



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

**WP 2006-15**  
**July 2006**



# Working Paper

Department of Applied Economics and Management  
Cornell University, Ithaca, New York 14853-7801 USA

## **GOVERNANCE AND DEVELOPMENT IN KARNATAKA**

**Edited by: Gopal Kadekodi, Ravi Kanbur  
and Vijayendra Rao**

## **Federalism, Urban Decentralisation and Citizen Participation**

**Ramesh Ramanathan  
Janaagraha**

## **CONTENTS**

<b>SECTION</b>	<b>DESCRIPTION</b>	<b>PAGE NO.</b>
1	THE CONTEXT: AN INSTITUTIONAL PERSPECTIVE	2
2	THE CONTEXT: A CITIZEN PERSPECTIVE	6
3	SUMMARY OF JANAAGRAHA'S EXPERIENCES	7
4	INSTITUTIONALISING CITIZEN PARTICIPATION – A PROPOSAL	13
7	REFERENCES	18

## SECTION 1: THE CONTEXT- AN INSTITUTIONAL PERSPECTIVE

### Federalism and Urban Decentralisation in India

With all the focus on Panchayati Raj institutions in India, urban decentralisation has received far less attention in the country, suffering for long from policies that saw urbanisation as a trend that needed to be slowed if not stopped altogether.

With the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments in 1992, we completed the federal puzzle in our country, creating units of local self-government at the rural and urban levels. While there are still enormous challenges in implementing the legal provisions with regard to rural decentralisation, tremendous energy is being expended within many state governments to solidify this process. Issues such as untying of funds, streamlining of programmes, capacity building and training of Gram Panchayat members are among the hottest potatoes being tossed around in state legislatures.

So, in this journey towards a healthy federalist governmental arrangement, the patient incrementalism of policy-makers seems to be working fairly well. While there are gaps in intergovernmental institutions that can oversee and regulate the interchanges, given the magnitude of the local government initiative in the last decade to expand of the base of the third level, it seems that enough is going well. As George Mathews says, “*The Panchayats–Districts and below are now treated as third stratum of governance. ...Today in India if there is a strong Centre it is not by virtue of its powers over other units but because the lower units – States, Districts, Blocks, Villages–are powerful. This is exactly opposite of what India started with. Thus, one can say that strong regional and state level political parties have strengthened India's democracy and federal character.*”<sup>1</sup>

Unfortunately, these statistics hide an uncomfortable truth: the base of the pyramid is expanding only for rural local government. Such leadership is sorely lacking in urban decentralisation. Caught in the penumbra of the spotlight on their rural brethren, urban dwellers are finding themselves in a governance vacuum, with all signs of the situation worsening. Consider the following statistics for Karnataka<sup>2</sup>:

---

<sup>1</sup> Democracy at Work : Evolving Federalism Through Political Representation in Socio-Cultural Pluralism; By George Mathew, Director Institute of Social Sciences

<sup>2</sup> Urban Development Department, Government of Karnataka, and Department of Panchayati Raj Institutions, Government of Karnataka

<b>POLITICAL REPRESENTATION RATIOS, 2000</b>					
RURAL KARNATAKA			URBAN KARNATAKA		
POPULATION	3.2 crores		POPULATION	1.7 crores	
Level	No. of units	No. of Reps	Level	No. of units	No. of Reps
Zilla Panchayat	27	890	City Corporations	6	410
Taluk Panchayat	176	3,255	City Municipal Councils	40	1,308
Gram Panchayat	5,659	80,023	Town Municipal Councils	81	1,919
			Town Panchayats	89	1,373
Total No of Elected Reps		84,168	Total No. of Elected Reps		5,023
Citizen: Rep Ratio	380:1		Citizen: Rep Ratio	3,400:1	

The representation ratio between citizens and their elected representatives is almost ten times larger for urban areas. In a city like Bangalore, the ratio is 42,000 citizens for 1 Elected Representative. One possible interpretation of this could be that government is more than 100 times further away for the resident of Bangalore than the average rural dweller.

In addition to this, the idea that every registered voter is a member of a Gram Sabha, and should participate in decision-making through this vehicle is one that at least has formal sanction in rural decentralisation, if not much track record.

In contrast, urban areas have the concept of the Wards Committees, which are meant to be constituted for the City Corporations. In Bangalore for example, there are meant to be 28 (recently revised to 31) such Ward Committees, which are fatally hampered by the combination of a debatable nomination process, limited citizen representation and an ambiguous mandate.

So, while it may seem reasonable to believe that decentralisation is now only an implementation challenge in India, the reality is that we have an extremely skewed federalist structure at the third tier. And this situation is getting worse, because while India was 28% urban at the turn of the century, it is projected to be 46% urban by 2030.<sup>3</sup>

This failure to have a coherent rural-urban approach to decentralisation is a big lacuna in Indian federalism. Indeed it is astonishing that – despite the general rigour that has characterised India's approach to democratic institutionalisation, often correctly placing due process at a premium to short-term outcomes – there has been such an intellectual vacuum with respect to urbanisation, with very few champions of the cause.

This lopsided approach can be traced even to the drafting of the two seminal pieces of legislation that have given rural and urban local governments their current positions– the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments respectively – and perhaps explains the

<sup>3</sup> World Urbanization Prospects: the 1996 revision. Department for Economic and Social Information and Policy Analysis, Population Division, United Nations. 1996

difference in attitude that people in government have towards these two forms of local government even today. The 73<sup>rd</sup> Amendment was the culmination of over four decades of struggle and intense debate by a range of players: three generations of Gandhians, advocates of rural self-government, and champions of three-tier federalism. This saw numerous initiatives at promoting Panchayati Raj institutions as well as two national committees separated by two decades – the Balwantrai Mehta Committee in 1957, and the Ashok Mehta Committee in 1977. Associated with this energy – possibly because of it – there is also a great deal of documentary evidence on the evolution of rural decentralisation in India. Unfortunately, this richness of material is absent when it comes to urban decentralisation. There were some noises about urban challenges through the early decades of our Independence with the constitution of an All India Council of Mayors which consistently demanded greater urban autonomy. The mid-80s saw the crystallizing of some of this energy: for example, one of the recommendations of the National Commission on Urbanisation (NCU) was to suggest that Article 40 of Directive Principles of State Policy – requiring states to organise Panchayats as units of local self-government in rural areas – be expanded to include urban areas as well.

In discussions that this author has had with some of the key actors in the drafting of the 74<sup>th</sup> Constitutional Amendment, this is the picture that emerges on how this amendment came about: even as the original Amendment (64<sup>th</sup> CAA) for Panchayati Raj was being drafted during Rajiv Gandhi's tenure as Prime Minister in the late 80s amidst much debate, one of the senior Congress Party members asked the Prime Minister what was being done about municipalities. Until this issue arose, no protracted debate on this subject had occurred across the country, and no advocates of urban self-government had as yet emerged on the Indian political landscape – at least none who had national impact. At this point, given the urgency in passing the laws, an urban decentralisation amendment (65<sup>th</sup> Amendment) was drafted within a period of a few months, mirroring in some ways the structural aspects of rural decentralisation, capturing in others the unique needs of urban areas, but missing the essential spirit of the rural amendment – the centrality of the citizen and the bottom-up nature of local self-government.<sup>4</sup> Both amendments failed to pass, and were eventually passed in 1992 as the 73<sup>rd</sup> and 74<sup>th</sup> amendments respectively.

This gap, created at the very genesis of the 74<sup>th</sup> Amendment, continues to plague urban decentralisation even today: our cities and towns do not have bottom-up structures that create more proximity between the citizen and their urban local government. And without citizen participation, federalism is like a batsman without a partner at the crease: decentralisation of what is called the 3 “F”s – funds, functions and functionaries – needs to be accompanied by accountability as well. This accountability ought to be directly to citizens, rather than to some other level of government. One form of such accountability is to provide formal opportunity for citizens to participate in local governance. Citizen

---

<sup>4</sup> Conversations on the subject that the author has had with Mani Shankar Aiyar and Mr. Sivaramakrishnan, both involved in drafting the original 66<sup>th</sup> Constitutional Amendment that dealt with urban decentralisation. Both the rural and the urban bills were defeated in parliament, and were only re-introduced after Rajiv Gandhi's death in 1993, under Narasimha Rao's tenure as Prime Minister, eventually passing as the 73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution.

engagement is one of the critical success factors for federalism.<sup>5</sup> Indeed, some would claim that citizen participation is at the heart of democracy itself<sup>6</sup>. The absence of the opportunity to participate has other consequences beyond poorly functioning urban local governments, and these are related to the political education of the urban Indian. In a young democracy such as India's, local governments act as a political kindergarten to educate the citizen. In the absence of this, the urban voter is not only disconnected from government, but also illiterate about the politics of change. So today, when we are often confronted with a cynical citizenry, it begs the question: what comes first, the indifference or the disempowerment?

## SECTION 2: THE CONTEXT - A CITIZEN PERSPECTIVE

Our cities and towns in India provide many comforts: livelihood opportunities; relatively better infrastructure than rural areas; access to choice in education and healthcare, and so on. While the quality compares poorly with developed countries, conditions are superior to what is available even a few miles outside the urban boundaries.

However, viewed in a different sense, our urban centres do not have an essential "rooting", an organic connection between the urban citizen and the government. From the point of view of the individual citizen, there are significant gaps in urban living. Examples abound: there is no opportunity to participate in decisions on local development, no mechanism to stop the illegal violation of the local park, no system to prevent the neighbour's residence from being converted into a hospital that could soon dump toxic waste in the storm water drains, no grass-root answer to manage the voter roll errors which are upwards of 40% in urban areas, no space to even vent one's frustrations. While the urban resident can see herself as a producer of urban goods and services, or as a consumer of urban comforts, she cannot so easily see herself as a citizen. In fact, her identity as a citizen in urban India is one that is minimally developed, if at all.

These gaps exist for everyone. For those within government, be it a Supreme Court judge, a Cabinet Secretary or an employee of the railways, they know all about the empty edifice of citizenry and often come to terms with their civic emasculation by leveraging their positions and titles. Even for the elite, this same sense of disconnection prevails: the industrialists, the writers, the media, the film-makers, the intellectuals, even the activists. None of them can individually survive in the city without the coping mechanisms that their particular position offers them: their networks, their identities. Strip away these identities, and the hollow shell of basic "citizenry" will provide cold comfort. Imagine if this is true for the "empowered" urban Indian, what it could be doing to the 35% and more of the urban dwellers who are the urban poor. They are twice forsaken, once because of their state, and once by the State.

---

<sup>5</sup> Fiscal federalism for emerging economies: lessons from Switzerland? Publius; 1/1/2003; Hosp, Gerald

<sup>6</sup> "India: Development and Participation" (OUP, 2002) by Jean Drèze and Amartya Sen. In the 3-pronged framework that the authors use to assess democracy in India – ideals, institutions and practice – the only element that finds place in all three prongs of the framework is the participation of citizens.



The fabric of any society begins with the individual, her sense of empowerment, her belief in her own agency. In a society that is static or changing at a leisurely pace, most challenges can be addressed at a similar pace. However, in a society that is urbanising rapidly, the changes are faster: old identities are being wiped clean and being replaced with an aching vacuum, where the underlying rules of engagement are increasingly transactional. And this is what is happening in our urban areas. Alienation is the underbelly of urban living in our country.

It sounds odd to be talking of urban residents needing to be treated in the same vein as the rural citizen, when one compares the quality of life in urban India with the rural areas. However, in this context, the comparison is not about roads or water supply, education or health care, employment opportunities or gender equality. It is about the fundamental right to be treated equally as a citizen fully engaged in the democratic process, with the same rights and responsibilities.

### SECTION 3: SUMMARY OF JANAAGRAHA'S EXPERIENCES

Against the backdrop of a state that has not provided enough toe-holds for the urban resident to assert his identity as a citizen, grass-root work continues to show that people do not stay still, they react to this reality. It is not that people don't care, or don't want to address this. Across the length and breadth of this country, local communities sprout like wild grass, bringing groups of people together to address their local problems. Whether it is in the form of Resident Welfare Associations (RWAs), neighbourhood groups in urban slums, or even less formal community-based groups, these display an energy for change that in many cases has tremendous potential.

And in the study of these communities, one discovers remarkable stories of self-help: of cleaning their streets of garbage, of procuring water supply in their slums, of community policing and so on. But equally striking will be the observation that these demonstrate either a complete detachment from the state, or at best an ad-hoc, situational arrangement with the government. They will also show the power of collective action, rather the empowerment of an individual citizen.

In Bangalore, over the past few years, we have attempted to right this ship of decentralised urban governance through a citizen-led initiative for participatory democracy called Janaagraha (meaning Jana Agraha, or the moral force of the people). During this time, we have accumulated piece after piece of evidence to suggest that while the urban resident cares, and wants to take part, the state has not only denied her the formal spaces to engage, but often actively thwarts this desire.

Examples of work that we have been involved with over the past few years in Bangalore:

- A ward works campaign was Janaagraha's launch, between December 2001 and May 2002: getting citizens to participate in the allocation of ward-level funds for local development. This was the first campaign of Janaagraha, and marked our

approach: a collaborative one, emphasising partnership between citizens, their Corporators, and the city administration. Done for the financial year 2002-03, citizens from 65 wards took part in this exercise; in 32 of these wards, citizens came together in strong numbers, and actively negotiated with their Corporators and BMP administration; in 22 of these wards, citizens were happy with the final works list that was produced. This represented a total of Rs. 10.7 crores of works, out of a total ward works list of Rs. 50 crores. A total of more than 5,000 citizens took part in the exercise, and hundreds of volunteers were involved in conducting the training programmes, and providing the engineering, technology and support activities. Since there was no formal space for such citizen participation in ward-level planning, each ward success was the result of one or more of a unique set of conditions: a resolute citizenry, a willing elected representative, a supportive administration. Where these enabling conditions did not exist, the results were marginal or non-existent. The experience demonstrated that citizens are willing to engage, take the trouble, and even compromise on their own needs, so long as they perceive the process as scientific, transparent, and fair. Institutionalising this engagement would increase citizen participation manifold.

- In the 2004 national elections, many citizen communities wanted to be involved in increasing voter registration and voter turnout. There is sketchy documentary evidence to suggest that urban voter rolls have error rates that are 40% - 45%<sup>7</sup>, arising primarily from non-registration of valid voters, and bogus entries in the list. Rural voter lists also have errors, but these are less than half the urban error percentages. Also, several initiatives in various states have had significant impact in correcting voter lists in rural areas. To name one successful exercise, the MKSS exercise of getting the CEC to have the voter list read out formally at all rural ward sabhas (80-100 households) in Rajasthan resulted in a CEC notification (order 23/2003-PLN-II), resulting in the correction of over 7 lakh voter entries. Unfortunately, the CEC provision for the urban voter was a much-diluted one, requesting that the list be read out in mohalla committees or Resident Welfare Association meetings; this is because there is no similar politically legitimate platform for such an exercise, there is no ward sabha or grama sabha for the urban voter.

The only alternative for communities is to conduct door-to-door verification of the voter list. This suffers from two weaknesses: one, it is not a formal exercise of the government machinery; and two, it is extraordinarily time- and people intensive. In spite of this, a pilot exercise was conducted in two polling stations, which showed that the error rates were in the region of 45%. Unfortunately, there could be no institutional redressal of the matter, since the entire election machinery by this time was occupied with other pressing matters like EVMs, candidate disclosure and the rest.

---

<sup>7</sup> Lok Satta study in Andhra Pradesh, available on their website: [www.loksatta.org](http://www.loksatta.org). Also confirmed by Janaagraha in a sample study of 2 polling booths in Bangalore during Elections 2004.

Hence, the urban voter list continues to be error-prone, due to the lack of equality in treatment of the urban voter. Is it any surprise that voter turnout is low and tending to become lower in urban areas, across all elections in our federalist system?

- A “Ward Vision” campaign conducted between June to December 2003, where citizens at the ward level got together to prepare a vision for their ward. In 10 of the city’s 100 wards, over 2,000 people attended 5 workshops to prepare detailed documents for their wards, including the expenditure requirements, and the sources of funds. After analysing the funding sources, they discovered that the city was only collecting 30% of the potential property tax revenues at the ward level, and hence suggested an innovative plan to raise compliance. Called Ward RECI-P (Revenue Enhancement with Citizen Participation), they suggested that citizens would support the city administrators to increase revenues, with the condition that a portion of the increased revenues be allocated for local ward development.

Hailed as an innovative public finance solution to help local governments by eminent economists and public policy experts, this proposal is still awaiting a response from the local government. The actual citizen plans would have done any government department proud: detailed, prioritised projects, with estimated costs. However, because there was no formal mechanism for these plans to be produced in a participatory process, they are lying in cold storage. The result is that the citizen participant is fast becoming an activist, demanding their rights: while some are willing to trudge this path, it is too large a burden to place on all citizens.

- While all Janaagraha’s campaigns encouraged citizens across the spectrum to participate, the experiences in the first campaign showed that the poor needed additional focus to bring them to the governance table. With this in mind, an exclusive campaign was undertaken, focused on the urban poor. Swarna Jayanti Shehri Rozgar Yojana (SJSRY) is a Government of India urban poverty alleviation programme. Unfortunately, the record of implementation of this programme was less than satisfactory in the Bangalore area<sup>8</sup>. In 2002 Janaagraha conducted a survey in respect of loans sanctioned under Swarna Jayanti Shahari Yojana and produced a report titled “Case studies on delivery of loans to the urban poor”<sup>9</sup>. This led to the creation of ANKUR (Alliance for Networked Kinship of Underprivileged Residents), a platform which envisaged participation of all the stakeholders of SJSRY i.e. Government, NGOs, Beneficiaries and Banks. A pilot project steered by the Karnataka Government’s Department of Municipal Administration was undertaken over a period of 12 months, with the following features:

---

<sup>8</sup> “Urban Poverty Alleviation India” by Supriti, Sharon Barnhardt, Ramesh Ramanathan, Ramanathan Foundation, 2002

<sup>9</sup> Janaagraha report submitted to Directorate of Municipal Administration, Government of Karnataka

- Bringing all the stakeholders on a common platform
- Identification of Nodal branches for disbursement of loans
- Standardisation of loan application forms
- Joint identification of beneficiaries by the community, bankers & NGOs
- EDP training for beneficiaries mandatory before release of loan
- Participation of NGOs in the formation & nurturing of Thrift & Credit Groups

The performance under the pilot project was as follows<sup>10</sup>:

Components of SJSRY	No. of Groups	Coverage of BPL families	Loan amount (Rs. in Lakh)
USEP loans (ME)	0	341	78.72
DWCUA	3	45	3.75
TCGs	234	3656	125.00
Total	237	4042	207.47

While the results on improving the bank linkage through the SJSRY pilot were promising, Janaagraha's purpose for improving the functioning of the SJSRY programme in Bangalore was a different one, related to the structural presence of community groups in the scheme: a pyramidal clustering of neighbourhood groups (NHGs), neighbourhood committees (NHCs) and Community Development Societies (CDS), representing over 1 lakh BPL families in Bangalore.

The SJSRY programme not only provided a single platform through which to link to what was supposed to be a readymade community structure of the poor at the grassroots, but also one that was empowered to demand development outcomes from various arms of government that worked in the area of urban poverty (slum improvement boards, housing boards, city corporations etc) through the Articles of Association of the CDS, which were registered societies.

However, the experience was that the city-wide SJSRY platform provided little tangible benefit to the poor in terms of public service outcomes, or governance outcomes. There were several impediments to this process:

1. The formal mandate to demand outcomes was only with the CDS, the apex institution, and not with the lower-level community structures like the NHC and NHG. The six CDS's that were established for the entire city meant that each CDS had a massive coverage area of 1/6<sup>th</sup> of the city, covering approximately 15,000 urban poor families.
2. There was little social connection among the members of the CDS, since they came from different parts of the city, with no prior inter-personal contact.

<sup>10</sup> SJSRY Pilot Project documentation reports submitted to GOK, and available with Janaagraha

3. Very little capacity-building effort had been expended for the CDS members, who were officially vested with a fair degree of authority to demand the presence of various government agencies, and pass binding resolutions for actions by these agencies, but little real use of these powers.
4. CDS meetings did not take place within the geographic boundaries of each CDS (itself a vast geographic stretch), but at the nodal SJSRY office. Members did not get travel compensation or any pay for the time and cost in participating in the CDS meetings. As a result, few of the CDS meetings were well-attended, and often did not even have quorum.

Janaagraha's efforts, over an 18-month period, in attempting to make an exclusive, legitimate, government-authorised platform for the poor work to bring them better local services were less than successful due to a variety of reasons: one, grass-root resistance from the administration despite senior-level leadership; two, the limited duration of the pilot; three, the inherent structural considerations of the programme that the CDS was too large and removed a platform to provide meaningful engagement for the poor.

While the first two issues are part of any social change process, the third issue gave us pause to see if it was even worthwhile to make the CDS work. This resulted in an effort to work with the local neighbourhood communities. The responses at this level were far greater, with poor residents willing to engage on issues that mattered to them locally: water supply, sanitation, electrification of lanes, health concerns and so on. It was interesting that the poor were willing to engage at a neighbourhood level that did not have any formal legitimacy, while not using a platform like the CDS that had power, but was somewhat removed from their specific concerns.

There was one additional positive experience: given the reasonable level of middle-class involvement in other campaigns of Janaagraha, they expressed interest in knowing more about the SJSRY campaign, and working with local community clusters of the poor in their wards. This resulted in Janaagraha linking the middle-class with the urban poor at the ward-level, with many interesting positive outcomes<sup>11</sup>.

- One of the significant issues that arose in the SJSRY campaign was the choice of beneficiaries, and the veracity of the BPL list. There were many claims by NGOs that the list had many flaws in it, and even by other government departments (the Food and Civil Supplies Department refused to use the SJSRY list for the release of its BPL ration cards).

Arising out of this, Janaagraha undertook a separate exercise to verify the BPL lists across 3 government agencies: Food and Civil Supplies (F&CS), Municipal Administration (DMA) and Karnataka Slum Board. A detailed report prepared jointly by Janaagraha and these 3 agencies has been submitted to the Government

---

<sup>11</sup> Documentary examples of middle-class and poor interactions available with Janaagraha

of Karnataka.<sup>12</sup> The key finding of the study was that the list of common BPL names among all three agencies was less than 6%. Given the startling nature of the statistic, it was clear that substantial work needed to be done to improve the quality of the BPL list. The proposal submitted to government suggests the creation of a Common BPL List (CBL) that could be used by all government agencies. While no action has been taken on the report, it must be admitted that this process would only eliminate multiple lists, and not necessarily address the issue of the authenticity of the list itself.

There were several learnings that emerged out of these experiences for Janaagraha:

1. While the myth of the cynical urban citizen is not without merit, there are still sufficient numbers of urban residents willing to participate. Over the past three years, more than 1 lakh citizens have participated at some level in one or more of Janaagraha's activities<sup>13</sup>. And this is when there is no formal sanction for citizen participation. Robert Putnam writes of the level of citizen participation in Portland, Oregon at 10%, where citizen participation was actively encouraged by the city government.<sup>14</sup> Clearly, these are large proportions at the grassroots, numbers that could ensure robust participatory outcomes. There is nothing to suggest that they cannot be achieved in urban India when formal roles are given to citizens.
2. Even though the CDS platform for the poor provided a great level of political legitimacy to the poor, there were several lacunae that prevented it from being used appropriately. One possible explanation could have been that real political legitimacy needed to come at a level that was much more personal, much closer to home for the individual to feel empowered. Also, the CDS platform was a parallel form of political legitimacy, which – in the long run – would only undermine the legitimate political structures of local government. It could be argued that the demands of the poor are best achieved within the institutional framework of governance, rather than establishing structures outside it.
3. The lowest level of political representation is the unit of the ward, one that has a reasonable limited geographic boundary, a political representative, and the possibility of a grass-root platform for direct political participation. It seems that the ward ought to become the unit of all endeavours, with the establishment of additional structures within it, to ensure organised citizen participation.

This hypothesis has some merit to it, when looking at the Kerala experience with poverty alleviation (including SJSRY), through a programme called Kudumbashree. The SHG members of Kudumbashree have secured many outcomes for themselves

---

<sup>12</sup> "Common BPL List Report", a joint report submitted to Government of Karnataka by Food and Civil Supplies, Municipal Administration, Karnataka Slum Board and Janaagraha, 2004. Available with Janaagraha

<sup>13</sup> Janaagraha campaign documents

<sup>14</sup> "Better Together" Robert Putnam

outside of the Kutumbashree programme, through their participation in the Grama Sabhas of the participatory planning campaign that the state has established.<sup>15</sup>

4. The BPL list experience demonstrated that while administrative reforms are critically needed to ensure proper targeting of beneficiaries, there also needed to be a grass-root component, where beneficiary identification could be done at a locally legitimate level itself.

Interestingly, the study on the effectiveness of Grama Sabhas also found that “targeting of landless and illiterate individuals is more intensive in villages that have held a Gram Sabha meeting. Moreover, these effects are economically significant with an 8-10% increase in the probability of receiving a BPL card in a village that held a Gram Sabha.”<sup>16</sup>

The correlation between the conducting of Grama Sabhas, and the improvement in the quality of the BPL list in such areas, suggests that similar outcomes could be likely with urban sabhas as well.

5. Voter list issues are somewhat similar to the BPL list issue, in that there are concerns with the quality of the list, both in terms of inclusion and exclusion. Even if there were a one-time clean up of the list, it begs the question of how this can be done consistently over time. A structural solution to this question would be one where there is a politically legitimate platform for the voters in a polling booth; given that the numbers involved (approximately 1000-1200 voters), compare with those of grama sabhas in the rural areas, there could some merit to this argument.

---

<sup>15</sup> Several documents on the convergence of the People’s Planning process in Kerala, and the poverty alleviation programme called Kudumbashree

<sup>16</sup> Participatory Democracy in Action: Survey evidence from South India” Tim Besley, Rohini Pande and Vijayendra Rao, Journal of the European Economic Association (forthcoming), 2005

## SECTION 4: INSTITUTIONALISING CITIZEN PARTICIPATION – A PROPOSAL

From a constitutional standpoint, there has always been a bias towards the rural voter, whether it be the Directive Principles of State Policy or the 73<sup>rd</sup> Constitutional Amendment.<sup>17</sup> While the voter was a central figure in the 73<sup>rd</sup> Amendment, in the 74<sup>th</sup> CAA on urban decentralisation, there is no mention of the phrase “a body consisting of persons registered in the electoral rolls”. Even in Article 243S, which discusses the Ward(s) committee, the Amendment is still engaged with institutional arrangements rather than recognising the centrality of the registered voter, as in the case of rural decentralisation.<sup>18</sup>

These Constitutional Amendments have percolated down to State laws for rural and urban decentralisation that mirror these biases. Two reports were prepared to assess urban decentralisation - the National Commission to Review the Working of the Constitution (NCRCW), and the Sen Committee Report to review Decentralisation in Kerala. However, these reports, while making incisive observations about the poor functioning of urban decentralisation and the need for greater citizen involvement, did not go far enough to fill the fundamental gap in the architecture of decentralisation to give a clear and formal to every urban voter.<sup>19</sup>

Janaagraha’s experiences in Bangalore are not unique – they reflect those of many other civil society and community-based organizations across the country. Collectively, they provide substantial evidence that urban residents – even in large metros – care deeply about their city, and wish to participate. Indeed, the amount of social energy that can be harnessed is extraordinary, if the appropriate structures are made available to the citizen.

Urban local governments also face a range of other challenges that require changes in law, jurisdiction, administrative streamlining, decision-support systems etc. Credible, realistic solutions are available for these issues as well, so that a holistic governance environment can be created in urban India. We cannot adopt an “either-or” approach to

---

<sup>17</sup> Directive principles of state policy: Article 40, which states “Organisation of village panchayats. The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.” Article 243b of the 73<sup>rd</sup> CAA which states “Gram Sabha” means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of

Panchayat at the village level;”

<sup>18</sup> Article 243S which states “(ii) The Legislature of a State may, by law, make provision with respect to- (a) the composition and the territorial area of a Wards Committee; (b) the manner in which the seats in a Wards Committee shall be filled.”

<sup>19</sup> National Commission to Review the Working of the Constitution (NCRCW Report): One example is suggestion 1.62 c, which only requires “knowledgeable residents” of a ward to be included. If this were suggested for rural decentralisation, there would have been howls of protest, with justified accusations of elite capture of political institutions. Similarly, in the Sen Committee Report for Kerala, the concept of the Ward Sabha is not thought of as mandatory, but rather as a vehicle that can be used only in smaller municipalities (population less than 1 lakh). In 1991, there were 296 Class 1 cities with a population greater than 1 lakh, out of the 3,610 urban centres in the country. They contained over 65% of the total urban population in the country, meaning that over 150 million Indians are living in cities and towns that would be considered too large for them to exercise their fundamental rights as citizens.



resolving issues of urban governance: all reforms are required, and we need to find the intellectual bandwidth and institutional energy to push for all necessary reforms.

The suggestions for reforms in municipalities being made here will concern themselves only with two aspects: one, ensuring that the urban citizen has access to a platform for full freedom of expression; and two, that this mechanism also functions as a platform of accountability from the local government. Both these aspects are being clubbed together under the broad heading “Institutionalising citizen participation in urban areas”.

Any response to such a demand for citizen participation needs to address the following issues:

1. The creation of a mechanism for every registered voter to participate in issues of local government, in a meaningful manner. This means creating an appropriate tier below the ward-level.
2. An unambiguous role for these ward- and sub-ward platforms, so that there is a seamless integration between their role, and that of the municipality. This role should be comprehensive, extending from planning to budgeting to oversight and financial authority, and possibly also to spatial planning issues like zoning, change in land use and comprehensive development plans that can be built bottom-up.
3. The integration of the internal systems of the municipality to support such a decentralised architecture: appropriate accounting and budgetary systems; administrative support; establishment of necessary bank accounts; ward maps and GIS systems; data collection mechanisms at the ward-level on issues like building starts and other such economic activities; voter rolls and BPL lists, and so on.
4. A calendar of activities that define clearly how these grassroots decision-making systems are linked to the processes at the municipality. For example, the municipality budget is to be placed before the Taxation and Finance Committee at a certain time of the year, normally around January. It is then placed before the Council within a few weeks, for approval. In any proposed system decentralisation, full teeth to their roles can only be provided if they have a say in the budgeting process. This means that a calendar of their budgeting process needs to be created, to synchronise with the overall municipality calendar.

In fulfilling the above requirements, the first is the most critical: the establishment of the appropriate legitimate political and accountability “spaces”. Once these are done, then these spaces can be mandated with functions, roles and responsibilities, with appropriate support systems, to fulfil these responsibilities.

This document concerns itself only with the first issue: the structure of decentralisation that links urban governance to the last citizen. The other issues of functions duties and responsibilities are addressed separately in a separate document. The figure below illustrates the solution being suggested:

**Figure: Proposed Urban Decentralisation Structure**

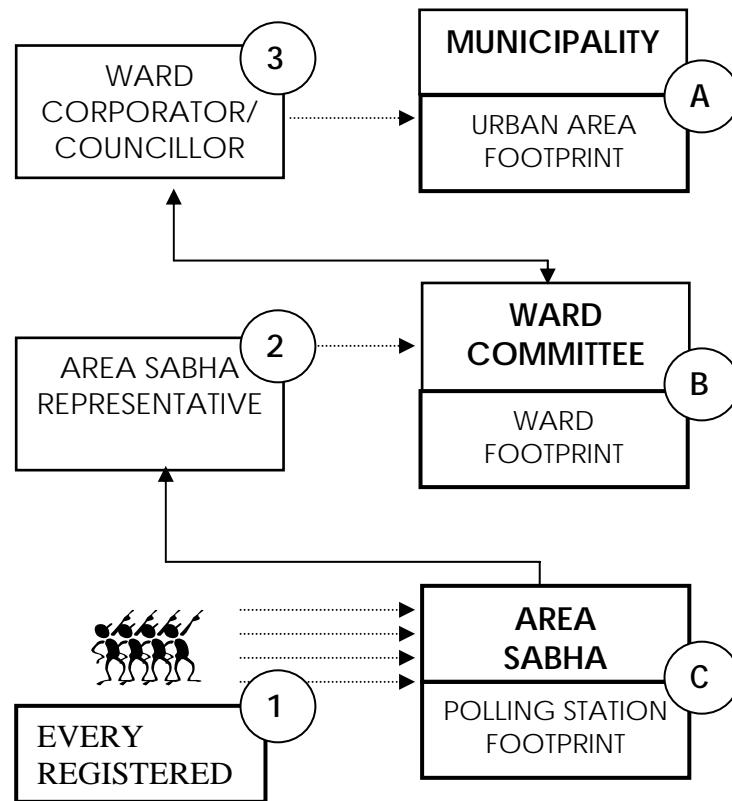


Figure 1 above describes the proposed structure in detail:

It can be understood in terms of PLATFORMS and PARTICIPANTS.

**PLATFORMS:** There are three, at the level of the Municipality (A), at the level of the Ward (B), and at the level of the Polling Station, called the Area Sabha (C). There shall be a Ward Committee in every ward, irrespective of the size of the Ward or the Municipality. While the first two are well-known, it is the Area Sabha that is being newly introduced. The footprint of every polling station could be the smallest unit in such an architecture; this could be called an Area Sabha. Each of these is a legitimate, formal space, which will be defined in terms of constitution, composition, functions, duties and responsibilities.

#### **PARTICIPANTS:**

Every registered voter of a polling booth (boundaries of the polling booth will be defined by the Election Commission) shall be a member of that Area Sabha. This creates an urban equivalent of the Grama Sabha, retains a reasonable level of intimacy, and recognising the unique features of urban dwellings.

At the next level of the Ward Committee, the current practice of nomination to the Ward Committee can be replaced by a nomination of an Area Sabha Representative from the Area Sabha. The benefit of this structure is that it automatically adjusts for the size of a municipality or ward, rather than have a prescribed single size being defined for a Ward Committee. Large municipalities would have wards with greater population, more polling booths, and hence more Area Sabhas, resulting in larger Ward Committees. Smaller municipalities would have smaller population in each ward, hence fewer Area Sabhas and fewer members in each Ward Committee.

The elected Councillor of the Ward shall be the Chairman of the Ward Committee, and continue to represent the Ward in the Municipal Council.

**Role of informal structures:** The presence of a formal structure of decentralisation to the citizen will create the appropriate participatory and accountability mechanism for the citizen. However, this does not mean that informal community structures like local resident associations, neighbourhood groups and ward-level federations will become less important. If anything, these structures can now become more effective beyond their social role, by linking their public issues at the grassroots into the appropriate platform, either the Area Sabha or the Ward Committee. The lessons from rural decentralisation indicate that while informal structures are important, parallel power structures should not be created.

Janaagraha has prepared a draft “NAGARA RAJ BILL”, embedding the above structure into a legal document, with details like the constitution, composition, functions, roles and responsibilities of the Area Sabhas and Ward Committees. This document has emerged out of the examination of the platform that was provided with the 74th Amendment, the good work already done by some selected states like West Bengal and Kerala, and also the grassroot experiences from a citizen standpoint. The drafting has been done in a manner that would allow the Bill to be passed separately, or included as an Amendment

to the Municipalities Acts of States as a chapter exclusively dealing with Institutionalising Citizen Participation in Urban Governance. Some sections of this Act could require other parts of a state's Municipality Act to be modified, such as the budgeting process mentioned above.

The structure above solves many problems of urban governance described in the earlier sections of this document, as detailed below:

1. It will give formal voice to every voter to participate in issues of local governance, removing the lopsided treatment of the rural and urban voter that has prevailed since the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments were passed.
2. This 3-tiered municipal governance structure will also create accountability of the municipality directly to the citizen herself. Issues of transparency, decision-making, and so on can be addressed at the level of the Area Sabha, rather than creating complex processes of reporting to State Government bureaucracies.
3. These platforms will also expose citizens to the need to participate, rather than stand on the sidelines and complain. While participation cannot be expected to be widespread, this process of political engagement will bring citizens closer to government, and seek solutions to public issues from our public institutions rather than outside them. In some sense therefore, Area Sabhas are as much about government accountability to citizens as they are about citizens' accountability to themselves.
4. The creation of local engagement allows for localised solutions to emerge, as well as a flexibility and dynamism that are healthy attributes for any institution.
5. Other institutions could also use these platforms to integrate into their requirements: even a small handful of Area Sabha members can verify membership rolls to the voter lists, and maintain the accuracy of the voter lists. The Election Commission, in turn, could formally use the Area Sabha to update the voter lists. Similarly, departments of government that require BPL lists could have these verified at the level of the Area Sabha, much like the Grama Sabha experiences in rural India. The Police department could use the Area Sabhas for community policing initiatives. Disaster management situations will have a readymade, widespread grassroot platform for information dissemination and coordinated action.
6. Given the nature of the Area Sabha, its composition will be heterogeneous, cutting across caste, community and economic lines. Engagement at the Area Sabha could therefore have significant social implications, in generating social capital in ways that are otherwise unlikely to occur.
7. A few important findings with respect to Grama Sabha functioning warrant some discussion here, in light of the potential implications for Area Sabha functioning:
  - a. Literacy levels and Grama Sabhas: the positive correlation between literacy levels and grama sabha functioning holds positive implications for Area Sabha, given that urban literacy levels are higher than rural.
  - b. The evidence suggests that Grama Sabha meetings "seem to be a forum used by some of the most disadvantaged groups in the village - landless, illiterates and scheduled castes/tribes. This suggests that these groups find the Gram Sabha useful and that Gram Sabha meetings may play some role

in moving policy in a direction favored by these groups.” The same could be true of urban Area Sabhas as well, possibly solving an issue of elite capture in urban planning and public expenditure.<sup>20</sup>

- c. The study finds correlation between levels of awareness of the Grama Sabha, and levels of participation. A case can be made that given the density of urban settlements, and more powerful tools of communication, coupled with higher literacy rates, the likelihood of greater awareness of Area Sabhas could also be greater, thus leading to potentially greater participation. This higher awareness also has another possible effect: how it changes the mental attitude, from emasculation to empowerment. Irrespective of whether a voter participates or not, she now has the knowledge of the opportunity to participate. This needs to be measured as well, in terms of what voters begin to feel about “empowered”, irrespective of their actual participation.
  - d. The Grama Sabha findings also observed that participation from women is lower in rural areas. here again, Area Sabhas could be more powerful as a forum for women, given higher levels of literacy and emancipation of women in urban areas
8. If anything, the hypothesis could be that not only will the sabha concept work well in urban areas, and generate socially equitable outcomes, but that these could also be a more significant presence in local governance issues than rural areas, and possibly more successfully address universal participation issues across caste, economy and gender.

The proposed benefits of citizen participation in urban areas are in the realm of hypotheses. These need to be urgently tested, not only for their own reasons, but also the positive and normative impact they can have on rural decentralisation, and the cross-fertilisation of successful practices and learnings. Such common platforms across rural and urban centres could also create mechanisms for rural and urban citizens to reach out to each other directly, rather than only through removed political processes. This has major significance in peri-urban areas, and the fringes of urban growth, where deep schisms are being created everyday due to the damaging consequences of jurisdictional schizophrenia.

## CONCLUSION

India stands at the inflection point of two critical trends: the increasing importance of local governments, and a critical mass of urbanisation. Both these have significant implications for governance outcomes on a range of important quality-of-life issues for citizens. Citizen participation is not just a moral argument, it is a strong accountability mechanism for local governments. While rural participation is imbedded in the

---

<sup>20</sup> Governance in the Gullies: Democratic Responsiveness and Leadership in Delhi’s Slums, Jha, Rao and Woolcock, World Bank Paper, July 2005. The study shows the presence of “informal leaders (who) are accessible to all slum dwellers, but (that) formal government figures are most accessed by the wealthy and the well-connected.” This highlights the need for legitimate participatory spaces in urban areas, open to all voters across the social spectrum.

Constitution, citizen involvement in urban areas is still very indirect. This needs to be urgently corrected. This paper describes the context of urban decentralisation, the need for citizen participation, and also offers a solution that can be imbedded into law at the State and Municipality levels, without having to change the Constitution. There are credible reasons to believe that substantial benefits can accrue by creating institutional mechanisms for citizen participation in urban areas.