

Accountability Through Participatory Budgeting in India: Only in Kerala?



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Abstract Since its beginning in Brazil in 1989, participatory budgeting (PB) has spread worldwide to several thousand local governmental units (LGUs) in all continents, celebrated for its success in combining citizen involvement and state accountability in delivering public services. While PB has been adopted in most places by individual LGUs on their own initiative, in India the state of Kerala implemented PB throughout all its governmental units from rural villages and urban wards up through district in one “big bang” move in 1996. Over the succeeding two decades and more, PB has become securely institutionalized, surviving numerous changes of ruling party at state level. Outside of Kerala, however, few LGUs of any sort have implemented PB and it has not flourished in any of the adopters. Using the World Bank’s principal-agent model of state accountability for public service delivery, this paper will explore Kerala’s experience at PB and more briefly look at its lack of success elsewhere in India.

Keywords Participatory budgeting · Accountability · Public service delivery · Decentralization · India · Kerala

1 Introduction

Over the past three decades, participatory budgeting (PB) has become a major institution throughout the world, renowned for its ability to combine citizen involvement and state accountability in delivering public services. From its beginning in the city of Porto Alegre, Brazil, in 1989, PB has spread to several thousand local government units in both developed and developing countries.¹ In most if not all other countries,

¹The latest published count estimates between 1269 and 2778 PB “traceable experiments,” depending on how they are counted (Sintomer et al. 2013: 11). In this listing, Kerala counts as just one case.

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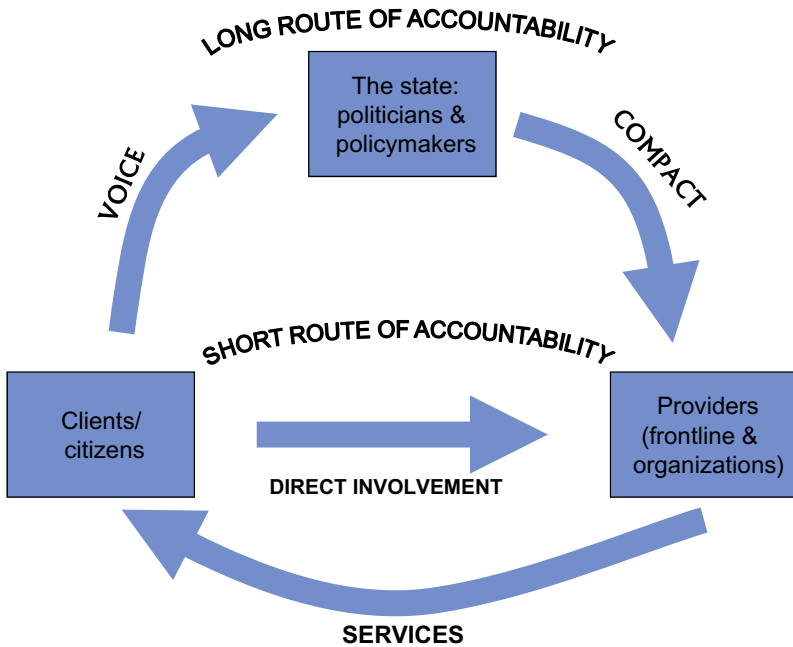
local government units (LGUs)—primarily urban areas—have instituted PB on an individual basis, but in India the entire state of Kerala, with a population of some 30 million, adopted PB at all governmental levels from its more than a thousand village panchayats and urban wards to its 14 districts in one “big bang” in 1996. For this reason, Kerala offers an excellent arena for exploring the advantages and shortcomings of PB as a mechanism incorporating participation and accountability in state provision of public services. Kerala PB has been primarily undertaken in its rural areas, comprising about three-quarters of the state’s population, though its towns and cities also have less well funded PB programs. Otherwise, only a few Indian cities have thus far initiated PB. Pune began PB in 2006, a decade after Kerala, and Delhi followed almost a decade later, with a pilot PB effort in 2014, later expanded. But none of these urban programs proved sustainable. Accordingly, analysis in the present paper will focus mainly on Kerala, with some attention to the Pune and Delhi cases. The paper will undertake such an exploration of the Indian experience at PB, employing as a lens the World Bank’s principal-agent model of state accountability for public service delivery.

2 The World Bank’s Routes to Accountability for Public Service Delivery

The Bank’s *World Development Report* for 2004 (WDR 2004) took as its central theme ways to enhance accountability for the delivery of public services. Using a “principal-agent” approach, the Report offered two routes to link citizens (here the principals) demanding public services with the state at all levels (the agents) which supply those services. The two routes can be captured graphically, as in Fig. 1.

The **long route** accounts in a very real sense for the expansion of public services widely defined in the advanced democracies over the last couple of centuries. Competitive elections have been the key ingredient here. Competing political leaders have had to promise ever more public services over time in their attempts to get elected, and citizens have held the winners to account by re-electing them or turning them out of office (exercising “voice” in Fig. 1). Political leaders hire government officials and direct them to provide services (the “compact” of Fig. 1). Citizens thus act as principals making demands on their politician agents, who in turn act as principals making demands on the agent/bureaucracy to provide services. In this fashion citizens in the West gained education, transport, sanitation, regulation of public health and commerce, civil rights protection, etc. In India since 1947, improvements in food production, literacy and life expectancy can similarly be attributed in significant measure to politicians’ need to compete for votes by responding to citizen demands for a better life.

The long route has problems, however. The first lies in its very name: the advances in public well-being achieved through it have taken a very long time to become realized. Scheduled Castes and Tribes in India have struggled since the colonial



Adapted from: World Development Report, 2004: 49

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Fig. 1 The long and short routes to accountability for public service delivery

era for equal rights and dignity, and reservations for the Other Backward Classes were achieved only after decades of effort. Secondly, elections offer a chance to hold leaders to account only every few years, and when they are held they offer the citizenry no more than a blunt policy tool (e.g., stop inflation, curb corruption). Even at the local level, single issues (absent teachers, clogged drains) tend to get buried beneath bigger ones (mayoral corruption, rising crime).

Thirdly, the long route can become infected with clientelism as political office-holders direct benefits to specific groups in return for their votes (subsidies to farmers, hiring preferences to specific ethnic groups) or financial campaign support (overlooking bank defaults) rather than pursuing programs providing universal benefits (better schools, mosquito abatement). Fourth, the principal-agent roles can become reversed, especially at lower levels: bureaucrats can turn themselves into principals and their supposed political masters into agents by manipulating policies (turning infrastructure projects into graft opportunities for themselves), while political leaders capture voters with petty patronage (mishandling relief funds). Finally, the long route utterly depends on honest, “free and fair” elections, without which accountability at the ballot box is lost.

While the long route links citizens and service providers only indirectly through elections, the **short route** offers a direct connection between the two sides, as shown in Fig. 1. In fact, the short route can take two paths: “choice” and “voice.”² The “choice” path replicates a market in which the consumer chooses between vendors to purchase a product. Parents using vouchers can choose a school for their children, householders can choose which ration shop from which to purchase subsidized rice. On the “voice” path, citizens can contact the state directly with a demand (under a right-to-information law) or opinion (citizen report cards). The short route has some real advantages over the long route in exacting accountability from state institutions. It can deal with specific citizen demands and can function within a relatively short timeframe as opposed to an electoral term of office.

An especially active “voice” mechanism is participatory budgeting (PB), whereby citizens in essence cross the boundary between demand and supply by becoming directly involved in state decision-making. PB as it is known today traces its origins to the city of Porto Alegre in Brazil around 1990 and has since spread around the globe. In its Indian incarnation it will become the central focus of this paper.

To be sure, the short route has its own problems. For one thing, in direct market-like transactions it often assumes erroneously that consumers have essential information about the goods or services on offer (indeed a problem seriously affecting the market itself). Secondly, lack of competition among vendors may invalidate any “choice” options. A third difficulty arises with the kind of role-reversal that can occur in the long route: providers can become the principals and consumers the agents (e.g., clientelism with favored customers at a rice ration shop). Fourth, while the long route can function (or malfunction) at any level, the short route is basically a local one, at least if positive outcomes are expected: direct contact between citizen and state can only work on a small-scale.³ Finally and most critically, short route mechanisms depend on political leaders for their creation and maintenance. Absent continued strong and continuous political support, even the most thoroughly institutionalized short route engine will stall and become ineffective.

The stage is now set to explore participatory budgeting as a short route mechanism, but first, in order to give a more complete picture of the range of institutions in widespread use to exercise democratic accountability from the state, it would be good to mention briefly three others.

Civil society, which can be defined as organizations that are not part of the state or the market and that further the interests of their members, can follow the long route

²The use of “voice” with both the long and short routes (see Joshi 2007; WDR 2004) but with different meanings in each context is not helpful. But there seems no better expression in either framework. In any case, the remainder of the present paper will be dealing with the short route use of the term.

³Mass demonstrations on a wide scale could be considered a short route mechanism, but such activity is virtually always negative, seeking to undo or reverse some perceived state malfeasance, aiming to pressure the state to desist, as with the recent “yellow vest” protests in France (e.g., Friedman 2018; Viscusi 2018). In the extreme case, the demonstrations seek to replace or overthrow the state itself (e.g., in the fall of communist rule in Eastern Europe around 1990). But short route activity toward more positive ends is essentially local.

by advocating for their wants and needs with the political leaders (often called “lobbying”) or pursue the short route by doing so directly with public service providers (which can lead to corruption).⁴ Such advocacy has the advantage that it can be undertaken at any time (no need to wait for an election) and can focus on topics of particular interest to the organization as distinct from the fuzzy and fluid array of policy ideas that officeholders and parties must deal with. But state accountability through civil society depends on organizational strength and resources and so is not equally open to all, unlike the short route mechanisms which, as state institutions, are when properly operating available to all citizens.

In recent decades, legal redress has become an effective instrument for demanding accountability, particularly in the form of **public interest** lawsuits, whereby an individual or group sues the state for failing to implement laws and regulations that are already on the books but have not been enforced. Perhaps the most famous such suit in India was brought by the attorney M. C. Mehta, who sued the state for not protecting the Taj Mahal in Agra from airborne pollutants, finally obtaining a judgment from the Supreme Court in 1993 directing a cleanup of the Taj (Mehta 1997). But aside from taking a long time (over a decade for Mehta), such suits are expensive—clearly not feasible for ordinary citizens.

Arguably the most important instrument for exercising state accountability is a **free media**, for so long as there is no public awareness of government misdeeds, it is easy to cover them up and continue state misbehavior. But the media must not only be free but have the interest, expertise and resources to undertake investigative journalism—a combination that generally exists only at the national level or in the very largest metropolitan centers. And media freedom is of course dependent on state tolerance of unpleasant revelations about its behavior. So as with the short route, here too strong state support is needed, only in this case it is negative support—the state must refrain from interfering with the media.

3 Participatory Budgeting and Social Accountability

Within the domain of democratic social accountability, PB is one of a number of short route mechanisms for promoting state accountability to citizens. As such, its success or failure in any given case can be judged against a set of three goals that Carmen Malena and her co-author have laid out for social accountability (Malena et al. 2004; Malena and McNeil 2010). And to these three goals can be added a fourth, longer term objective. Collectively, the goals can be summed up as:

- (1) Better governance. Citizens can “access information, voice their needs and demand accountability.”
- (2) Empowered poor people. Poor citizens can begin to take charge of their own futures.

⁴It can be argued that civil society offers a third, middle route to accountability in addition to the long and short routes (Blair 2018).

- (3) Improved service delivery. Citizen needs and public services can better match each other.
- (4) Enhanced well-being. To the extent that the first three goals are realized, citizen well-being should over time improve with better health and education and longer lives.

These four goals will comprise a good test of how participatory budgeting has worked in India. They also encapsulate the two purposes generally posited for pursuing democracy to begin with. The first two goals assert in effect that democracy is an end in itself, that it is good for citizens to engage with their government and especially good for less privileged citizens to gain agency for themselves. The second two hold that democracy essentially constitutes the best means to further ends: superior public services from the state and enhanced lives for its citizens. The essay will return to these thoughts later on.

3.1 Brazilian Origins of Participatory Budgeting

As noted at the beginning of this chapter, PB had its start in the city of Porto Alegre, Brazil, from which it has spread worldwide. In that expansionary process, all manner of state-sponsored programs have come to be labeled “participatory budgeting,” ranging from those like the Porto Alegre original model featuring deep citizen involvement in state fund allocation to some that merely advertise a promise that the state will listen to citizen input. Sintomer et al. (2008, 2013), who have become the de facto record keepers of PB’s global spread, have identified fully six distinct PB types, so it will be necessary to pin down what will be discussed in this paper. Accordingly, it will be worthwhile to look briefly at PB as it was introduced in Porto Alegre and continued for its first dozen years and more.⁵

The original Porto Alegre model, introduced by the city’s mayor in 1990 has three layers, beginning with annual neighborhood assemblies in which citizens discuss, debate and vote on priorities for investing municipal funds on capital projects in their area. They also elect two representatives to assemblies sitting at the next higher level, that of the city’s 16 regions. At these open Regional Budget Forums, the elected representatives in turn consolidate and rank the neighborhood priorities into a list for their region, and elect two delegates to the third assembly, the citywide Participatory Budget Council (PBC) which further consolidates and prioritizes the regional input in accord with a weighting formula into a city plan. The formula is a complex one, combining local preferences, the extant level of facilities in relation to need (e.g., housing units lacking sanitary water), and population size. The PBC plan then goes to the municipal council for deliberation and approval, and finally to the mayor’s office. The PBC monitors implementation over the coming year, as do also the lower two

⁵For a somewhat more extended discussion of the model, see Blair (2013: 146–149). It has been extensively analyzed, e.g., in Baiocchi and Ganuza (2017).

tiers, and the process starts over again the next year.⁶ This whole system is clearly a complicated one and requires significant technical support at all levels from the mayor's office (De Souza Santos 1998).

Porto Alegre's PB can claim a number of achievements. As for participation, the World Bank found that one-fifth of all the city's citizens had participated in PB and that almost one-third of what was defined as the poor population was taking an active part in PB (World Bank 2008: 23, 28).⁷ If both these estimates are approximately correct, poorer citizens engaged at a higher rate than those better off. And poor participants were as active as the non-poor, both in speaking at meetings (Baiocchi 1999: 9) and getting elected to serve at regional meeting and the PBC (CIDADE 2010).

In terms of process, PB made significant progress in replacing a traditional patron-client structure with a budget system focusing on neighborhood wants and objective needs. Previous pork patronage in which municipal council members would direct budget allocations to specific individuals or groups was largely eliminated under PB (Koonings 2004: 85–91). And the sums involved were significant: PB determined around half of all municipal investment spending, or about 7% of total municipal spending (World Bank 2008: 48, 56; also Melgar 2014: 127). Of equal importance, the Porto Alegre experience showed that poor people could overcome the disincentives to cooperate in political activity (transaction costs, risks of embarrassment, etc.) when such engagement offered perceptible gains in public services like piped water and sewage treatment (see Abers 1998, 2000; also World Bank 2008; Pateman 2012). Furthermore, PB had a real impact in reducing poverty rates over its first dozen years and more (World Bank 2008). In other words, PB fostered a real degree of empowerment to poor people who had previously been excluded from meaningful political participation.

Porto Alegre also offers some cautionary lessons for PB. Introduced there in 1990, the program continued intact under successive administrations of the leftist Partido dos Trabalhadores (PT or Workers Party). Even after the PT lost power in the 2004 municipal elections to a center-right party, the new administration maintained the program, but materially changed its operation. Its principal change was to introduce a new participation model featuring much wider inclusion, specifically civil society organizations and the private sector, with the objective of attenuating the potential class-conflict inherent in the PB approach and increasing resources available for development. PB itself was retained, but a new program titled *Governança Solidária Local* (Local Solidarity Governance) became the main vehicle for allotting investments.⁸

⁶The Porto Alegre model has been explained in detail many times, for instance in Koonings (2004), also Wainwright (2003) and Avritzer (1999).

⁷The very poorest stratum was much less involved, however, in large part because of transaction and opportunity costs.

⁸The city of Belo Horizonte, which adopted the Porto Alegre PB model in 1993, underwent a similar de-emphasis on PB combined with a widening to include a middle-class constituency and a decrease in funding after a non-PT administration took over the municipality. See Montambeault (2019).

In the new model, investment planning became a top-down enterprise, directed from the municipal administration, in contrast with the bottom-up process characteristic of PB. Business interests gained a larger voice, for example securing state support for displacing poor families to build shopping malls. And social services like community kitchens that had been funded through PB were off-loaded to self-funded NGOs and philanthropic sources. The new administration saw these moves as “de-politicizing” PB, while PB’s supporters perceived them as politicizing the program in a very different direction.⁹ As things turned out, the same center-right party retained office in the next several elections, so its participatory model remained in place.

The new center-right administration’s policy changes can be seen as an example of elite capture or perhaps better “re-capture”—in this case a return to an earlier era of clientelistic governance and suppression of poor people’s participation in governance. But it can also be seen as pluralistic democracy in action. Just as when the PT gained power in 1990, it rewarded its political base by instituting a new model of PB, so too the PT’s center-right successor rewarded its base by changing “the rules of the game” (in this case the municipal investment game).

There was a difference here, however. The PT pulled a thitherto marginal constituency into local governance, which diluted but did not eliminate elite influence; the PB budget mostly comprised additional municipal funding rather than redirecting old funding. In contrast, the successor administrations decreased the overall municipal investment budget and within it decreased PB’s role in allocating it. One would hope that pluralistic democracy would lead to negotiation and compromise between political players, but clearly this is not invariably the case, especially when stark class interests are concerned, as in Porto Alegre.

A second lesson to be drawn from Porto Alegre is that PB as a governmental mechanism is critically dependent on political support from the top. Even though it appeared to have become well institutionalized over three successive municipal administrations, and the incoming administration found it politically necessary to retain it at least in name, the new mayor had relatively little difficulty in fundamentally reorienting it after taking office.

Widely regarded as the most rigorous PB model,¹⁰ the Porto Alegre exemplar in its earlier years had a number of characteristics, against which the Kerala model and other Indian versions can be tested¹¹:

⁹This and the preceding paragraph are largely drawn from Melgar (2014). See also Baiocchi and Ganuza (2017).

¹⁰See Sintomer et al. (2013: 14&ff). In contrast with Porto Alegre’s “Participatory democracy” model, the weakest of Sintomer et al’s six types is labeled “Multi-stakeholder participation” and includes private interests generally in a dominant position. Participation is largely a management tool. This type is characteristic of PB systems in Eastern Europe and Africa. The other four types have one or more elements of the Porto Alegre model.

¹¹The first five points are based in Sintomer et al. (2013). The last two are my own, based on the Porto Alegre experience in early years. After the PT lost power in 2004, these two characteristics significantly weakened (though they did not completely disappear).

- Principal focus on financial/budgetary process.
- An annual replication of the PB cycle.
- Public discussion, deliberation and prioritization, amounting to de facto decision-making on state spending by an unelected body.
- Citywide coverage (not just a neighborhood).
- Monitoring during the year and public review at the beginning of next year's cycle.
- Initiation by a left-of-center government with an agenda to include an underclass or excluded communities (working class in Porto Alegre, women, Dalits and Adivasis in Kerala).
- Continued political will from the top to support the PB program.

4 Participatory Budgeting in Kerala

Following the 73rd and 74th Amendments to India's Constitution in 1993 (which established requirements for decentralized local governance in all rural and urban jurisdictions), the Kerala government in 1996 established the People's Campaign for Decentralized Planning.¹² Skipping any sort of pilot experimentation, the Communist Party of India (Marxist) or CPM government went for a "big bang" approach throughout the state, including all 65 urban structures and three tiers of rural organization (panchayats at the village [grama], block and district levels), collectively numbering more than 1200 elected bodies. In a word, PB was to mean that a significant portion of what had been centrally allocated development funds would henceforth be programmed at the local level (Heller et al. 2007: 628).

The Kerala PB program has operated more or less like the Porto Alegre model. In the rural areas, every gram panchayat has 10–12 wards, each with a population averaging something over 2500. The yearly cycle begins here with open meetings (grama sabha), which are facilitated by trained key resource personnel. In the ward-level grama sabhas, priorities are established and two delegates selected to the next higher panchayat level, where they meet with elected local government officeholders and bureaucrats in a series of development seminars to forge a unified panchayat budget aggregating all wards. Task forces and sectoral working groups (e.g., for education, infrastructure, poverty reduction, watershed management) are formed to plan and implement projects to be taken up. The projects selected by the working groups are then prioritized into a plan document, which is vetted at higher level by Block and District Planning Committees for technical viability. Once approved, the projects are implemented and monitored by the grama panchayats. The elected PB delegates monitor project implementation throughout the cycle and then report to the grama sabha at the beginning of the next cycle.¹³

¹²Information in this and the next paragraph is largely taken from Heller et al. (2007). For more detail, see Isaac and Franke (2002). Heller (2012) discusses similarities between Porto Alegre and Kerala.

¹³The most complete description of Kerala's PB process can be found in Isaac and Franke (2002).

Kerala's PB program was fortunate to be able to draw on assistance from the Kerala Sastra Sahitya Parishad (KSSP), a large NGO that had long been active throughout the state. The KSSP trained some 100,000 key resource persons as facilitators and technical advisors for the grama sabhas. More than 10% of the electorate participated in the grama sabhas in the program's first two years. By the second year, Dalit and Adivasi attendance had increased to more than their share of the population, and in the fourth year a survey showed Dalit participation at 14% of the total, as against their 11.5% of the population. About 40% of attendees were women. (Heller et al. 2007: 636). Another study found grama sabha attendance even higher among Dalits at 34% (PEO 2006: xiv) and further that among those below the official poverty line, participation was higher (30%) than for those above it (18%). After the first couple of years, upper and middle class participation declined further at the grama sabhas (Rajesh 2009: 12). Altogether, in contrast with so many studies finding a pattern of elite capture in decentralization programs (Blair 2000), Kerala's program appears to have remained free of this problem. As the most obvious evidence here, program benefits have not accrued to those better off (Heller et al. 2007).¹⁴

Relative to other PB systems, funding for Kerala's program has been quite generous. At the beginning the state devolved one-third of total development plan outlay¹⁵ to PB, a percentage that remained constant up through 2003, even as the total state plan outlay increased over the years. After that, the PB allotment continued to rise, but as a share of the even more rapidly rising state plan outlay, it dropped in subsequent years from one-third to one-fourth or one-fifth.¹⁶ The exact amounts depended in part on whether the CPM-led Left Democratic Front (LDF) or the Congress-led United Democratic Front (UDF) happened to be in power and exercising a greater or lesser enthusiasm for PB, but the important point here is that by the time the UDF succeeded the LDF in 2001, the program had become sufficiently institutionalized that it was kept intact. In the subsequent 2006 election, the LDF returned to office, and in the next two elections of 2011 and 2016, power changed both times. There were some minor changes, with funding allotments bobbing up and down as bit depending on which coalition held power at any given time, accompanied by cosmetic name changes, reflecting the primary party's ideology: PB began under CPM leadership as the "People's Campaign for Decentralized Planning," then changed with the Congress in charge to the "Kerala Development Plan" in 2001, and to the "People's Plan" after the CPM returned to office. In short, PB has survived four turnovers while remaining essentially intact. The contrast with Porto Alegre's experience is stark.¹⁷

¹⁴Heller et al. (2007: 636–637) attributes this pattern to Kerala's history of lower class mobilization beginning in the late 19th century and more recently a progressive land reform. See also Rajesh (2009). To this might also be added the high level of literacy throughout the state, which enables greater scope for local accountability.

¹⁵Total development plan outlay has held steady over the years at about 18% of GOK spending (Sebastian et al. 2014: 22), so one-third of that would come to around 6%.

¹⁶Data from GOK, Economic Review (various years).

¹⁷PB's track record in Belo Horizonte, Brazil's other major city taking up the program in earlier years, is very similar to Porto Alegre's experience when the PT lost power. See Montambeault (2019). Heller (2012) presents an extensive comparison between the Kerala and Brazilian histories with PB.

When PB began in 1996, Kerala was about one-quarter urban and three-quarters rural in population. PB allotments somewhat skimmed on the urban side, with 14%, while the rural areas received some 86%. As the state became more urban over time, the allocations changed also, with about a quarter going to the cities and three-quarters to the countryside. Within the rural funding, about two-thirds went to the grama sabha level in the earlier period and continued at that rate in the more recent years. Block and District levels each received about one-sixth. The smaller urban share was divided between roughly three-fifths going to the 87 municipalities and two-fifths to the state's five corporations.¹⁸

At all levels both rural and urban, PB project spending was to be apportioned to three sectors: productive, services, and infrastructure, which in recent years have received roughly 10, 60 and 30% of the PB budget respectively. As its name indicates, “productive” sector is intended to promote development directly, and in the rural PB budgets this has meant primarily agriculture and irrigation, along with animal husbandry and dairy, collectively accounting for more than 85% of allocations to the sector. The “service” sector refers to public service provision and funds a wide mélange of activities from education and health to child welfare, sanitation and electrification. Finally, “infrastructure” funds mostly (about two-thirds) went to roads, with the rest to public building construction and electrification (GOK 2018).

4.1 Problems with Kerala PB

While PB has helped improve infrastructure in rural areas, principally by spreading roads, and has contributed to reducing poverty (though it is difficult to tell by how much¹⁹), its investments in the productive sector have not yielded much return (PEO 2006; Harilal and Eswaran 2016). In fact, agricultural output in Kerala has decreased over the past several decades, from 1376 thousand metric tons of rice in 1972–73 to 549 thousand in 2015–16—a staggering drop (GOK 2018: 44). A national Program Evaluation Office report attributed PB's poor performance in the productive sector to “inadequate capacity of PRI [Panchayati Raj Institutions, i.e., PB] members to draw up production plans on a scientific basis” (PEO 2006: xiv). In other words, PB participants lacked the technical expertise to make effective investments in agriculture.

But should they be expected to possess this level of knowledge? Or is it rather that the state bureaucracy has redirected the principal-agent essence of the World Bank's short route so that the two roles are reversed? Whereas it is the PB members that should be identifying priorities and holding state officials accountable for delivering

¹⁸Analysis and evaluation have followed an even greater rural orientation. With the exception of George and Neunecker's (2013) study, virtually all of it has focused on the rural side, with urban attention confined to statistical data (e.g., GOK 2018). The PB process itself was essentially similar in both rural and urban areas.

¹⁹This point will be taken up later on in the paper.

public goods and services, here it becomes the state authorities as principals who are holding the PB units as their agents accountable for following all 14 required steps for submitting proposals. Elite capture is not the problem here but rather it is what Harilal and Eswaran (2016) have called “bureaucratic capture.” In terms of the World Bank’s model short route, providers and citizen roles have reversed: the providers become principals, and the citizens have become their agents, doing their bidding.

A different line of explanation would hold that the problem here concerns the identity of anticipated beneficiaries. PB members can see themselves as benefiting from investments in the service or infrastructure sectors, but allocating funds to agriculture will advance only farmers, who are in any case declining in numbers. Accordingly, they want to reduce allocations to the productive sector and increase them to the other two sectors.

The lengthy PB process has led to another and even more serious problem in that fund outlays have been excessively slow. Harilal (2013) reported that generally by November (two-thirds of the way through the fiscal year), only about one-third of the year’s plan outlay had been spent, and that the remaining two-thirds was mostly spent in March toward the fiscal year’s end.²⁰ And invariably less than the full allocation was actually expended, so that a good many projects were not finished. Finally in 2017, the state introduced a “new methodology” to speed up PB annual plan formulation that it claimed worked to complete the process by mid-June that year (GOK 2018).

Yet another problem arose from the state’s line departments like health and education, whose officers found themselves subjected to a dual authority, answering not only to their departments administratively but now also operationally to panchayati raj councils for work done on PB-funded activities (Chathukulam and John 2002: 4919–4920). Dual authority has been an abiding problem for most if not all decentralization initiatives, as civil servants in line departments have resented having to answer to locally elected officials they regarded as professionally less competent (see e.g., Blair 1985, also Blair 2000), so it is not unexpected that it has surfaced in Kerala also. What is perhaps surprising is that more analysts have not noticed it.

A more profound issue stems from a failure to realize the LDF’s deepest original hope for PB in Kerala: that the broad involvement of a conscientized and mobilized citizenry would lead to a higher and sustainable popular engagement with public policy at a societal level, i.e., moving beyond the individual incentives citizens have shown for involvement in PB. This ambition evidently was something of an obsession with E. M. S. Namboodiripad, the CPM chief minister who led the move to establish PB initially, but did not come to fruition (Rajesh 2009).

It might seem that Kerala PB’s “big bang” start would have created problems in that testing the PB system was not feasible. Because the entire state entered the program at a single stroke, the very possibility of a randomized control trial was eliminated, for there was no place in the state that could serve as a control; every local government unit belongs to the treatment group. In the event, though, lack of any

²⁰In India as in the subcontinent generally, the government’s fiscal year runs from 1 April to 31 March.

kind of pilot program and testing has not seriously hampered PB's accomplishments, as will be seen in the following subsection.

4.2 *PB's Success in Kerala*

Despite its problems, PB has succeeded in a number of important ways, improving services and infrastructure, and bringing a significant degree of democratic empowerment to a constituency that had been systematically denied any role in deciding how public money would be spent.

Progress has been impressive in many ways, for instance poverty, both rural and urban, stood at about 25% in the mid-1990s, but 10 years later had declined to about 13 and 20% respectively (GOK 2018: Appendix 1.23). PB may well have had a significant role here, but without a treatment-and-control comparison, there is no way to tell how much or little a role played.

Another measurement issue arises in that the state is so advanced socio-economically that in most measures it has arrived at a level where further improvement becomes successively more elusive. By the early 1990s, some 96% of villages already had medical facilities, and infant mortality had declined to 17 per thousand live births (as against 14% and 80 per thousand in India overall)—levels that would be hard to improve upon (Keefer and Khemani 2005: 16). So PB cannot be expected to generate great improvement in these indices statewide. But given that with PB a central purpose is to enable each local government unit to choose what it needs, the expectation has to be that grama sabha A will choose to enlarge a dilapidated primary school, whereas grama sabha B will want to build a road connecting it with a neighboring village, and grama sabha C will decide to improve garbage disposal. So while the aggregate number of schoolrooms, miles of roads and functioning waste disposal systems may increase only slightly, these three grama sabhas will have substantially improved the services and infrastructure they most needed. And this, after all, is a central purpose of PB.

Rather than try to measure quantifiable change in particular sectors like education, electrification and sanitation, a better way would be to assess citizen satisfaction with service delivery and infrastructure where they live. Heller et al. (2007: 632) conducted just such a survey in 72 panchayats covering the first five years of PB, finding that in every category a majority of respondents reported at least "some" improvement and in a number of subsectors (e.g., roads) a "significant" improvement. Perhaps more importantly for PB's future continuation, a large majority of political leaders from the main opposition party in each panchayat felt that the situation had improved in every subsector (including primary education, roads and sanitation. Representatives from Dalit organizations did so as well (Heller et al. 2007: 634).

As an inherently subjective matter in the mind of each individual, "empowerment" is difficult to assess, but Heller et al. (2007: 642) did endeavor to do so by asking their respondents how likely had it become after five years of PB that women and the

Dalits/Adivasis would “voice their needs and demand responses from elected representatives and elected officials.” Among all respondents and among only women, the answers were virtually identical: just over 55% replied “somewhat more likely,” and just over 40% said “much more likely.” When asked whether the PB campaign had empowered women to enter the public arena and raise developmental issues related to women, again respondents overall and women in particular gave almost identical answers: 32% said there had been a “slight change” and 66% reported “drastic change” (ibid. 642). It seems fair to conclude then, that PB had contributed materially to a sense of empowerment among citizens who (aside from voting) had not previously participated in the political arena at local level.

4.3 *Causes of PB’s Success*

Surely a major reason behind Kerala’s success in PB has been that the general quality of governance is so good relative to the rest of India. Beginning in 2016 the Public Affairs Centre in Bengaluru has calculated a Public Affairs Index measuring such aspects of governance as essential infrastructure, social protection and environment, and in each year Kerala has come out as the best governed of all the country’s states large and small (PAC 2018). Such recent assessments do not guarantee that Kerala has always had the highest quality of governance in India, of course, but the state’s past attainments in indicators of well-being should serve as strong indicators that its governance has been very good indeed over recent decades and that this quality of good governance has been instrumental in providing an institutional environment within which PB could flourish.

A second factor has been the nature of political competition in Kerala. Arguably the major reason for PB’s decline in Porto Alegre and other Brazilian cities like Belo Horizonte was that the PT and opposition parties had their main political bases in quite different constituencies. The PT’s base lay in the working class, while opposing parties found their support in middle- and upper-class voters, with little crossover. So whichever party or coalition of like-minded parties was in power understandably pursued policies favoring its base: a strong PB under the PT, a weak PB under the PT’s opposition. In Kerala on the other hand both the CPM-centered LDF and the INC-based UDF sought to appeal to the entire spectrum of voters, including in both cases the working class, Dalits and Adivasis. Accordingly, both Fronts supported PB, though perhaps with greater intensity when the LDF was in office than when the UDF held power, and PB as an institution has fared well for more than two decades.²¹

In their comparative study of Kerala and Uttar Pradesh, Keefer and Khemani (2005) found that after a long period in which the INC dominated Uttar Pradesh against weak and fragmented opposition (and thus had little incentive to engage in serious pro-poor policies), more recently the state has been contested between three parties, each with its own base: the Bharatiya Janata Party appealing to upper

²¹See Keefer and Khemani (2005: 18–21).

caste Hindus, the Samajwadi Party to middle Hindu castes and Muslims, and the Bahujan Samaj Party to Dalits, with some but minimal crossover. Each party when in power has pursued policies favoring its base, none has tried to govern with an eye to benefiting all three constituencies—all a direct contrast with Kerala.

The powerful incentives for both Kerala parties to support PB have meant strong leadership at the top favoring PB, in contrast with the tepid backing given to PB by incoming leaders in Porto Alegre and Belo Horizonte. In both the latter cases, PB had become sufficiently institutionalized that it could not easily have been eliminated outright, but it could be and was watered down and weakened. Thus in Kerala it has been the combination of party incentive for broad spectrum appeal and political will at the top that has enabled PB to endure essentially intact in Kerala.²²

5 PB in Other Urban Indian Settings

Thus far no other state in India has followed Kerala's path with PB.²³ However, several large cities have given it at least a brief tryout before abandoning or severely weakening it. Among them are Mumbai, Bengaluru, Pune, Mysore and Cochin, and in addition the Union Territory of Delhi, which includes New Delhi. The most ambitious of these experiments took place in Pune, which was also the only city still using PB well into the current decade, although in much attenuated form. Some analysis of the Pune experience has appeared, along with a brief description of the short-lived Delhi experiment. Given the absence of any serious external analysis of Kerala's urban PB history, it will be worthwhile to provide a review of these two cases.

The Pune Municipal Corporation is organized into four zones, divided into 14 administrative wards, which are subdivided into 76 prabhags (averaging around 42,000 population in the 2000s).²⁴ The PB program began in 2006, with newspaper advertisements soliciting citizen suggestions for public investment. Two established NGOs then publicized the new system through local organizations like neighborhood associations, Lions Clubs, senior citizens organizations, etc. Citizens submitted their suggestions on forms, which were collected, collated, classified and costed out at the administrative ward level. A committee composed of elected prabhag counsellors then approved/rejected the suggestions. In PB's first year, at this point public prioritization meetings were held at ward level, at which all those who had submitted proposals were invited. Attendees were then divided by electoral ward (smaller than

²²In a study of participatory accountability mechanisms in India generally, I found political will at the highest level to be the *sine qua non* for success. Without it, no mechanism could last very long (Blair 2018).

²³West Bengal (also under a CPM government from 1977 to 2011) has made notable progress in decentralization and has undertaken serious efforts at poverty reduction, but it has not taken up PB as such. See Crook and Sverrisson (2001), also Robinson (2007: 15) and Maiti and de Faria (2017: 21).

²⁴This paragraph and the next two are based on Menon et al. (2013) and Jobst and Malherbe (2017).

administrative wards), where they prioritized and submitted their suggestions, which were then included in the corporation budget.

Thus there was citizen participation in making suggestions and then in prioritizing those suggestions in that first year, but after that the citizen role was restricted to the suggestion phase only. A special effort to incorporate slum neighborhoods was also dropped after the first year. Nor has there been any information released about the status or completion of proposed projects. Municipal Corporation allocations to PB continued at an average of just under 1.5% of the total budget over the next half-dozen years. So there was some continuity, but aside from citizen input with suggestions, no participation in budgetary prioritization, allocation or monitoring. In a word, no real accountability of state providers to citizens. These changes are similar to Porto Alegre's retrogression to a lesser role for the poor in that city's PB after the PT's loss of power in 2004.

Two major reasons behind the failure of PB in Pune seem reasonably clear. Most importantly, there was no real political backing at the mayoral level. One administration launched PB in 2006 and a newly elected one came into office the following year. The first set up a process that had promise, and the second one implemented it for a year but then diluted citizen input to the point that the project could scarcely be called PB. A second problem emerged from bureaucratic and lower level political obstacles. City officials kept publicity low (one newspaper ad once a year), the submission process was inconvenient, and no feedback or monitoring information was provided. For their part, the elected corporators (city council members), jealous of a funding process not fully under their control, showed little support for it.

During its campaign for the 2015 elections in the National Capital Territory of Delhi, the reformist Am Admi Party had promised to decentralize power to gram sabhas and their urban counterpart, Mohalla sabhas.²⁵ After its victory, the new government launched a PB pilot in 11 of Delhi's 70 legislative assembly constituencies. The next year things were scaled up to all 70. Each of the territory's 2972 sabhas—urban and rural—was allotted a budget of one million rupees to spend on infrastructural projects (from an approved list). Public meetings were held in each sabha, and projects were suggested and voted upon. After that, however, the sabhas (which otherwise were granted some governing power) were restricted from allocating funds through citizen participation. PB's life in Delhi proved to be short.

6 Meeting the Goals of Social Accountability (at Least in Kerala)

Returning to our earlier list of social accountability goals, it is evident from the Heller team's survey after PB's first decade in Kerala that (1) the quality of governance had improved, that (2) there was a definite increase in empowerment for women and

²⁵This paragraph draws mainly on Samy (2017).

Dalits/Adivasis, and that (3) public service delivery had become better (Heller et al. 2007).

Regarding well-being (the fourth goal), evidence for a PB role has proven somewhat elusive, even in places like Brazil where it has been possible to do statistical analysis over reasonably long periods. In a study covering the country's 220 largest cities, Boulding and Wampler (2010) found that while PB contributed marginally to reducing poverty rates,²⁶ it had virtually no effect on well-being indicators such as literacy, life expectancy, or infant mortality. In contrast, a few years later, Gonçalves (2014) found in her analysis of 3651 municipal areas, that those adopting PB had reduced infant mortality significantly in comparison with non-PB areas. And in a more fine-grained analysis, Touchton and Wampler (2014) found that when length of time a city used PB was factored in, its use for 8 or more years was associated with a 19% reduction in infant mortality. Analyses of PB and well-being measures like literacy and life expectancy have yet to be published. In any case, though, the very nature of Kerala's "big bang" PB renders this kind of analysis impossible.

If democracy promotion is to have as its goal only that people should have the ability to participate in public decisions that affect themselves, i.e., that democracy is a developmental end in itself, then PB's track record in Kerala must be reckoned a success, considering its achievements in improving governance and empowering marginal constituencies. And if democratization's goals are also to include societal impact, i.e., that democracy is a means as well as an end, then there is evidence that PB can improve public service delivery by connecting citizens directly with state providers using the Bank's short route rather than relying only on the long route. PB may well also have a downstream impact on well-being, of the sort that we can see glimpses of in Brazil, but quantitatively this cannot be measured in Kerala, given the impossibility of randomized control testing.

7 Conclusion

Kerala's experience shows that the World Bank's short route can be an effective engine for social accountability with PB, but only if it has strong state support. Strong CSOs help also. So does a broad gauge competitive politics in which parties reach out for support from a wide range of classes and ethnic groups. And an educated populace (if literacy >90% and it can be assumed that most of the illiterate 10% are poor, a good number of the poor have access to knowledge about local govt). But political will at the top appears the essential ingredient.

Can PB be replicated elsewhere in India? The fact that despite several tryouts in Indian cities it has not taken hold anywhere does not augur well. A number of cities (and states) do have competitive politics, which can be argued as a necessary condition for successful PB, but clearly it is not a sufficient one. The same could be said of strong CSO presence. As for education, in the 2011 census, Pune's literacy

²⁶The World Bank (2008) also reported a poverty reduction.

rate stood at 89.6%, close to Kerala's 93.9%, and many other cities have impressive literacy rates as well. What appears to be lacking is any real political will to take up PB, even on an experimental basis. Since the Janaagraha organization began ranking Indian cities for quality of governance in 2014, Pune has climbed from 8th place out of 20 cities to the number one (out of 23) rank in 2017 (Janaagraha 2018). So if Pune does not have the political interest or will to engage PB more seriously, one must suspect that other cities will not either.

Is PB then worth trying in other areas of India? Given that it has shown demonstrable evidence of advancing three of social accountability's four goals in Kerala, and that some progress on the fourth goal can be inferred from Brazilian evidence, it is indeed. But whether it will be attempted in coming years is another matter.

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