

Freebies: 'Bees' of Politics 'stealing' bee-hives of Treasury! Need 'Bee-eaters'!

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to untangle some poll knots crushing fiscal rectitude in India! Going by the steadily rising drumbeats, about half a dozen States are heading for provincial polls in the next nine months. Since time to harvest votes is rapidly advancing, political parties in the wilderness have already careened into hyper-action and hyperbole too! Politicians known for their soporific reputation are again making bellicose use of propaganda megaphones!

Build-and-burn politicians are busy exhuming all 'bones' of grifting techniques! Grabbing powers by using grubbier methods is their sole goal! Their flamboyant speeches with blazing peroration of poll promises as high as Babylon's tower are often like riding a wave without a surfboard! Aha! No fabric of restraint or even scant respect for the electoral protocols or laws! It's time for unimaginable and heretical promises! Taking a plunge into feisty political rhetoric, all political parties tend to play with fire! Being in the know of yawning political media, they begin by heaping loads of derisive and also 'profound' comments about instances of mis-governance by the ruling party - a mother lode for sordid saga; then puff up with peals of laughter and end up with a laundry list of freebies! A bee in one's bonnet is out! And lo, this makes a good headline for the media and a tempting bet for the voters!

Once the Opposition manages to carve out temporal illusions in the mind of voters, the ruling parties tend to recall what Lewis Carroll had said - ***"We must run as fast as we can, just to stay in place"***

! With more gen in deep-pockets about the fiscal health or often ill-health of their States, they demonstrate greater appetite for harvesting votes and tend to tip toward greater chaos! Unmindful of being scandal-plagued, their thoughts are consumed by the popular obsession "drill, baby, drill" and they end up risking self-immolation over fiscal rectitude!

With Napoleonic sense of self-importance, the governing rabble-rousers often do not buy Darwin's theory of evolution! Being in thrall of hedonistic political powers, no guardrails can deter them from walking the tall talk about a list of freebies such as cycle for school-going girls, laptops for the youth, rice and gas cylinder for the poor; free bus ride for women; special pilgrimage rides for senior citizens; threshold exemption from electricity and water bills for the households and blah, blah, blah!

Freebies represent the paranoid strains of Indian politics. Frigging pejorative development! ***Plus Ça change***

! It is a new genomic strand which promises the thrill of that electric tingle running down the spine of rivalling political parties. Though such a weedy and wobbly path triggers egregious fiscal consequences for the State but the political parties are overwhelmingly in thrall of such profligacy. They believe that freebies are a moisturising lotion for gathering votes! A slurping time for voters and an effusive welcome rather one-sided voting for a political party! Seasoned political pundits believe that the Indian politics would be duller in absence of freebies! In contrast, fiscal economists say that such irrational freebies spark fiscal dysentery and a long-term booby-trap for the economy. The Chairman of the 15th Finance Commission, Mr N K Singh, recently observed that such competitive politics of freebies is a vinegary recipe for fiscal disaster! Going by the noisy statistics what Mr Singh has cautioned about, is already on the wall for all of us to read! The malady of financial mess has incrementally spread into the veins of as many as 10 States, almost akin to malignant sarcoma. As per the RBI's latest report, some of the States like

Andhra Pradesh, Bihar, Rajasthan and Punjab, have crossed the Rubicon for both the debt and the fiscal deficits for FY 2020-21, set by the Finance Commission. Kerala, West Bengal and Jharkhand have exceeded their debt targets. Amazing realpolitik prevails!
Carpe diem!

Freebies promised during polls have proven to be a fiscal bomb! Losing head over the horrific trend, the RBI Governor last month held a meeting of Finance Secretaries of the States, the Centre and the CAG and urged them to toe the fiscal line rationally. Or, some of the States may sink to the bottom of financial mulch! Strangely weird, notwithstanding being in the red, a State like Punjab is too resolved to fulfil the ruling party's poll promises such as certain units of free power and a dole of Rs 1000 to all women above 18! It is a serious malaise which is creating awful fiscal miasma even for the Centre. It seems many of the States have junked their obligations under the Fiscal Responsibility Act and also the accountability towards the taxpayers. Rankled and grumbled taxpayers have uproariously begun to question such wastage of

public resources for partisan political gains. Ignoring the rising howls of betrayal would certainly cost!

Since competition among political parties has taken a sordid turn to bankroll the policy of appeasement for votes, even the Prime Minister Modi recently cried foul over discriminatory distribution of '**revari**' (freebies)! Though one may accuse his party as well of joining the race which was pioneered by the former Chief Minister of Tamil Nadu, Ms Jayalalitha and the same later became a rage among all regional and national parties but let's give full credit to the Prime Minister for showing the amber light over such a trend. A competing political party like BJP may not boo-hoo it but the PM as the head of the Government is under obligation to stymie such suicidal trend!

And he has rightly pointed his fingers at the ailing Discoms. He last week launched another Discom reform package but reform multiplied by reform would not bear much fruit unless the States lurch to see them as a commercially viable business undertaking. But they are not undertaking! Secondly, they need to be reminded that energy security is an inalienable component of our Doctrine of National Security. And if India needs to live up to its promises made at COP26, the States need to be extra circumspect about their spending.

However, a good number of citizens do not believe that any political party is capable of finding a lasting solution to the degenerating malady and they have knocked at the door of the Apex Court. Hearing the PIL, the Bench headed by the CJI, asked learned counsel for solution to such a poisoned chalice and one of the answers was the vesting of powers and responsibilities in the Finance Commission to suggest snarls and guardrails. The counsel for the Union of India suggested that only the Election Commission can do something meaningful. And the counsel for the ECI pleaded that they do not have the legal limbs to put putty in the holes! Apparently exasperated Bench has asked the Union of India to file a reply to the PIL.

I do not think that the Union of India has any concrete antidote at present unless all political parties agree to a new legislation or the Modi Government navigates through a new bill to put a stop to such an unpleasant trend at the cost of the treasury! Whether a new Fiscal Council is created along the lines of the GST Council or the Finance Commission is transformed into a permanent body with the necessary secretariat and powers, a clear-cut distinction has to be made between a merit-subsidy and a demerit subsidy.

Merit-subsidy is needed to ameliorate the conditions of the poor and the disadvantaged section of the society but contours of **Laxman Rekha** have to be clearly spelt out! Similarly, the list of demerit subsidies has to be tailored in furlongs with exhaustive examples but the definition has to be inclusive, legally! Drawing such a list would require sagacity and vision to promise only freebies like wisdom, patience, faith and laughter rather than robbing the treasury of its resources to be utilised for spawning public good to be consumed by all the segments of the society.

It is high time that the States realise - No situation is so bad that it cannot become worse! They also need to believe that there is no Lazarus Syndrome for the Treasury - a process of auto-resuscitation! Dosh comes into the government coffers only through taxes or by selling off public assets. So far as taxation goes, after introduction of GST, no State can impose a levy on its own volition. A mother lode of erstwhile opportunities is gone, now! Constitutional 'enzyme' is deleted forever! They cannot afford to behave like cloistered emperors! A morass of discontent among the taxpayers is growing! In fact, they have begun to chivvy the Centre into action!

With very limited wiggle room, the States cannot afford fresh millstone around their necks! The era of grazing the heart of financial and fiscal systems has inched close to the end of the road! A large army of youth in the country needs job and the same can be created only if scant resources are fruitfully utilised by creating physical and social infrastructure!

Any reckless debt is a trap and it costs intergenerational developments to get out of it!

Time to call off the brinkmanship approach and put an end to fiscal banditry! There should be bipartisan support to any legislative reform if mooted by the Centre so that self-destructive rage of freebies evaporates! A quick end to toxic old-school populism! Sustainability is the buzzword - Let's not forget it even for a second! I expect the grandpas of the Indian polity to come together for a meaningful cure of aggravating pathologies! Cheese it!

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