



Forum for Good Governance

Regd. No. 653/2009

Hyderabad
7th April, 2022

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(Retd. High Court Judge)

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L. No. FGG/CM//REP/ 42 /2022

To
The Hon'able Chief Minister
Government of Telangana
Hyderabad

Respected Sir,

Sub : Telangana State – Hyper populist polices of Government leading to heavy barrowings – Request to review the welfare programme to prevent state entering into Debt –trap — Reg.

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Hon'able Chief Minster is on record stating that the welfare programmes he has introduced are an example to other states to emulate. Forum for Good Governance appreciates some of the welfare measures being implemented in the state. At the same time, there are some welfare schemes which are not essential and are not generating revenue. Heavy barrowing to sustain the hyper populist welfare measures is costing economy dearly and in the long run may lead to disaster. There are many countries following the path of heavy populist social welfare polices found themselves in deep economic trouble.

Here are some examples :

Venezuela : Venezuela is a developing country. It has world's largest known oil reserves and has been one of the world's leading exporters of oil. Excessive welfare measures and poor polices of the Government led to the collapse of Venezuela's entire economy. Most observers cite, anti democratic Governance, corruption, mismanagement of the economy, socialist, populist or hyper populist nature of the Government policies to maintain political power are the causes for the collapse of Venezuela's economy.

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Greece: Greece is the cradle of western civilization and the birth place of democracy, philosophy, theatre and the Olympic Games. Present day Greece is a Parliamentary republic and a developed country with an advanced high- income economy and a high quality life. During last 20 years over spending on welfare measures have pushed the Greece into serious financial problems and became bankrupt

Srilanka : The crisis in Srilanka is a stark reminder of how mismanagement of economy leads to serious conditions and unrest in the country.

Here, it is not out of place to mention that recently some senior bureaucrats of Government of India (not aligned to any political party) brought to the notice of Prime Minister the way few states are doling out Freebies at the cost of state's economy. Telangana is one of the states cited as an example. To prevent financial troubles there is a need to review the welfare programmes. Likewise the administrative expenditure needs to be pruned. When a common man sips a cup of Tea he pays tax, when a child eats chocolate he pays tax, tax on petrol and diesel need no mention. The tax payer's money should be used for developmental works. The CAG in his audit report for 2020-21 says that "The Telangana state has been persistently trailing in respect of expenditure on Education and Health when compared to the other general states".

Forum for Good Governance requests the Hon'able Chief Minister to kindly stop borrowing loans to fund the hyper populist programmes and increase allocations to Health, Education and infrastructure development and manage the economy of the state in a systematic way.

Yours Sincerely



M. Padmanabha Reddy

Secretary

Forum for Good Governance