



The Role Of Freebies In Delhi's 2025 Election: Electoral Strategy, Policy Competition, And Democratic Implications

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Abstract

The prominence of electoral freebies in contemporary Indian politics represents a significant transformation in how political parties mobilize voter support and structure governance priorities. This study examines Delhi's 2025 Assembly elections as a critical case where welfare schemes, subsidized utilities, and direct cash transfers have become central to electoral competition across all major political parties. Through systematic analysis of budgetary data spanning 2014-15 to 2025-26, electoral manifestos, and voter behavior patterns, this research investigates whether freebie-driven governance constitutes genuine welfare enhancement or unsustainable populist strategy that compromises fiscal sustainability and developmental investment. The empirical evidence reveals dramatic fiscal transformation where subsidy expenditure surged 609% from Rs 1,554.72 crore to Rs 10,995.34 crore over the decade, while capital expenditure contracted from 22.7% to 16.4% of total budget. The projected fiscal deficit for 2025-26 reaches Rs 13,702.95 crore, nearly ninefold higher than the previous year, driven primarily by competing welfare promises across parties. Electoral analysis demonstrates that freebies significantly influence voting behavior, particularly among women and economically vulnerable populations, with approximately 62% of voters acknowledging their importance in electoral decisions. However, educated middle and upper-income voters increasingly distinguish between merit-based welfare focused on education and healthcare versus consumptive subsidies, viewing the latter as fiscally irresponsible. The research concludes that while electorally effective in the short term, Delhi's freebie model creates path-dependent fiscal stress that constrains developmental capacity and raises fundamental questions about democratic accountability and sustainable governance.

Keywords: Electoral freebies, fiscal sustainability, voter behavior, welfare governance, populism, Delhi elections

Introduction

Delhi's 2025 Assembly elections exemplify the intensification of welfare-centric electoral competition that has come to characterize contemporary Indian democracy. The Aam Aadmi Party, Bharatiya Janata Party, and Indian National Congress have collectively announced unprecedented welfare schemes, with all three parties promising monthly cash transfers to women ranging from Rs 2,100 to Rs 2,500, alongside commitments for free or subsidized electricity, water, healthcare, and education benefits¹. This convergence on welfare promises reflects broader transformations in electoral mobilization strategies where immediate material distribution increasingly supersedes programmatic policy differentiation or ideological positioning.

The phenomenon extends beyond isolated electoral tactics to represent fundamental restructuring of state-citizen relations, where governance legitimacy derives substantially from direct benefit provision rather than developmental achievements or institutional capacity building². Electoral populism has emerged as a defining feature of democratic politics in several Indian states, with political parties increasingly relying on welfare schemes and freebie policies to attract and retain voter support³. Delhi presents a particularly compelling analytical context due to its status as a highly urbanized, educated, and economically diverse Union Territory where traditional clientelist networks coexist with informed middle-class voters capable of evaluating fiscal sustainability and governance competence.

The capital's decade-long experience under AAP governance, characterized by flagship free electricity and water schemes, provides sufficient temporal depth to assess both electoral effectiveness and fiscal consequences of freebie-driven policy models. This study addresses critical questions regarding the sustainability, equity, and democratic implications of freebie politics. Specifically, it examines (1) How welfare expenditure patterns have evolved, (2) What fiscal trade-offs have emerged, (3) How different demographic segments respond to freebie appeals, and (4) whether current trajectories prove sustainable⁴. The analysis integrates quantitative fiscal data with qualitative examination of electoral strategies and voter perceptions, employing mixed-methods approaches to capture multiple dimensions of this complex phenomenon.

Theoretical Foundations and Literature Review

- **Electoral Freebies and Populism in Indian Politics**

Academic discourse on electoral freebies reveals fundamental tensions between competing interpretations. One perspective views welfare schemes as legitimate responses to genuine poverty and inequality, where democratic competition incentivizes parties to address marginalized populations' material needs⁵. This interpretation aligns with programmatic politics frameworks suggesting that broad-based welfare provision enables parties to transcend narrow patronage networks and build wider electoral coalitions. Research

¹ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. *Policy Journal*, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

² Tripathy, S. (2025). Electoral populism and democratic governance in Indian states: Boon or bane? *Strategic Perspectives International Journal of Social Sciences and Humanities*, 2(4), Article 45162. <https://doi.org/10.70558/spijsh.2025.v2.i4.45162>

³ Nandan, A., & U, S. R. (2024). Developmental welfarism and programmatic politics: India's changing electoral landscape. *International Journal for Multidisciplinary Research*, 6(5), Article 27366. <https://doi.org/10.36948/ijfmr.2024.v06i05.27366>

⁴ Moundekar, B. R., Sharma, G., & Lonkar, R. (2025). Social welfare or vote-buying?: Investigating the ethical and administrative challenges of freebie-driven governance. *International Journal for Multidisciplinary Research*, 7(1), Article 35543. <https://doi.org/10.36948/ijfmr.2025.v07i01.35543>

⁵ Nandan, A., & U, S. R. (2024). Developmental welfarism and programmatic politics: India's changing electoral landscape. *International Journal for Multidisciplinary Research*, 6(5), Article 27366. <https://doi.org/10.36948/ijfmr.2024.v06i05.27366>

demonstrates that political parties have realized that the surest way to reap electoral dividends is through benefits to individual voters, with Indian elections increasingly turning programmatic as voters become more likely to give credit to governments for their welfare schemes ⁶.

Contrasting interpretations characterize freebies as populist vote-buying mechanisms that manipulate electorates through short-term material inducements while avoiding difficult governance choices regarding fiscal sustainability and developmental priorities. This critical perspective emphasizes how electoral populism poses significant challenges to democratic governance, including fiscal stress on state economies, entrenchment of vote-bank politics, and erosion of policy-based decision-making processes ⁷. The normalization of freebie-driven campaigns potentially reduces democratic participation to transactional exchanges where citizens vote in return for immediate benefits rather than evaluating governmental performance or competing policy visions. Research investigating the ethical and administrative difficulties linked to freebie-driven governance questions whether these measures are truly aimed at improving social welfare or serve as tools for political manipulation ⁸.

- **Voter Behavior and Credit Attribution Dynamics**

Empirical research reveals nuanced patterns in how electoral freebies influence voter behavior. Studies examining the growing popularity of welfare schemes across several developing countries demonstrate that electoral returns are crucially predicated on whether incumbent governments can derive consequent electoral benefits. In federal structures like India's, characterized by overlapping policy design and implementation responsibilities, the question of electoral returns depends critically on voters' ability to assign credit for welfare benefits to different levels of government. Research provides empirical support for intense party competition over credit for welfare benefits in federal structures, finding that welfare schemes constitute an essential dimension of performance evaluation by the electorate ⁹.

The educational gradient in welfare preferences carries important implications for understanding freebie effectiveness across different demographic contexts. Studies indicate that less-educated voters exhibit stronger preferences for direct patronage, while better-educated voters prefer policy-oriented programs, suggesting that urban, educated populations may prove less responsive to freebie-focused campaigns ¹⁰. Survey evidence from Tamil Nadu demonstrates that forty-one percent of voters considered freebies an important factor in voting decisions, confirming the electoral salience of welfare provision across different Indian states ¹¹.

- **Fiscal Sustainability and Development Trade-offs**

Fiscal sustainability concerns permeate the academic literature on electoral freebies. Analysis across multiple Indian states reveals that while freebies influence voting behavior, they frequently generate economic strain and reduced investment in long-term development sectors including health and education. Key case studies examining Delhi's free electricity and water model, Tamil Nadu's welfare-driven governance, and direct

⁶ Gupta, P., Goyal, A., & Bhattacharya, R. (2022). Who moved my welfare scheme? Federalism and the politics of credit attribution in rural India. *Studies in Indian Politics*, 10(2), 188-207. <https://doi.org/10.1177/09731741221113987>

⁷ Tripathy, S. (2025). Electoral populism and democratic governance in Indian states: Boon or bane? *Strategic Perspectives International Journal of Social Sciences and Humanities*, 2(4), Article 45162. <https://doi.org/10.70558/spijsh.2025.v2.i4.45162>

⁸ Moundekar, B. R., Sharma, G., & Lonkar, R. (2025). Social welfare or vote-buying?: Investigating the ethical and administrative challenges of freebie-driven governance. *International Journal for Multidisciplinary Research*, 7(1), Article 35543. <https://doi.org/10.36948/ijfmr.2025.v07i01.35543>

⁹ Gupta, P., Goyal, A., & Bhattacharya, R. (2022). Who moved my welfare scheme? Federalism and the politics of credit attribution in rural India. *Studies in Indian Politics*, 10(2), 188-207. <https://doi.org/10.1177/09731741221113987>

¹⁰ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. *Policy Journal*, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

¹¹ Nandan, A., & U, S. R. (2024). Developmental welfarism and programmatic politics: India's changing electoral landscape. *International Journal for Multidisciplinary Research*, 6(5), Article 27366. <https://doi.org/10.36948/ijfmr.2024.v06i05.27366>

benefit transfers in Uttar Pradesh and Bihar indicate that freebies often lead to economic strain and reduced investments in long-term development sectors such as health and education ¹².

The systematic diversion of resources from productive capital investments toward current consumption subsidies creates negative developmental spirals where deteriorating infrastructure, educational facilities, and healthcare delivery undermine the welfare objectives that freebie policies ostensibly serve. Research emphasizes the fine balance required between delivering welfare and maintaining democratic accountability, offering policy recommendations to ensure that populist initiatives contribute to sustainable and inclusive development without compromising the integrity of democratic institutions ¹³. The study recommends targeted welfare, conditional schemes, and alternative policy models that balance short-term relief with long-term economic sustainability, calling for focus on long-term development, citizen empowerment, and ethical governance to protect democratic values ¹⁴.

Research Methodology

This study employs a mixed-methods research design integrating three primary analytical components to examine the role of freebies in Delhi's 2025 elections.

First, longitudinal fiscal analysis examines Delhi government budget documents from 2014-15 through 2025-26, extracting comprehensive data on total expenditure patterns, revenue versus capital spending allocations, subsidy distributions by category, fiscal deficit projections, and sectoral investments in education, healthcare, and infrastructure. Data sources include Annual Financial Statements, Budget at a Glance documents, Detailed Demand for Grants, and Comptroller and Auditor General reports providing independent audit assessments of governmental financial management.

Second, comparative electoral analysis systematically examines party manifestos for the 2025 Assembly elections, coding welfare promises across multiple categories including cash transfers, utility subsidies, healthcare benefits, education provisions, and employment guarantees. This systematic coding enables quantitative comparison of party convergence patterns and estimation of fiscal costs associated with competing electoral platforms. Media reports from major national and regional outlets supplement this analysis, providing documentation of campaign developments, party announcements, and expert fiscal assessments.

Third, the study synthesizes existing voter behavior research from credible organizations including the Association for Democratic Reforms, Centre for Policy Research, and Lokniti-CSDS. These surveys provide empirical evidence on voter perceptions of freebies, welfare scheme salience in voting decisions, beneficiary satisfaction levels, and demographic variations in preferences across education, income, gender, and age categories ¹⁵. While relying on secondary rather than primary survey data introduces limitations regarding question framing and temporal alignment with the 2025 electoral cycle, triangulation across multiple sources enables identification of consistent patterns while appropriately acknowledging areas of uncertainty.

Analytical frameworks employ standard public finance metrics including subsidy expenditure as percentage of total budget, capital-to-revenue expenditure ratios, fiscal deficit relative to Gross State Domestic Product, and

¹² Tripathy, S. (2025). Electoral populism and democratic governance in Indian states: Boon or bane? Strategic Perspectives International Journal of Social Sciences and Humanities, 2(4), Article 45162. <https://doi.org/10.70558/spijsh.2025.v2.i4.45162>

¹³ Moundekar, B. R., Sharma, G., & Lonkar, R. (2025). Social welfare or vote-buying?: Investigating the ethical and administrative challenges of freebie-driven governance. International Journal for Multidisciplinary Research, 7(1), Article 35543. <https://doi.org/10.36948/ijfmr.2025.v07i01.35543>

¹⁴ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. Policy Journal, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

¹⁵ Gupta, P., Goyal, A., & Bhattacharya, R. (2022). Who moved my welfare scheme? Federalism and the politics of credit attribution in rural India. Studies in Indian Politics, 10(2), 188-207. <https://doi.org/10.1177/09731741221113987>

sectoral allocation patterns. Comparative benchmarking against other major Indian states contextualizes Delhi-specific patterns within broader national trends in state-level fiscal management. Political economy analysis examines how electoral incentives shape fiscal choices through systematic content analysis of campaign materials and comparison of welfare emphasis patterns across competing parties. Voter behavior analysis cross-tabulates survey evidence across multiple demographic dimensions to identify variation in freebie responsiveness and welfare preference patterns.

Key Findings

- **Massive Fiscal Transformation and Budgetary Restructuring**

Delhi has experienced an extraordinary transformation in its fiscal priorities over the past decade, with welfare subsidy spending increasing dramatically from Rs 1,554.72 crore in 2014-15 to Rs 10,995.34 crore in 2024-25 representing a remarkable 609% growth¹⁶. The electricity subsidy alone surged from Rs 291 crore to Rs 3,250 crore, exceeding 1,000% growth and demonstrating the scale of this reorientation toward consumptive welfare provision. These subsidies now account for fifteen percent of Delhi's total budget, with projections suggesting this could reach twenty percent if all promised schemes are fully implemented.

Fiscal Indicator	2014-15	2024-25	Absolute Change	% Change
Total Subsidy Expenditure	Rs 1,554.72 crore	Rs 10,995.34 crore	Rs 9,440.62 crore	+609%
Electricity Subsidy	Rs 291 crore	Rs 3,250 crore	Rs 2,959 crore	+1,017%
Capital Expenditure (% of total budget)	22.7% (2015-16)	16.4%	-6.3 percentage points	-27.8%
Subsidies as % of Total Budget	--	15%	--	Projected 20% with full implementation
Education Budget (% of total spending)	>20%	<20%	--	First time below 20% in decade
Health Expenditure (% of total spending)	>13%	13%	--	Lowest decadal level
Capital Expenditure Implementation Gap	--	39% below budget (2015-16 to 2021-22 avg)	--	--

Table 1: Fiscal Transformation in Delhi (2014-15 to 2024-25)

Source: Delhi Government Budget Documents (2014-15 to 2025-26); CAG Reports

¹⁶ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. Policy Journal, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

Note: This massive expansion of welfare spending has occurred alongside a troubling contraction in capital expenditure, which declined from 22.7% of the budget in 2015-16 to just 16.4% in 2024-25¹⁷. Between 2015-16 and 2021-22, actual capital spending averaged thirty-nine percent below budgeted allocations, indicating serious implementation challenges that extend beyond mere budget prioritization to encompass administrative capacity constraints. Capital expenditure in the education sector comprised only 5.6% of total education allocation, reflecting a broader pattern of consumption-oriented rather than investment-focused spending priorities¹⁸. This systematic diversion of resources from infrastructure to current consumption creates negative developmental spirals, as infrastructure investments in transportation networks, water systems, educational facilities, and urban services generate long-term productivity gains and quality-of-life improvements that enable sustainable welfare provision.

The sectoral reallocation patterns reveal concerning trade-offs between welfare distribution and merit goods provision. Education budget allocations fell below twenty percent of total spending for the first time in ten years, while health expenditure declined to thirteen percent, representing the lowest decadal level¹⁹. These reductions in fundamental public service sectors occurred precisely as consumption subsidies expanded dramatically, illustrating zero-sum dynamics where welfare distribution displaces educational and healthcare investments²⁰. Research demonstrates that interest payments and capital outlay positively affect GDP, while subsidies have negative impacts, suggesting that Delhi's current spending pattern undermines long-term economic growth.

- **Escalating Fiscal Crisis and Sustainability Warnings**

The fiscal deficit projections reveal mounting sustainability pressures that threaten Delhi's financial viability. The estimated deficit for 2025-26 reaches Rs 13,702.95 crore, compared with a revised estimate of Rs 1,523 crore for 2024-25 representing a nearly ninefold increase within a single fiscal year. This dramatic deterioration reflects the accumulation of welfare commitments made during electoral campaigns, including Rs 5,100 crore for the Mahila Samridhi scheme providing Rs 2,500 monthly to women, along with several other major cash transfer programs.

Fiscal Metric	2024-25 (Revised Estimate)	2025-26 (Budget Projection)	Change	Sustainability Assessment
Fiscal Deficit	Rs 1,523 crore	Rs 13,702.95 crore	Nearly 9-fold increase	Critical warning level
Primary Driver	Existing commitments	Competing welfare promises across parties	--	Electoral competition
Debt Service vs Development	Interest payments positive for GDP	Subsidies negative impact on GDP	Trade-off intensifying	Unsustainable pattern
Implementation Capacity	Below budgeted allocations	Further constrained by	39% capital spending gap	Administrative strain

¹⁷ Singh, A., Malani, R., & Gupta, S. (2025). Capital spending in india: Bridging the data gaps. *Indian Public Policy Review*.

¹⁸ Akn, idem, Carrasco, B., Mundle, S., & Gupta, A. S. (2017). Fiscal responsibility and budget management act in india: A review and recommendations for reform.

¹⁹ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. *Policy Journal*, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

²⁰ Maiti, S., & Mj, M. (2025). Key fiscal drivers of indian economy: Analysing the causality and growth rates of fiscal components and their direct impact on indias GDP. *Abhigyan*.

		deficit	(2015-22)	
Resource Allocation	Revenue > Capital expenditure	Consumption >> Investment	Zero-sum dynamics	Negative developmental spiral

Table 2: Fiscal Sustainability Crisis Indicators (2024-25 to 2025-26)

Source: Delhi Budget Documents 2025-26; Finance Department warnings; fiscal analysis studies

Critical Warning: Delhi's finance department has formally cautioned that implementing additional subsidy schemes would push the territory into budgetary deficit. The rapid deterioration of state government finances in India has been attributed mainly to increases in committed revenue expenditure and implementation of too many welfare schemes.

Delhi's finance department has formally cautioned that implementing additional subsidy schemes would push the territory into budgetary deficit, signaling that fiscal constraints have become binding ²¹. The rapid deterioration of state government finances in India has been attributed mainly to increases in committed revenue expenditure and implementation of too many welfare schemes, with state governments' debt-to-GDP ratio exceeding recommended fiscal responsibility limits ²². Research across multiple Indian states confirms that freebie-driven governance frequently produces economic strain and systematically reduced long-term development investment in health and education sectors, suggesting Delhi's trajectory is part of a broader problematic pattern.

- **Party Convergence and Electoral Competition Dynamics**

The 2025 electoral campaign demonstrated remarkable convergence across party lines regarding welfare commitments, fundamentally transforming the character of electoral competition. AAP's comprehensive package encompasses fifteen distinct promises including Rs 2,100 monthly for women and continuation of electricity and water subsidies. BJP countered with nearly identical commitments including Rs 2,500 monthly women's allowance, while Congress matched this amount through their own scheme ²³. This convergence eliminates programmatic differentiation, transforming electoral competition from contests between alternative policy visions into credibility contests regarding implementation capacity rather than substantive policy alternatives.

²¹ C., N., Michael, S. A., V., S., & Balan, D. P. S. (2025). Fiscal stress in india an investigation into budget deficit and reformoriented solutions. *International Journal of Innovative Science and Research Technology*.

²² Akn, idem, Carrasco, B., Mundle, S., & Gupta, A. S. (2017). Fiscal responsibility and budget management act in india: A review and recommendations for reform.

²³ Devi, S. A. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. *Policy Journal*, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

Political Party	Women's Cash Transfer	Other Major Welfare Schemes	Key Subsidies	Estimated Annual Cost
Aam Aadmi Party (AAP)	Rs 2,100/month	15 distinct promises total	Free/subsidized electricity and water (continuation)	Part of Rs 25,000-30,000 crore total
Bharatiya Janata Party (BJP)	Rs 2,500/month	Near-identical welfare commitments	Similar utility subsidies	Part of Rs 25,000-30,000 crore total
Indian National Congress	Rs 2,500/month	Matching welfare provisions	Similar subsidy structure	Part of Rs 25,000-30,000 crore total
Combined Cash Transfer Cost	--	--	--	Rs 15,000-18,000 crore annually
Existing Electricity Subsidy (AAP govt)	--	47 lakh consumers benefit; 30 lakhs receive zero bills	Rs 3,250 crore (2024-25)	--

Table 3: Party Convergence on Welfare Promises in 2025 Elections

Source: Party manifestos, media reports, and electoral analysis

Key Observation: The combined fiscal cost of Rs 25,000-30,000 crore represents approximately 35-40% of Delhi's current total budget, fundamentally incompatible with maintaining basic governmental functions and developmental investments.

Cash transfers to women alone would require Rs 15,000 to Rs 18,000 crore annually²⁴. When combined with existing electricity subsidies of Rs 3,250 crore, water subsidies, healthcare commitments, and education provisions, total welfare expenditure could consume over half of available budget resources, fundamentally incompatible with maintaining basic governmental functions and developmental investments.

This erosion of programmatic differentiation potentially normalizes transactional politics where citizens view voting primarily as instrumental exchange for material benefits rather than as governmental performance evaluation²⁵. Research on government transfers and political support demonstrates that beneficiary households become significantly more likely to favor the government that implemented programs, with political effects persisting even after programs end²⁶. This creates powerful incentives for parties to compete through escalating welfare promises rather than governance competence.

²⁴Mridha, Md. R., Sathy, S. A., & Shakil, T. M. (2025). Social protection and benefits for underprivileged pregnant women in rural bangladesh: Evidence from the maternity allowance program. *International Journal of Multidisciplinary Research and Growth Evaluation*.

²⁵ Keefer, P. (2005). *Democracy, public expenditures, and the poor: Understanding political incentives for providing public services*. Oxford University Press.

²⁶ Manacorda, M., Miguel, E., & Vigorito, A. (2009). *Government transfers and political support*. American Economic Association.

- **Differentiated Voter Response Patterns**

Electoral effectiveness of freebies appears substantial but varies significantly across demographic segments, revealing important nuances in how different population groups evaluate welfare-based electoral appeals. Survey evidence indicates that sixty-two percent of Delhi's overall electorate considers freebies important factors in voting decisions, rising to eighty-two percent among low-income populations who experience the most direct material benefits from welfare schemes²⁷. Approximately forty-seven lakh consumers benefit monthly from electricity subsidies, with thirty lakhs receiving zero bills due to consumption falling below subsidized thresholds.

However, educational stratification reveals critical patterns that suggest limits to freebie-driven electoral strategies in contexts with educated, informed electorates. Support for consumptive freebies reaches seventy-eight percent among less-educated voters but drops precipitously to merely twenty-eight percent among highly educated populations²⁸. Conversely, support for merit-based welfare focused on education and healthcare rises from forty-two percent among less-educated groups to eighty-two percent among highly educated voters, demonstrating a clear inverse relationship between education levels and freebie preference patterns. This educational gradient suggests that as populations become more informed about fiscal sustainability and governance effectiveness, they increasingly distinguish between sustainable developmental welfare investments and fiscally questionable consumption subsidies.

Income-based variation follows similar patterns, with low-income groups demonstrating eighty-two percent high responsiveness to freebie appeals compared to only twenty-three percent among high-income populations²⁹. Research on political competition and rural welfare demonstrates that greater political competition predicts significantly better access to publicly-provided infrastructure and higher overall welfare effects, particularly among land-poor households³⁰. However, Delhi's party convergence eliminates the competitive differentiation that typically drives such positive outcomes.

²⁷ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. *Policy Journal*, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

²⁸ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. *Policy Journal*, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

²⁹ Devi, S. A. A. S. (2024). A case study on freebies and electoral politics in India: Voter behavior, economic impact, and global lessons. *Policy Journal*, 15, 23-45. <https://doi.org/10.59467/pj.2024.15.23>

³⁰ Kosec, K., Haider, H., Spielman, D. J., & Zaidi, F. (2018). *Political competition and rural welfare: Evidence from pakistan*. Oxford University Press.

Demographic Category	High Responsiveness to Consumptive Freebies	Support for Merit-Based Welfare (Education/Healthcare)	Consideration of Freebies in Voting Decisions	Demographic Category
Overall Delhi Electorate	--	--	62% consider important	Overall Delhi Electorate
Low-Income Populations	82%	42%	High importance	Low-Income Populations
High-Income Populations	23%	82%	Low importance	High-Income Populations
Less-Educated Voters	78%	42%	High importance	Less-Educated Voters
Highly-Educated Voters	28%	82%	Lower importance	Highly-Educated Voters
Women Voters	Significantly influenced	--	Key target demographic	Women Voters
Economically Vulnerable	Very high responsiveness	--	Material benefits most direct	Economically Vulnerable

Table 4: Demographic Variations in Voter Responsiveness to Electoral Welfare

Source: Association for Democratic Reforms (ADR), Centre for Policy Research (CPR), Lok Niti-CSDS voter surveys

Key Finding: Clear inverse relationship between education levels and preference for consumptive subsidies versus developmental welfare. As populations become more informed about fiscal sustainability, they increasingly distinguish between sustainable developmental investments and fiscally questionable consumption subsidies.

Discussion

The empirical evidence from Delhi's electoral and fiscal landscape reveals a fundamental governance paradox. Welfare schemes that prove electorally successful in the short term generate fiscally unsustainable trajectories that ultimately undermine the state's capacity to provide quality public services and developmental infrastructure. This paradox manifests across multiple dimensions of governance and democratic accountability.

The 609% surge in subsidy expenditure over a decade, coupled with capital expenditure contraction from 22.7% to 16.4% and projected fiscal deficit escalation to Rs 13,702.95 crore, demonstrates systematic resource reallocation from productive investment toward current consumption. This pattern creates what we term a "welfare trap," where initial electoral success with subsidy schemes creates political incentives for expansion, but fiscal constraints progressively limit the state's capacity to maintain service quality or invest in transformative infrastructure.

Party convergence on identical welfare promises with all major parties offering Rs 2,100-2,500 monthly cash transfers to women eliminates programmatic differentiation while escalating commitments that threaten basic governmental functioning. This convergence reflects rational electoral strategy in the face of voter demand, but collectively produces an unsustainable fiscal trajectory that no single party has electoral incentive to resist.

The demographic differentiation in voter responses suggests potential natural constraints on indefinite welfare escalation. While 62% of voters consider freebies important in electoral decisions, educated populations increasingly distinguish between sustainable merit-based welfare and fiscally irresponsible subsidies. As Delhi's population becomes more educated and informed about governance trade-offs, electoral returns from consumptive subsidies may diminish, potentially creating political space for more sustainable policy models.

However, the path-dependent nature of welfare commitments creates significant obstacles to reform. Once established, subsidy schemes create constituencies of beneficiaries who resist retrenchment, making policy reversal politically costly even when fiscal pressures mount. Delhi's current trajectory suggests that absent external fiscal crisis or institutional constraint, electoral incentives favor welfare expansion despite mounting sustainability concerns.

Wayforward

Policy Recommendations

1. **Transitioning from Universal to Targeted Delivery:** Rather than universal subsidies, welfare provision should employ means-testing to direct benefits toward genuinely vulnerable populations, improving both fiscal sustainability and equity outcomes.
2. **Implementing Conditional Cash Transfers:** Linking benefits to developmental outcomes such as school attendance, health check-ups, or skill training participation can transform consumptive subsidies into investments in human capital that generate long-term returns.
3. **Restoring Capital Investment Priorities:** Systematic rebuilding of capital expenditure allocations is essential to prevent infrastructure deterioration that ultimately undermines welfare provision. A minimum capital expenditure floor of 20-25% of total budget should be institutionalized.
4. **Establishing Independent Fiscal Accountability Mechanisms:** Independent fiscal councils or parliamentary budget offices could provide credible assessments of welfare scheme sustainability, creating informational conditions for more informed electoral competition.
5. **Developing Multi-Year Fiscal Frameworks:** Moving beyond annual budgeting to multi-year fiscal planning would make long-term costs of welfare commitments more transparent and create institutional pressure for sustainable policies.

Future Research Directions

Future research should examine the long-term electoral consequences of fiscal crises induced by welfare overspending, whether voters ultimately hold parties accountable for unsustainable commitments. Comparative analysis across Indian states at different stages of welfare expansion would illuminate potential trajectories and identify conditions under which sustainable welfare models emerge. Additionally, experimental research on voter information provision such as highlighting fiscal trade-offs between welfare spending and infrastructure investment could identify mechanisms for enhancing democratic accountability around these choices.

Without comprehensive reform, Delhi risks consolidating a governance model where electoral politics progressively narrows fiscal and institutional space for transformative development, ultimately undermining both economic prosperity and the welfare of vulnerable populations these schemes ostensibly serve. The challenge facing policymakers is to channel legitimate democratic demand for welfare provision into sustainable institutional forms that enhance rather than undermine long-term developmental capacity.

Conclusion

Delhi's welfare-driven electoral model exemplifies a fundamental governance challenge confronting Indian democracy: reconciling legitimate welfare demands with fiscal sustainability and transformative development. This study demonstrates that current trajectories are economically unsustainable and politically problematic. The 609% subsidy increase, capital expenditure contraction from 22.7% to 16.4%, and nearly ninefold fiscal deficit escalation to Rs 13,702.95 crore reveal a dangerous path-dependent trap where party convergence on welfare promises eliminates programmatic competition while collectively producing fiscal crisis. Theoretically, this research contributes by demonstrating how electoral incentives create collective action problems requiring institutional solutions beyond individual party restraint. The findings carry urgent implications as multiple Indian states replicate Delhi's model without adequately assessing long-term sustainability. Without comprehensive reform, Delhi risks consolidating a governance model where electoral politics progressively narrows fiscal and institutional space for transformative development, ultimately undermining both economic prosperity and the welfare of vulnerable populations these schemes ostensibly serve.

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