

Full text: The Politics of Welfare in Tamil Nadu  
Opening Remarks by N. Ravi

On behalf of The Hindu Centre for Politics and Public Policy, let me welcome you all to this interactive panel briefing on the politics of welfare in Tamil Nadu, which is a subject of widespread interest in the context of the ongoing election campaigns. The Hindu Centre is an initiative of The Hindu group of publications to contribute to informed public discourse on issues of politics and public policy through promoting scholarship, publications and organising discussions on critical issues. It is in this spirit that the Centre has organised this discussion on an issue that has come into public focus in the context of the election manifestos of major parties and has been described variously with some derision as freebies or competitive populism. We have chosen the neutral description of the politics of welfare.

An illustrative list of schemes now in operation in Tamil Nadu has been provided by Dr. R. Srinivasan of the Madras University in an incisive article on The Hindu Centre's website.

In addition, we have the Amma canteens, subsidised cement and subsidised cinemas. In assessing these and other schemes, several issues have been raised by economists and political commentators. The most important one is, of course, the issue of fiscal sustainability: can the state's revenues support a seemingly endless list of welfare schemes? Does the expenditure on these schemes come at the cost of developing the state's physical infrastructure including power, roads and transport facilities or of the social infrastructure including education and health, and social security for the really deserving including the very poor, the aged and the infirm?

Another issue is if these schemes are to be treated as an income transfer device, where do these transfers come from, given that the state's tax revenue is made up of indirect taxes that are regressive in nature? The main sources apart from the state's share in central revenues are sales tax, excise on liquor and motor vehicles tax. Again, do the benefits go to the really deserving? It is one thing, it is argued, to address issues of abject deprivation including chronic hunger, malnutrition, illiteracy and ill health, but quite another to provide free or subsidised goods to the relatively well off including the middle classes. In other words, should there be a hierarchy of virtuous and non-virtuous schemes?

Among political commentators, the appeal of these welfare schemes to the electorate is not doubted. Once in place, it becomes virtually impossible for any successor government to dismantle them, they can only be improved upon and new, innovative schemes added on top of them. In other words, even if they represent bad or doubtful economics, they are good politics in the sense that they work in the electoral arena.

The question arises as to who mediates in this balance of economic sustainability and political appeal: should it be the electorate, should it be the courts or should it be left to the good sense of the political parties and what the people see as their long term interests? The Supreme Court in its 2013 order noted: “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. All such questions must be debated and decided in the legislature and not in court.” The court nevertheless pointed out that “Freebies shake the root of free and fair elections to a large degree,” and directed the Election Commission to frame guidelines on party manifestos and what kind of promises they can contain.

Acting on the court order, the Election Commission has among other provisions, included the following:

(ii). The Directive Principles of State Policy enshrined in the Constitution enjoin upon the State to frame various welfare measures for the citizens and therefore there can be no objection to the promise of such welfare measures in election manifestos. However, political parties should avoid making those promises which are likely to vitiate the purity of the election process or exert undue influence on the voters in exercising their franchise.

(iii) In the interest of transparency, level playing field and credibility of promises, it is expected that manifestos also reflect the rationale for the promises and the ways and means to meet the financial requirements for it. Trust of voters should be sought only on those promises which are possible to be fulfilled.

The central question that emerges in this debate is when doubtful economics makes for good politics, who mediates, who judges what is good for the state. Ultimately, going beyond the condescending assumption that the people don't know what is good for themselves, these are best left to the

judgement and good sense of the electorate. The literacy and the growing awareness of the electorate, would exercise a salutary influence and political parties would find that making tall promises would be less credible among the people.

To discuss these and other issues, we have today an exemplary panel constituting a mix of people who have had a distinguished record in public life, in academia and economic policy making or fiscal administration and public policy areas or have had a lifetime's experience in working with the marginalised.