology, the need for labor has reduced due to which the number of jobs created by such capital expenditures has also reduced.

On the other hand, social expenditure is never talked about in the context of reviving the economy. Social expenditure is labor-intensive and will remain so because it has relational aspects such as in the provision of care services. Teaching children, taking care of the aged and infirm, providing health care — all of this needs people on the frontlines. So, when such spending is made, you are giving incomes to people who would buy basic necessities such as food or household items which is the kind of demand that we require right now. In that context, I'm saying that even from the employment point of view, social expenditures might not be creating immediate material wealth, but they're creating demand. They are also contributing to improving human development outcomes which in the long run is also good for economic growth.

Where do cash transfer schemes like Janani Suraksha Yojana lie in the wider context of the state's welfare responsibilities? Do you think it weighs against policies when compared to other welfare schemes?

Dr. Dipa: In my opinion, cash transfers are not the best way to deliver welfare services. Not because I think they're freebies, but because they do not ensure access to these essential services. One aspect is that the government provides these welfare services because it is people's rights that

must be guaranteed. The other aspect is that markets fail in the provision of these services. And therefore, you need some sort of an external agency regulating it or providing it. The best way is by looking at global experiences for the state to spend on providing these services.

There is a reason for the state to provide these services from the rights perspective, the equity perspective, and I would also argue the efficiency perspective. Replacing services with cash transfers is based on the understanding that the only reason people cannot access these services is that they don't have the money for them. They will be given the money to access the service and that will solve the problem. However, this is not how it works.

Where conditional cash transfers like the JSY have worked, they have not replaced existing services but were used as an additional incentive to encourage people to use services. *For example*, even in Brazil, conditional cash transfers were first started in areas where public services were already in place. The clinics, hospitals, doctors, etc., are there, but they're still a small proportion where you need to give the demand push, you need to give that nudge to encourage people to use the services. That is where conditional cash transfers work.

The problem in India has been that it has been mostly seen as an either-or, that either cash transfers or you provide services. If you're ensuring the services are in place and you're additionally giving cash then there are no issues with that, but that's not how the debate has been in India so far. But in the case of JSY, we have seen it has been quite a successful scheme in terms of increasing institutional deliveries. But we have also seen the evidence that shows us that it has not been as successful in reducing infant or maternal mortality. Therefore, even though people are given the money to go to the hospital, the hospitals also need to be prepared for them.

Please expand on some comparisons between the Conditional Cash Transfers like the Bolsa Familia Programme of Brazil and cash transfers happening in India. What differences have you observed, maybe in the implementation and their implications on the social fabric?

Dr. Dipa: Bolsa Familia is a conditional cash transfer (CCT) scheme where cash transfers were done when certain conditions were met such as minimum attendance of the child in school. It was seen as a magic bullet that could solve world poverty. However, along with CCTs, a number of other things were done in Brazil which contributed to the reduction in poverty and inequality. The context was also different.

I think the first difference as I mentioned earlier is to do with looking at the supply side. In the initial stages when the Bolsa Familia started, one of the criteria to decide where it would start was based on regions that had enough schools and clinics, and so on. It is exactly the opposite of how it is often discussed in India, where cash transfers are looked at as a substitute for service delivery rather than a complement.

Brazil's human development outcomes were also at a much higher position when they started — with lower school dropout rates, lower mortality rates, etc. Further, CCTs are not the only thing that Brazil did either. In that period when Bolsa Familia was introduced, you had what they called the Zero Hunger campaign under which there was a slew of legislations and initiatives that they

took up, including increasing minimum wages for instance by substantial amounts. It was a part of a whole package of measures done towards achieving more equitable distribution.

That period in fact shows that although the growth rates in Brazil were not much higher, the equity of the growth increased. There was an improvement in their school completion rates, etc., and clearly, it's because of all of them working together. And that gave them good results. And finally, the tax-GDP ratio is much higher making it possible for them to do things so well.

Has the social welfare policy changed post-COVID? If yes/no, how?

Dr. Dipa: What we do know, is that COVID has had quite a severe impact on employment and livelihoods, and food security, particularly for the poor. What we also know now is what they're calling a K-shaped recovery although the growth rates are increasing, it's increased very unequally for different people depending on where they are positioned on the ladder. What we've had in response to that kind of a crisis mainly is the Public Distribution System. If you look at it, the other things, the small cash transfers were all only in 2020 for a period of two to three months. They were very small amounts even then. But after that nothing has continued. One effective additional welfare measure that continued is the 5 kilos of free foodgrains to ration card holders and that has been very useful.

But there have been problems. The first problem has been people who don't have Ration cards, who are not getting this. From what we are seeing on the ground, we know that the distress is still continuing in fact in some ways we are finding it actually increasing. PMGKAY has been extended for another three months up to December, but that will not be enough. We need to think more long-term.

Now, with inflation and with two years of not having proper income and savings, distress continues. MNREGA is another example where more work was provided last year. But there are so many pending wages, and there's so much demand even now but there's a lack of budgets and enough work is not being provided. So, these two initiatives which were taken also have not been done as much as they should have.

And since we're talking about welfare, I think the two areas which we don't talk about enough in the COVID context, which one would have hoped COVID would have really revolutionized, are our health and education systems.

We saw all the fissures in the health system throughout the pandemic. One expected that this would lead to a huge expansion in health budgets and a rethinking of how we provide health services. But neither has taken place. The same holds for education. After two years of school closures, schools have opened and it's back to business as normal. As if the months of sitting at home and not learning would not have affected children at all. What that means and how we make up for learning gaps is not thought about. School, of course, makes a much bigger impact because that's the foundational stage. But you people think about your contemporaries in government colleges, say, not in Delhi but in smaller towns. And what is the education they had in the last two years compared to what you had? Is this being discussed enough?

What policy recommendations or insights would you recommend based on your experience of working in welfare schemes regardless of COVID?

Dr. Dipa: For each policy and scheme you can think of many things to do. The first thing is to give the social sector priority, including health, education, and everything else. We need to look at the social sector, not as a residual, not something that you take care of after achieving growth but something that is at the center of development. We need to think about how it can play a role in reviving the economy while contributing to people's well-being. Addressing human development deficits is good not only for those people who are directly affected but contributes to the economy in the longer term. You have a more productive workforce.

Second, the spending on the social sector is not wasteful even in the short term because that is also creating jobs, which is also creating demand which can contribute to the economy.

Three, something we've not talked about enough, which is that also from a gender perspective in the context of our declining female labor force participation. It's absolutely essential to providing these services because if you don't have drinking water, cooking gas, schools, childcare services, and people to take care of people when they fall ill, then women are stuck at home as they currently bear the burden of all these care activities.

Therefore, one will need to have all these services to allow women to also be able to participate equally in the economy, and usually, the jobs that these create more jobs for women. So, it's a win-win for us if we put the social sector and the care economy at the center of all recovery plans.

The Political Economy of 'Freebies' in India

The national debate on 'freebie' culture arguably finds its roots in the electoral motivations of Indian political parties, with the topic becoming a point of contention in recent state elections. This sub-theme will thus examine these links between politics and 'freebies' and place them within the framework of Indian democracy and the federal power structure of the Centre and States. In doing so, we further nuance the definitions and distinctions of 'freebies' and welfare policies.

This sub-theme also looks at the inherently populist nature of 'freebies', and the mass political support that they generate. When the state spends on 'freebies', is it for public welfare or to win votes? These questions are answered by examining the technicalities behind the implementation of these policies and to what population and intentions they cater. We also look at the role of the judiciary in curtailing this 'freebie' culture and whether it endangers the democratic processes, that is, the issue being between voters and their elected representatives. This sub-theme also furthers the discourse on 'freebie' policies in the context of India's federal political structure; thus highlighting the centre-state politics at the crux of the debate.

*The CIDS Team interviewed **Dr. Balveer Arora, Former Professor Emeritus, Jawaharlal Nehru University & Chairman, Centre for Multilevel Federalism** to examine the links between populism and 'freebies' in the context of the recent controversy surrounding 'freebie' culture and welfare.*

How do you define freebies? Is there a difference between freebies and general welfare policies?

Dr. Balveer: There is a linkage in people's minds of linking populism with right-wing governments. So, there is this feeling that right-wing governments tend to be populist, but you can be populist in different ways. I would like to contest some of those assumptions on two counts. Freebies are, by definition, outflows from the public exchequer or forsaking revenue that would come to the public exchequer. I think both needs to be taken into account.

When you have loan waivers, then you forgo revenue for the public exchequer without any counterparty (anything that you get in return). This often doesn't appear on the horizon, whereas if you take money from the exchequer and use it to procure public goods or public services and pass them on that comes under 'freebie' culture. So, I would like both to be kept in mind.

Now a classic example of what could be a freebie in political terms is the famous promise by a prime ministerial candidate of 15,00,000 rupees to each account.²³ If he had brought 15,00,000 cheques with him and distributed them, it would have been the same thing. Therefore, distributing money in exchange for votes is something that should be distinguished from freebies, because it

²³ 'Did Modi really promise Rs 15 lakh to every Indian?' (*Yahoo News*, 24 January 2019)

<https://sg.news.yahoo.com/fact-check-modi-really-promise-rs-15-lakh-every-indian-111135514.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAMfhYD_JcSiVa8wx91Vzv5BXCtBwdqXg6O40Dv4e8z5wraOgifRDjtQnXwKsbQnYAAQq8oINfhTPevd90Lr0KWnDO9HyN-I9VE6xHZktxjFVNHMP4Iraz9-DacD_0gBNH2I5hurZcPg5CJU0IWBSmtWHbQhZOO6sTawqwPgeYHo>

is a corrupt practice. You are undermining the democratic system by buying votes. The assumption is that populism somehow influences voters to give votes in exchange for promises.

Now the objection here is that when the state spends on welfare, you can either view it as a 'freebie' or as an electoral promise to provide welfare. When the state says we will ensure that you get good school education and good health care, you're building the next generation. A fine example is the midday meal scheme in schools, which later was adopted throughout the country. It started off as an electoral promise. It was so effective and popular that the whole country adopted it. Tamil Nadu is now proposing to also have it for breakfast, which I think is a wonderful idea. For me, this does not fall within the purview of the 'freebie culture'. What are you achieving? You are assuring nourishment equitably to boys and girls. In their homes, there are clear gender preferences. So, mid-day meals are a public good.

If you take bad loans from the public sector banks on which waivers are announced, then who absorbs the net effect of those waivers? It is the public exchequer and the taxpayer. This doesn't come within the scrutiny of those who look at the 'freebie culture'. 'Freebie culture' is only when it is towards the poor and the dispossessed. One shouldn't have a blinkered view of freebie culture where one looks only in one direction and ignores the other. Revenue lost and revenue disbursed are both capable of falling in the category of freebies.

What are your comments on the political economy of freebies? What roles does it play in the political/electoral realm?

Dr. Balveer: I have dealt with the electoral dimension of freebies to some extent when I talked about the election promises. However, the main thing here is the electoral participation by women which has not stopped rising since the first general election.

People participate in elections, but they also look forward to a certain distribution of wealth at election time. A distribution sometimes doesn't take place during the intervening period, but its expectation encourages democratic participation. Since their vote is sought, it commands a price, commands a premium and therefore the purse strings are loosened, and they benefit. Generally, it is not a cash and is in kind. The Election Commission has a strong list of rules to curb such kind of malpractice, but I think offering such promises can be beneficial.

There was some controversy regarding providing cycles to girls who go to school. One can have two views on whether a cycle should be promised. However, the net effect is a little bit similar to midday meals. One is that you are able to keep the girls in school and decrease the dropout rate. I've been involved with an NGO for some time and we have been building toilets in schools - separate toilets for girls. We knew that if girls go home 2-3 kilometers away to use the toilet, then they will not come back to school. So that was one kind of freebie that I wouldn't put in the category of the 15,00,000 rupees promise where the party chief later said it was an election *Jumla*

(‘false promise’).²⁴ Now if you have *jumlas* of that kind, it’s very difficult to distinguish them from bribing the electorate.

The other point in the political economy part of it is that the role of money in the electoral process has not ceased to increase. Electoral financing is one of the key areas crying out for reform, but instead, what we have seen is the multiplication of avenues to fund political parties which escape scrutiny because the opacity of the donations is built into the schemes. The electoral bonds, the flow of money to the recognized parties, the campaign against unrecognized parties, and so on are an issue.

What do you think should be the role of the Supreme court in the matter of freebies?

Dr. Balveer: I am of the firm view that the Supreme Court should stay clear of this because it could get scorched, it could get singed. After all, one man’s ‘freebie’ is another man’s prerogative and entitlement.

The political class has built for itself, a number of entitlements such as the provision of a lifelong pension for being in the assembly for a couple of years and so on. I was quite dismayed when this ‘freebie’ question came up before the Supreme Court. Simultaneously, the court and the government proposed a lifetime pension and commitment to meet the expenditure of security and accommodation for judges.

This is a very insidious way of handling the problem, so I am of the firm opinion that the Court should stay clear of it. It’s a bullet - its own credibility and reputation would be at stake. People could turn around and comment that the benefits you receive after three months as the Chief Justice are actually ‘freebies’. I mean, no disrespect to the judiciary, but it’s a very double-edged weapon that should not be messed around with.

Our last CIDS journal edition²⁵ dealt with the theme of populism. Is there a relation between populism and freebie or welfare politics, especially in the Indian context?

Dr. Balveer: The link between populism and freebies is very tenuous. Populism refers to a form of governance where a leader or an elected representative appeals directly to the people, over the heads of the other institutions. This is something that can endanger democracy because ultimately the idea is to bypass all these intermediaries and to have a direct relationship with the people. *For example*, if I have been elected by the people, then I can do anything as the people have given me that mandate.

Further, the promises that MPs and MLAs make to the electorate are something that is not built into the framework of representative democracy. So, I would not automatically link populism with

²⁴ ‘PM Modi’s promise of ‘Rs 15 lakh in each account’ an idiom: Amit Shah’ (*The Economic Times*, 6 February 2015) <<https://economictimes.indiatimes.com/news/politics-and-nation/pm-modis-promise-of-rs-15-lakh-in-each-account-an-idiom-amit-shah/articleshow/46139139.cms>>

²⁵ A. Padmanabhan, *et. al.*, ‘Reorienting the West-Centric Understanding of Populism’ (2022) 4(2) *Conversations in Developmental Studies*

freebies. Populism can be of different kinds. Populism is present in Hungary, Brazil, and Turkey, where the key issue is not 'freebies'. You can have many other dimensions to the populism of the authoritarian right.

This linkage between 'freebies' and populism comes from a certain global consensus — some people call it the Washington Consensus on fiscal deficit, on maintaining fiscal discipline and responsibility. We do have a Statute for that. This is applied generally only to spending when wealth is being redistributed among the poor effectively, it doesn't apply to the other kind of revenue forgone which I talked about.

Since I am heading the Centre for Multilevel Federalism, I would like to bring in the levels of government when we talk about 'freebies'. After all, they are dispensed by different government levels. However, you usually observe the 'freebies' of the state governments, not discussing that of the local governments because they don't have so many resources to give 'freebies'.

Sometimes, the schemes of the state government and the schemes of the Central Government compete with each other in the same areas. So, there is an electoral competition that gets built in, particularly in cases where the party in power in the state is not of the same political persuasion as the Centre. If it is, then it is known as a double-engine government,²⁶ which means you have two engines, that is, two parallel schemes being proposed, and this is one of the election appeals — vote for the party because it is also in power at the Centre. These kinds of promises, where you are actually promising that the schemes will be better implemented if you vote in a certain way, are cutting at the roots of the federal arrangement where the Centre is supposed to cooperate with the state governments in an equitable manner, regardless of which party is in power.

So, there is a federal dimension as well as a competition dimension to it. There is also the issue of the Central Sector Scheme (CSS) which gives you benefits that are supposed to be provided by the state such as health and basic education. We're not talking about higher education as it comes within the responsibility of the Centre. So, you have a competition where the states are often accused. I recently heard in one of the speeches that state governments want to put their *chaap* (mark) on central sector schemes. The idea of somehow taking the money and then claiming the credit for it is something that goes on. This arises from the electoral competition. Therefore, when the party in power at the Centre simultaneously sees the state governments as its opposition, it starts competing with them.

Since India has a federal political structure, how much capacity or power do you think the central government should have with regard to imposing restrictions on the freebie spending of the state governments?

Dr. Balveer: First is the amount spent on the electoral process which has skyrocketed. The budgets and the loopholes such as the amount spent by the party do not count but the amount spent by the candidate does. And there is an enormous chest of electoral bonds where it is clear

²⁶ Badri Raina, 'What Does BJP's Metaphor of 'Double Engine Ki Sarkar' Really Signify?' (*The Wire*, 22 August 2022) <<https://thewire.in/politics/what-does-bjps-metaphor-of-double-engine-ki-sarkar-signify>>

to which party it goes to and is anonymous which is a source of a different type of corruption because if you forgo revenue from a big corporate tax-payer and it's handed back in the shape of electoral bond it is a vicious cycle

The election commission is to come up with a series of suggestions but has been unable to make a dent in a way which is an obvious route that has been adopted in many countries is state funding of elections. This means that the budget is allocated over five years and you know that the election is in five years. We have not gone in with this model, instead, we have another which has a lot of loopholes at which it can only be at both levels. At the third level, there are state-level commissions, the model has to come from the top that this is the way parliamentary elections are to be conducted, and once that is considered then accordingly the state and local elections can take place.

The Elections Commission, the Controller and Auditor General was asked if you can take care of the different levels and accounts, but he said that it's too big and has to be seen at a state level. Coming to the core of the question, my position is that the example has to come from the Centre. In the welfare schemes, the best examples are seen at the state level, examples would be the Tamil Nadu and Kerala models. For enacting laws we have the FRBN but the deficit arises and the pressure on the reserve bank to extend credit is also a vicious cycle and it has to be dealt with. If the rot starts at the Centre you have to step it at the Centre, before tackling it at the state and local level.

Could you elaborate on your view that if 'the rot starts at the Centre, then it should also be stemmed at the Centre? How can this be brought about?

Dr. Balveer: I do not think that any external check would serve the purpose. I have already said that the Supreme Court should stay out of it because it is the demarcation of the separation of powers between different organs of the state and these practices are in the executive branch and unless somebody can bring forward a case that they are violative of the constitution or basic structure there is not much that the judiciary can add. The importance of independent institutions should have their independence strengthened and reinforced because they are watchdogs.

They are on the finances and the Reserve Bank can be added as it is an important institution with the intention to have a degree of autonomy, and the government can go on pressuring it to increase or reduce the inflation on the interest rates, but it has its own parameters, it is difficult to go against what the government wants. The independence of the institutions is designed to work as a system of checks and balances where the executive branch is made accountable not just to the parliament but has to provide and satisfy institutions that are external to it and their independence has to be guaranteed. But how to guarantee it would be a different question.

Another thing that I would add is that when the rules were implemented, the Prime Minister was unseated on a technicality for violating electoral financing. It was laughed at and said that the Indian electoral system has a high morality because the *pandal* was built by the state government and this is laughable today that the Allahabad High Court unseated the Prime Minister²⁷ which is

²⁷ *State of Uttar Pradesh v Raj Narain* AIR 1975 SC 865

something that no tribunal or institution today would unseat a Prime Minister and this is a commentary on how something that was thinkable and possible at that time is not possible today because of the independence of the institutions.

Is a freebie culture an unavoidable part of a democracy?

Dr. Balveer: No. If we give it the name ‘freebie culture’ we give it a bad name. The moment it’s given the tag like the Prime Minister calling it the ‘revdi culture’,²⁸ with Dussehra-Diwali coming, the *revdi* is going to be distributed. These are electoral promises of political parties. If you are referring to the arrangements made to ferry people to the voting booth by providing buses etc. those come in the domain of corrupt electoral practices, but they have been going on.

The freebie that you are talking about is the promise to the voters that they will be benefited after they come into power. No democracy will say that this has an illegitimate promise. When you go to seek votes in any democracy you spell out what you will do for them. It is part of what you have set out to achieve but have not been able to obtain which is a welfare state.

There are three models. The American model where the government does nothing for the public, it’s all private. Then there is the British model which is all about saving and reforming the national health system. It is all legitimate. America does not claim to be a welfare state or say that the State will look out for you. Nobody is picking holes in this. But then you have the European model which is more advanced where the state takes care of you from birth to death. Where does India stand?

After all, we are all humans with the same needs, may we are Swedish or Indian. This is not linked to electoral democracy and this link I would like to break this. This gets linked only because of the promises made at the time of elections where the promises are made only at the time of the votes. Where does this money come from? There is a huge problem of not just financing the elections but also how political life is financed between elections. After all the freebies continue to flow, eventually some LPG cylinders will come through, but they lie empty because it’s too expensive to refill.

So, de-link freebies from elections because that is just the time when the promises are made, and freebies should be seen as a continuous process where the recipients change. At the time of the elections, it’s the voter and in between the elections you have to see where the ‘freebies’ are going, it can also be through revenue foregone.

²⁸ Dutta (n 1)

‘Freebie Culture’ in the Developing World: A Case Study of Brazil’s Bolsa Familia Programme

Our understanding of the Indian discourse on ‘freebies’ and welfare can be built on through situating the debate in a developing world context, with Latin America and Brazil being the focus of our study in this subtheme. Cash transfer schemes are popular means of social welfare across the world and thus we take the case study of Brazil’s Bolsa Familia Programme, a widely acclaimed Conditional Cash Transfer program.

This sub-theme examines in detail the goals that the Bolsa Familia Programme set out to achieve and whether it did achieve them. The Bolsa Familia’s trajectory under far-right President Jair Bolsonaro is also explored, and its replacement by the Auxilio Brasil, thereby furthering our understanding of the interlinks between populism, electoral motivations, and welfare policies. This study also gives us insights into the economic feasibility of a national social welfare program, and how this aspect is superseded by political motivations in the face of elections — with the Presidential Elections in Brazil and its impact on far-right attitudes towards populist welfare policies also being a focus of our study.

*The CIDS Team interviewed **Prof. Devika Misra, Assistant Professor, Jindal School of International Affairs, O.P. Jindal Global University** to build a better understanding of ‘freebie Culture’ in the developing world to compare India and Latin America’s socio-economic situation at large and their respective welfare policies using the case study of the acclaimed Bolsa Familia Program (BFP) in Brazil.*

How would you describe social welfare policy, especially in the context of developing countries where poverty and inequality are high?

Professor Devika: This is a really good question and it’s very loaded because the first thing that was mentioned is that CIDS looks at how to methodologically study the welfare state. And I did some digging. Before I could describe it, how would I first define it? And I didn’t really have a definition because a welfare state is something that was underlined by the pandemic. When we talk, especially in Latin America, there was a big movement that once had the democratic transition happen in the 1990s, and the idea was that the economy was suffering because of the debt crisis.

They saw military dictatorships, and all of this happened because somewhere they were not globally and internationally engaged in the financial and capital system. And that was where the Washington consensus sort of came up. Then there was this idea that if one adopted the neoliberal model of development, which would essentially say that the welfare state or that state protection which we had in India as well, things like import substitution, industrialization, what we disparagingly call the license Raj. All of this excess can be done away with if the market somehow takes over, and if we adopt the neoliberal model of development. This had far-reaching consequences in Latin America and there was almost an immediate backlash.

There were these leftist mobilizations, something called the Sao Paulo forums, where the leaders from the left, who were left aligned all over the region came together and talked. And the idea was

very much that they were very critical of the neoliberal state because they said that this inclusion in this global financial capital model is not uniform for all of us.

Neoliberalism has disrupted patterns of development. It's making the marginalized even more marginalized. And you have to remember that Latin America is one of the most unequal regions in the world, traditionally, and it continues to be. So obviously, then Chavez came to power in 1998, and then there was an entire movement in Latin America in the early 2000s which is known as the Pink Tide when Lula, Chavez, Morales, and a few others came up all over the region and the idea was to bring back the state into politics, what they called a protectionist state. Chavez was obviously very radical, and he came up with 'cooperative advantage'.

His idea was, if I have oil and you have doctors, maybe there is a way that we can have a cooperation mechanism that can benefit both of us. And of course, there is a lot of criticism about how beneficial this was, and as a reaction, the left collapsed and Bolsonaro comes to power. Right leaders come into power until the pandemic started. So, the logic is that in Latin America, the shifting of ideology kept happening very quickly. Do we need a state for welfare, or do we need one for politics? I am not talking about the welfare state. I am talking about the state being involved in how politics is done in the region. Until the pandemic sort of happened, this debate became global.

Everybody began talking about the fact that the state has to guarantee the well-being of its people. Hence, for me the first and the only way that I would describe a welfare state is a state that guarantees the well-being of its people because that is the social contract that I believe is your citizenship through voting a government into power, you enter. And the second point is, how important social welfare policy is, especially in the context of developing countries where poverty and inequality are high.

It's the same with the idea of 'freebies'. Nobody in Sweden is talking about freebies. This only happens when inequality is the basis of your political and social model. It really starts the feeling of being threatened. When we talk about Bolsa Familia, let me explain to you a little bit about how it happened in Brazil. But I do feel that unequal and poor countries where inequality is so entrenched, whether it is Brazil, where the racial dynamics are very complicated, we have to look at Lula and Bolsonaro and everybody we see on TV, is white unless they are playing football.

In the context of India, the class hierarchy, even gender for that matter, are not separate. So, if you are a Dalit woman, you are obviously doing a lot worse in life than I'm doing as a non-Dalit woman when these hierarchies are so entrenched, then social welfare, this conversation of the term 'freebie' becomes something that the state does for its people, by the matter of moral existence. It immediately becomes something that is that people feel entitled to take from the state.

I think welfare status is becoming particularly problematic in an unequal and developing context because it is seen as – these resources could be better used. Why feed people who don't hold on to jobs? We could spend this on building another factory which could potentially help those who are already better off. That's what I would say, I think welfare is low. When poverty and inequality are high.

What is the Bolsa Familia program and what were its goals? Do you think that it has achieved them?

Professor Devika: The Bolsa Familia program was basically a conditional cash transfer program. The government would give cash transfers. Say, you both were the beneficiaries of the program. The government would decide on certain basic conditions to decide if you could be a beneficiary of the program. Generally, this was whether you were below the poverty line.

The period when Bolsa Familia was instituted was around 2003, Lula came to power. And obviously, there were a bunch of cash transfer schemes that were running before that. I'm not saying that he invented the cash transfer scheme, but this was a time when the economic Growth in Brazil was really ascendant. This was a conversation I was just having with somebody who had come to talk to us about the Brazilian elections. And I was telling him that, you know, we just became the 5th largest economy. And so that's how our elections are looking. You know, the economy is not going to be something that we are going to be able to mobilize to cause shifts in power in India. And then he said, we used to be like that.

Brazil used to be there, and it wasn't very long ago. It was during this entire period when Lula was in power. So, the state had a lot of money, and the state had a goal. Because Lula was a Centre-left leader, his entire point was reducing hunger, reducing poverty, and reducing income inequality. So, the state decided to redistribute and institute cash transfer programs for better redistribution of wealth, and this again goes back to that first question that you had asked me. And I found a really good quote, by Goodwill and Justin and they said – *imagine the possibility of an economic policy in which the social is not a separate object, but a part of the object*. So somewhere where social policy becomes a part of economic policy because it is more redistributive and because it helps in economic recovery.

Bolsa Familia seems very simple, it had two major goals. The first goal was that we are going to reduce current poverty immediately by giving people who don't have enough money, more money. We are going to reduce the number of people who are living in actual extreme poverty. The conditionality was simply that if you get the money you have to send your kids to school. Money is going to come into the woman's account normally, right again? Empowering women by giving them actual money. There have to be certain nutritional requirements that pregnant and lactating mothers must adhere to. You must go and get your kids vaccinated, if you are pregnant – you must go and get certain checks done.

The idea was that somewhere you're going to break this generational curse of poverty. It wasn't just as simple as giving people money. It was instituting changes. It was really bringing people who are beyond the social contract of the government and the state back into using, prioritizing, and becoming beneficiaries of whatever social policies the state had in place. How successful was it? It was very successful. It was successful to the extent that, saw sharp decreases in things like infant mortality and an increase in the number of kids completing secondary education. Also, increase in the number of people coming out of extreme poverty. The idea was very much that you could hopefully empower these people by improving their access.

If your father was poor, through this help, maybe you will get a job sooner than your father will. If you are a 10-year-old child who is so poor that they have to immediately leave school and go into domestic work. Maybe that can be stopped because the state is giving you money and you have to send your kid to school to get that money. Brazil met the Millennium Development Goal of reducing poverty almost 10 years before India. The number of people who were brought out of poverty was 1,000,000. Almost 50 million people receive this benefit. The last installment of the scheme has gone till October 2021 because, in November 2021, Bolsonaro's scheme came into place.

How successful was it in meeting its objectives? It was very, very influential. A lot of the schemes that have developed around the world in terms of conditional cash transfers by the government it's not new. It has always existed. And the idea very much is that if you help the poor, you get to decide how they use the help. When you give somebody money, say *for example* we also have like LPG schemes. Ujjwala with the scheme that Modi is very famous for, and the idea was that we are going to give you, we are going to help you in this one very specific thing. But there's a lot of dignity involved when you give somebody money.

You assume they have a right to spend that money on things that are needed for them. *For example*, if you follow some of this US culture on food stamps if you really wanted to buy a cake for yourself. And you were too ashamed to do that in the grocery store because people would assume that who is this person trying to buy a cake? She's supposed to be poor. But poor people also have birthdays, and poor people also deserve to have chips, have chocolates. It's not you just because you're poor that doesn't mean you don't need that. Every moment of your existence has to reinforce that poverty in you.

Was it successful? In my opinion, I think it was very successful. It actually instituted a lot of copying, and a lot of countries ended up voicing programs that were modeled after the cash transfers. And in terms of what it did for Brazilian society, how successful was that? Obviously, it started failing, right, because once Lula goes out of power, then the dilemma comes to power: the economic fortune of the country really changes. So, in a way that, slowly the political will. And then the conversation really becomes about whether is it doing enough. Is it changing anything? I think you have a question like that, are people becoming dependent on government aid? So logistically and through data, it was very successful. Did it meet its goal? One of the goals was to break this generational curse of poverty, I mean, you don't break generational curses in 1015 years. So, I think it's an unfair thing for me to comment on that.

One of the questions that arose in the latter stages once it started formulating, and it holds true for a lot of cash transfer schemes, is whether they make the beneficiaries dependent on the government. Would you elaborate on this criticism, and do you think it is valid?

Professor Devika: I don't understand why the government has a problem if people are dependent on the government. I don't understand why if the weakest and poorest and most marginalized in your country are dependent on you, why is that a bad thing? Because think about how many of these big Wall Street guys got bailouts after the 2008 crisis. Think about the amount of tax that

was written off for these rich industrialists during the pandemic all over the world. Is that not depending on your government? Think about the crisis that we faced during the pandemic when we didn't have enough hospitals and oxygen cylinders. What are we supposed to do? produce our own oxygen? Why are we paying taxes?

I'll give you a story by example. So recently, you know, this year, in the beginning, as soon as the travel after the pandemic started, I went to New York, and it was my first time going to New York and I had never been before. So, I did the Staten Island Ferry, and I was amazed it was so clean. It was so well done. It was so well organized. I was traveling with this friend who is a 70-year-old sociologist in New York. I have never met anybody who is so left. Because I'm an Indian, so for me the moment something is provided by the government, it's bad. No offense. It's going to be something that the middle class is eventually going to stop using so that the government can stop investing more money in it.

Whatever government provides apart from the metro and the metro is not purely government-owned. Metro is semi-corporate. So, as I said this is so great and I said it's all free. That's amazing. I can't believe it. You just have this wonderful service that runs for free. And she said it's not free. We pay taxes, you know, we pay a lot of taxes for this. I said imagine if the middle class in India could afford to think like this for us. You stop going to government hospitals because there's the wait. You stop going to government schools because they're not good enough. Eventually, you stop going to government universities because you know the service is not good enough. So, for me, this idea that cash transfers make people dependent on the government is a very general perception that people have.

I still remember in one conversation, we were having Latin Americanists in India and there was a very lovely ambassador and he said you know it's like you give them money, they go and buy alcohol. So what? How many salaried people get money and go and buy alcohol? Do you know why? Why should the poor need to be controlled? What is the problem? Why are they buying alcohol?

So, I feel like this criticism is very unfair because when you are starving, when you are living in a shanty, like if you when you're living in that kind of violence that exists in, say, the favelas of Rio, for them to be dependent on your government already when the government, the state is failing you in so many ways. You don't have jobs. You don't have a clean living. You don't have equality. More and more, you are on the margins, so if something some government assistance can bring you back. Potentially let's assume there are a thousand people. Only one person changes their life for the better. You allow so many other people to survive. So maybe it's very naive.

But I totally feel that this is something that again goes back to that definition of the welfare state. A state needs law and order. Then you have hungry people, poor people, and violent people. It's bad for business. It's bad for the state. What did Charles Steele say? "*States make war and war makes states.*" You need peace, law and order so that the market can function. I think what is needed is what you do after the cash transfer. How do you improve the public amenity? *For example*, this happened in India, through the midday meal scheme. It's good to start going to school and then what did we find out? That one state is saying, oh, we can't serve eggs. Because we can serve only

vegetarian food. Then we found out the little kids are not allowed to eat the same midday meal. Then we found out, midday meal scams happening so that the government intervention doesn't stop by giving them money.

Does the government intervention have to actually, intercede into the realm of the public service that they are saying that now that you have this money, you can claim this public service is the education valid? Are they getting jobs? Are they being absorbed into the labor force? Are the hospitals that they are going to actually give them medicine? Are the schools that they are attending actually teaching them real skills, at least Bolsa Familia very much had a plan in place like one of the tenants of Bolsa Familia was to increase labor participation, and there is some data to support the same.

Where would you draw the line between freebies and welfare policy? Have there been similar kinds of debates in Brazil?

Professor Devika: For me, a freebie is something that brings you an election. If you've seen that Anil Kapoor film, *Nayak*. Basically, anytime you watch some Bollywood film about elections, they'll be like "*Sharab de denge, Chicken de denge*". For me, that's a freebie.

What is the difference between a freebie and a welfare policy? How much does the state actually care about transformational change happening? Suppose I'm going to install a midday meal scheme because there is massive malnutrition in our country. If you've seen those UNICEF ads, it's abhorrent and it has worsened so much during the pandemic, stunting malnutrition. The number of children who are wasting away in our country it's not increasing with age.

Imagine the implementation of the scheme happening in a rural community where more than half of the community is a Dalit and a Dalit kid is eating the food. If the kid just comes to school for the meal, does nothing else with that time only comes and eats the meal as the authority there. My goal is to reduce malnutrition in children. That goal is being met. So somewhere, this difference between welfare and freebie is how much do you effectively change somebody's life? I wouldn't call it a freebie because I don't think anything is free. The government's not giving you anything for free. They give these things so they can win elections. It's very *quid pro quo*.

They have that in similar debates in Brazil. If you look at when Bolsanaro came to power, he was vehemently opposed to the recipients of Bolsa Familia. If you think about the reservation debate that happens in India, this idea is about merit. So, they will say look I missed it by 1 Mark. I am a general student so I didn't get seated at IIT. This girl's father has the same amount of money, but you know, she had 15 marks less. She got into IIT, and the point of the discussion that's happening about EWS quota right now in the Supreme Court is precisely this, that reservation was not about income inequality, it was not an economic angle at all.

It was about the lack of representation in our country. If I'm a Dalit lawyer, maybe in South Delhi, my life is can be comparable to somebody else. But if I go into a village or if I go into some place where they say that I cannot drink from this well. My money is not going to change that. The class cannot overcompensate for the ills attached to cast the prejudice attached to cast in our country.

Bolsonaro said that the State overextended itself. It spent so much money on all of these welfare schemes. This is why our economy has gone down and I'm going to be very 'Trump-like'. Trump also was saying a lot of similar things when he came to power.

Hence, in Brazil we see a neoliberal democratic state, then a protectionist state, and then again, a neoliberal state, and now with the pandemic, you again have the left coming back. *For example*, Chile has a left president. Chile has been the most traditional free marketeer in the entire region. It was one of the first countries to adopt the neoliberal pact. Then Colombia because of its close alliance with the USA, has also always been very right-wing. These two countries really like Colombia. Mexico, *for example*, is super close to the United States, which has a left president. But if you compare the amount of aid that was given under Obrador AMLO of Mexico to the people during the pandemic and the kind of it that Bolsonaro gave as a right-wing person again, that's a question that you have intuitively put in your questionnaire, and we can talk more about that. You will be surprised to see the data. it doesn't align with this left-right conception anymore.

Can you elaborate on the way that the pandemic has affected the Bolsa Familia Program? How would you describe the Bolsonaro government's social support policies during the COVID-19 crisis?

Professor Devika: Bolsonaro had a very strong opposition to everything that the PT had done. PT was from the Workers Party, the party that Lula belonged to. So, when Bolsonaro came to power, like Modi, and Trump, he also said I am an outsider. Because there was a massive corruption scandal. A lot of these authoritarian leaders that came into power, all positioned themselves as outsiders. Could Modi really be called an outsider, given that he was a chief minister for like, God knows how many years? Not really, but the context of his outsider category was different in India.

He said I'm an outsider because I'm not from the Gandhi family, and that's why I'm an outsider. Trump said I'm an outsider because I'm not a Democrat, I'm not a Republican, I'm a TV personality. Bolsonaro similarly he had also participated in politics. He was a senator. He was in Congress but of somebody who was really, really non-essential, very radical he came down strongly when he said corruption. His thing was business economy and growth. He's not happy about giving the cash transfers because he was very opposed to the cash transfer recipients in the beginning.

About this entire 'revadi' or 'freebie' thing, he was saying the same thing and what happens is that dramatically because the state is also not doing well, we don't really have that much money. The 200 Real, Real is the Brazilian currency. So, 190 to 200 Real, that's what people were getting under the Bolsa Familia Program, which had grown from approximately 11 million families to 1516 million families till 2016, and they dramatically started dropping. *For example*, he has said that right now Auxilia is going to help something like 17 million families, and he's going to increase the amount of money that is being given. As it became really difficult for new people to be included as beneficiaries of Bolsa Familia because Bolsa Familia was a federal scheme. It was a scheme that

obviously had very clear levels in terms of federal-state and municipal responsibilities. But it was a federal scheme.

One of the efficient things that it ended up doing was when Bolsonaro came into power. Firstly, there is a big fight between the federal government and some states. *For example*, if you were following the pandemic, there was a big conflict between some federal states like Sao Paulo and the federal government. So, money stops the coverage stocks. More and more people can't get registered onto the registry. Then the number of beneficiaries starts decreasing. One of statistics that I was looking at before when I was kind of preparing some data, was something like, from 2 lakhs, something it fell down to thousands like a couple of thousands.

What was his social support policy during the COVID-19 crisis? This is again, that freebie versus welfare thing. Because during the worst phase of the pandemic, right between 2020 and 2021, he actually starts giving cash transfers, something which he was so opposed to, and at one point of time the end of 2020, he starts giving cash transfers in this NE region of Brazil and you have to remember Lula is from there. If you take a look at the recent polls you'll find that Lula has won the North-eastern election, but during the cash transfers that Bolsonaro was handing out at that point in time, his approval rating shot up because at one point of time they were considering impeaching him. However, was it really a social policy? No.

Bolsanaro actively denied the pandemic, a social policy, *for example*, with Modi. Modi from the beginning never denied the pandemic. He went and he got the vaccine. Bolsanaro actively flouted masking rules, denied the pandemic completely, debugged, and forced people to go out. His argument was that working is important. That if you don't go out and work, you're going to stop. I'm actually fighting for you. So later, even when he starts giving aid, it's not very pandemic friendly. Around 600,000 people died in Brazil and it was because their President was actively being unscientific, not supporting masking laws, and not supporting lockdowns.

I feel like Bolsa Familia was very badly affected because firstly there was a lack of political will. There was an economic downturn. The conditions really changed. Then there was not much support from Bolsonaro and supporting a scheme that was so petty and Lula related and then his social support policies during the COVID-19 crisis, even though he does give some cash transfers, all the loss that had happened, *for example*, the defunding had happened in your health sector. Brazil used to have really good hospitals. The first thing I did when I went to Brazil, was I fell during my fieldwork, and I felt like I'd broken my foot. I had a very good friend who took me, and this is in 2019. Bolsonaro was in power. And I went all over. You won't believe it. Ambulances, X-rays, 3 hospitals. They took me to a specialist to see my foot. Everything was free and this is after the excesses of the Bolsonaro government. That funding was slowly dying up. Imagine if the actual infrastructure had remained, it probably wouldn't have been so bad.

What are your views on the constitutional amendment which was passed to ease the spending cap in order to fund the Auxiliary program?

Professor Devika: This is political and done in November 2021. Auxiliary Brazil is a case that is a way by which Bolsonaro is trying to entrench himself in that fact that even though he was

opposed to the cash transfer policy, even though he was against the cash transfer ideology when his people needed it, he provided the same. He does not want to be associated with Bolsa anymore because of its legacy and does not want to make it his legacy.

When this constitutional amendment was passed there were two things that happened. The first is that the stock markets crashed. This was because they said that it is not a continuous thing. In Bolsa Familia also, you had to be reviewed. It was not a right for which you had to be reviewed and then be eligible and once you stop being eligible you stop getting the cash transfer. But Auxilia always had a time limit. When the constitutional amendment was passed the problem was that the state did not have the money to give and so the stock market crashed, then the Brazilian currency is doing poorly compared to the American dollar.

However, our condition is not the same as Brazil's. Brazil had stagnant growth even before the pandemic. The regrowth crisis there was very similar. When the amendment was passed and there was a law. Suddenly, a pro-business individual who supports Bolsonaro is against social spending and hence one expects a stronger economy from him. But due to his financially irresponsible, these faith waivers happened. Further, there are consequences on the front of investors who wish to invest in Brazil due to the fluctuations that occur in the market. Even the left has criticized it due to the unanswered questions on inflation considering that minimum wage is spoken about since the people are living in an inflated economy and hence, they do not have the purchasing power parity has gone down.

When Lula was giving 200 Real in 2005-06 it was more valuable than giving 400 Real today. The opinion is that this was done for the elections. Yes, the Brazilians need money, but this was done for the sake of winning the election despite the consequences.

What do you think is the narrative that has been created surrounding welfarism ahead of the upcoming present?

Professor Devika: It is a sad situation. Lula got 48% of the vote which was okay as it had been predicted. However, Bolsanaro got 43%. The margin is very small and now the problem is that Bolsonaro is trying to be more popular amongst women, children, and elderly. News channels are reporting that he may be giving additional cash transfers to women, in order to get their votes. Bolsa Familia did a lot for women as well. A lot of women started participating in labor. The hours that women were working in labor reduced as compared to men because their quality of life was improving.

The narrative around welfarism, at the moment, does not have any denial around it. The Bolsonaro scam affected the economy badly and he is honing into it and making promises that from 2023 onwards he will be giving a certain amount of money to everyone and introducing new schemes and building new businesses.

There is no clear answer to what welfarism is because things have not changed. Lula cannot come in today and say that millions and people were brought out of poverty because he was corrupt,

and the pandemic happened and the Gini coefficient which had improved during the Bolsa Familia has again fallen and the inequality is very bad.

Therefore, welfare is not something that they are both against. Lula is a left leader and hence cannot afford to look disinterested in the poor and Bolsonaro is saying that he is seeing the plight of his people and is going to actively help them. Bolsonaro said that he will support them for one year rather than a constant flow of money, the way that Lula offered. Bolsonaro cannot reject them. He cannot say the same kind of things that he was saying about welfare recipients when he won in 2018. He cannot get away with saying that today because the situation is really bad. We know that Auxilio is an expanded version of the BFP. What are your thoughts on the far right embracing what is essentially a lift of the Social Security scheme?

They are claiming that it's an expanded version of Bolsa but looking closely it is really not. It takes time to evaluate a policy. Auxilia is very new while Bolsa has been around allowing us to evaluate it well.

Answering the second question regarding how I feel about right-wing leaders using the language of the left, brings me back to my first discussion about flipping from position to position in Latin America.

Fabio Santos is a scholar that I like, and he talks about something called progressivism. This is a Keynesian idea about the welfare state, about how societies are supposed to progress about the left and its pro-people sort of policies.

Somewhere happens because people like Lula came into power because he was left, he came into power in a Congress that was split through the middle because of the coalition type of government that has to be formed in Brazil, and he made a lot of Faustian contracts. So somewhere he could not stay true to his ideology. That ideological clarification where his policies were left-oriented because he was left due to a collated government. Even though Lula was very left, the parties that he manages are very right and they wish to get the best deal for themselves, and this eroded the conception of what is needed from the government and what it means to be progressive.

In simpler words, the point being conveyed is that there is a lot of increase in polarization. Going back to the argument of Bolsonaro giving cash transfers and AMLO not giving cash transfers despite being a leftist president does not make sense. Even the left coming up today, they are not the Pink Tide. When the left came into power in Latin America. But the left coming up today is very different. Whether one is left or right, the effects of the pandemic cannot be ignored. Welfare is not something that you can have a hard-line or attitude against. Maybe it is possible in India, rather Modi did have it in India. In the Uttar Pradesh elections, a lot of strategies such as focusing on women were established in Uttar Pradesh.

Following the Chilean referendum that happened last month, Boric is a left leader but with policies like 50% women, a new constitution, etc. However, a lot of the policies that he is signing with transnational companies regarding mining, etc are not very left in nature. Chilean academics admit that if someone is left it does not make them automatically better.

Having said that, if given the choice I would rather have Lula be in power over Bolsonaro. He is a better politician and has a better track record. Even if he comes into power, the fact that Bolsonaro got 43% in the first round makes everyone cautiously optimistic that he does not win the second round. The fact is that Congress is becoming more and more Bolsa barista.

The ideology of the person and what he thinks about what the Brazilian society should look like is becoming more entrenched which makes that already very uneasy contract that Lula had to organize even in 2003 and 2008, which is why we say that the left and left ideology became dispersed and began to mean nothing, that's going to become only more and more complicated. Whatever has happened, whether the left person comes into power, or the right person comes into power. That's not going to change. The damage that is and would be done if Bolsonaro stays in power cannot be undone, similar to what is being seen in the way that the problem caused by Trump cannot be undone by Biden.

Do you think such liberal excesses in welfare policy and freebies can distort the informed decision-making of voters? Is there a need for judicial intervention in this process?

Professor Devika: What is informed decision-making of voters? In today's day and age, it is fake news, partisan politics, and the increasing corporatization of politics. I don't even know what informed decision-making would look like. *For example*, when the Trump election happened which was a very important moment across the globe, a lot of people thought about how you can vote a person as clearly racist as him into office despite being Hispanic. But it was then noticed that a lot of policies in the Obama era forced the Hispanics to vote for Republicans. This point about informed decision-making and freebies, when one is poor, and someone gives them a free cylinder of gas the person will be a lot more tempted to vote for the politician.

There is no Gandhian satyagraha happening in this country. There is no person to mobilize for or against. The only person even close to being able to mobilize people is Modi. Indian Liberals would like to think that we are not anti-Muslim, we are anti-caste and anti-Brahmanical Patriarchy but talking to our families we realize how deeply entrenched these ideas are. So, our freebies disrupt the informed decision of the voters. Even the class does not get freebies as they are mostly directed to the very marginalized community.

It's not like the educated make well-informed decisions. We cannot deny Bolsonaro's popular support despite the deaths and the tattered economy. Bolsonaro was only able to win because Lula was put into jail. Who are we to say what kind of popular support is right or wrong? *For example*, today if Congress Party comes and says this anti-Muslim sentiment that Hindutva politics is breeding or this anti-caste sentiment that's brewing. But scholars will say that there are many similarities between BJP and Congress.

It is very difficult today to distinguish between what is true and what is not. We are all reading things that align with our values. I do not think there is anything called informed decision-making.

The identity camps are very solid. The people who are voting for Modi or Bolsonaro are very much aligned with a lot of things that they are doing. Nobody wins the second term with that big a majority. We might not want to accept it, but it is my opinion that we do not have anything called a decision made by informed opinion because we do not have debates about policies, free media, next to no independent journalism and we know what the judiciary is doing. The flip-flopping is difficult to follow and it's becoming easier to disengage.

What solutions would you propose for the welfare and economic health trade-off?

Professor Devika: I am more in favor of the fact of redistribution which seems fairly straightforward. Tax the rich more so that the state spending has more money and there is no defunding of state institutions.

This connects with the point of informed decision-making. More accountabilities will be helpful. What are we achieving? In a way even if conditional cash transfers are being given, I will want the government to share. *For example*, what happened with the PM Relief Care Fund, where the RTI got diluted? RTI was a very good law that created a sense of accountability. If one has a certain amount of money being put into a fund, it's our money and we should know where it's going. I think it would help decrease this resentment about pro-poor spending. If people could really see where their money was going and what changes it was making.

Further, about the economic health trade-off, if right now you do not have people who are violent if you can decrease crime and increase labor participation if the number of people working can be increased, this is not something that will be detrimental to the economy. In 2020 Suarez says "*In Brazil, a country of profound social inequalities, the state of social well-being is questionable given that the maintenance of the marginalization of black, indigenous and poor communities, the state actively maintains these communities*".

It is the same in India. How do you have a balance between welfare and economic trade-off? It is a systematic change. Thinking about the abolishment of Zamindari or the dilution of princely states, people are still upset about it.

There should be more accountability from the government. And this can only happen when there is less hero worship and less cult-like following of politicians and more informed decision-making, which I believe is absent. There is a lot of power in citizen accountability.

Nirbhaya is a good example of what protests could do²⁹. It was not perfect, but it was powerful. Going and looking at what was written about Hathras³⁰, it did not create the same kind of mobilization because it did not happen in Delhi or was regarding the lower caste.

²⁹ Niharika Mandhana & Anjani Trivedi, Indians Outraged Over Rape on Moving Bus in New Delhi (*The New York Times*, 18 December 2012) <<https://archive.nytimes.com/india.blogs.nytimes.com/2012/12/18/outrage-in-delhi-after-latest-gang-rape-case/>>

³⁰ 'Impunity in Hathras' (*The Indian Express*, 1 October 2020) <<https://indianexpress.com/article/opinion/editorials/hathras-dalit-woman-gangrape-6654041/>>

Only when there is a change in the system can there be more perpetrated welfare. Only when there is more equality in society will you not need freebies to mobilize people. This is because people will want more things. Only when your own condition improves are you in a bargaining position.

I do not have an answer for the question, just some thoughts.

CIDS EDITORIAL

EDITORIAL BOARD



Abhinav Padmanabhan
Senior Research Assistant &
CIDS Team Lead



Mohd Rameez Raza
Senior Research Analyst



Wynnona Fernandes
Research Analyst



Rutu Patel
Research Assistant



Nandani Agrawal
Research Assistant



Yuvaraj Mandal
Research Analyst



Ayush Shahi
Research Intern

FACULTY EDITOR



Deepanshu Mohan
Associate Professor & Director
Centre for New Economics Studies, O.P. Jindal Global University

FACULTY ADVISOR



Abhinav Padmanabhan
Senior Research Assistant &
CIDS Team Lead

EDITORS



Mohd Rameez Raza
Senior Research Analyst



Rutu Patel
Research Assistant



O.P. JINDAL GLOBAL UNIVERSITY
Sonipat Narela Road, Sonipat, Haryana-131001 (NCR of Delhi), India
www.jsia.edu.in; www.jgu.edu.in

For any comments or inputs on the research submissions, please write to us at
cids@jgu.edu.in