

Participatory budgeting urban poverty-alleviation

By Naim Keruwala

Urban local bodies are responsible for urban poverty-alleviation. And municipal budgets reflect the priorities of government. But unless the urban poor participate in envisioning and planning budgets, all sorts of general expenditure ends up booked as allocation for the poor, as the case of Pune illustrates, and the opportunity for targeted poverty-alleviation is lost

If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost -- Aristotle

According to Schedule XII of the Constitution of India (74th Constitutional Amendment), urban local bodies are responsible for urban poverty-alleviation. A budget reflects the efficiency and priorities of a government. Municipal budgets play a crucial role in reducing poverty and facilitating the social and economic development of the poor and the marginalised.

Pune has a population of 3.5 million people (excluding the twin city of Pimpri-Chinchwad), 40% of whom live in slums. Responding to this reality, the Pune Municipal Corporation (PMC) claims to 'allocate/budget' 40% of its budget expenditure towards the urban poor. The Pune Municipal Corporation's budget has substantially increased in the past decade, from a mere Rs 487.37 crore in 2001-02 to Rs 2,962 crore in 2012-13.

While allocation towards the urban poor has correspondingly increased, the methodology to calculate this allocation remains flawed. Code 'P' has been assigned by the PMC to works targeted at the urban poor, and a separate sheet is presented in budget documents under the head 'P Budget'. In the fiscal year 2013-14, the PMC allocated Rs 1,666.67 crore to the urban poor; the amount decreased to Rs 1,633.83 crore in the current fiscal. These figures include the following:

Sr No	Particulars	Percentage share
1	BSUP (Basic Services for Urban Poor)	100% of allocation treated as 'P Budget'
2	Primary education	100% of allocation treated as 'P Budget'
3	Secondary education	100% of allocation treated as 'P Budget'
4	Clinics and hospitals	100% of allocation treated as 'P Budget'
5	Roads and electricity	75% of allocation towards roads and electricity treated as 'P Budget'
6	Road sweeping	75% of allocation towards road sweeping and cleaning treated as 'P Budget'
7	Cultural centre	40% of total allocation treated as 'P Budget'
8	Solid waste management	40% of total allocation under SWM treated as 'P Budget'
9	JNNURM	15% of total allocation for JNNURM treated as 'P Budget'
10	Roads	15% of road department budget treated as 'P Budget'

Thus, instead of targeted programmes and a long-term vision for poverty-alleviation, a percentage of the overall budgets for city services is treated as allocation for the urban poor. This oversimplification has not helped much. In the current budget year (2014-15), of the Rs 1,633.83 crore claimed to be targeted at the urban poor, almost 1/4th is towards roads!

The biggest problem lies in assessing the impact of such programmes, as actual expenditure is not published separately and one has to go through every line of the 600-page document and mark every item under code 'P'. Moreover, it has been the general observation across various ULBs that most of the projects not directly targeted at the urban poor are notional in nature. A road constructed to connect the central business district to the airport might pass through a slum and the cost of that entire stretch along the slum may be treated as part of the 'P Budget'.

Participatory budgeting

This makes participation of the urban poor in envisioning, planning and budget-making crucial. Participatory governance is about getting citizens to participate in the decision-making processes that only officials and politicians are otherwise involved in. In recent times, participatory budgeting has become one of the most important tools of civic engagement.

Participatory budgeting is a democratic process of deliberation by citizens, civic officials and elected representatives on issues that need attention and collective decision-making on inclusion in the budget of the government. This process helps citizens voice their opinions and decide how to allocate part of a municipal or public budget towards the improvement of their neighbourhoods. Participatory budgeting empowers citizens to present their demands and priorities for improvement, and influence through discussion and negotiation, budget allocations made by their municipalities. It is an opportunity for citizens to decide on the allocation and distribution of public expenditure in their area or region.

The New York City Participatory Budgeting website defines participatory budgeting thus: "Participatory budgeting lets the whole community participate in decision-making. It's a year-long process of public meetings, to make sure that people have the time and resources to make wise decisions. Community members discuss local needs and develop proposals to meet these needs. Through a public vote, residents then decide which proposals to fund." It's been 24 years since the concept originated, but only a few cities in India -- Bangalore, Mysore and Pune -- have experimented with participatory budgeting. In 2001, Bangalore became the first Indian city to implement participatory budgeting, thanks to the local NGO, Janaagraha. The campaign resulted in citizens' budget priorities being approved in over 20% of the city's wards. As time passed, however, the concept lost ground in Bangalore. In 2006, Pune implemented participatory budgeting for the first time and got a massive response from citizens as well as city-based NGOs Janwani, National Society for Clean Cities (NSCC), Centre for Environment Education (CEE) and Nagrik Chetna Manch, amongst others.

Pune has always been a city with an active citizenry. A public meeting of the PROOF (Public Records Of Operations and Finance) programme organised by Janaagraha in Bangalore was attended by Dr Nitin Kareer, then municipal commissioner of the Pune Municipal Corporation. In 2006, Kareer discussed the idea of citizens' involvement in budgeting with PMC Standing Committee members, but the idea was not accepted; one of the members even termed the proposal the 'death of democracy'. Multiple public meetings were conducted, with one by NSCC in October 2005 drawing over 100 participants. Following this meeting, citizens and organised groups gave their requests for budget works to their ward offices, marking the commencement of citizen participation in Pune's budgeting process.

However, when elections were announced and the general body dissolved, the new general body

opposed participatory budgeting. It later accepted the process following the efforts of civil society organisations.

Under participatory budgeting, each prabhag (comprising two electoral wards) in Pune is allocated a budget of Rs 5 million, with the maximum limit of a single project not exceeding Rs 500,000. There are 76 prabhags in Pune; each prabhag can implement any number of projects but the total amount cannot exceed Rs 5 million and the cost of each project cannot exceed Rs 500,000. Hence, an upper limit of Rs 38 crore has been set on allocation towards participatory budgeting.

New York City's annual budget is approximately \$ 50 billion and the allocation towards participatory budgeting is \$ 10 million, whereas the Pune Municipal Corporation's annual budget is Rs 4,000 crore and the allocation towards participatory budgeting is Rs 38 crore, a much higher proportion than New York City. Even though New York City allocates a much smaller share of its budget towards participatory budgeting, the proportion of participation by citizens is much higher than in Pune and knowledge management on the process and results is commendable.

Process of participatory budgeting in Pune

The PMC publishes an advertisement in the local newspapers inviting suggestions from the people by July/August each year. Citizens submit their suggestions at respective ward offices; these are compiled and sent to the prabhag samiti. It is the prabhag samiti that has the authority to approve or reject suggestions on the basis of public necessity and feasibility. Approved suggestions are forwarded to the accounts department which scrutinises and prepares the final list of works suggested for incorporation in the budget.

While the initial years saw a lot of enthusiasm among citizens, the participation graph has seen a sharp decline in the recent past. This recovered due to the intervention of local organisations such as Janwani and CEE. Participatory budgeting for the year 2012-13 in Pune witnessed only 600 suggestions from citizens, in a city with a population of over 3.5 million people. The number increased to 3,300 in 2013-14 and 6,000 in 2014-15. While citizens' participation has seen a recovery, allocation towards participatory budgeting by the authorities hasn't.

Allocation made by PMC for participatory budgeting			
<i>Year</i>	<i>Total budget (in Rs crore)</i>	<i>Allocation for participatory budgeting (in Rs crore)</i>	<i>Percentage of participatory budgeting against total budget</i>
2007-2008	1713.04	17.62	1.02
2008-2009	1575.31	27.27	1.73
2009-2010	2031.64	35.00	1.72
2010-2011	2335.23	30.16	1.29
2011-2012	2776.56	34.73	1.25
2012-2013	2962.11	26.24	0.88
2013-2014	4167.48*	29.52	0.71
2014-2015	4180.02*	35.56	0.85

**Budgeted*

Source: PMC Budget

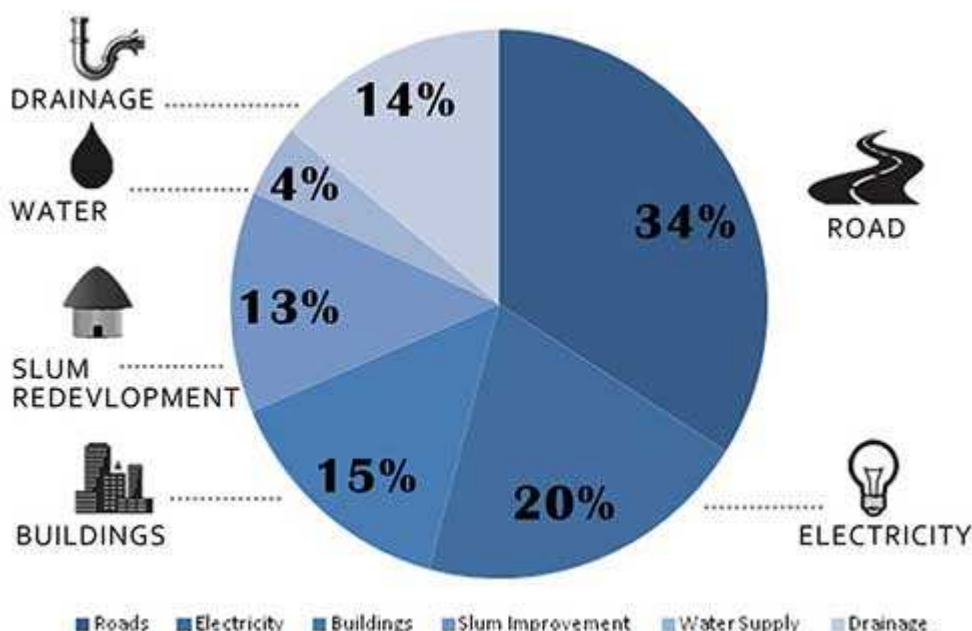
amount

The allocation, which was 1.73% of the total budget in 2008-09, fell to 0.71% of the total budget in 2013-14. Owing to waning enthusiasm and participation of citizens, the PMC had hinted at withdrawing the practice of participatory budgeting. But a number of workshops and seminars, and media coverage, revived the lost spirit of the citizens, as a result of which the number of works suggested by citizens increased almost three times during the period 2012-13 to 2014-15.

The way ahead

One of the weakest links in participatory budgeting in Pune is low participation by women, the urban poor and dalits in the city. Women constitute almost half of Pune’s population but their participation in the process of governance remains extremely low. There is no study to substantiate this but it has been a general observation that more than 70% of suggestions submitted under participatory budgeting are from the upper-middle class, and men.

Low participation from the marginalised sections is also reflected in the allocations made under participatory budgeting. In the current fiscal year, of the Rs 35.52 crore under participatory budgeting, 34% has been allocated towards roads whereas slum improvement has the second lowest share after water.



It is the responsibility of civil society to ensure greater participation of the urban poor in participatory budgeting so as to advance their interests. Local area meetings should be held where problems faced by the urban poor are discussed, major areas of intervention prioritised, funds aligned towards these areas, and projects monitored by local communities. A similar exercise was successfully done in the Bavdhan area of Pune with a group of senior citizens. This should be replicated across the city with local groups of urban poor. Greater participation by the urban poor could ensure that allocation towards slum improvement, water, sanitation and drainage are made priorities.

(Naim Keruwala is an Assistant Director at Janwani, heading the urban governance focus area. He is also a visiting faculty at Symbiosis School of Economics and Member of the Global Shapers Community, Pune Hub, an initiative of the World Economic Forum)