FREEBIE SCHEMES: A THREAT TO CONSTITUTIONAL PRINCIPLES? A CRITICAL ANALYSIS OF ELECTORAL POPULISM, WELFARE STATE AND FISCAL CONSTITUTIONALISM IN INDIA

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ABSTRACT

The freebie economy is emerging as a contemporary threat to Constitutional Principles. Increasing prominence of "freebie politics" in Indian elections has generated an important Constitutional debate concerning the relationship between welfare governance and electoral competition. The consistent promise of cash transfers, free electricity, subsidised goods and services, loan waivers, free transport, financial assistance and other material benefits in election manifestos by the political parties in the name of development or advancement and social justice in furtherance of Directive Principles of State Policy, is creating serious concerns relating the free and fair elections, equality, public accountability, fiscal responsibility and inter-generational justice. The constitutional difficulty lies in distinguishing legitimate welfare measures from electoral inducements. Generally the judiciary has no power to interfere with the economy policy of the State. However in 2013 the Supreme Court raised a serious concern regarding the voter's manipulation while denying it as a corrupt practice and direct to modify the Model Code of Conduct to the Election Commission of India. Therefore judiciary accepted the principle that welfare promises cannot be prohibited merely because they involve public expenditure, rather it is permitted while maintaining electoral purity. This article argues that the constitutional answer does not lie in an absolute prohibition of welfare expenditure. Rather, India requires a constitutional and institutional framework that distinguishes rights-based welfare from electorally targeted freebies through the tests of public purpose, rationality, fiscal sustainability, transparency and electoral influence. Applying the Doctrinal Analytical Legal Research and by using various Primary and Secondary Sources it proposes an institutional legal framework, mandatory fiscal-impact statements, electoral manifesto guidelines, strengthened Election Commission guidelines, independent fiscal scrutiny, post-election manifesto accountability and greater legislative regulation.

Keywords: Freebies, Electoral Populism, Free and Fair Elections, Fiscal Responsibility, Directive Principles, Public Finance.

I. INTRODUCTION

"The ruler's happiness lies in the happiness of the people; his welfare lies in their welfare. What is beneficial to the ruler personally is not his true good; the welfare of the people is his true good."

~ Rajadharma tradition, Mahabharata

The Indian Constitution establishes a democratic republic founded upon political equality, social justice, economic justice and the rule of law. Democracy, however, does not operate merely through the mechanical exercise of voting. Its legitimacy also depends upon the conditions under which citizens make electoral choices and there will be a responsible government, acting for the welfare of the whole community. An election in which political competition is substantially influenced by material inducements raises questions that extend beyond ordinary political strategy and enter the domain of constitutional governance, challenging the democratic governance principle of the Constitution.

In recent years, election campaigns in India have increasingly witnessed promises of freebie schemes which means benefits received by the people without labour, including free electricity, cash transfers, subsidised food, loan waivers, free public transport, financial assistance, consumer goods and other economic benefits.[1] There is no comprehensive statutory definition of a "freebie" under Indian legal system. However the Judiciary and Election Commission has recognised that a distinction must be drawn between legitimate welfare measures and promises of freebies. Articles 38 and 39 of the Constitution of India require the State to promote social welfare and reduce inequalities, while Articles 41, 42, 43 and related provisions reflect the constitutional commitment towards social and economic security. Article 21 and its judicial interpretation have further contributed to the development of a substantive conception of human dignity. Consequently, the State's initiative to provide food, healthcare, education, social security or assistance to economically vulnerable persons cannot automatically be dismissed as a "freebie" rather it should be constructed as "welfare measures" to promote social

[1] Anisree Suresh, "Why India Must Move Away from Freebies!" *Takshashila Institution*, February 24, 2026, available at: https://takshashila.org.in/content/blogs/20260224-WhyIndiaMustMoveAwayFrom%20Freebies%20%20-%20Copy.html (Last Visited on 28.08.2026).

justice.[2] A distinction must be drawn between "necessary" and "luxury". The constitutional problem emerges when welfare policy becomes an instrument of electoral competition without adequate consideration of public purpose, financial sustainability, equality, transparency and long-term consequences. A political party may promise a benefit shortly before an election, obtain electoral support from the promise, and thereafter require the State to bear a recurring financial liability. The ultimate cost is then borne not by the political party but by the public exchequer and, potentially, future taxpayers.[3]

Therefore the contemporary debate involves two constitutional imperatives. The first is welfare constitutionalism, under which the State is expected to address poverty, inequality and social disadvantage. The second is democratic and fiscal constitutionalism, under which public resources must be used transparently, rationally and responsibly, while electoral choice must remain substantially free from improper material influence. The central proposition of this article is therefore not that every free or subsidised public service is unconstitutional. Rather, it argues that unregulated, non-transparent, fiscally unsustainable and electorally targeted freebies can threaten constitutional principles even where the underlying welfare objective is legitimate.

II. DEFINITION OF "FREEBIES"

The term "freebie" is primarily a political and economic expression rather than a precise legal definition. There is no exact definition of this term in any law. In general, the meaning of 'Freebie' is found in the Oxford English Dictionary as "Adjective: Free without charge, Noun: Something that is provided free".[4] The Election Commission's background material records that the ordinary meaning of a freebie is "*something provided without charge and notes the growing practice of political parties promising such benefits to targeted groups or the electorate generally*".[5] Therefore a legally useful working definition may therefore be formulated as "*an economic, financial or material benefit promised or distributed by a political party or government without direct or adequate consideration, particularly where the measure*

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[2] Dr. Anupam Kurlwal, "ELECTORAL FREEBIES AND DEMOCRATIC EROSION: CENTRE-STATE TENSIONS, GOVERNANCE DEFICITS AND SOCIETAL IMPACTS IN INDIA" 116 *Indian Journal of Law* (2025).
[3] *Ibid*.
[4] Ms. Bidushee Singh and Dr. Shraddha Chandra, "Freebies in India: A Way Forward from Economic Disaster to Civilisational Disaster" Vol. 14, No. 4 *Anukriti (An International Peer Reviewed Refereed Research Journal)* 204 (2024).
[5] Model Code of Conduct, Election Commission of India.

lacks a sufficiently demonstrated public-welfare rationale, creates substantial fiscal obligations, or is structured or timed in a manner capable of influencing electoral behaviour and separated from welfare measures of the state to promote social justice."

The absence of a statutory definition creates a genuine legal difficulty. If the term is interpreted too broadly, legitimate welfare programmes could be attacked as unconstitutional. If interpreted too narrowly, political parties may exploit the absence of regulation by presenting electoral inducements as welfare policy.

III. HISTORICAL DEVELOPMENT OF FREEBIE SCHEMES IN INDIA

The phenomenon presently described as "freebie politics" in India has evolved gradually from the constitutional commitment to a welfare State. Its historical origin can be traced to the Constitutional Principles of Directive Principles of State Policy, especially Article 38 and 39. The Land Reforms can be considered as the foundation of social justice moment of democratic India, followed by poverty alleviation, food security, subsidised agriculture, public education, health, and others social-security programmes.[6] At this stage, such measures were generally understood as instruments of planned development rather than electoral freebies which was significantly changed after the 1967 elections, when several States witnessed stronger political competition. Tamil Nadu became particularly influential. The Dravida Munnetra Kazhagam popularised the promise of subsidised rice, while successive governments expanded food subsidies and other mass-benefit programmes including Mid-Day Meal Scheme, nutrition, education and political mobilisation which set an example for other States, initiating developed subsidised food, housing, agricultural assistance, pensions and employment programmes while at the same time Union government regularized poverty-alleviation programmes, food subsidies and rural employment initiatives. Importantly, these policies still largely retained identifiable developmental or social objectives. In 1993 the Supreme Court in *Indra Sawhney v. Union of India,*[7] for the time, while addressing the reservation policies, recognised the State's duty to make harmony between welfare measures with economic sustainability, greater emphasizing the importance of ensuring welfare schemes do not compromise fiscal discipline, followed by *K. Thampanoor Ravi v. State of Kerala*,[8] where the Supreme Court upheld the constitutionality of welfare schemes, providing subsidized services to promote social justice.

[6] Niranjan Sahoo | Ambar Kumar Ghosh | Alok Chaurasia, "'Freebies' and Welfare Schemes: Setting a Framework for the Debate in India" 7-10 Observer Research Foundation Issue No. 389 (2023).
[7] AIR 1993 SC 477.
[8] AIR 1999 SC 3309.

Further in *People's Union for Civil Liberties v. Union of India,*[9] the Supreme Court urged the necessity of Right to Food as fundamental right to defend against poverty.[10]

During the 2000s, electoral competition increasingly transformed welfare promises into highly visible consumer-oriented benefits. Tamil Nadu became the principal laboratory promises of free colour televisions, mixer grinders, laptops and other household goods became prominent in State elections. Similar patterns subsequently appeared across several States, including West Bengal, Uttar Pradesh, Panjab, Rajasthan, Andhra Pradesh, through subsidised electricity, agricultural loan waivers, free consumer goods, transport concessions and targeted financial assistance. The distinction between welfare policy and electoral inducement consequently became increasingly difficult to maintain.[11] In *K.K. Baskaran v. State of Tamil Nadu*,[12] many of the welfare schemes were challenged before to the Supreme Court where the Court upheld these schemes as the executive has such competency.

Thereafter during the 2010s, both Union and State Governments increasingly combined traditional welfare programmes with direct transfers and targeted subsidies. At the Union level, programmes such as PM-KISAN, launched in 2019, institutionalised direct income support to eligible farmers. States simultaneously expanded schemes for women, farmers, students, elderly persons and economically weaker groups. Finally in *Subramaniam Balaji v. State of Tamil Nadu*,[13] the Supreme Court raised concerns over the impact of freebies on electoral integrity and public finances. The Court ruled that while offering freebies is not *per se* illegal, such practices must align with constitutional principles and the larger public interest. However Karnataka, Telangana, Odisha, Andhra Pradesh, Delhi, Maharashtra, Rajasthan, West Bengal, Punjab and several other States developed substantial subsidy, transfer or guarantee-based programmes, ignoring such aforesaid guideline. The subsequent COVID-19 period accelerated direct-benefit and social-protection programmes. Subsequently, electoral competition increasingly shifted from physical goods towards cash transfers, free electricity, transport concessions and income-support guarantees. Karnataka's *Gruha Lakshmi*, Telangana's *Rythu*

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[9] (2001) 7 SCC 484.

[10] Dr. Anupam Kurlwal, "ELECTORAL FREEBIES AND DEMOCRATIC EROSION: CENTRE-STATE TENSIONS, GOVERNANCE DEFICITS AND SOCIETAL IMPACTS IN INDIA" 115-116 *Indian Journal of Law* (2025).

[11] Apoorva Mandhani, "The lifecycle of freebies in India: Big poll promises shrink when politics meet fiscal reality" *The Print*, 02 August, 2026, available at: https://theprint.in/politics/the-lifecycle-of-freebies-in-india-big-poll-promises-shrink-when-politics-meet-fiscal-reality/3002395/ (Last Visited on 28.08.2026).

[12] 2007 (2) MLJ 526.

[13] AIRONLINE 2013 SC 153.

Bandhu and later welfare guarantees, Maharashtra's *Majhi Ladki Bahin Yojana*, West Bengal's *Lakshmir Bhandar* and similar programmes illustrate this transition.[14] According to the Sixteenth Finance Commission, subsidies and transfers across twenty-one States increased from ₹3.86 lakh crore in 2018–19 to ₹7.59 lakh crore in 2023–24, reaching an estimated ₹9.73 lakh crore in 2025–26. Large-group unconditional cash transfers have emerged as a major component of this growth. Lastly the emerging Freebie Culture which is designated as "*revdi culture*" or "*free revdi*" has been challenged in *Ashwini Kumar Upadhyay v Union of India,*[15] a PIL which is sub judice, the question raised that what types of welfare schemes or freebies should be considered as wasteful and unlawful expenditure? What amounts to expenditure for 'public purpose' allowed under Article 282? Can judiciary set guidelines on how public funds can be utilised to provide the promised freebies? And when it clearly falls under the scope of the legislature to make such laws?

IV. WELFARE STATE VERSUS "FREEBIE STATE"

The welfare State is constitutionally desirable whereas a State that treats public resources as instruments of electoral exchange is constitutionally problematic. Therefore it is pertinent to make a distinction between welfare policies and freebie schemes. The object of the Indian Constitution to make the nation as a welfare state where the public will get free education, better infrastructure, better healthcare. Whereas donating a sum of money to every woman without labour, in furtherance of electoral promise or competition is not justifiable and against the constitutional principle. Hence the problem begins when welfare is detached from public policy and becomes primarily an electoral commodity. There is a fundamental difference between a State saying, "We will provide nutritional assistance because malnutrition is a public problem" and, "We will provide an immediate material benefit to a particular electoral constituency without disclosing the fiscal implications." The former represents policy-oriented welfare whereas later may represent electoral populism.

Further the Indian constitutional structure makes it impossible to treat all public expenditure on citizens as constitutionally suspect. Article 38 directs the State to promote the welfare of the people by securing a social order informed by justice social, economic and political. Article 39 contains principles concerning adequate livelihood, distribution of material resources and

[14] Dr. Hansraj Thakur, "Study of Cash Benefit Transfer Schemes in Women's Accounts in Different States" IJRISS (2025).
[15] W.P.(C) No. 43/2022, Supreme Court of India.

prevention of concentration of wealth. Article 41 addresses public assistance in cases such as unemployment, old age, sickness and disablement, subject to the State's economic capacity. Therefore the constitutional analysis should therefore ask five questions to make a distinction between these two concepts i.e. What is the public purpose of the measure? Who are the intended beneficiaries and why? What is the fiscal cost? How will the expenditure be financed? Is the measure reasonably capable of influencing electoral choice?

V. CONSTITUTIONAL FRAMEWORK

Article 14: Equality and Non-Arbitrariness

Article 14 guarantees equality before law and equal protection of laws. Welfare programmes frequently involve classification. Such classification is not inherently unconstitutional. Financial assistance directed towards economically weaker persons, persons with disabilities, elderly citizens or other vulnerable groups may be justified by a legitimate objective. However, a classification lacking a rational connection with the objective of the scheme may raise Article 14 concerns. The issue is therefore not whether every targeted benefit violates equality, but whether the classification has a legitimate constitutional purpose and rational nexus with that purpose. A politically motivated distribution of benefits to a narrowly selected electoral group, without objective criteria, could raise concerns of arbitrariness.

In *State of West Bengal v Anwar Ali Sarkar*,[16] the Supreme Court permit reasonable classification which has two elements firstly there must be a reasonable object and secondly the statute must have reasonable nexus to the object sought to achieve. Further in *E.P. Royappa v. State of Tamil Nadu*,[17] the supreme court extended the scope of Article 14 to "*against arbitrariness*" doctrine, followed by *Magan Lal Chaggan Lal v Municipal Corporation of Greater Bombay*,[18] *Maneka Gandhi v Union of India*,[19] *Air India v Nargesh Meerza*,[20] *Indian Young Lawyers' Association v. State of Kerala*,[21]

Article 21: right to life and personal liberty

[16] 1952 AIR 75 SC.
[17] 1974 AIR 555.
[18] AIR 1974 SC 2009.
[19] (1978) 1 SCC 248.
[20] [1978] 2 SCR 621.
[21] AIR 2019 SC 1899.

The Article 21 and welfare schemes have a strong nexus which was developed after Menaka Gandhi's case,[22] which incorporated right to life includes life with dignity. Consequently, several welfare-oriented entitlements including right to food, health, education, livelihood, shelter, nutrition and social security have been brought within the constitutional ambit of Article 21. However the scheme of the court is basic necessities not luxury commodities. Hence the promising luxury commodities in election cannot be guaranteed under Article 21, rather it is colourable infringement of this provision. In *Sodan Singh v. New Delhi Municipal Committee*,[23] the CJI E.S. Venkataramiah observed:

"*The right to carry on any trade or business and the concept of life and personal liberty within Art. 21 are too remote to be connected together. Therefore, Art. 21 is not applicable here…….. Even the Constitution as it stood originally was committed to economic justice and welfare of the needy, but for that reason either then or now the other provisions of the Constitution and the laws cannot be ignored*."

Further in *Francis Coralie Mullin v. Administrator, Union Territory of Delhi*,[24] the Supreme Court explained that the right to life is not restricted to mere animal existence. It includes the right to live with human dignity and the basic necessities that make life meaningful. In *Olga Tellis v. Bombay Municipal Corporation*,[25] the Supreme Court expressly recognised the right to livelihood as an integral part of Article 21. In Unni Krishnan, J.P. v. State of Andhra Pradesh,[26] the Supreme Court recognised education as a fundamental right flowing from Article 21, read in conjunction with the Directive Principles and subsequently 86th Constitutional Amendment, 2002, which inserted Article 21A and expressly guaranteed free and compulsory education for children between six and fourteen years. In *Paschim Banga Khet Mazdoor Samity v. State of West Bengal*,[27] the Supreme Court held that the State has a constitutional obligation to provide adequate medical services and that failure of a government hospital to provide timely medical treatment can violate Article 21. *People's Union for Civil Liberties (PUCL) v. Union of India*,[28] recognised Right to Food, *Chameli Singh v. State of U.P.*,[29]: Right to Shelter, *Laxmi Mandal v. Deen Dayal Harinagar Hospital*,[30]: reproductive health and nutrition.

Articles 38 and 39: Constitutional Basis of Welfare

Articles 38 and 39 empower the State to provide Social Justice and strongly condemn freebie promises. They demonstrate that economic redistribution and social welfare are not alien to constitutional

[22] *Maneka Gandhi v Union of India* (1978) 1 SCC 248.
[23] (1989) 4 SCC 155.
[24] *Francis Coralie Mullin v. Administrator, Union Territory of Delh*i, (1981) 1 SCC 608.
[25] *Olga Tellis v. Bombay Municipal Corporation*, (1985) 3 SCC 545.
[26] *Unni Krishnan, J.P. v. State of Andhra Pradesh*, (1993) 1 SCC 645.
[27] *Paschim Banga Khet Mazdoor Samity v. State of West Bengal*, (1996) 4 SCC 37, Pt. Parmanand Katara v. Union of India (1989) 4 SCC 286.
[28] *People's Union for Civil Liberties v. Union of India*, (2001) 5 SCC 181.
[29] *Chameli Singh v. State of Uttar Pradesh*, (1996) 2 SCC 549.
[30] W.P.(C) No. 8853 of 2008, Delhi High Court.

governance. The Supreme Court has repeatedly recognised that the Directive Principles must inform interpretation of constitutional rights and governance. Therefore, any regulatory framework concerning freebies must preserve the State's ability to pursue legitimate social objectives.

In S. Subramaniam Balaji v. State of T.N.,[31] the Supreme Court the court attempted to find the nexus between Freebie schemes and Section 123 of The Representation of People's Act 1950, in the light of Article 14 and held that Freebie Schemes are in furtherance of Constitutional mandate and not have any connection with u/s 123 of RP Act. However concern can be raised with regard to manipulation of voters and Sate's financial capacity, and in such cases the policy must satisfy Article 14, as observed that:

"53) As appealing this argument may sound good, the implementation of this suggestion becomes difficult on more than one count. Firstly, if we are to declare that every kind of promises made in the election manifesto is a corrupt practice, this will be flawed. Since all promises made in the election manifesto are not necessarily promising freebies per se, for instance, the election manifesto of a political party promising to develop a particular locality if they come into power, or promising cent percent employment for all young graduates, or such other acts. Therefore, it will be misleading to construe that all promises in the election manifesto would amount to corrupt practice. Likewise, it is not within the domain of this Court to legislate what kind of promises can or cannot be made in the election manifesto.
54) Secondly, the manifesto of a political party is a statement of its policy. The question of implementing the manifesto arises only if the political party forms a Government. It is the promise of a future Government. It is not a promise of an individual candidate. Section 123 and other relevant provisions, upon their true construction, contemplate corrupt practice by individual candidate or his agent. Moreover, such corrupt practice is directly linked to his own election irrespective of the question whether his party forms a Government or not. The provisions of the RP Act clearly draw a distinction between an individual candidate put up by a political party and the political party as such. The provisions of the said Act prohibit an individual candidate from resorting to promises, which constitute a corrupt practice within the meaning of Section 123 of the RP Act. The provisions of the said Act place no fetter on the power of the political parties to make promises in the election manifesto.
55) Thirdly, the provisions relating to corrupt practice are penal in nature and, therefore, the rule of strict interpretation must apply and hence, promises by a political party cannot constitute a corrupt practice on the part of the political party as the political party is not within the sweep of the provisions relating to corrupt practices. As the rule of strict interpretation applies, there is no scope for applying provisions relating to corrupt practice contained in the said Act to the manifesto of a political party.
56) Lastly, it is settled law that the courts cannot issue a direction for the purpose of laying down a new norm for characterizing any practice as corrupt practice. Such directions would amount to amending provisions of the said Act. The power to make law exclusively vests in the Union Parliament and as long as the field is covered by parliamentary enactments, no directions can be issued as sought by the appellant. As an outcome, we are not inclined to hold the promises made by the political parties in their election manifesto as corrupt practice under Section 123 of the RP Act.
57) The concept of State largesse is essentially linked to Directive Principles of State Policy. Whether the State should frame a scheme, which directly gives benefits to improve the living standards or indirectly by increasing the means of livelihood, is for the State to decide and the role of the court is very limited in this regard."

In *Bhim Singh v. Union of India*,[32] a Constitution Bench observed as under:

[31] (2013) 9 SCC 659.
[32] (2015) 13 SCC 605.

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

Further Ashwini Kumar Upadhyay, lawyer, and former BJP Delhi spokesperson filed a Public Interest Litigation, asking directions to the Election Commission of India to ban freebies and de-recognize political parties offering irrational freebies during election campaigns on affecting the principle of Free and Fair Elections. The Supreme Court stated irrational freebies as a "serious" issue and may push the states toward imminent bankruptcy. A bench comprising Justice Ramana, Justice CT Ravikumar, and Justice Hima Kohli has observed that freebies and social welfare schemes are two different things. "Freebies and social welfare schemes are different. Economy losing money and the welfare of people, both have to be balanced and that is why this debate." But the Court took a stand that political parties cannot be de-recognized over freebies. The Apex Court suggested that an expert panel of various stakeholders including the Election Commission of India, Reserve Bank of India, NITI Aayog, Law Commission, and members of ruling and opposition parties should be formed and provide their opinion on this issue. However, the Election Commission of India refuses to become a part of the expert panel stating that it would be inappropriate for a constitutional body to join the expert panel. The Supreme Court refers the petition to a three-member bench citing the complexity of the issue. The judgment on this issue is yet to be delivered by the Apex Court.[33]

Is freebie scheme in confirmation with Constitutional mandate? If so, then what happened when two DPSPs conflict with each other?

Since electoral freebie schemes are conceptually distinct from constitutionally grounded welfare schemes, they cannot, merely by virtue of their distributive character, be regarded as fulfilling a constitutional mandate. Genuine welfare measures may derive their legitimacy from the Directive Principles of State Policy and, in appropriate circumstances, from Fundamental Rights; electoral freebies, by contrast, may lack such a direct constitutional foundation. Accordingly, the question of an apparent conflict between two Directive Principles does not

[33] Sai Shriya Potla "Election freebie culture: will it plunge India into obscurity?" 3.1 *JCLJ* (2022) 1030

ordinarily arise merely from the implementation of freebie schemes. Even in circumstances where two Directive Principles appear to operate in tension, the precise issue of their direct conflict has not been conclusively adjudicated by the Supreme Court. Nevertheless, the constitutional scheme as a whole is fundamentally oriented towards the promotion of social, economic and political justice and the welfare of the people. Therefore, where competing constitutional objectives arise, the appropriate judicial approach should be one of harmonious construction, whereby both principles are given meaningful effect to the greatest extent possible. Where complete reconciliation is impracticable, one principle may operate as a qualified exception or limitation upon the application of another, provided that such interpretation remains consistent with the broader constitutional structure, fundamental rights, and the overarching objective of establishing a just and welfare-oriented constitutional order.

Article 162: State Executive Power

Article 162 determines the extent of the executive power of a State. Welfare schemes may be formulated through executive action where the subject falls within the State's constitutional competence and the expenditure is authorised through the appropriate financial process.

However, executive competence does not mean unlimited discretion. Government expenditure remains subject to constitutional limitations, legislation, appropriation procedures, audit and judicial review on recognised grounds.

Article 266: Public Funds and Constitutional Trust

The Consolidated Fund of a State contains revenues received by the State, loans raised by it and money received in repayment of loans. Withdrawals are constitutionally regulated. This reinforces an important democratic principle public money belongs to the constitutional State and not to the political party forming the government. A government therefore cannot legitimately regard public expenditure as an electoral gift from the ruling party. Public expenditure must serve public purposes and comply with constitutional and statutory procedures.

Article 282: Public Purpose

Article 282 permits the Union or a State to make grants for any public purpose, notwithstanding the distribution of legislative subjects. The expression “public purpose” is significant in the freebie debate. Welfare expenditure may clearly satisfy public purpose where it addresses poverty, health, education, nutrition or social security. The more tenuous the connection between the expenditure and a legitimate public objective, the greater the justification required for the expenditure.

Article 293: State Borrowing

Article 293 is relevant because many welfare commitments create recurring expenditure while State governments may have limited revenue capacity. Borrowing can finance development when used responsibly, but recurrent expenditure financed through borrowing can transfer the burden to future generations. This creates an issue of inter-generational constitutional justice. The beneficiaries of today's promises may receive immediate benefits while future taxpayers bear part of the cost.

Article 324: Free and Fair Elections

Article 324 vests the Election Commission with constitutional responsibility for the conduct of elections. The Supreme Court has recognised the Commission's role in maintaining the purity of the electoral process and a level playing field. The Election Commission's current manifesto guidelines expressly state that welfare promises cannot be objected to merely because the Directive Principles encourage welfare measures. At the same time, parties should avoid promises likely to vitiate electoral purity or exert undue influence on voters. The Commission also expects manifestos to indicate the rationale for promises and broadly explain how their financial requirements are to be met.

VI. FREEBIES AND ELECTORAL MANIPULATION

Freebie schemes can influence electoral behaviour by converting immediate material benefits into political loyalty. Their persuasive power is particularly significant among economically vulnerable voters, for whom cash transfers, subsidies, free utilities or consumer goods can provide immediate and tangible relief. The mechanism of influence operates through targeted benefits, personalisation and electoral timing. When a benefit is directly credited to an individual's account or delivered to a household, government policy becomes personally identifiable with the political party in power.[34] Recent electoral analysis similarly indicates that direct and visible welfare benefits can become a basis on which voters assess governmental

[34] Shubh Palvia, "A Sociolegal Perspective On Political Freebies" *IJLLR Journal* (2024).

performance, although such evidence does not establish that welfare schemes literally "purchase" votes.[35] The scale of this phenomenon is substantial. A 2024 CSDS-Lokniti post-poll analysis reported that the proportion of respondents claiming benefits from selected schemes including PDS, Ujjwala, MGNREGA, Ayushman Bharat and housing programmes ranged from 25% to 67%, demonstrating the extensive reach of welfare delivery among voters.[36] Thus, the principal democratic concern is not welfare itself, but the conversion of public expenditure into an instrument of electoral influence, potentially weakening informed electoral choice and creating a competitive cycle in which parties promise progressively larger benefits to secure voter support.

VII. ELECTORAL FREEBIES AND NATIONAL DEVELOPMENT

The proliferation of electoral freebies can adversely affect India's long-term development when recurring transfers and subsidies crowd out productive public expenditure on infrastructure, education, healthcare and employment generation. Further these policies have no return unlike capital investment. The problem is particularly acute where such schemes are financed through borrowing or consume a substantial portion of States' revenue. In 2023–24, 24 States spent approximately ₹3.19 lakh crore on subsidies, equivalent to 9% of their revenue receipts; Punjab spent 21%, while Tamil Nadu, Rajasthan and Karnataka each spent about 14%.[37] The concern is not welfare expenditure *per se*, but the opportunity cost and sustainability of politically driven benefits. PRS notes that unconditional cash-transfer schemes are affecting States' capacity to spend on other development priorities. In 2025–26, twelve States budgeted approximately 6% of their revenue expenditure on unconditional cash transfers, with West Bengal at 8.9% and Jharkhand at 12.1%. The RBI has similarly cautioned that rising subsidy and cash-transfer expenditure can reduce fiscal space for productive investment.[38] Additionally many States shows the debt-to-GSDP ratio more than permissible limit such as Arunachal Pradesh, 42%, Bihar 35%, Assam 25%, Chhattisgarh 27%, West Bengal 38.93, and Andhra

[35] Saurabh Raj, "Voting with Freebies: How Direct Welfare Benefits Reshape Electoral Behaviour in India" *European Centre for Populism Studies*, December 29, 2025, available at: https://www.populismstudies.org/voting-with-freebies-how-direct-welfare-benefits-reshape-electoral-behaviour-in-india/ (Last Visited on 28.08.2026).
[36] Vibha Attri, Naman Jaju, "CSDS-Lokniti post-poll survey: Evaluating government's performance and its impact on voting patterns" June 06, 2024, available at: https://www.thehindu.com/news/national/csds-lokniti-post-poll-survey-evaluating-governments-performance-and-its-impact-on-voting-patterns/article68255033.ece (Last Visited on 28.08.2026).
[37] Shrusti Singh, "STATE OF STATE FINANCES" *PRS Legislative Research*, October 2025, available at: https://prsindia.org/files/budget/budget_state_finance_report/2025/SOSF_2025.pdf (Last Visited on 28.08.2026).
[38] *Ibid*.

Pradesh 33%.[39] Thus, excessive freebies may weaken capital formation, infrastructure development, fiscal stability and inter-generational equity, potentially converting present electoral gains into future fiscal burdens.

VIII. FREEBIES AND ELECTORAL POPULISM

Electoral populism converts complex public policy into immediate and easily communicable benefits. A long-term investment in education may take years to produce measurable outcomes. A monthly cash transfer produces an immediate and visible benefit. Political incentives can therefore favour policies whose benefits are immediate while their costs are dispersed over time. This produces what may be described as the "*Freebie Debt Election Cycle*".

The danger is not merely economic. It may alter the nature of democratic citizenship. Citizens may increasingly be treated as beneficiaries rather than participants in constitutional governance. Political accountability may shift from questions such as "*What institutions have you built?" to "What immediate benefit have you provided?*" Democracy however, requires informed political choice concerning competing visions of governance, rather a irresponsible freebie government. A constitutional democracy cannot prohibit political parties from making attractive policy proposals. But it can require transparency so that citizens know the fiscal consequences of those proposals.

IX. FREEBIES, PUBLIC TRUST AND CONSTITUTIONAL MORALITY

Public office carries fiduciary responsibilities. Ministers exercise authority over resources belonging to the State and ultimately the people. The concept of constitutional morality requires institutions to act according to constitutional values rather than short-term political convenience. From this perspective, a welfare policy should justify the flowing questions:

- Why is this expenditure necessary?
- Who benefits?
- What is the total cost?
- What is the funding source?
- What alternative public expenditure is being forgone?
- What measurable outcome is expected?

[39] *Ibid*.

- Is the expenditure recurring?
- How long the State Fund can sustain this?

These questions may transform the debate from "freebie versus no freebie" into a question of constitutional public finance.

X. FREEBIE CONSTITUTIONALITY TEST

For future legislative and judicial analysis, this article proposes a five-part test i.e., firstly public purpose test, secondly rationality test, thirdly fiscal sustainability test, fourthly transparency test, fifthly electoral influence test. No single factor should automatically determine constitutionality. The cumulative assessment should determine whether a measure represents legitimate welfare or problematic electoral inducement.

XI. CONCLUSION AND SUGGESTIONS

Freebie politics represents one of the most difficult contemporary questions in Indian constitutional democracy because it lies at the intersection of two legitimate but competing interests. On one side stands the welfare State and another side stands the principle of responsible democratic government. Most importantly, India must preserve the distinction between welfare democracy and patronage democracy. The former is consistent with the constitutional vision whereas latter threatens it. Therefore, freebie schemes cannot be declared unconstitutional merely because they provide benefits without direct consideration. Their constitutional legitimacy must depend upon their purpose, rationality, fiscal sustainability, transparency and relationship with electoral choice. The future of Indian democracy does not require the abolition of welfare. It requires the constitutionalisation of welfare politics through accountability. The fundamental principle should therefore be public money must serve public purpose, welfare must serve constitutional justice, and electoral promises must remain subject to democratic accountability. Only through such a framework can India reconcile its commitment to a welfare State with the equally important constitutional objectives of free and fair elections, fiscal responsibility, equality and responsible democratic government.

Considering above passage, this article provides flowing suggestions to make harmony between welfare policies and constitutional governance:

A. Mandatory Manifesto Fiscal Impact Statement;

B. Independent Fiscal Scrutiny;
C. Manifesto Accountability Report;
D. Strengthening Election Commission Guidelines;
E. Legislative Reform and replacement of The RP act with *Bharatiya Janapratinidhitva Adhiniyam;*
F. Greater Public Disclosure;
G. Inter-Generational Fiscal Assessment;
H. Strengthening Fiscal Responsibility Frameworks;
I. Independent Audit; and
J. Voter Awareness.

Such reforms would ensure the legitimate welfare expenditure rather electoral freebies.