Popular participation and equitable transitions at the local level

Promoting equity through public action requires changes in the existing configurations of power and influence. Because established institutions privilege certain interests and marginalize others, making governance institutions more democratic and more equity-enhancing calls for reforms that increase the possibilities for effective participation by traditionally marginalized groups.

Local government is a critical domain for the exercise of democratic rights and for making effective public choices. But several factors have conspired against good governance, democracy, and equity at the local level in much of the developing world. The social and economic power of local elites has often translated into disproportionate influence over the political process, and top-down, insulated, and nontransparent decision-making structures have made it difficult for ordinary citizens to have voice.[1] Democratic deepening in the developing world often begins with the democratization of local government, and that is precisely what two participatory governance initiatives—in the Indian state of Kerala and in a variety of municipalities in Brazil—have tried to do.

In 1996 the state government of Kerala launched what is widely viewed to be the most ambitious initiative for democratic decentralization in India: the People's Campaign of Decentralized Planning. The government not only devolved significant resources and authority to Kerala's 1,214 panchayats (village councils) and municipalities, but it also promoted direct citizen participation by mandating village assemblies and citizen committees to plan and budget local development expenditures.

In Brazil, the city of Porto Alegre launched a participatory budgeting initiative in 1990 that has since been copied in at least 400 municipalities throughout the country. The process begins with neighborhood assemblies in which citizens deliberate and set budgeting priorities, and ends with a citywide budget formulated by delegates directly elected by neighborhood assemblies. The success in Porto Alegre has seen its steady diffusion, with at least 100 municipalities, including São Paulo, implementing variations of participatory budgeting in 1996–2000, and some estimated 250 municipalities in 2000–04.

These two initiatives have much in common. They were both conceived as direct and conscious efforts to break with the elite-dominated and clientelistic politics of local government by promoting redistributive policies through broad popular participation. Thus, they both shifted the political opportunity structure and involved action to strengthen the agency of subordinate groups.[2] Both have, in effect, complemented representative forms of democracy with participatory forms of democracy by opening institutions to the direct engagement of civil society. And both have strengthened public authority and public action by increasing both the depth and scope of democratic decision making.

Deepening democracy

The evidence shows that these initiatives have deepened democracy, expanding the range of social actors participating in the political arena. In Porto Alegre, an estimated 100,000 adults have participated at some point in the budgeting assemblies. Other cities that have adopted some form of the process have also experienced active participation, including municipalities without established civil societies. In Kerala, nearly one in four households attended village assemblies in the first two years of the campaign, and despite routinization of the process in subsequent years, these assemblies continue to draw large numbers. Hundreds of thousands of citizens have undergone training in planning and budgeting, and the committees that actually design and budget specific projects have been composed primarily of civil society actors.

A redesign of institutional incentives and new mobilizational efforts saw women account for 40 percent of the participants in village assemblies (a level otherwise unheard of in India) and the participation rate of dalits (scheduled castes) has exceeded their representation in the population.[3] Moreover, both these initiatives have created a new cadre of grassroots politicians who either did not exist before (delegates in Brazil) or who previously had no powers (the 14,000 elected panchayat councilors in Kerala). The local public sphere—the *sine qua non* of any vibrant democracy—has become more extensive, more inclusive, and more meaningful.

Extending democracy

These initiatives have been marked by the extension of democracy, specifically public decision making in arenas of authority previously dominated by private and state elites. Municipal budgets in Brazil have long been the preserve of oligarchic parties and narrow sectoral interests. Panchayats in Kerala have long been little more than passive recipients of top-down projects designed and delivered by state bureaucracies. In both cases, citizens now have a voice in determining how public resources are allocated. In the most successful participatory budgeting cases, the entire budget of the municipality is discussed and approved by delegates acting on priorities established by neighborhood assemblies, with citizens deliberating on capital and operational segments of the budget.

In some municipalities, direct participation has been extended to thematic areas, such as economic development, public transportation, education, social services, and urban planning. In Kerala, panchayats have been given authority for up to 35 percent of the development budget, a fivefold increase in their resources base. Panchayats have ranked, designed, and implemented hundreds of projects a year across all development sectors. These have included housing for the poor, small-scale irrigation, local roads and infrastructure, agricultural projects, support services in health and education,

and a range of projects specifically targeted at women and dalits.

Enhancing equity

These initiatives have generally had equity-enhancing effects. In Porto Alegre, the best known and most documented case, there is clear evidence that expenditures on poorer areas of the city increased steadily with the introduction of participatory budgeting. In other large cities with participatory budgeting, such as Belém and Belo Horizonte, expenditures have also targeted the poor. A statistical analysis of all Brazilian municipalities in 1997–2000 revealed that participatory budgeting cities had significantly higher expenditures on sectors that affect the poor most directly.[4]

In Kerala, a large survey of key respondents found that "disadvantaged" groups were the prime beneficiaries of targeted schemes. Case studies show that panchayats have emphasized the need to bring all households up to a certain basic level of well-being, with a heavy emphasis on providing sanitation facilities, decent housing, and safe water to needy families.

In both cases, there is also strong evidence that the incidence of rent-seeking has fallen sharply.[5] The greater transparency of the budgeting process alone has raised the transaction costs of predation and patronage.

Empowering the most marginal groups

The Kerala and Porto Alegre cases illustrate the value of improving the accessibility, transparency, and accountability of local government. However, even when such initiatives have been undertaken, and where the economy is otherwise growing, the most marginalized social groups—widows, slum dwellers, sex workers, the very poor—may continue to be excluded. What can be done? The challenge is greater when the extent of commitment from above and mobilization from below is less than in these two cases.

As discussed in chapter 2, the most marginal groups are often stuck in more severe forms of an "inequality trap"—a situation characterized by dire material circumstances, rational expectations about limited mobility opportunities, and internalized beliefs regarding the legitimacy and immutability of their circumstances. Breaking out of such inequality traps and improving the terms by which the poor are "recognized" by others starts with building both a "capacity to aspire" and, equally important, a "capacity to engage."[6] This includes being able to envision and enact alternative futures, believing that it is desirable and possible to move out of poverty, and being able to more meaningfully participate in forums where decisions affecting their welfare are made.

Acquiring a "capacity to aspire" is largely a product of developing more broadly accessible and equitable mechanisms for interaction between the poor and elites, mechanisms that are reciprocally linked to attaining greater voice in associational interactions. It thrives in and through group organizing and public dialogue, and the opportunities these afford for practice, repetition, exploration, conjecture, and refutation.

An association of sex workers in a Calcutta slum, for example, gave its individual members a voice, a public presence, and a capacity to realize their interests and aspirations that would have been denied them otherwise.[7] Young, female, often illegal immigrants, contractually bound to work long hours for ruthless bosses, and facing sure rejection by their families if they managed to escape and return home, the sex workers had virtually no capacity to exercise their voices and realize their interests. Persistent efforts to organize the women into a union, however, eventually gave them the confidence and competence to bring about a change in condom use by clients.

In Indonesia, the Kecamatan Development Project (KDP), which operates in 28,000 villages across the country, seeks to improving the "terms of recognition" and political agency of marginalized groups. [8] The project allocates grant money at the subdistrict level, for which several groups of poor villagers (two of whom must be women) are invited to compete for funds on the basis of the presentation of a formal subproject proposal. KDP's procedures, institutions, and norms are largely decentralized, they focus on joint public problem solving, they invite broad public participation and scrutiny, and they occur in a more or less continuous and institutionalized way.[9]

Recent work assessing the impact of KDP on local decision making finds that KDP helps marginalized groups cultivate access to more constructive spaces and procedures for addressing project and non-project conflicts.[10] The beginning stage of such a transformation—in which unequal groups build the capacity to peacefully engage one another—is a humble but non-trivial outcome for a development project.