

THE BUDGET BULLETIN:
A NEWSLETTER ON BUDGET ISSUES



Volume V (June- August 2013)

THE BUDGET BEAT IN THIS ISSUE

Greetings from NFI!

As part of our fifth issue, we have included in the **Budget Speak** section, an article on **'Participatory Budgeting in India: The Pune Experiment'**. In this article, Mr. Naim Keruwala of Janwani explores the genesis, practice and contours of participatory budgeting as it has evolved over the years, drawing on the Port Allegra and New York city experiences.

The key thrust of the article is on Pune's participatory budgeting process, a novel initiative conceived by the Pune Municipal Corporation in partnership with Janwani, the social wing of Mahratta Chamber of Commerce. Conceived in 2006, the allocation towards participatory budgeting now stands at around 37 crores with more than 3300 suggestion received from the public. As a result of its success, the Pimpri-Chinchwad Municipal Corporation, which services the fifth-most populated city of Maharashtra, has decided to implement participatory budgeting in the current year.

In our **Budget Resources** section, we have enclosed links to various **Community Radio Stations** across India. With a shrinking media space in which to share development news including information on budgets, community radio programmes offer a platform for budget groups to share their budget findings and stories with a local audience. Case studies show that such ground-level sharing of information can lead to better access of rights and entitlements under various government schemes and programmes by local communities.

With this issue, we hope all our budget partners will engage in a concerted way with processes of participatory budgeting including the institutionalization of pre-budget consultations with government officials at the state level. Further, since budgets have a far-reaching implication on people's lives, budget groups can actively use the medium of community radios to inform and educate local citizens on their rights and entitlements.

Happy reading!

The Team at NFI

BUDGET SPEAK!

'PARTICIPATORY BUDGETING IN INDIA-THE PUNE EXPERIMENT'

By: Mr. Naim Keruwala, Janwani, Maharashtra Chamber of Commerce Industries and
Agriculture, Pune

INTRODUCTION:

The World Bank coined the word 'good governance' in 1992 and embedded it in a discourse of political accountability that emphasised efficiency and effectiveness in how countries, states and cities are governed. Since then, a number of researchers have studied what constitutes good governance, and one of the most crucial concepts that have emerged from these studies is the importance of an aware and engaged citizenry. Civic engagement is one of the most important tenants of good governance.

The two countries that initially introduced civic engagement in the process of governance were Brazil and Ghana. Ghana introduced the concept of civic engagement in its constitution and implemented it through its legislature; whereas Brazil used its evolving social and political strengths to embed a culture of civic engagement. Porto Alegre in Brazil introduced the world to the concept of Participatory Budgeting in 1989. Participatory Budgeting in Porto Alegre was a part of various innovative, reformist programmes undertaken by the local administration to reduce socio-economic inequalities in Brazilian society. The statistics show that the local government of Porto Alegre spends about \$ 200 million per year on construction and services through its annual participatory budgeting exercise. Around 50,000 residents of the city out of 1.5 million total population take part in the process of participatory budgeting, which is indeed, a sign of remarkable success.

CONCEPTUAL FRAMEWORK:

Participatory Budgeting is a democratic process of deliberation by citizens, civic officials and elected representatives on the issues that need attention and collectively arriving at decisions that would directly be included in the budget of the government. This process helps citizens to voice their opinions and decide on how to allocate part of a municipal or public budget for betterment of their neighbourhoods. Participatory budgeting empowers the citizens to present their demands and priorities for improvement, and influence through discussions and negotiations the budget allocations made by their municipalities. It is an opportunity in which the common citizens can decide about the allocation and distribution of public expenditure in their areas or regions.

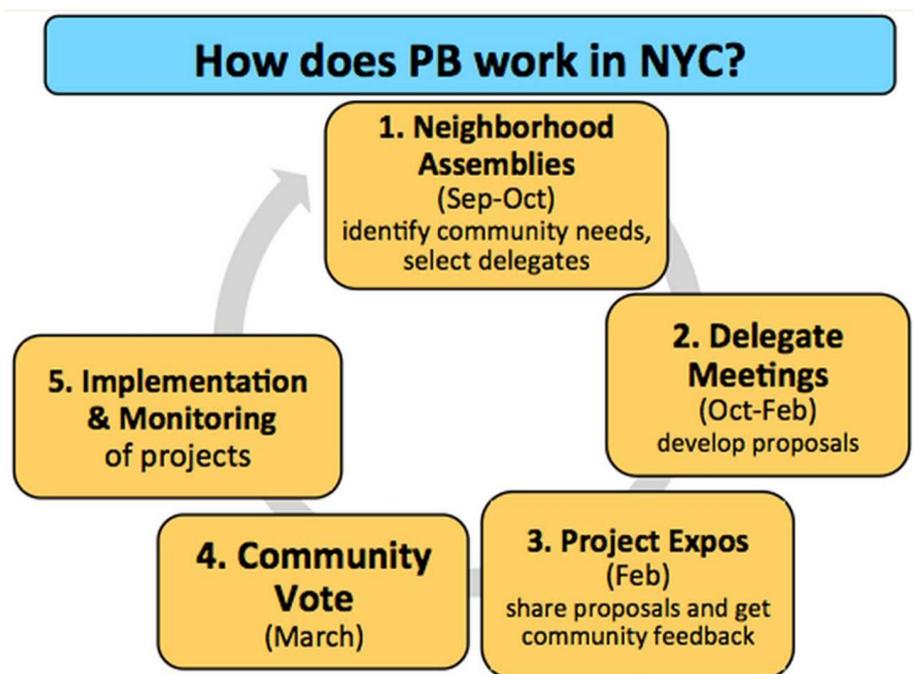
The New York City Participatory Budgeting website defines Participatory Budgeting as:

“Participatory Budgeting lets the whole community participate in decision-making. It’s a yearlong process of public meetings, to make sure that people have the time and resources to make wise decisions. Community members discuss local needs and develop proposals to meet these needs. Through a public vote, residents then decide which proposals to fund.”

According to Cabannes (2004) over 250 cities are currently implementing participatory budgeting methods. The majority of these are in Brazil, where it began in Porto Alegre but participatory budgeting initiatives have been taken up in recent years in Peru, Ecuador, Colombia and other Latin American countries as well as in New York and some European cities.

PROCESS OF PARTICIPATORY BUDGETING IN NEW YORK CITY:

Through participatory budgeting, residents of eight Council Districts in New York City directly decide how to spend at least \$10 million of public money on civic amenities and services. From September 2012 to April 2013, community members exchange ideas, work together to turn those ideas into project proposals, and vote to decide which proposals should get funded.



THE INDIAN EXPERIENCE:

It has been over 24 years since the concept of Participatory Budgeting first originated but its appeal in India has been limited. Only a few cities in India namely Bangalore, Mysore and Pune have experimented with participatory budgeting. In 2001, Bangalore became the first city in India to implement participatory budgeting due to efforts by a local NGO, Janaagraha. The campaign resulted in citizens' budget priorities being approved in over 20% of the city's wards but as time passed, the concept lost its ground in the city. In 2006, Pune implemented Participatory Budgeting for the first time in the city and attracted a massive response from the citizens as well as the city-based NGOs –Janwani, NSCC, C.E.E, Nagrik Chetna Manch amongst others.

The 74th Constitutional Amendment and specifically the Model Nagar Raj Bill directs state governments and urban local bodies to form ward committees, comprising of citizens of the locality and preparing the ward-level budgets in consultation with them. But these initiatives have not been implemented, with the result that there were few channels for citizens to participate in local governance.

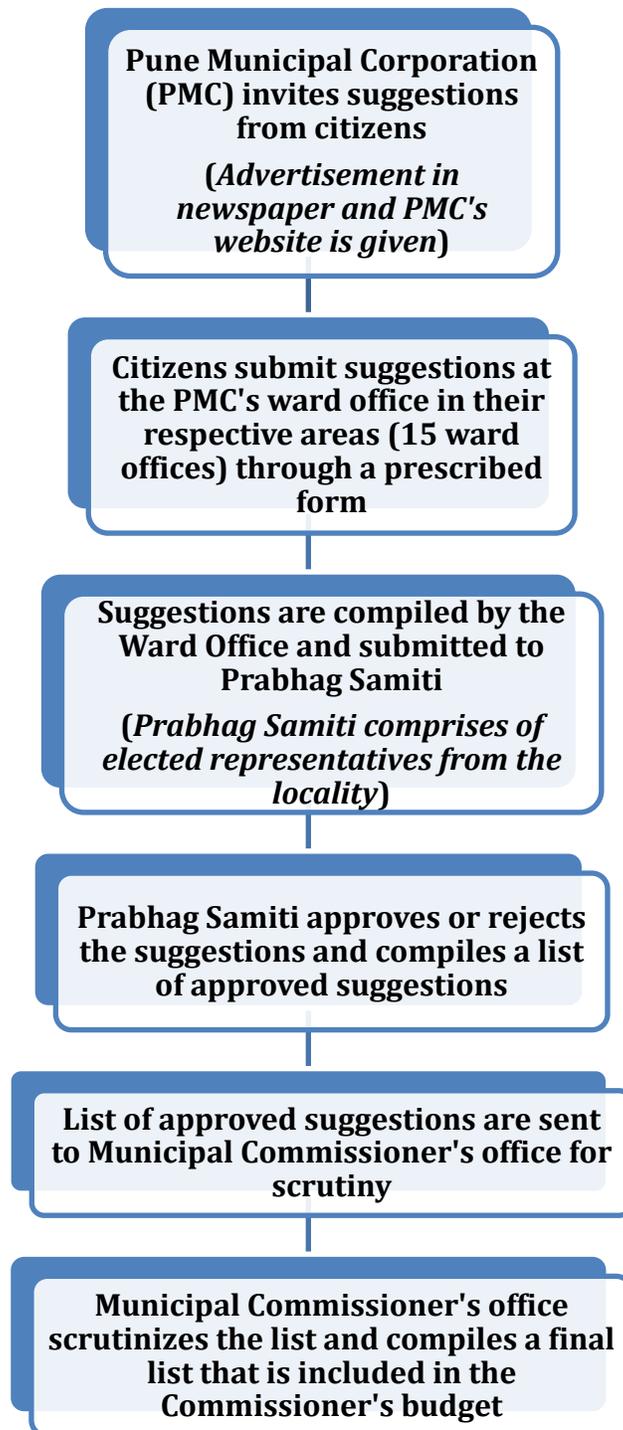
There has been a lot of enthusiasm amongst the civil society organizations but the most basic requirement for successful implementation of Participatory Budgeting is the political will that is lacking in India. Pune has taken some positive steps towards this direction and it has gained its due attention within the administrative and executive circles but nationally; Participatory Budgeting remains an alien concept to most cities.

PUNE'S EXPERIENCES WITH PARTICIPATORY BUDGETING:

Participatory budgeting was initiated in Pune in the year 2006 under the leadership of Dr. Nitin Kareer, the then commissioner of Pune Municipal Corporation. Currently under participatory budgeting in Pune, each prabhag (comprising of two electoral wards) is allocated a budget of 50 lacs with the maximum limit of a single project not exceeding Rs. 5 lacs. Each prabhag can implement any number of projects but the total amount cannot exceed Rs. 50 lacs and cost of each of the project cannot exceed Rs. 5 lacs. A total of 38 crores was allocated for 76 prabhags towards participatory budgeting.

It is to be noted that New York City's annual budget is approximately \$ 50 billion and the allocation towards participatory budgeting is \$ 10 million; whereas Pune Municipal Corporation's annual budget is Rs 4,167.5 crore and the allocation towards participatory budgeting is 38 crores, a much higher proportion than New York City. Even though New York City allocates a much lesser share of its budget towards participatory budgeting, the proportion of participation by the citizens is much higher than Pune and knowledge management on the process and results is commendable.

PROCESS OF PARTICIPATORY BUDGETING IN PUNE:



While the initial years saw a lot of enthusiasm among citizens, the participation graph has been declining since the past few years. Participatory budgeting for the year 2012-13 in Pune witnessed only 600 suggestions from the citizens, for a city with a population of over 3.5 million people. With the purpose of engaging citizens in the participatory budgeting process for 2013-14, Janwani, the social wing of Mahratta Chamber of Commerce, Industries & Agriculture, took the initiative to promote and facilitate the process with the support and guidance of Pune Municipal Corporation.

- Janwani conducted 20 training workshops on participatory budgeting for various stakeholder groups at 18 different locations in the city covering over 1,000 residents of the city. Most of these workshops were organized at The Federation of senior citizen's organizations in Maharashtra (FESCOM) and SuPrabhat Mahila Mandal (SPMM) centres across the city.
- An online application for Participatory budgeting was developed with the help of KPIT Cummins, through which citizens could suggest civil works for their locality with a click of the mouse. Over 335 suggestions were received via these online applications.
- A training kit on participatory budgeting was prepared by Janwani in association with Centre for Environment Education (C.E.E) and Mrs. Nilima Kirane (author of '*Jan Je Vanchil*'). The training kit was sent to all the ward officers, senior citizens' organizations, SHG leaders and participating NGOs.
- An appeal letter from Janwani- MCCIA was sent to all the party leaders and Prabhag Samiti presidents requesting their support to the participatory budgeting process and keeping the Prabhag Samiti meetings on participatory budgeting 'open to the public'.

CURRENT SCENARIO:

Post-Janwani's intervention, the participatory budgeting exercise witnessed an increased participation of the citizens of Pune, as indicated by the leap in the receipt of suggestions from a mere 600 in 2012-2013 to an encouraging 3300 this year. Pune Municipal Corporation (PMC) Commissioner's budget showed a significant increase towards participatory budget allocation, from 26.24 crores in 2012-2013 to 36.9 crores in 2013-2014, an increase of a whopping 10.66 crores within a span of one year. The six major items of expenditure are towards roads, electricity, buildings, slum-improvement, water supply and drainage. Allocations towards each of these sectors, without exception, have increased from the previous year.

With an increase in allocation of funds, people have much to look forward to in terms of quality infrastructure and other facilities in the coming year. We are working with the students and professors of Symbiosis School of Economics on ward-wise analysis of participatory budgeting in Pune and preparing a training manual on participatory budgeting that can be used by urban local bodies across India to promote and facilitate participatory budgeting.

SPILL-OVER EFFECTS AND WAY AHEAD:

With the success of the participatory budgeting exercise in Pune, Pimpri-Chinchwad, the fifth-most populated city of Maharashtra, has decided to implement participatory budgeting in the current year. Janwani would be promoting and facilitating the process for Pimpri-Chinchwad Municipal Corporation by partnering with various corporate companies, civil society organizations, self-help groups, citizens' groups and colleges to ensure maximum participation of citizens in the process.

With the proposed training manual on participatory budgeting, Janwani aims at reaching out to most of the ULBs across India; especially Maharashtra and ensure civic engagement in city-level governance that leads to transparency and accountability of urban local bodies.

REFERENCES:

- <http://pbnyc.org/content/about-participatory-budgeting>
- <http://www.participatorybudgeting.org/about-participatory-budgeting/faq/>
- http://www.nyc.gov/html/omb/downloads/pdf/sum5_13.pdf
- <http://dspace.mit.edu/handle/1721.1/40132>
- http://urbanindia.nic.in/programme/lsg/74th_CAA.pdf
- <http://www.unh.edu/democracy/conference2009/pdf/PRIA-CommunityParticipationLaw.pdf>
- Participatory Budgeting in New York City: www.pbnyc.org

BUDGET RESOURCES

❖ COMMUNITY RADIO PROGRAMMES IN INDIA:

ANDHRA PRADESH:

1. <http://edaa.in/bolhyderabad/>
2. <http://edaa.in/sanghamradio/>
3. <http://edaa.in/srivenkateswara/>

CHHATTISGARH:

1. <http://edaa.in/bolhyderabad/>
2. <http://edaa.in/sanghamradio/>
3. <http://edaa.in/srivenkateswara/>

KERALA:

1. <http://edaa.in/benziger/>
2. <http://edaa.in/dccr/>
3. <http://edaa.in/macfast/>
4. <http://edaa.in/radiomattoli/>

RAJASTHAN:

1. <http://edaa.in/banasthali/>
2. <http://edaa.in/alwarkiawaaz/>
3. <http://edaa.in/KAMALVANI/>
4. <http://edaa.in/radiojaipur/>
5. <http://edaa.in/radioeminent/>
6. <http://edaa.in/radiomadhuban/>
7. <http://edaa.in/tiloniaradiofm/>

ORISSA:

1. <http://edaa.in/radionamaskar/>
2. <http://edaa.in/radiosanskar/>
3. <http://edaa.in/soacommunity/>

GUJRAT:

1. <http://edaa.in/guruvani/>
2. <http://edaa.in/radioujjas/>
3. <http://edaa.in/rudino/>
4. <http://edaa.in/vallabhvidyanagar/>

MAHARASHTRA:

1. <http://edaa.in/dnyanvani/>
2. <http://edaa.in/jagomumbai/>
3. <http://edaa.in/greenfm/>
4. <http://edaa.in/krishivahini/>
5. <http://edaa.in/kvkparvara/>
6. <http://edaa.in/shivajiyadav49/>
7. <http://edaa.in/radiomust/>
8. <http://edaa.in/radionagarawajumcha/>
9. <http://edaa.in/snehalaya/>
10. <http://edaa.in/swaranantcrs/>
11. <http://edaa.in/vasundhara/>
12. <http://edaa.in/vidyavanicr/>

TAMIL NADU:

1. <http://edaa.in/holyradio/>
2. <http://edaa.in/ilanthalircommunityradio/>
3. <http://edaa.in/kalanjiamsumuga/>
4. <http://edaa.in/kalpakkam/>
5. <http://edaa.in/kongucr/>
6. <http://edaa.in/ksrcr904/>
7. <http://edaa.in/loyolacr/>
8. <http://edaa.in/mopcr/>
9. <http://edaa.in/muthucharamcr/>
10. <http://edaa.in/pardvanoli/>
11. <http://edaa.in/peace/>
12. <http://edaa.in/periyacr/>
13. <http://edaa.in/pgpradio/>
14. <http://edaa.in/Shyamalavanimadurai/>
15. <http://edaa.in/sivanthiccommunityradio/>
16. <http://edaa.in/SSMCR/>

HARYANA:

1. <http://edaa.in/Alfaz/>
2. <http://edaa.in/ccsharyana/>
3. <http://edaa.in/gurgaonkiawaaz/>
4. <http://edaa.in/JGRadio/>
5. <http://edaa.in/ramanav/>
6. <http://edaa.in/radiomewat/>
7. <http://edaa.in/chaudharydevilal/>

MADHYA PRADESH:

1. <http://edaa.in/chanderikiawwaz/>
2. <http://edaa.in/kisanvani/>
3. <http://edaa.in/Azadhind/>
4. <http://edaa.in/radiobundelkhand/>
5. <http://edaa.in/RadioChicholi/>
6. <http://edaa.in/radiodhadkan/>
7. <http://edaa.in/radiopopcorn/>
8. <http://edaa.in/vanyasamudayik/>