
UNIT 1 PARTICIPATORY DEVELOPMENT – AN OVERVIEW

Structure

- 1.1 Introduction
- 1.2 Participatory Development: Concept and Meaning
- 1.3 Promoting Participatory Development
- 1.4 Indicators of Participation
- 1.5 Relevant Terms Explained
- 1.6 Let Us Sum Up
- 1.7 References
- 1.8 Check Your Progress – Possible Answers

1.1 INTRODUCTION

Participatory development is one of the most important approaches for realizing self-reliant, sustainable development and social justice. In the so-called top-down approach to development, the entire process of formulating and implementing policies is carried out under the direction of developing country governments and the people tend to be put in a passive position. The social strata that receive the benefits of development have their position as beneficiaries reinforced by this system for promoting development, leaving unsolved deep-rooted problems of poverty and disparities between urban and rural areas. This, in turn, jeopardizes the success and sustainability of development projects. Participatory development arose from consciousness of these inadequacies. Specifically, participatory development is an attempt to compensate for or overcome the limitations of the top-down development approach by adopting a bottom-up development approach. The latter approach involves taking the needs and opinions of local residents into account as much as possible in the formulation and implementation of development project policy. It is an approach that enables people to acquire the skills needed to implement and coordinate the management of development projects themselves and thus reap more of development's returns.

Therefore, in this Unit we attempt to present you the concept, meaning, principles, approaches, typology of participation, measurement and indicators of participation, which will be useful to you to understand the approaches and strategies to promote participatory development.

After studying this unit, you should be able to:

- explain the concept and meaning of participatory development;
- describe the principles and approaches to participation;
- appreciate the typology of participation, measurement and indicators of participation; and
- explain the approaches and strategies for promoting participatory development.

1.2 PARTICIPATORY DEVELOPMENT: CONCEPT AND MEANING

There are many paths to development. Different paths to development, nevertheless, converge in an assumption that improvement in living conditions are not brought about from above by some outside agency but by the people themselves taking an active part in their development. It is, therefore, generally agreed that if progress is to be achieved, it cannot be imposed from outside and must be based on small locally based and sustainable initiatives. To effectively address issues of sustainability and equity, people centred and people controlled development is evolving as an alternative approach. The focus of current development efforts is, thus, heavily tilted in favour of building institutional capacity through participation and local self-reliance leading to empowerment. The notion of 'people's participation' is now widely recognized as a basic operational principle of development programmes and projects. Participation has come to be recognized as an absolute imperative for development. Some even argue that development, in fact, *is* participation. There is nothing more basic to the development process than participation. Over the last ten years, participation by the people has become a buzzword in the development community.

The failure of past development efforts was largely attributed to the lack of people's participation. Development was carried out for the people, but not by them. The existing planning procedures for the project are not based on the understanding of the critical ingredients of participation; namely participation in decision making, participation in implementation, participation in benefit sharing and participation in evaluation. In response, the emphasis shifted to local development efforts and involvement of the people in development activities. These conventional strategies have seen development primarily as a series of technical transfers aimed at boosting production and generating wealth. The basic fault in the conventional approach is that the poor are rarely consulted in development planning and usually have no active role in development activities. This is because the vast majority of the poor have no organizational structure to represent their interests. Isolated, undereducated and often dependent on elites, they lack the means to win greater access to resources and markets, and to prevent the imposition of unworkable programmes or technologies. The lesson is clear: unless the poor are given the means to participate fully in development, they will continue to be excluded from its benefits. This realization is provoking new interest in an alternative development strategy, that of people's participation through organizations controlled and financed by the poor.

In the traditional approach to development it is well known that the administrators of development projects and the beneficiaries do not sit on the same side of the table. In fact they sit at different levels, the former being always at a higher level. What follows, therefore, is quite inevitable. Each looks at each other with suspicion. Community participation is non-existent. At times the people of a given area are not even informed of project implementation in their area. At other times, after plans are made, the community is informed through formal meetings where the officers justify their plans, but modification is not considered. Projects tend to be identified and designed by donors in consultation with central government officials, and the budgets and timetables are planned in a rigid way

which makes it difficult for the community to play a significant role. The emphasis upon the achievement of physical outputs within a limited period of time and with close supervision and accountability are added difficulties.

1.2.1 Defining and Interpreting Participation

Since the late 1970s there has been a range of interpretations of the meaning of participation in development. The following are a number of examples: 'With regard to rural development . . . participation includes people's involvement in decision-making processes, in implementing programmes, their sharing in the benefits of development programmes and their involvement in efforts to evaluate such programmes.' (Cohen and Uphoff, 1977) Participation is also considered a voluntary contribution by the people in one or another of the public programmes supposed to contribute to national development, but the people are not expected to take part in shaping the programme or criticizing its contents (Economic Commission for Latin America, 1973). Participation includes people's involvement in decision-making processes, in implementing programmes, their sharing in benefits of developmental programmes and their involvement in efforts to evaluate such programmes (Cohen and Uphoff, 1977). According to the Asian Development Bank, "Participatory development may be defined as a process through which stakeholders can influence and share control over development initiatives, and over the decisions and resources that affect themselves".

What gives real meaning to popular participation is the collective effort by the people concerned to pool their efforts and whatever other resources they decide to pool together, to attain objectives they set for themselves. In this regard participation is viewed as an active process in which the participants take initiatives and actions that is stimulated by their own thinking and deliberations over which they exert effective control. The idea of passive participation which only involves the people in actions that have been thought out or designed by others and controlled by others is unacceptable. Community participation is an active process by which beneficiary or client groups influence the direction and execution of a development project with a view to enhancing their well-being in terms of income, personal group, self-reliance or other values they cherish (Paul, 1987).

The development literature is overburdened with the definitions of the term participation. 'Participation' has been used in different ideological contexts and has been given a variety of more specific meanings in development literature and among development organizations, planners and managers. There is no one comprehensive definition that describes how participation works in development. The definition depends on the objectives of the development organization and their capacity to implement participatory approaches. Each development organization has to define for itself, what exactly they mean by 'participation' (SEGA: FAO, 2001). Participation is most often taken to mean involvement by 'common' people (i.e., by non-professionals) in various types and stages of development work. Frequently, these people are intended beneficiaries of the work that is undertaken. When that is the case, one commonly refers to the involvement as people's participation. But 'participation' may also denote involvement by a range of other stakeholders with different interests and abilities. Most fundamentally, as stated by Keough (1998), participatory development should be considered as 'at heart a philosophy', embedding the belief that 'it is the right way to conduct oneself with other human beings (1998:194).

According to the UNDP (1993:21) ‘participation means that people are closely involved in the economic, social, cultural and political processes that affect their lives’. This appears to be one of the simplest definitions of participation since it implies that people participate only in those economic, social, cultural and political processes that have the potential to bring about favourable changes in their lives. This definition comes very close to the notion of Johnston and Clark (1982:171) who have strongly warned against regarding participation as a ‘free good, desirable in unlimited quantities.’ Participation, according to them, “has a large cost for the poor and they will invest their participation when they believe it will secure them valuable benefits not otherwise available at comparable cost, time and risk”(ibid. :172).

A participatory approach aims to support local people to carry out their own development using the expertise of outsiders to help them achieve their development goals. While local women and men are the experts on local constraints and opportunities, they do not know everything. Small farmers, for example, are usually disadvantaged in their lack of knowledge about the options that development programmes can offer, including improved methods and technologies, and may not receive information about markets, inputs and new government policies. Therefore, while development agencies need greater access to local knowledge in order to play a more effective role, farmers need increased access to information about the wider context in which they live in order to make informed decisions about their development (SEGA, FAO 2001).

Quite often there is a tendency to link participation with some development project as if outside project there is no scope for participation. This type of approach to participation is easily discernible from Paul’s interpretation who says, “participation is an active process by which beneficiaries influence the direction and execution of a development project with a view to enhancing their well-being in terms of income, personal growth, self-reliance or other values they cherish” (1986:2).

There are other scholars who have tried to interpret participation in slightly different ways by placing more emphasis on the process rather than the contents and outcome of the participation. In this regard special reference may be made of Fraser (1993:190) who makes a distinction between participation that is spontaneous or bottom-up with the participation that is induced, coerced, or top-down participation. Similarly, the United Nations (1981:8) distinguishes between coerced participation, which it condemns, induced participation, which it regards as second best, and spontaneous or bottom-up participation, which it contends ‘comes closest to the ideal mode of participation, as it reflects voluntary and autonomous action on the part of the people to organize and deal with their problems unaided by governments or other external agencies.’ Further, Midgley (1986) also makes a similar distinction between ‘authentic’ participation, in which local people democratically control project decision-making, and pseudo-participation, in which projects are carried out according to prior decisions made by outsiders.

1.2.2 Participatory Development and Participation in Development

At this stage, it would not be out of place, if a distinction between participation in development and participatory development were also made. Participation in

development is usually said to mean the full involvement of people in the development which affect their lives, regardless of gender, race, age, class, sexual orientation or disability. Participatory development essentially means conventional project practice in a more participatory and sensitive manner. Wignaraja (1991:202) has observed that, “participatory development is essentially top-down participation while participation in development is bottom-up participation”. The distinction between participatory development and participation-in-development is central to understanding of practice of participation. Table 1 provides as comparative analysis of the two concepts. According to FAO (1997), participation in development is a process of equitable and active involvement of all stakeholders in the formulation of development policies and strategies and in the analysis, planning, implementation, monitoring and evaluation of development activities.

Table 1.1: Comparative Analysis: Participatory Development vs. Participation – in – Development

Participatory Development	Participation in Development
It means conventional project practice in a more participatory and sensitive manner.	It entails genuine efforts to engage in practices which openly and radically encourage people’s participation.
It is introduced within the predetermined project framework.	It stems from the understanding that poverty is caused by structural factors. It attempts to alter some of these causes which lead to poverty.
It is top-down participation in the sense that the management of the project defines where, when and how much the people can participate.	It is bottom up participation in the sense that the local people have full control over the processes and the project provides for necessary flexibility.
It is the more prevalent practice. It is more dominant in terms of resources available.	It is more prevalent with NGOs than with the governments. Such cases are still a few but increasing in influence.

Source: Oakley et al. (1981)

1.2.3 Participatory Development: Principles and Approaches

Participatory development is essential for at least two reasons:

- it strengthens civil society and the economy by empowering groups, communities and organizations to negotiate with institutions and bureaucracies, thus influencing public policy and providing a check on the power of government; and,
- it enhances the efficiency, effectiveness and sustainability of development programmes.

Participatory development, or what is sometimes referred to as popular participation, may be defined as a process by which people take an active and influential hand in shaping decisions that affect their lives. Popular participation

may involve difficult and long processes but brings many benefits: the contribution of local knowledge to; an increased chance of objectives and outputs being relevant to perceived needs; greater efficiency and honesty of officials and contractors because they are under public scrutiny; “ownership” of the activity by community-based organizations. Through empowerment, participation can also lead to changes in knowledge, skills and the distribution of power across individuals and communities thus improving social equity.

“**Empowerment**” is essential to participatory development. Empowerment is enhanced when the organizations in which people participate are based on a democratic approach, strengthening the capacity of members to initiate action on their own or negotiate with more powerful actors. It thus builds up the capacity of people to generate and influence development at various levels, increasing their access to and influence over resources and institutions, including by groups hitherto marginalized such as low-income populations and particularly women.

Participatory development is not ‘blue-print’ development but it is a strategy which constructs its approach in relation to the demands of the project context. In this respect, some basic principles will help to determine what this approach should be. In the practice of participatory development to date, the following are the kinds of key principles which have been seen to be more important (UNDP, 1998).

The primacy of people: whatever the purpose or ultimate goal of the project, people’s interests, their needs and their wishes must be allowed to underpin the key decisions and actions relating to the project. It is not a question of including people as and when it is felt by project management to be convenient; people must sit centre-stage and their interests taken into consideration during the whole course of the project.

People’s knowledge and skills must be seen as a potentially positive contribution to the project: a project which does not seek to make use of local knowledge and skills may not only be less effective but will also be squandering a useful resource. A participatory project should seek every possibility to base its activities upon local resources, both to avoid situations of dependence on external ones and also to help develop local capabilities, which will be important if the development is to be sustained. Participation is to do with developing people’s capacities and this can best be achieved by building on and strengthening their existing knowledge and expertise.

People’s Participation must empower women: participatory development should seek to improve gender inequalities through providing a means by which women can take part in decision making. Women’s participation must be transformative, not be merely tokenistic; while there are often enormous social and cultural barriers which hinder women’s participation, participatory development should seek to bring about change and to create the circumstances where women’s voices can also be heard. This is a sensitive and critical issue, but efforts to involve women in an appropriate manner must be central.

Autonomy as opposed to control: as far as it is realistic to do so, seek to invest as much responsibility as possible for the project with the local people, and thus avoid having absolute control in the hands of project staff. Such a principle is

not always realistic and it should not be pushed too far in such circumstances; but there must be a discernible move to minimize the control of project staff and to maximize the potential responsibility of local people.

Local actions as opposed to local responses: encouraging local people to make decisions and to take action within the broad parameters of the project, as opposed to merely responding passively to initiatives proposed by others. The more that these kinds of local initiatives can be encouraged, the more a sense of ownership will develop among local people; but the major obstacle may see project staff who are unwilling or unable to promote local ownership of project activities and outcomes.

Allow for some spontaneity in project direction: promoting people's participation will mean that, as far as it is reasonably possible, the project should be allowed to develop in accordance with the abilities of local people to play an increasing role and to begin to assume some responsibility. Unless the project is able to plan for and to accommodate people's participation, it will remain a straight jacket and may push on to predetermined objectives regardless of whether local people are on board or not. Participatory projects do often take longer but, if they are truly participatory, the outcome is more positive and sustainable.

After reading this section, you would have gained some idea about participatory development. Now you should be able to answer the questions given in *Check Your Progress 1*.

Check Your Progress 1

Note: a) Write your answer in the space given below.

b) Compare your answer with those given at the end of the unit.

- 1) What is the difference between participatory development and participation in development?

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- 2) Why is participatory development essential?

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1.3 PROMOTING PARTICIPATORY DEVELOPMENT

In promoting participatory development it is important to consider and decide how this is to be done. It is not enough simply to declare a commitment to participation. A strategy must be devised which should purposefully guide the promotion of participation within the project. A major reason why people's participation is not consistent or effective in many projects is because time and resources have not been given to thinking through how it is to be promoted. Clearly a project cannot afford to spend an excessive amount of time on this promotion; hence the importance of devising a strategy and of promoting people's participation in accordance with the expectations of the project. Project management must be able to take a long term view of the expected development of the project and be prepared to promote the form of participation which would be most appropriate. We can structure this examination of a strategy for participation around four key aspects; the initial questions, the basic principles in promoting participation, participation as a sequence of actions and the key stages in a participatory strategy (UNDP1998).

Asking the Initial Questions

- a) What might be the reaction of national and local authorities to efforts to promote participatory development? National and local political systems do have an effect upon the political climate at the local level and it can not be assumed that efforts to increase people's say in and responsibility for local development processes will be looked upon with approval. It will be critical to assess the potential for a participatory form of development within the context of the national political climate in order to avoid any major dysfunctions or adverse reactions once the project has got underway.
- b) What are the social, political, and cultural factors within the area or region in which the project is to be developed, which could influence people's participation? This question is fundamental to understanding the likely reaction to a participatory project and will inform project management of the kinds of obstacles which the project might encounter. It should also reveal those factors which could facilitate local people's participation.
- c) What local traditional practices or organisations could play an effective role in promoting participation? The answer to this question will be fundamental in designing the methodology of the project and it has been shown that, where participatory projects can be built upon existing patterns or structures of participation, they can be more effective. Participatory development projects are introduced into areas and regions where traditional forms of community co-operation and support will already exist and such projects should seek to adopt their ideas to these existing mechanisms and not invent entirely new structures.
- d) What would be the likely reaction of local people to efforts to get them more involved in, to make a contribution towards and to assume some responsibility for the proposed development project? In order to answer this question, it may be necessary to find out what other development initiatives have taken place in the area in the past decade or so and what consequences they had for

the local population. Participation demands time, energy and resources on the part of local people and it would be useful to assess what demands the project might make upon them and what the likely response would be.

- e) What resources, skills and time does the project have to promote participation? A careful and realistic assessment of the project's own potential to promote participation is a prerequisite to the design of an appropriate strategy. There is no point in being overly ambitious if the skills and resources are not available! It is a difficult task to match the resources available with the nature of the participation which can be promoted. The promotion of participation does demand resources and these will have to be assessed carefully before the project begins.

1.3.1 Participation: Means Vs. End

Participation is an objective as well as means when social development is the ultimate goal of any aid activity. In other projects, with economic or sector goals, enhanced participation may be seen as a means to achieving other objectives. In all cases the project framework should make this clear. As regards the rationale for participatory development, it is mostly agreed by many scholars that it can be both utilitarian (instrumental) and moral (final). This dual rationale for participatory development, in fact, lends lot of support to the generally held view that participation is both a means and an end in itself. Tab11.1 provides a comparative analysis of these concepts.

Table 1.2: Comparative Analysis: Participation as Means vs. End

Participation as Means	Participation as End
It implies use of participation to achieve some predetermined goal or objective.	Participation as an end attempts to empower people to participate in their own development more meaningfully.
It is an attempt to utilise the existing resources in order to achieve the objective of programmes/project.	The attempt is to ensure increased role of people in development initiative.
The stress is on achieving the objective and not so much on the act of participation itself.	The focus is on improving the ability of the people to participate rather than just achieving the predetermined objectives of the project.
It is more common in the government programmes etc. where the main concern is to mobilise the community and involve them in improving the efficiency of the delivery system.	This view hardly finds favour with the government agencies. NGOs in principle agree for this viewpoint.
Participation is generally short term.	Participation as an end is viewed as a long-term process.
Participation as a means therefore, appears to be a passive form of participation	Participation as an end is relatively more active and dynamic.

Source: Oakley et al. (1981)

1.3.2 The Argument For and Against of Participation

There are arguments for and against the promotion of greater people's participation. These arguments are less concerned with societal level participation in democratic and representative institutions, but more with people's participation in development activities. There has been a consensus on usefulness of participation in development projects. The major advantages of participation as enumerated by Oakley et al. (1991), and others are:

Participation as Contribution: In a different ways, contribution of the local people is solicited. People's participation is construed as people's contribution to the project. Their contribution can vary from voluntary to even forced. Most of the projects on health, education, water supply, etc. emphasize on people's contribution in form of labour material or other resources.

Participation as Empowerment: Participation is being increasingly viewed as the process of empowering the local people. The focus is on transfer of power-change in the power structure. This is based on the recognition of the relationship between the state and people. Thus participation becomes a process of empowering the people so that they gain more control over their own resources and lives.

Participation, however, doesn't always lead to empowerment. It takes a supportive environment in which to nurture people's aspirations and skills for empowerment to ultimately occur. Some means of achieving this are:

- Don't underestimate people. Give them tools to manage complexity; don't, shield them from it;
- Divide the issues into bite-sized chunks
- Start with people's own concerns and the issues relevant to them
- Don't superimpose your own ideas and solutions at the outset;
- Help people widen their perceptions of the choices available and to clarify the implications of each option;
- Build in visible early successes to develop the confidence of participants; "Staircase" skills, trust and commitment to the process: offer a progressive range of levels of involvement and help people to move up the ladder;
- Direct empowerment training for participants may not be appreciated - it may be better to develop skills more organically as part of the process;
- If at all possible, avoid going for a comprehensive irreversible solution. Set up an iterative learning process, with small, quick, reversible pilots and experiments;
- Continuously review and widen membership. As new interests groups are discovered how will they be integrated into the process?
- Help people to build their understanding of complex and remote decision processes which are outside the delegated powers of the participation process but which are affecting the outcomes.
- Nurture new networks and alliances;
- Plans must be meaningful and lead to action;

- Manage the link between the private ability of the various interest groups to deliver on their commitments and the public accountability and control of the implementation;
- Build in opportunities for reflection and appraisal; *and*
- Make sure people are having fun!

The FAO (1997) has argued that for governments and development agencies, people's participation through small groups offers distinct advantages which, among others, include:

Economies of scale: The high cost of providing development services to scattered, small scale producers is a major constraint on poverty-oriented programmes. Participatory groups constitute a grassroots "receiving system" that allows development agencies to reduce the unit delivery or transaction costs of their services, thus broadening their impact.

Higher productivity: Given access to resources and a guarantee that they will share fully in the benefits of their efforts, the poor become more receptive to new technologies and services, and achieve higher levels of production and income. This helps to build net cash surpluses that strengthen the groups' economic base and contribute to rural capital formation.

Reduced costs and increased efficiency: The poor's contribution to project planning and implementation represent savings that reduce project costs. The poor also contribute their knowledge of local conditions, facilitating the diagnosis of environmental, social and institutional constraints, as well as the search for solutions.

Participation can ensure effective utilization of available resources: The people and other agents work in tandem towards achieving their objectives. The local people take responsibility of various activities. All these improve the efficiency and make the project more cost-effective.

The major allegation against this, however, is that the government and other agencies in the name of people's participation may assign fewer resources and transfer the burden of project costs onto the local people.

Building of democratic organizations: The limited size and informality of small groups is suited to the poor's scarce organizational experience and low literacy levels. Moreover, the small group environment is ideal for the diffusion of collective decision-making and leadership skills, which can be used in the subsequent development of inter-group federations.

Sustainability: Participatory development leads to increased self-reliance among the poor and the establishment of a network of self-sustaining rural organizations. This carries important benefits: the greater efficiency of development services stimulates economic growth in rural areas and broadens domestic markets, thus favouring balanced national development; politically, participatory approaches provide opportunities for the poor to contribute constructively to development.

The pivotal role of people's participation in development is now re-emerging in economic and social development thinking. The strategy for sustainable development includes a "people-centered" approach that will improve the poor's

access to productive assets, allow them to participate in designing and implementing development programmes, and foster their involvement in institutions from village to national level (FAO, 1997).

Effectiveness

Lack of people's involvement has been seen as one of the major causes of failure of most projects. People's participation can make the projects more effective by providing them say in deciding the objectives, strategy and participating in implementation there by ensuring effective utilisation of the local resources.

Self-reliance

A major criticism of many development interventions has been that they create a kind of dependence syndrome. However, if the local resources – both human and material are utilised, the realisation grows that many problems have local solutions. With active involvement of the local people, it is not only possible to break the mentality of dependence but also increase the local people awareness, confidence and control. In fact, the involvement in decision making, implementation and monitoring develops human resource, which can enable them to participate at other levels.

Coverage

Despite professed target groups and attempts to cover the weaker sections, most projects have been found lacking in this aspect. The benefits are cornered off by the elite and powerful. People's participation can be a potent way of ensuring the benefits to the target group. Further, the cost effective operations can ensure that resources are available for wider coverage.

Sustainability

Most of the externally assisted projects fail to sustain the level of activity once support or inputs are diminished or withdrawn. People's participation is regarded as an essential pre-requisite for continuity of the activities. The involvement of local people and utilisation of local resource becomes essential for sustainability.

However, the litmus test is whether people's participation brings them tangible benefits or it is just a ploy to get people's contribution or unfairly burden them. They can be summarised as follows:

Arguments against Participation:

- Participation costs time and money; it is essentially a process with no guaranteed impact upon the end product. Participation can greatly add to the costs of a development activity and therefore its benefits have to be carefully calculated;
- Processes of participation are irrelevant and a luxury in situations of poverty and it will be hard to justify expenditure on such a process where people need to be fed and their livelihoods secured;
- Participation can be a destabilising force in that it can unbalance existing socio-political relationships and threaten the continuity of development work;
- Participation is driven by 'ideological fervour' and is less concerned with seeking to secure direct benefits for people from development activities than with promoting an ideological perspective into development; and

- Participation can result in the shifting of the burden onto the poor and the relinquishing by national governments of their responsibilities to promote development with equity.
- Certain costs are associated with people's participation. Oakely *et al.* (1991) has identified the major arguments against people's participation as follows:
- Delayed start and initial slow progress in terms of achievement of physical as well as financial targets.
- Increased resource requirement in terms of material as well human to support participation.
- Process taking its own course and not moving in the expected lines.
- Relinquishing power and control is not easy.
- Increased expectation due to the involvement of the local people.

Hence, many projects just prefer to involve people only in the implementation stage to avoid problems. In most projects participation is more illusory than real. Therefore, participation remains rhetoric than a practical reality. This is despite a general realisation that participation has to be an essential ingredient in development projects.

1.3.3 Obstacles to People's Participation

People participation takes place in a socio-political context. A host of factors have been identified as obstacles to participation. Oakley *et al.* (1991) has listed the three major obstacles to people's participation namely structural obstacles, administrative obstacles and social obstacles. Structural obstacles comprise of those factors which form the part of the centralised political systems and are not oriented towards people's participation. The other set comprises of administrative obstacles. The administrative structures are control oriented and hardly provide any significant space to local people to make their own decisions, control their resources etc. Finally the social obstacles which include mentality of dependence, domination of the local elite, gender inequality etc are quite crucial to people's participation.

Most of participatory development fails to take into account the larger obstacles and hence the impact such projects is hardly sustainable and pervasive.

1.3.4 Participation and Empowerment

Participation is a qualitative process leading to qualitative change in the form of empowerment. But can we measure the qualitative change? Essentially the question that we have to ask is whether the outcome of participation in development can be evaluated and characterized as 'successful' or 'unsuccessful'? Uphoff (1980) has very correctly observed that, "empowerment is a key aspect of participation, but it is not the whole of participation. For Freire(1973), "the supreme touchstone of development is whether people who were previously treated as mere objects, known and acted upon, can now actively know and act upon, thereby becoming subjects of their own social destiny. When people are oppressed or reduced to the culture of silence, they do not participate in their own humanization. Conversely, when they participate, thereby, becoming active subjects of knowledge and action, they begin to construct their properly human history and engage in progress of authentic development".

Oakley and Marsden (1984:86) have identified three levels of participation leading to empowerment. The first level they call as 'manipulatory' or 'therapeutic', and place mass mobilisations campaigns (for example literacy campaign in India) in this category. At the second level they say only 'token' forms of participation with the extension of information, consultation and collaboration of one sort or another (like beneficiary oriented rural development projects). At the upper levels is partnerships, delegated power and citizen control, which are, regarded as "real" forms of participation.

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In the UNDP's Human Development Report (1993:21), it has been very categorically mentioned that, "since participation requires increased influence and control, it also demands increased empowerment. Any proposal to increase participation must therefore pass the *empowerment test* — does it increase or decrease people's power to control their lives"? Almost similar view echoes in the opinion expressed by Oakley and Marsden (1984), "participation as end is the inexorable consequence of the process of empowering and liberation. The state of activating power and of meaningfully participating in the development process is in fact the objective of the exercise". Giving a new term as 'knowledge empowerment' which participation brings about, Kronenburg (1986) also links participation with empowerment when he says, "with the newly acquired power of knowledge, which has not been given or taken away from somewhere but has been auto-generated, the participants can influence the course of events to liberate themselves from oppressive situations and determine their own destiny".

Successful participation must be concerned with achieving power: that is power to influence the decisions that affect one's life. But can we ignore the strength of Goulet's (1989:175) view that, "limits exist as to how much participation can occur, and as to what goals it can achieve". He even cautions, "in participation gestation times for success are long and unpredictable"(ibid., 176). And he deplores, "participation, is no panacea for development: its dual nature as both goal and means implies unending compromises between the antagonistic requirements of efficiency and equity (ibid, 175).

UNDP in its Human development Report (1993:31) has very aptly noted, "Participation is a process, not an event. What is important is that the impulses for participation be understood and nurtured", since "participation is a plant that does not grow easily in the human environment."

1.3.5 Typology of Participation

Manipulative Participation: Participation is simply pretence, with “people’s” representatives on official boards but who are unelected and have no power.

Passive Participation: People participate by being told what is going to happen or has already happened. It is a unilateral announcement by an administration or project management without listening to people’s responses. The information being shared belongs only to external professionals.

Participation in Information giving: People participate by answering questions posed by extractive researchers using questionnaires surveys or similar approaches. People do not have the opportunity to influence proceedings, as the findings of the research are neither shared nor checked for accuracy.

Participation by Consultation: People participate by being consulted, and external people listen to views. The external professionals define both problems and solutions, and may modify these in the light of people’s responses. Such a consultative process does not concede any share in decision-making, and professionals are under no obligation to take on board people’s views.

Participation for Material Incentives: People participate by providing resources, for example labour, in return for food, cash or other material incentives. Much on farm research falls in this category, as farmers provide the fields but are not involved in the experimentation or the process of learning. It is very common to see this called participation, yet people have no stake in prolonging activities when the incentives end.

Functional Participation: People participate by forming groups to meet predetermined objectives related to the project, which can involve the development or promotion of externally initiated social organisation. Such involvement does not tend to be at early stages of project cycles or planning, but rather after major decisions have been made. These institutions tend to be dependent on external initiators and facilitators, but may become self-dependent.

Interactive Participation: People participate in joint analysis, development of action plans and formation or strengthening of local institutions. Participation is seen as a right, not just the means to achieve project goals.

Self-Mobilisation: People participate by taking initiatives independent of external institutions to change systems. They develop contact with external institutions for resources and technical advice they need, but retain control over how resources are used. Such self-initiated mobilisation and collective action or may not challenge existing inequitable distributions of wealth and power¹.

Adapted from: Socio-cultural Impact (www.socio-culturalimpact.com). “Participatory Learning and Action: A Trainer’s Guide. 1995.

1.3.6 Measuring Participation

Participation is often recognised as being an important element in project design and some projects go so far as to have participation itself as an objective. One should try to measure project effectiveness in terms of the participation of different interest groups in the decision making process. This will include a measure of

the quality of participation as well as its quantity. For example, in the case of a water-supply project, the formation of a village or urban water committee was a prerequisite of the project providing assistance to a village or to an urban area and one of the tasks of the project manager was to examine the effectiveness of these institutions. Questions that had to be answered included:

- Which committees are more effective and why?
- Are the committees representative?
- Is there a trade-off between effectiveness and being representative?
- Who is using the water supply?
- Are any standpipes broken?
- How effective is the village/urban committee at managing the repairs of the standpipes?

In order to measure the institutional health of the village water committees the project manager might use an institutional maturity index. This would consist of a more than just a list of village/urban committees. It would include, for instance, information on each committee's membership, the numbers of meetings it held, their degree of representativeness and whether or not a record of decisions taken by the committee had been kept. This information should allow the bare facts of project progress to be unpacked and the reasons for success and failure understood.

1.4 INDICATORS OF PARTICIPATION

Monitoring and Evaluation (M&E) involves asking a number of broad questions concerning project output, effect and impact. Essentially, we need to know what has happened as a result of the project's activities, when and to what extent. We also need to understand the economic, political and social changes which have occurred and how these are perceived. In order to do this we need to identify and agree the indicators which will be used to describe and to illustrate the results and changes which we are looking for. The use of indicators is a prominent feature of most M and E systems and there is extensive literature on their nature, purpose and how they should be used. In particular, emphasis is placed on the need to ensure that the indicators selected for the M and E of a particular project are:

- valid
- relevant
- specific
- timely
- reliable
- sensitive
- cost-effective

The selection of indicators is a critical issue and the most important thing is to ensure that proposed indicators meet the above criteria. There is little point in selecting indicators which, for example, are over-complex, demand enormous amounts of staff time or appear to be un-related to the objectives of the project. Furthermore, indicators of participation will need to be both quantitative and

qualitative; quantitative indicators to measure the extent and the magnitude and qualitative indicators to describe and to explain the nature and quality of the participation which has occurred. The following is a composite list of possible indicators of a process of participation which is drawn from a range of project level examples:

1.4.1 Quantitative Indicators of Participation

- Improved and more effective service delivery
- Numbers of project level meetings and attendance levels
- Percentages of different groups attending meetings (e.g. women, landless)
Numbers of direct project beneficiaries
- Project input take-up rates
- Numbers of local leaders assuming positions of responsibility
- Numbers of local people who acquire positions in formal organisations
- Numbers of local people who are involved in different stages of project

1.4.2 Qualitative Indicators of Participation

- Organisational growth at the community level
- Growing solidarity and mutual support
- Knowledge of financial status of project
- Concern to be involved in decision-making at different stages
- Increasing ability of project group to propose and undertake actions
- Representation in other government or political bodies with relation to the project
- Emergence of people willing to take on leadership
- Interaction and the building of contacts with other groups and organisations
- People begin to have a say in and to influence local politics and policy formulation

The above are not a model list of indicators of participation; they are far too many and are presented merely as examples of the kinds of indicators which could be used. The two critical issues are (i) to work with the minimum number of indicators which could give a realistic understanding of the evolving process of participation, and (ii) to determine the indicators on the basis of the characteristics and purpose of the project. There are no generic indicators for the M and E of participation. A further question concerns who determines the indicators and how far indicators necessarily have to be external and supposedly objective; there is an increasing awareness that local people should also be involved in determining how their increasing participation could best be monitored and the more appropriate indicators. It should be borne in mind that 'indicators' is a term employed by external development projects and that it may need to be translated in a different way in the local context. Indeed, as we shall see below, there are even suggestions that indicators are not very useful in the M and E of processes like participation and that less structured and more flexible means are needed to evaluate qualitative change. Recent experiments broadly in

the field of social development have begun to monitor qualitative processes such as participation, not on the basis of predetermined indicators, but by using a series of open-ended questions which project participants answer (UNDP, 1998).

1.5 RELEVANT TERMS EXPLAINED

Development: A process of social and economic advancement, in terms of the quality of human life. The term often implies the dominant Western world- view, involving such elements as a belief in progress, the inevitability of material growth, the solution of problems by the application of science and technology, and the assumption of human dominance over nature. Alternative philosophies are suggested by terms such as “sustainable development” or “participatory development.”

Empowerment: The term empowerment has different meanings in different socio-cultural and political contexts. The term empowerment which connotes different meanings includes:

- self-strength,
- control,
- self-power,
- self-reliance,
- own choice,
- life of dignity,

in accordance with one’s values, capable of fighting for one’s rights, independence, own decision making, being free, awakening, and capability - to mention only a few. These definitions are embedded in local value and belief systems. In its broadest sense, empowerment is the expansion of freedom of choice and action. It means increasing one’s authority and control over the resources and decisions that affect one’s life.

Facilitation: A process used to help a group of people or parties have constructive discussions about complex, or potentially controversial issues. The facilitator provides assistance by helping the parties set ground rules for these discussions, promoting effective communication, eliciting creative options, and keeping the group focused and on track.

Indicator: An indicator is a pre-defined variable which helps to identify (in)direct differences in quality and/or quantity within a defined period of time. As a “unit of measure” it allows to judge if an intervention was successful or not. With the aid of indicators, complex problems are simplified and reduced to an observable dimension.

Participation refers to involvement whereby local populations in the creation, content and conduct of a program or policy designed to change their lives. Participation requires recognition and use of local capacities and avoids the imposition of priorities from the outside

Participatory development: An approach to “development” that empowers individuals and communities to define and analyze their own problems, make their own decisions about directions and strategies for action, and lead in those

actions. The approach is contrasted with “top-down” development processes, in which outsiders, with greater socioeconomic and political power, make the key decisions about local resource use and management.

Public participation: A process that consists of a series of activities and actions conducted by a sponsoring agency or other entity to both inform the public and obtain input from them. Public participation affords stakeholders the opportunity to influence decisions that affect their lives. Other terms for public participation include public involvement and public engagement.

Stakeholders are any individual, group or institution, which could be involved in the transfer of knowledge and best practice to improve the urban development process, can be considered a stakeholder.

After reading this section, you would have gained some idea about participatory development. Now you should be able to answer the questions given in *Check Your Progress 2*.

Check Your Progress 2

Note: a) Write your answer in the space given below.

b) Compare your answer with those given at the end of the unit.

1) Give any two arguments against participation.

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2) What do you understand by passive participation?

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3) What are the qualitative indicators of participation?

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1.6 LET US SUM UP

Participatory development is one of the most important approaches for realizing self-reliant, sustainable development and social justice. In the so-called top-down approach to development, the entire process of formulating and implementing policies is carried out under the direction of developing country governments and the people tend to be put in a passive position.

Participatory development leads to increased self-reliance among the poor and the establishment of a network of self-sustaining rural organizations. This carries important benefits: the greater efficiency of development services stimulates economic growth in rural areas and broadens domestic markets, thus favouring balanced national development; politically, participatory approaches provide opportunities for the poor to contribute constructively to development.

The pivotal role of people's participation in development is now re-emerging in economic and social development thinking. The strategy for sustainable development includes a "people-centred" approach that will improve the poor's access to productive assets, allow them to participate in designing and implementing development programmes, and foster their involvement in institutions from village to national level.

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1.8 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress 1

1) Participatory Development	Participation in Development
It means conventional project practice in a more participatory and sensitive manner.	It entails genuine efforts to engage in practices which openly and radically encourage people's participation.
It is introduced within the predetermined project framework.	It stems from the understanding that poverty is caused by structural factors. It attempts to alter some of these causes which lead to poverty.
It is top-down participation in the sense that the management of the project defines where, when and how much the people can participate.	It is bottom up participation in the sense that the local people have full control over the processes and the project provides for necessary flexibility.
It is the more prevalent practice. It is more dominant in terms of resources available.	It is more prevalent with NGOs than with the governments. Such cases are still a few but increasing in influence.

- 2) Participatory development is essential for at least two reasons:
- it strengthens civil society and the economy by empowering groups, communities and organizations to negotiate with institutions and bureaucracies, thus influencing public policy and providing a check on the power of government; and,
 - it enhances the efficiency, effectiveness and sustainability of development programmes.

Check Your Progress 2

- 1) Two arguments against participation are as follows:
- participation costs time and money; it is essentially a process with no guaranteed impact upon the end product. Participation can greatly add to the costs of a development activity and therefore its benefits have to be carefully calculated;
 - processes of participation are irrelevant and a luxury in situations of poverty and it will be hard to justify expenditure on such a process where people need to be fed and their livelihoods secured;
- 2) Passive participation is where people participate by being told what is going to happen or has already happened. It is a unilateral announcement by an administration or project management without listening to people's responses. The information being shared belongs only to external professionals.

3) Qualitative Indicators of Participation are

- Organisational growth at the community level
- Growing solidarity and mutual support
- Knowledge of financial status of project
- Concern to be involved in decision-making at different stages
- Increasing ability of project group to propose and undertake actions
- Representation in other government or political bodies with relation to the project
- Emergence of people willing to take on leadership
- Interaction and the building of contacts with other groups and organisations
- People begin to have a say in and to influence local politics and policy formulation



UNIT 2 CITIZEN PARTICIPATION IN URBAN DEVELOPMENT

Structure

- 2.1 Introduction
- 2.2 The Importance of Citizen Participation
- 2.3 Benefits of Participation
- 2.4 Facilitating Citizen Participation
- 2.5 Stages and Levels of Participation
- 2.6 Emergence and Development of Community Participation in Urban India
- 2.7 India's Community Participation Law: The Model Nagara Raj Bill, 2008
- 2.8 Citizen's Participation Initiatives
- 2.9 Let Us Sum Up
- 2.10 References and Selected Readings
- 2.11 Check Your Progress – Possible Answers

2.1 INTRODUCTION

Citizens' participation can be understood as a forum wherein people can participate in the decision-making process and are involved in local affairs. According to United Nations definition, it is the creation of opportunities to enable all members of a community to actively contribute to and influence the development process and to share equitably the fruits of development. This theory of governance is in certain ways like revisiting the reasons of community like wherein the community participation in fact shows that when people are given the chance to participate in the decision making process, the resulting policies are often the best possible solutions to any local problem.

Community participation when first heralded as the new method of promoting development in the 1960's was seen as a method to promote sustainable and long-term development. Community participation thus may seem like an equitable approach towards governance. Community participation if used rightly can pave the road to development.. It is an empowering tool whereby a community is empowered to decide furtherance of self-reliant community. Empowering people leads to giving them necessary rights, which they can use for their own betterment. It has been seen that an empowered community or group can flourish even when bureaucratic set up of the country fails.

Thus, citizen participation in urban governance in India requires enabling policy environment, trained human resources, modern institutional designs and most importantly, open mind-sets among urban planners and managers who consider citizen participation as a building block of accountable and transparent urban governance.

After reading this unit, you would be able to:

- explain the meaning of citizen participation and its related concepts;

- describe benefits and methods of citizen participation;
- discuss stages and levels of citizen participation;
- explain tools/techniques of citizen participation.

2.2 THE IMPORTANCE OF CITIZEN PARTICIPATION

Citizen participation can be viewed from the perspective of benefits to be gained and costs to be borne. Implicit in this “penchant for getting involved” is the notion of the relationship between self and society.

Citizen’s participation is both an end in itself, and a means to an end. Citizen participation is a long promised but elusive goal, limited by access to information and by an incomplete understanding of as to how government works. Men and women have a right to take part in making decisions that affect their community. This is because it affects their own development and future. In mainstream models of local government, citizens delegate community management and development to politicians and specialists. Direct participation can be seen as an aspect of citizenship, a matter of people having access to information and policymaking processes, as well as to the full range of their society’s decision-making processes.

The purpose of citizen participation is to:

- i) To be heard in a meaningful way, to be treated as if their opinions and information mattered;
- ii) To influence problem definition as well as proposed policies;
- iii) To work with administrators and policy makers to find solutions to public problems;
- iv) To have an equal force in the policy process.

2.2.1 A Means to an End

People’s participation can improve governance by making it more:

- Transparent
- Coherent , accountable
- Effective
- Efficient

Citizen Governance is about responding to people’s needs and demands. Involving the people themselves in identifying these needs and demands, and in designing policies and programmes to meet them, is an excellent way of doing this. Citizens’ participation can be considered as a means of achieving better governance.

2.2.2 Concept of Citizen Governance

Democracies are weak without citizen governance. Citizen governance is value based and thus must be construed within civil society organisations and leaders should examine their own political context and vision for change. The concept of citizen governance is young and to sustain it government at all levels needs to

learn to work in different ways within a new culture. This will require the removal of walls that have divided the bureaucracies of the government and the citizens. Civic engagement is defined as active participation and collaboration among individuals, government and the private sector to influence and determine decisions that affect the citizens. The mere existence of civil society organizations or a formal dialogue with them will not ensure citizen governance. Unless the government is open to listen to the citizen groups and involve them in the governance process no tangible benefits will flow to the society from citizen governance.

2.3 BENEFITS OF PARTICIPATION

What are the benefits to the average citizen? There are five advantages to be gained from active participation in community affairs:

- i) The citizen can bring about desired change by expressing one's desire, either individually or through a community group.
- ii) The individual learns how to make desired changes.
- iii) The citizen learns to understand and appreciate the individual needs and interests of all community groups.
- iv) The citizen learns how to resolve conflicting interests for the general welfare of the group.
- v) The individual begins to understand group dynamics as it applies to mixed groups.

Active participation includes citizens and stakeholders in the task of identifying, planning implementing and evaluating programs and projects executed by the agency. Passive participation implies voluntary or other forms of contribution by the people to predetermined programs and projects, in return for some perceived expected results.

It is argued that community decisions that involve citizens are more likely to be acceptable to the local people. Better community decisions, by definition, should be beneficial to the average citizen.

Citizen participation in community affairs serves to check and balance political activities. Participation allows fuller access to benefits of a democratic society. A cross section of citizen participation in the decision-making process reduces the likelihood of community leaders making self-serving decisions.

There are three rationales for citizen participation. First, it suggest that merely knowing that one can participate promotes dignity and self-sufficiency within the individual. Second, it taps the energies and resources of individual citizens within the community. Finally, citizen participation provides a source of special insight, information, knowledge, and experience, which contributes to the soundness of community solutions. The result is an emphasis on problem solving to eliminate deficiencies in the community.

Citizen participation can legitimize a program, its plans, actions, and leadership. To legitimize can often mean the difference between success and failure of community efforts. Community betterment is a product of citizen involvement.

After reading this section, you would have gained some idea about citizenship participation. Now you should be able to answer the questions given in *Check Your Progress 1*.

Check Your Progress 1

Note: a) Write your answer in the space given below.

b) Compare your answer with those given at the end of the unit.

1) What are the requirements of citizen's participation in Urban Governance?

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2) Define Civic Engagement?

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3) What is the purpose of citizens participation?

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4) Name any three benefits of citizens participation?

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2.4 FACILITATING CITIZEN PARTICIPATION

Citizen participation can be facilitated by stressing the benefits to be gained. This will work only so long then the benefits must become obvious. The intangible benefits as well as the tangible should be emphasized. These are frequently omitted and are, by far, the true gains of community action.

Citizen participation can be facilitated with an appropriate organizational structure available for expressing interest. This may require organizing a more neutral group than may be in existence in a community. However, in some situations, existing groups are adequate. Situation judgment is required by persons with appropriate experience and competency.

Citizen participation can be facilitated by helping citizens find positive ways to respond when their way-of life is threatened. Most people want to act responsibly. Use these situations to help people find positive ways to deal with threatening predicaments.

Citizen participation can be facilitated by stressing the commitment or obligation each of us has toward improving the community. However, people will not continue to participate unless the experience is rewarding, or at least not too distasteful.

Crisis situations have long been successfully used as a basis for gaining citizen participation. Crises should not be invented but, if they exist, they become powerful motivation. The closing of a major plant, closing of a school, loss of train service, and a major drug problem are examples of threats to a people's way-of-life that have served as rallying points for citizen participation.

The most positive of all approaches to facilitate greater participation is to provide citizens with better knowledge. Obviously, the knowledge has to be in their value system. When it is, experience shows they usually act accordingly. Adequate time and means of diffusing the new knowledge must be employed for satisfactory results.

2.5 STAGES AND LEVELS OF PARTICIPATION

2.5.1 Stages

One way to characterize participation is to identify the stage or phase of the process in which citizen participation is sought. The following stages have been identified:

- a) *Problem identification:* investigation and discussion aimed at identifying the root cause or the most important aspect of a problem or issue.
- b) *Problem analysis:* analysis of the context and factors influencing the issue or problem, followed by the development of possible interventions and/or policies.
- c) *Policy preparation:* examining the feasibility of various policy options and identifying potential.

- d) *Policy design*: choosing the optimal policy option, followed by refining and concretization, so that it can be put into practice.
- e) *Policy implementation*: putting the chosen policy into practice.
- f) *Monitoring, evaluation and follow-up*: supervising implementation, gathering feedback on the effectiveness and efficiency of the chosen measures, and adjusting policies, plans and implementation in accordance with the feedback, in order to ensure sustainability.

2.5.2 Levels

During any of the above stages, different levels of citizens' participation are possible. The lowest level is that of merely being informed. At the other end of the scale, the highest level is being fully responsible for managing a process. These are the levels that have been identified:

- a) *Resistance*: active opposition from the people concerned.
- b) *Opposition*: this can mean several things. First, the formal role played by political parties that are not in government in controlling and influencing the parties and policies of these governments. Second, the actions that citizens and/or civil organisations take to protest against and change policy decisions and other governmental measures. Lastly and more generally, the term can also refer to all processes and mobilizations of people / factions / parties to protest, question and try to change decisions or measures inside or outside organisations.
- c) *Information*: understood here as a one-way communication to stakeholders.
- d) *Consultation*: This is a two-way communication. Stakeholders have the opportunity to express suggestions and concerns, but without any assurance that their input will be used, or used in the way they intended.
- e) *Consensus-building*: stakeholders interact with one another and discuss various options, with the objective of agreeing negotiated positions that are acceptable to all.
- f) *Decision-making*: citizens are directly involved in making decisions and share responsibility for the resulting outcomes.
- g) *Risk-sharing*: participating citizens are personally implicated in the outcomes, and share the risk that the outcomes might be different from what was intended. In this way, they share accountability.
- h) *Partnership*: this level builds on the two preceding ones. Here, citizens do not only take part in decision-making and accountability, but also participate in implementing decisions on a basis of equality with other stakeholders.
- i) *Self-management*: citizens autonomously manage the matter at hand, thus carrying full responsibility and accountability. This is the highest level of participation.

After reading this section, you would have gained some idea about participation. Now you should be able to answer the questions given in *Check Your Progress 2*.

Check Your Progress 2

Note: a) Write your answer in the space given below.

b) Compare your answer with those given at the end of the unit.

1) What are the methods of participation?

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2) What are the stages of participation?

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3) Name any four tools of active participation?

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2.6 EMERGENCE AND DEVELOPMENT OF COMMUNITY PARTICIPATION IN URBAN INDIA

Historically speaking, urban India started experimenting with community participation as early as in the 1950s. In the face of inequitable distribution of the fruits of development resulting in widening disparities, the involvement of communities in the implementation of pro-poor programmes began to be widely acknowledged as an effective weapon of poverty reduction. As such, in 1958 the scheme known as the Urban Community Development (UCD) was launched with assistance from the Ford Foundation, the purpose being to improve the quality of life of the poor in urban areas with the active involvement of the community.

The twin ideas of community building and people's participation received a new impetus with the Seventh Five year plan which laid stress on improving the living conditions of the slum dwellers. Then came the Urban Basic Services for

the Poor (UBSP) in 1985 which was a step ahead in the direction. The programme for the first time emphasized the idea of participation of the poor in the amelioration of their poverty. The programme aimed at improving and upgrading the quality of life of the urban poor, especially women and children by providing them better access to the basic services. The ULBs were given the overall responsibility for implementation of the programme.

2.6.1 Community Networking in the SJSRY Programme

The Swarna Jayanti Sahari Rozgar Yojana (SJSRY) launched in the 50th year of India's independence in all urban local bodies, was the first to seriously consider how to involve the community. The ULBs are the designated nodal agencies for implementing the programme through a three-tiered community structures comprising women members belonging to below-the-poverty line families. The guidelines envisage that families residing in a specific locality and living below -the -poverty line will form a committee called the Neighbourhood Group (NHG) and select their own representative who is known as the Resident Community Volunteer (RCV). All the RCVs from different localities will form a ward-level body called Neighbourhood Committee (NHC) with four office bearers, namely, chairman, vice-chairman, secretary and treasurer. At the town level there is a body called Community Development Society (CDS), which will also have councillors of the Ward. The CDS being the federation of the community-based organisations is the focal point for purposes of identification of beneficiaries, screening of applications, monitoring of recovery, identification of viable projects. It may also set itself up as the Thrift and Credit Society. The NHGs will report to the NHC and the NHC to the CDS. The association of women is expected to empower women and engender development by enabling them to play the role of planners and achievers within their own surroundings.

2.6.2 The Growing Significance of Community in Urban Renewal Programmes

The new initiative of urban renewal through Jawaharlal Nehru Urban Renewal Mission (JNNURM) in 2005 has attached a lot of importance to community participation for the implementation of all urban renewal programmes in India. For accessing the benefits of the programme under JNNURM, each of the cities is required to prepare City Development Plan (CDP) for which community consultation has been made mandatory. The guidelines provide for the formation of the National Technical Advisory Group and the State Level Technical Advisory Groups to advise national and state level steering committees and urban local bodies on enlisting community participation, securing transparency and accountability, ways and means of involving citizens in service delivery and governance. The other important terms of reference of these Groups include: helping setting up of voluntary technical corps in each mission city, mobilizing civil society support and enlisting citizens' involvement through ward committees, area sabhas and voluntary technical corps.

2.7 INDIA'S COMMUNITY PARTICIPATION LAW: THE MODEL NAGARA RAJ BILL, 2008

The Model Nagara Raj Bill, 2008 (hereinafter 'the Bill') is India's first community participation legislation and creates a new tier of decision making in each

municipality called the *Area Sabha*. The Bill is a mandatory reform under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), which means that the various states in India must enact a community participation law to be eligible for funds under the JNNURM programme.

The fundamental purpose of the Bill is to establish appropriate political and accountability *spaces* to link urban governance with the people by institutionalizing citizen participation. This is crucial because the Bill has the potential to empower people by ensuring regular citizen participation in decision-making that affects the conditions of their lives. The Bill has been circulated by the central government and states are mandated to either enact a separate law or make appropriate amendments to their existing municipal laws. With the objective to integrate the involvement of citizens in municipal functioning in urban areas, the Bill is distinctive because it creates the institution of an Area Sabha which shall be the third and foundational tier of government within the municipality and ensure decentralization from below. An Area Sabha will elect members into the ward committees and shall start the process of political engagement by an election of an Area Sabha representative. By creating an additional platform, the Bill also assigns the role, functions, duties and responsibilities which are essential for the development of these institutions as institutions of self-government.

2.7.1 Highlights of the Bill

The Bill suggests a three-tier model of decentralization starting with the municipality on top followed by ward committees and Area Sabhas. This is done at two levels. *First*, it details the process of selection of a representative of an Area Sabha as well as its functions, rights, power, and duties and *secondly*, it puts forth the mechanism of electing members into the Ward Committees and the scope of its functioning and activities. What follows is a brief examination of the key provisions of the legislation.

a) *Constitution of Area Sabha*

An Area Sabha shall include all persons *registered in the electoral rolls* in that area and the representatives of each Area Sabha shall be elected by the *registered* voters. In this context, reliance must be placed on the fact that the Bill excludes migrants, traders, squatters, pavement dwellers and other temporary residents and may therefore have a social exclusionary fall-out. While the Bill requires that an election be normally conducted by the State Election Commission to select the representatives, this is *not a mandatory requirement*. Thus, the Bill does not put forth an entirely democratic method of decentralization by allowing the possibility of nomination by members of the Sabha or the State Government without conducting elections. However, the 2008 Bill is relatively progressive as the original 2004 draft of the Bill did not even provide for an election process and only provided for a nomination process where the ward councillor was to select a nominee with the highest number of registered voter nominations.

b) *Area Sabha Representatives – Their Role, Rights, Duties and Responsibilities*

The Bill lays down a broad array of functions and duties of an Area Sabha Representative which include among others, the determination of the priority of welfare and the identification of the most eligible persons, assistance to the public health centres, tax mapping and mobilize voluntary labour. The representative of an Area Sabha also has a duty to suggest the location of public amenities

within the area and point out the problems of deficiency in the water supply and street lighting arrangements in the Area Sabha jurisdiction. These are complex and varied responsibilities and there are concerns on the enormity of responsibility entrusted upon one representative.

c) *Constitution of Ward Committees*

At the second tier of government, the Bill envisages the creation of a ward committee in which 2/3rd of the total members would be the Area Sabha representatives resident in that ward. The elected councillor of the ward shall be the chairman of the ward committee, and continue to represent the ward in the municipal council. The Bill provides for automatic variations in the size of a municipality or ward depending upon the population of an area and the number of polling booths. The provision which provides for the inclusion of ten persons nominated by the municipality and representing 'civil society' in undemocratic and has been criticized with the alternative suggestion of using the domain expertise of such members in separate committees.

d) *Functions, Rights and Duties of Ward Committees*

The ward committees are given wide ranging functions which are similar to the responsibilities entrusted upon the Area Sabha representatives. They are given to right to obtain information regarding matters pertaining to the ward. Productions of ward plans, preparation of the budget, encouraging local level alternatives for implementation are some of the duties of the ward committees under the Act.

e) *Activities of Ward Committees and Constitution of Sub-Committees*

The activities of a ward committee can be categorized under the broad heads of planning, budgeting and maintenance of accounts. The Bill also calls for the constitution of a *Ward Finance Committee* to prepare the annual budget and a report on the financial transactions and a *Ward Information and Statistics Committee* to compile, maintain and update information pertaining to the economic scenario, land use and infrastructural developments and requirements.

2.7.2 Process of Community Participation in Planning and Budgeting

The bill recommended eleven steps in the process of community participation in planning and budgeting. These steps are given in Table 2.1.

Table 2.1: Process of Community Planning and Budgeting

Step 1	Preparation of database
Step 20	Publishing and sharing of CDP with ward and area sabha
Step 2	Information on current schemes and programmes
Step 19	Finalization of city development plan and budget
Step 3	Mobilization of citizens on preparation of area development plan
Step 18	Expression of approval/disapproval of the CDP by the WC and AS
Step 4	Informal interactions within the area/locality to identify felt needs
Step 17	Discussion of city development plans

Step 5	Listing out of felt needs for area development planning
Step 16	Sharing of city development plan to the ward committees and area sabha
Step 6	Prioritizing of listed out felt needs in area sabha meeting
Step 15	Preparation of city development plans consistent with the medium-term FP
Step 14	Municipal meeting for prioritizing and finalizing city development plan
Step 7	Preparation of area plan and budget
Step 8	Submission of area plan and budget to the ward committee
Step 13	Compilation of ward level plans to prepare city development plan
Step 9	Compilation of area plans and budget at the ward level
Step 12	Submission of the ward level plan and budget to the municipality
Step 10	Ward Committee meeting for finalizing the ward level plan
Step 11	Discussion and review of ward plan at the area sabha level

2.8 CITIZEN'S PARTICIPATION INITIATIVES

At the outset, let us discuss some of the citizen's participation initiatives undertaken by the bilateral and multilateral agencies, central and state governments as well as by the ULBs are discussed here. Driven by the successes of the DFID funded Calcutta Slum Improvement Projects (SIPs) of the 1990s implemented in the territorial jurisdiction of the Kolkata Municipal area the Government of West Bengal and the Department for International Development (DFID) agreed to collaborate on devising the Kolkata Urban Services for the Poor (KUSP) programme launched in March 2004 for the Kolkata Metropolitan Area which spreads over 1785.04 square kilometres and covers 41 urban local bodies including 3 municipal corporations and 33 per cent slum population.

KUSP takes a three-pronged approach towards urban poverty reduction through: (i) strengthening of policy and institutional structures in the urban sector towards promoting inclusive planning and poor- focused governance and accountability systems, (ii) creating and strengthening community organisations and based on their inputs, providing basic services (piped water, sanitation, sewerage, street lights, access roads) to the urban poor, and (iii) supporting local economic development by capacitating municipal governments and undertaking local livelihood- based demonstration projects involving the poor (especially women).

The programme is oriented towards making the ULBs performance- based by encouraging ULBs to consider innovative ways to enhance their financial sustainability and to improve their service delivery capabilities. The programme intends to promote the use of public- private partnerships as a mechanism for improving service delivery by making an exhaustive use of private sector expertise and resources. Another distinguishing component of the programme is the establishment of an Incentive Fund that aims at creating a competitive milieu within the ULBs by financially rewarding them on the basis of their performance. The programme provides for what is called the Innovative Challenge Fund which

would be given to the Community based Organizations (CBOs) for the improvement of their quality of life.

2.8.1 Implementation Strategy

KUSP is being implemented through a specially designed body called Change Management Unit (CMU) which has been created as a registered society to work under the overall administrative guidance and supervision of the Municipal Affairs Department, Government of West Bengal for a period of four years. The CMU is expected to play a twofold role while working with the support agencies such as Directorate of Urban Local Bodies, Municipal Engineering Directorate, Institute of Local Government and Urban Studies and the concerned ULBs: *as programme manager* and *as facilitator of change*. The programme stipulates active involvement of the community in the creation and provision of basic services to the poor for which it seeks to utilize the existing community structures in the slums known as the Community Development Services (CDS) and create new community structures to be known as the Slums Works Management Committee (SWMC) for the maintenance of assets to be created out of the programme.

KUSP programme thus recognizes the potential role that civil society groups can play in building infrastructures and maintaining them. It is supposed to enable civil society organizations to take up pioneering initiatives for the poor and access funds for implementing innovative pilot projects on health, education, livelihood generation, vulnerability and social security especially for the poor in the ULBs under the programme.

2.8.2 Role of CDS in the Preparation of the DDP

One of the important objectives of the KUSP programme is to facilitate preparation of development plan with the active involvement of the community. This work was undertaken with a lot of fanfare. In West Bengal the Ward Committee at the level of the ward is statutorily required to prepare draft plan and in this body there is representation of the CDS. The WC is a constitutional body. All the ULBs have prepared voluminous glossy DDPs as we found in the office of the CMU. A close and careful reading of the plans beautifully drafted does not show real footprint of the community. The professional skill is there everywhere in the document. But what about the reflection of the will of the community?

The empirical investigations reveal that quite a large number of the respondents have not heard about DDP, not to speak of their participation in the processes. The interaction with the municipal functionaries indicates that they have failed to make the members of the CDS realize the need for their participation. Their immediate gain in community contracting kept them more absorbed. Secondly, the KUSP officials engaged in organizing training for the DDP did not take special care for the CDS. The emphasis on technical dimension of planning diluted the social significance of planning. One may conclude that the DDPs prepared by the ULBs under the KUSP programme could not successfully incorporate the voices of the poor. This factor is very important because lack of involvement in planning will not ensure participation of the poor in the processes of implementation. It is significant to note that in some ULBs the members of the CDS raised their voices to include their agenda in the DDP but the document does not include them. It implies that the draft document has not been placed before the community for their endorsement.

The inability of the wards committees, institutionalised through 74th CAA, to usher in decentralised governance has led to the growth of middle class activism through the resident welfare associations (RWAs). The municipal responsibility of provision of services is being increasingly passed on to the RWAs. Their involvement has been broadly in areas of operation and management of civic services, capital investment in infrastructural projects, planning and participatory budgeting, and maintenance of neighbourhood security. In fact, efforts have been made to institutionalise them as partners in the development process, through government-led programmes like the *Bhagidari* in Delhi. The RWAs have been supported not only by the government but also by private agencies and other civil societies. Importantly, their functioning has been restricted largely in the middle income and posh colonies. Correspondingly, the informal settlements, which house the urban poor, are unable to exercise their voice through the same form of activism.

RWAs are emerging in almost all big cities and are effective as people in a locality or belonging to a group can see their interest being served by these organisations. The participatory model helps the people to get involved to voice their concern by building local pressure groups. RWAs found in middle class areas serve their interests as consumer-citizens. Participation in associational activities is skewed quite heavily towards those with higher levels of education and income. It is found that in Delhi, the poorer and sometimes also less well educated people are more active in political life, and that poorer people, especially those with some education are more active in solving public problems. He noted that the same is not true of associational activity as there is a strong tendency for wealthier and particularly for more educated people to be involved in associational activity, which questions the notion in the current development discourse that poor people are able to secure effective representation or “empowerment” through participation in associations in civil society.

The NGOs, the government and the private sector are supporting the participatory governance through RWAs in a big way. Asian Centre for Organisation, Research and Development, an NGO, has been assisting the Delhi government with the *Bhagidari* scheme. A similar involvement is witnessed in Mumbai. Further, the state has in a way sponsored the RWAs. Many state and local governments have signed memoranda of understanding with the RWAs with the latter being accountable to them. In the National Capital Territory of Delhi a majority of the RWAs are registered with Delhi government as their “*Bhagidars*” (partners) in the Bhagidari or Citizen-Government Partnership Scheme.

The RWAs are required to coordinate with a number of government departments and parastatal and civic agencies to address their day-to-day problems. As an illustration, the RWAs in Delhi need to coordinate with the Delhi Jal Board (DJB) to resolve their problems related to drinking water and sanitation. The RWAs also help the DJB to collect water bills, to distribute water through tankers, replace old/leaking pipelines, in water harvesting, etc.

Neighbourhood security is already being maintained by many of the RWAs. The Municipal Corporation of Delhi (MCD) has allowed them to construct gates for security purpose after obtaining necessary clearance from the police, fire department and the MCD itself. Several RWAs have come forward to take up the responsibility of cleaning the roads, maintaining street lights, community

parks and roads, and managing community halls as well. The RWAs are trying to sanitise their neighbourhood by trying to remove encroachments and petty commercial establishments from their “gated” colonies. Importantly, in Delhi, the Delhi Development Authority (DDA) has been brought under the participatory framework as the RWAs have joined hands with the authority for prevention of encroachment, maintenance of community parks, other common areas and parking facilities inside the colony. The RWAs are also coordinating with the Delhi Police for crime prevention and regulation of traffic in their respective colonies. In Mumbai too, residents are trying to ward off the unauthorised encroachments from their immediate neighbourhood as a part of the Advance Locality Management Programme.

Importantly, as per the new land use notification of DDA (2006), the provision for consulting RWAs has been reintroduced. In residential areas where mix land use is permitted, the Local Area Plan (LAP) would be formulated and implemented only after seeking the approval of the RWAs. The appointment of court commissioners by the Delhi High Court to monitor illegal constructions is not new in Delhi. However, appointment of RWA members in the committee in place of lawyers is definitely a departure from the previous organisational structure.

In many cities, e g, in Gurgaon, Delhi and Chennai, the RWAs have formed political parties and federations to make their voices felt. In Delhi, the 10% increase in power tariffs was withdrawn with the efforts of the RWAs. The RWAs voiced their concerns about the ambitious 24x7 project. Presently, the RWAs are being encouraged to get involved in selection of projects that are to be implemented by the government departments. The government calls this participatory budgeting for including citizens group in budget formulation and resource allocation. The MCD, for example, would release payment to the contractor only if the concerned RWA has given clearance. Payment to the contractor would also be based on the quality of the works, as determined by the RWAs.

The Delhi government is also making efforts to involve the RWAs in preparation and implementation of development plans at the local level. It is envisaged that the RWAs would be able to take decisions with regard to construction of roads, drains, parks, water pipelines and other civic works within their colony. Many of these have asked the government to strengthen the Bhagidari system through legislation, giving RWAs a legal status or giving them control over a part of the budget so that their participation in developmental activities becomes real.

Importantly, a new fund “My Delhi I Care” has been created for meeting the infrastructural needs of the community, which is likely to increase the role of RWAs in development planning. The role and responsibility of RWAs have, therefore, been extended from maintenance of services to making capital expenditures for infrastructural development. Encouraged by the success of the initiatives mentioned above, the residents in several other colonies are also proposing capital projects like building of roads, footpaths, drainage system, water connections and other amenities. They have expressed their willingness to pay for it provided the MCD helps in fixing a reasonable rate for a part of the project cost.

In Tamil Nadu, RWAs are effective in large cities and in small towns as well. In some cities RWAs have also been able to collect funds from the residents to launch major capital investment projects in their localities. In some projects, the RWAs are not only active partners in capital investment but also act as intermediary monitoring agencies.

2.8.3 A Citizen Participation Model in Hubli Dharwad, Karnataka

The citizen participation model in Hubli Dharwad has been developed by the active urban local body in the twin city and under the able leadership of the Commissioner. With this model, citizen participation is ensured by establishing a forum called Citizen Committee at every polling booth across the city. Citizen Committee comprises nine members who must be registered voters from different age groups with one-third being women and another one-third being at least PUC qualified.

In the pilot phase of the Ahmadabad Slum Networking Project (SNP), a partnership was established with poor communities which included a 33% financial contribution from each neighbourhood group. This amounted to a household contribution of Rs. 2000-2500/- for the cost of the physical works and a contribution of Rs.100/household to a maintenance fund. Once the community had deposited 60% of their contribution, the AMC agreed to carry out a survey in the slum area. When 90% of the households had deposited their contribution, the AMC began construction of the agreed improvements. It is thought that the financial commitment of the community led to their involvement in monitoring the work and a sense of ownership of the services installed.

2.8.4 People's Planning Campaign of Kerala: A model of Participatory Planning

The People's Planning Campaign of Kerala has succeeded in providing a concrete methodology for participatory planning for local level development. The steps involved in this methodology are: 1) Needs identification 2) Situation analysis 3) Strategy setting 4) Projectisation 5) Plan finalization 6) Plan vetting 7) Plan approval

2.8.5 People's Estimate: Experience in Andhra Pradesh

Under the leadership of the district collector, the administration in East Godavari, Andhra Pradesh, along with the Panchayat Raj Engineering Department initiated a large number of works with people's participation in 2001. The concept of people's estimate is aimed at fostering greater accountability by enhancing people's participation in developmental works. Usually, for undertaking an engineering work, government estimates are prepared in English, based on the standard schedule of rates. Preparation of estimates is followed by technical approval by the authority concerned, tendering an entrustment to successful contractors.

The participatory process starts with public meeting and creating works and vigilance committee. The former committee carries out the works and the latter ensures quality and timely completion of the work. On completion of 50% of the work, a working estimate as per government process and also under the people's

estimate is prepared by the engineers and the differences and possible extra works, fund utilization etc are discussed in the public meeting. And final public meeting is organized on completion of the work.

2.8.6 Citizen Report Card as a Tool for Participatory Monitoring and Evaluation: Mangalore Case

Inspired by a private sector practice of conducting client satisfaction surveys, a small group of people in Bangalore led by Dr. Samuel Paul, concerned about the city's deteriorating standards of public services, initiated an exercise in 1993 to collect feedback from users. User perceptions on the quality, efficiency, and adequacy of the various services were aggregated to create a 'report card' that rated the performance of all major service providers in the city.

This exercise was repeated in 1999, and has been replicated in at least five other Indian cities. By systematically gathering and disseminating public feedback, report cards may serve as a "surrogate for competition" for monopolies – usually government owned –that lack the incentive to be as responsive as the private enterprises to their client's needs. They are a useful medium through which citizens can credibly and collectively 'signal' to agencies about their performance and pressure for change.

After reading this section, you would have gained some idea about participatory development. Now you should be able to answer the questions given in *Check Your Progress 3*.

Check Your Progress 3

Note: a) Write your answer in the space given below.

b) Compare your answer with those given at the end of the unit.

1) Give examples of citizens centric reforms?

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2) What are the enabling factors of citizens' governance?

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2.9 LET US SUM UP

In this unit you have read about the concept of citizen governance. The importance and benefits of citizen's participation have been largely discussed. The unit has also thrown light on the methods of people's participation and the stages of participation. The unit later discusses the emergence of community participation in urban India. India's community participation law has also been discussed. Towards the end, the unit discusses about the Citizen's participation initiatives, various citizen centric reforms and enabling factors for citizen governance.

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2.11 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check for Your Progress 1

- 1) What are the requirements of citizens participation in Urban Governance?

Citizen Participation in urban governance in India requires enabling policy environment, trained human resources, modern institutional designs and most importantly, open mind-sets among urban planners and managers who consider citizen participation as a building block of accountable and transparent urban governance.

- 2) Define Civic Engagement?

Civic engagement is defined as active participation and collaboration among individuals, government and the private sector to influence and determine decisions that affect the citizens.

- 3) What is the purpose of citizens participation?

The purpose of citizen participation is to:

- 1) To be heard in a meaningful way, to be treated as if their opinions and information mattered;
 - 2) To influence problem definition as well as proposed policies;
 - 3) To work with administrators and policy makers to find solutions to public problems;
 - 4) To have an equal force in the policy process.
- 4) Name any three benefits of citizens participation?
- 1) The citizen can bring about desired change by expressing one's desire, either individually or through a community group.
 - 2) The individual learns how to make desired changes.
 - 3) The citizen learns to understand and appreciate the individual needs and interests of all community groups.

Check Your Progress 2

- 1) What are the methods of participation?

Voice, Choice, Representation and Information are four methods of participation.

- 2) What are the stages of participation?

- 1) Problem identification
- 2) Problem analysis
- 3) Policy preparation
- 4) Policy design.
- 5) Policy implementation
- 6) *Monitoring, evaluation and follow-up*

3) Name any four tools of active participation?

Newspapers, Local Cable TV, Radio, etc., Public Hearings, Public Festivals
Student Forums and Seminars

Check Your Progress 3

1) Give examples of citizens centric reforms?

Community Participation Law, Public Disclosure Law. Right to Information
Act.e-governance etc.

2) What are the enabling factors of citizens governance?

Ensuring public access to government information, transparency, conducting
public hearing and referenda and involving civil society to monitor
government's performance in areas such as accountability, cost effectiveness
an information sharing enable citizen governance.



UNIT 3 PARTICIPATORY TOOLS AND METHODS

Structure

- 3.1 Introduction
- 3.2 What are Participatory Methods?
- 3.3 Why is Participatory Management Important?
- 3.4 Application of Participatory Methods
- 3.5 PLA: Underlying Principles and Techniques
- 3.6 Working with Stakeholders
- 3.7 Using Participatory Methods: Advantages, Challenges and Ways Forward
- 3.8 Relevant Terms Explained
- 3.9 Let Us Sum Up
- 3.10 References and Selected Readings
- 3.11 Check Your Progress – Possible Answers

3.1 INTRODUCTION

Participatory tools and methods are the means by which the principles of participation are translated into the actual practice of development. Participatory methods ensure that all stakeholders become involved in a number of different activities which are integral to the development process. They provide a structured approach to participation with clear guidelines of who should be involved, when and to what extent. They are very important to programme and project planning when clear procedures need to be identified and approved, rather than relying on an ad hoc approach. Participatory tools are specific activities designed to encourage joint analysis, learning and action. Special ‘packaged’ techniques can be very powerful ways of getting people involved. However, no one tool or technique is applicable to all situations.

A wide range of distinctive tools and methods have been developed over the last decade or two. This Unit provides a cross section of participatory methodologies. It is by no means a comprehensive list of all existing methodologies but is intended rather, to provide an example of the range of resources available to those who wish to expand participation at any level of their operations from the internal organizational level to the external programmes/projects supported. It should also be noted that none of these methods need be used exclusively; rather they can be used in combination. Each has its own strengths and weaknesses and different methods can be used for different purposes.

After studying this unit, you should be able to:

- explain why participatory tools and methods are important in participatory process management;
- describe participatory tools and methods;
- appreciate the principles and techniques of participatory methods; and

- describe the attitudes and actions that are critical to applying participatory methodologies.

3.2 WHAT ARE PARTICIPATORY METHODS?

Participatory methodologies aim to actively involve people and communities in identifying problems, formulating plans and implementing decisions.

They are often seen as a set of principles for generating insights about people and the communities in which they live. However, for those involved in using them, they are not only often flexible and informal, they are also continually evolving. In addition, there is no one standard methodology or set of methods to employ in any given situation: different techniques therefore need to be developed for particular situations.

Participatory methodologies enable people to do their own investigations, analyses, presentations, planning and action, and to own the outcome. The principles behind participatory methodologies are:

- That it is possible, and desirable, to increase participation in development by involving those immediately affected by a particular need;
- Involving people so affected enables activity designers and managers to explore a range of real circumstances and systems rather than concentrating on statistical samples;
- Issues can be investigated from different perspectives and using a range of approaches, such as involving multidisciplinary teams;
- Informal approaches are often more appropriate and can be changed as the work progresses.

Participatory methods are most commonly associated with the spread of diagramming and visual techniques which began to be developed in the 1970s. These originated in a number of scientific disciplines interested in analysis of complex systems: biological science, ecology, agricultural economics and geography. It became increasingly important to work with farmers to develop more sophisticated models to explain their responses to development programmes. The increasing influence of applied anthropology in development agencies from the 1980s also led to greater awareness of the need for a more sophisticated understanding of poverty, social processes and grassroots perspectives on development. The end of the 1980s diagramming techniques had combined bringing together the insights from these different disciplines into a flexible methodology commonly referred to as Rapid Rural Appraisal (RRA). By the mid 1990s it was becoming increasingly evident that the mechanical application of these techniques was often failing to really reach and capture the views of poor people, particularly women, children and socially excluded. There was renewed interest in methodologies for participation, drawing on earlier traditions of participatory action research which had been long established as an integral part of many grassroots organizations.

Participatory methods are therefore a diverse and flexible set of techniques for visual representation and stakeholder involvement characterized by a set of underlying ethical principles. There is no one set of techniques to be mechanically

applied in all contexts for all participants. There is on the one hand a set of visual tools to be flexibly applied to assist the synthesis and analysis of information which can be used in group settings and also as part of individual interviews. On the other hand are a set of guidelines for facilitating participation and negotiation in focus group discussions and workshops bringing together different stakeholders. These may or may not make substantial use of visual techniques. Generally both visual techniques and participatory facilitation are combined in different ways. The emphasis is on innovation and creativity in adapting previous practice to new contexts and needs.

Participatory methods have a useful contribution to make in analysis of the findings of impact assessment. They provide a useful means of investigating and crosschecking information gained by quantitative and qualitative methods at appropriate stages during the assessment. At the same time information obtained through participatory methods should also be cross-checked through triangulation with other methods to test their validity and increase their credibility.

Participatory methods have an important contribution in the systematic identification of realistic ways forward based on the information obtained from the impact assessment. As noted above, diagramming techniques are frequently used in management consultancy for this purpose. In addition the participatory process facilitates communication between donors, policymakers, development practitioners and those affected by interventions. The different stakeholders therefore both have their own opportunity to present their views and recommendations, and also to comment on those presented by other stakeholders.

This participatory process needs to be carefully facilitated in order not to raise unrealistic expectations or create tensions which cannot be resolved. It is crucial that the potential limitations on change are clear to all those concerned, particularly in relation to resources available and the skills of development agencies. It is also important again to ensure fair representation of different stakeholders through the detail of focus group and workshop design.

A particularly important contribution of participatory methods is their role in capacity building of the different stakeholders. Where sufficient attention is paid to these participatory methods have the potential to build up the necessary information resources and networks for a learning process which will be sustainable beyond the term of the one particular impact assessment. This can include:

- Group-level learning
- Ongoing participatory monitoring and evaluation
- Multi-stakeholder networks for policy assessment

Thus the costs of integrating participatory methods can be seen as a contribution to development in themselves, leading to much longer term benefits. These benefits have included reducing the costs of project administration, reducing default in micro-finance programmes, making training programmes more attractive to clients prepared to pay for services. This is therefore also a contribution to longer term financial sustainability of interventions.

Participatory methods have an important contribution to make at all stages of an impact assessment:

- Initial identification of impact goals, indicators, categories for sampling and analysis and initial exploration of hypotheses
- During the impact assessment process for crosschecking and further exploration of issues raised by other methods
- Towards the end of the assessment to systematically identify and test the possible implications of any recommendations for improvement in projects or policy with different stakeholders

3.3 WHY IS PARTICIPATORY MANAGEMENT IMPORTANT?

Participatory management will not arise spontaneously: it is a conscious and informed activity to be advocated and implemented at every stage of the activity cycle. And it is important that senior staff recognize participatory management as necessary to the success of any development activity or intervention: senior staff are key because they act as powerful role models for other staff; and the practices they espouse should filter through to influence the way whole teams of staff interact with their partners.

The process of continued, active stakeholder involvement in an activity results in various improvements.

- **Sustainability and sustainable impact**

More people are committed to carrying on the activity after outside support has stopped;

Active participation helps develop skills and confidence.

- **Effectiveness**

There is a greater sense of ownership and agreement of the processes to achieve an objective.

- **Responsiveness**

Effort and inputs are more likely to be targeted at perceived needs so that outputs are used appropriately.

- **Efficiency**

Inputs and activities are more likely to result in outputs on time, of good quality and within budget if local knowledge and skills are tapped into and mistakes are avoided.

- **Transparency and accountability**

This accrues as more and more stakeholders are given information and decision making power.

- **Equity**

This is likely to result if all the stakeholders' needs, interests and abilities are taken into account.

3.4 APPLICATION OF PARTICIPATORY METHODS

Participatory methodologies can be used at any stage of the Activity Cycle:

- At the Design stage, by involving people in identifying problems during the planning and designing stage, e.g. needs assessments, feasibility studies;
- At the Implementation stage, through examination of a particular problem or topic e.g. identifying priorities, or implementing new activities where information needs to be collected;
- At the Monitoring and Evaluation stage, by enabling participants to implement procedures to examine their own activities.

The precise information requirements of the different stages are diverse. However they all depend on the systematic collection of data about the households and communities served by the activity and the environments in which they live and work.

Three of the more common methodologies are:

- 1) Participatory Learning and Action;
- 2) Participatory Rapid Appraisal;
- 3) Participatory Action Research.

See Box 1 (overleaf) for more information on these.

Box 3.1: Common Participatory Methodologies

Participatory Learning and Action (PLA)

An approach, which seeks to enable those with smaller, less dominant voices, to be heard and to take control over decisions, which affect their lives. PLA is a process of **LEARNING from, with and by the community**; of using a **set of tools, methods, techniques and exercises to UNDERSTAND** the needs, problems, and concerns of people. Participatory Learning and Action combines:

- a set of diagramming and visual techniques originally developed for livelihoods analysis;
- underlying grassroots participation principles of human rights activism which involve rethinking power relations and partnerships between development agencies, experts and poor people. These are now being developed further to facilitate negotiations between different stakeholders in projects and policy dialogue.

Participatory Rural Appraisal (PRA) is a cross-disciplinary, cross-sectoral approach to engaging communities in development through interactive and participatory processes. PRA builds upon the techniques of **Rapid Rural Appraisal (RRA)** pioneered to involve communities in their own needs assessment, problem identification and ranking, strategy for implementation, and community action plan. It uses a wide range of tool, often within a focus group discussion format, to elicit spatial, time related and social or institutional data.

Participatory Action Research (PAR) involves three key elements: research, education and socio-political action. It is an experiential methodology for the acquisition of serious and reliable knowledge upon which to construct power, or countervailing power for the poor, oppressed and exploited groups and social classes — the grassroots — and for their authentic organizations and movements. Its purpose is to enable oppressed groups and classes to acquire sufficient creative and transforming leverage as expressed in specific projects, acts struggles to achieve the goals of social transformation.

After reading this section, you would have gained some idea about participatory tools. Now you should be able to answer the questions given in *Check Your Progress 1*.

Check Your Progress 1

Note: a) Write your answer in the space given below.

b) Compare your answer with those given at the end of the unit.

1) What are the principles behind participatory methodologies?

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2) Why are the different stages where participatory methodologies can be used?

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3.5 PLA: UNDERLYING PRINCIPLES AND TECHNIQUES

A wide range of distinctive methods have been developed over the last decade or two. This chapter provides a cross section of participatory methodologies. It is by no means a comprehensive list of all existing methodologies but is intended rather, to provide an example of the range of resources available to those who wish to expand participation at any level of their operations from the internal organizational level to the external programmes/projects supported. It should also noted that none of these methods need be used exclusively; rather they can be used in combination. Each has its own strengths and weaknesses and different methods can be used for different purposes.

The participatory methods discussed here are now generically referred to as **Participatory Learning and Action (PLA)**. Participatory Learning and Action combines:

- **a set of diagramming and visual techniques** originally developed for livelihoods analysis and now widely used in Natural Resources departments in development agencies. They have since been adapted for use in other sectors including enterprise development.
- **underlying principles of grassroots participation** from human rights activism which involve rethinking power relations and partnerships between development agencies, experts and poor people. These are now being developed further to facilitate negotiations between different stakeholders in projects and policy dialogue.

The underlying principles and most common techniques are summarized in Box 3.2.

Participatory methods for impact assessment are most commonly associated with the spread of **diagramming and visual techniques** which began to be developed in the 1970s. These originated in a number of scientific disciplines interested in analysis of complex systems: biological science, ecology, agricultural economics and geography. It became increasingly important to work with farmers to develop more sophisticated models to explain their responses to development programmes. The increasing influence of applied anthropology in development agencies from the 1980s also led to greater awareness of the need for a more sophisticated understanding of poverty, social processes and grassroots perspectives on development. By the end of the 1980s diagramming techniques bringing together the insights from these different disciplines had been combined into a flexible methodology commonly referred to as Rapid Rural Appraisal (RRA). Parallel to these developments in the South, methodologies like Soft Systems Analysis and Cognitive Mapping also became increasingly common in areas like management consultancy, organizational research and planning. Here diagrams were used for institutional analysis, highlighting problem areas and brainstorming possible solutions. Workshops for organizations and enterprises included senior executives and managers.

By the mid 1990s it was becoming increasingly evident that the mechanical application of these techniques was often failing to really reach and capture the views of poor people, particularly women, children and socially excluded. There was renewed interest in **methodologies for participation** drawing on earlier traditions of participatory action research which had been long established as an integral part of many grassroots organizations in the South. In India for example SEWA and other women's organizations based their programmes on the findings of focus group discussions in the 1970s and 1980s. MYRADA and AKRSP developed participatory methodologies for grassroots mobilization. In Latin America Paulo Freire developed methodologies for action research which were later adopted in other countries. These methodologies were based on underlying principles of human rights and aimed to use the research process itself as a means of empowerment through use of diagrams as a focus for discussion and other methodologies like drawing and role-play. More recently these methodologies have been extended to include photography and video by grassroots groups and looking at ways in which grassroots groups can record their own information in diaries.

Box 3.2: PLA: Underlying Principles and Techniques

UNDERLYING PRINCIPLES

- embracing complexity
- recognition of multiple realities
- prioritizing the realities of the poor and disadvantaged
- grassroots empowerment
- from assessment to sustainable learning
- relating learning to action

TECHNIQUES

Visual Techniques

- Diagrams: Flow/causal diagram; Venn/Institutional diagram; Systems diagrams; Pie charts; Histograms
- Ranking Techniques: Preference ranking and scoring; Pair wise ranking; Direct matrix ranking; Ranking by voting; Wealth ranking
- Time Trends Analysis: Historical and future (visioning) mapping; Time trends charts; Oral Histories
- Mapping Techniques: Mobility mapping; Social mapping; Transect (walks)
- Calendars: Seasonal calendar; Historical seasonal calendar
- Ethno-Classifications: Proverbs, Stories, Indigenous Categories and Terms, Taxonomies

Group and team dynamics methods

- Focus Group discussions
- Role-play
- Participatory workshops

Recent Innovations

- Photo and Video production with grassroots groups
- Grassroots diaries using diagrams and simple numerical and written information

OTHER COMPLEMENTARY QUANTITATIVE AND QUALITATIVE METHODS OF INVESTIGATION

- Secondary Data Review
- Structured questionnaires
- Semi-structured interviewing
- Case studies
- Participant observation
- Direct observation,
- Qualitative anthropological fieldwork

Initially the term PRA (Participatory Rural Appraisal) was used to describe the bringing together of RRA and activist research. It was emphasized that the most

important aspect was not the diagramming tools but their flexible application based on a number of underlying principles:

- **Embracing complexity** and seeking to understand it rather than oversimplifying reality in accordance with predetermined categories and theories
- **Recognition of multiple realities** to be taken into account in analysis or action.
- **Prioritizing the realities of the poor and most disadvantaged** as equal partners in knowledge creation and problem analysis.
- **Grassroots empowerment**: aiming not only to gather information about impact, but to make the assessment process itself a contribution to empowerment through linking grassroots learning and networking into policy-making.

More recently the term Participatory Learning and Action (PLA) has become preferred because it more effectively incorporates the underlying human rights tradition through emphasizing the importance of:

- changing from **appraisal to learning** and hence moving away from the use of participatory methods as an extractive process by outsiders to a sustainable learning process involving different stakeholders as equal partners.
- the importance of **relating learning to action** incorporating programme and policy improvement as an integral part of the learning process.

Participatory methods are therefore a diverse and flexible set of techniques for visual representation and stakeholder involvement characterized by a set of underlying ethical principles. There is no one set of techniques to be mechanically applied in all contexts for all participants. There is on the one hand a set of visual tools to be flexibly applied to assist the synthesis and analysis of information which can be used in group settings and also as part of individual interviews. On the other hand are a set of guidelines for facilitating participation and negotiation in focus group discussions and workshops bringing together different stakeholders. These may or may not make substantial use of visual techniques. Generally both visual techniques and participatory facilitation are combined in different ways. The emphasis is on innovation and creativity in adapting previous practice to new contexts and needs.

3.6 WORKING WITH STAKEHOLDERS

Understanding the stakeholders, including their literacy levels, local languages, gender roles, indigenous management practices and work ethics is one important step. This information can be used to design log frame planning activities that are more appropriate to the local context and more conducive to local participation. A second, related step is to learn roughly equivalent terms in local languages for key log frame concepts (such as Goal, Purpose, Outputs, Assumptions). This often has to be done through discussions with local people. Sometimes the terms need to be renegotiated in log frame workshops when there is more of a context for the discussion and a better understanding of key concepts. Each of the above require that the preparation for log frame planning workshops be thoughtful and

rigorous, including ample time for stakeholder interviews in advance of the session and adequate time for designing and preparing specialized planning sessions that are responsive to local requirements.

For planning work with illiterate or semi-literate participants, the traditional (literacy-based) version of the log frame is inappropriate. In these groups, more literate and more articulate elites may dominate discussions, even with the assistance of an outside facilitator. In these situations local ownership of activity designs will not result and the disbenefits of using the log frame approach far outweigh its benefits.

Through adequate planning and preliminary stakeholder interviews, this kind of situation should be recognized well in advance of the arrival of a planning team. Where use of the log frame approach is not appropriate, Participatory Learning and Action (PLA) or Participatory Rural Appraisal (PRA) planning methodologies will be more appropriate (Refs), because they rely more on images rather than words. If need be, the results of these planning methods may be eventually be married with the log frame, preferably through a planning process involving more articulate local representatives. If necessary, though this is less desirable, planning experts can synthesis PRA planning decisions into a log frame format. In these kinds of planning settings, using the formal, literacy-based version of the log frame will created a bias against local participation. Again, more literate and articulate elites will tend to dominate the planning process. In these situations, the log frame approach can be used subtly with little explicit mention of its technical terms.

One planning process used in this situation combines consensus-based approaches for determining objectives that have more of a visual focus or an intuitive appeal. In using and blending these planning methods the visual focus and visioning provides a common basis for communication and building consensus and ownership amongst local groups.

3.7 USING PARTICIPATORY METHODS: ADVANTAGES, CHALLENGES AND WAYS FORWARD

Participatory methods have the potential to bring together information from a diversity of sources more rapidly and cost effectively than quantitative or qualitative methods alone.

- Relevance of impact goals and indicators
- Stakeholder representation
- Reliability of understanding of development processes
- Credibility of practical inference

However participatory methods also face a number of inherent challenges which need to be taken into account. Some of these are common to all impact assessment methodologies; some are due to the visual tools and some to the participatory process. The degree to which participatory methods realise their potential contribution depends critically on how carefully they are used and in what context. Participatory methods are not a fixed set of mechanistic tools but a diverse range

of possible techniques which need to be flexibly adapted to particular situations and needs. In some cases problems can be resolved through innovation in the methods themselves. Sometimes limitations can only be, others can only be addressed through triangulation with other quantitative and qualitative methods.

Using participatory methods provides a useful way of:

- Rapidly identifying the range of potential impacts through exploring the inter linkages between different dimensions of livelihoods and poverty
- Prioritizing the different possible impact goals for assessment by identifying which of the range of possible impacts are most important for the primary stakeholders e.g. increased income versus decreased leisure, levels of income and/or working conditions expected
- Identifying reliable measurable or qualitative indicators which can be used in different contexts or for different target groups.

These potential contributions of participatory methods also have their own challenges:

- Challenge of standardization for comparison because of the emphasis on locally identified impact goals and indicators there are added challenges for comparative assessment. It is however possible to agree on common impact goals to be applied across contexts and then weight locally specific indicators by which they are to be measured. This is merely an extension of the weighting procedure itself, which inevitably involves a certain amount of rather imprecise measurement and assumptions. The participatory process enables the rather arbitrary nature of *a priori* weighting to be based on local rather than external priorities.
- Challenge of sensitive information: it cannot be assumed that the participatory process will necessarily yield in-depth information on sensitive issues. In some cases the inevitably unpredictable nature of participation has enabled generally private issues like domestic violence or controversial issues like caste discrimination to be raised. Including techniques like role-play has been found useful in highlighting dimensions of power relations. In other contexts this sort of sensitive information may require in-depth investigation by qualitative methods.

The participatory process also has a number of inherent challenges which include:

- Emphasis on consensus may serve to privilege dominant views and further marginalize the most disadvantaged through giving the appearance of participation. Explicit attempts are likely to be needed to include the very poor, women and socially excluded and also to ensure that they are not only present, but their voices are heard. This requires careful attention to the participatory process: who participates which may require particular attention to location and timing, how they participate which may require separate meetings or special allocation of time to particular participants.
- The differences and also potential conflicts of interest may be difficult to resolve and may require careful skills of negotiation. Recognizing and addressing these differences and potential conflicts is nevertheless still essential to ensuring that the impact assessment is a reliable representation of contribution to poverty reduction.

Participatory methods have the potential to bring together information from a diversity of sources more rapidly and cost effectively than quantitative or qualitative methods alone. As indicated in Box 2 they have a number of potential key contributions in increasing:

- Relevance of impact goals and indicators
- Stakeholder representation
- Reliability of understanding of development processes
- Credibility of practical inference

Although there are inherent challenges faced by the use of participatory methods, these are no greater than for quantitative or qualitative methods. Much of the problem with participatory research in the past has been because of under resourcing, leading to mechanical use of tools by people with insufficient experience or understanding of context. Participatory methods cannot be seen as a cheap option. People with the skill and experience to flexibly adapt the different techniques to the particular issues, contexts and institutions being assessed, must treat them as a serious and integral part of impact assessment requiring management. In many contexts a skilled facilitator would be able to train programme staff, local investigators and/or grassroots leaders to replicate selected simple exercises to extend the scope and coverage of the participatory investigation. This is particularly the case for longer-term impact assessments and/or where at least some local people already have experience of participatory methods as co-facilitators or participants. Skilled participatory facilitators would also be able to identify any limitations in the information obtained and indicate ways in which the information obtained through participatory methods can best be triangulated with other quantitative and qualitative methods.

Box 3.3: Participatory Methods: Advantages, Challenges and Ways Forward

	Advantages	Challenges	Ways for
Relevance of impact goals and indicators	• rapidly identifying the range of potential impacts • participatory prioritisation of different impact goals • identification of locally relevant indicators	• standardization of impact goals and indicators to allow comparative assessment • ensuring that sensitive issues are aired	• using the same impact goals, weighting locally-specific indicators • role play and/or triangulation with qualitative methods
Representation of different stakeholders	• identifying relevant stakeholder categories for assessment, control groups and analysis • involving different stakeholders in a participatory process, including the most vulnerable	• the focus on consensus may mask differences • ensuring that the most vulnerable are present and their voices are heard • resolving differences between stakeholders	• paying attention to participatory process: location, timing, composition of discussion groups and discussion agenda • triangulation with quantitative survey or informal qualitative targeted interviews

Reliability of findings	• rapidly obtaining impact and other information for whole communities or groups • exploring processes and hypotheses • rapidly investigating underlying or side issues	• scale and representation beyond physically identifiable communities • focus on diagram outputs may detract from analysis of processes	• using quantitative PLA methods eg mapping and voting • careful documentation of context and the assessment process • triangulation with other methods
Credibility of practical inference	• increases communication between donors, policymakers, development practitioners and those affected by interventions • makes information immediately accessible to different stakeholders	• may raise unrealistic expectations • may create tensions which cannot be resolved	• attention to identifying and clarifying the limitations of the programmes and policies • careful attention to the participatory process

3.7.1 The Role of a Facilitator

- Help the participants to organise more quickly and effectively.
- To create a conducive environment where participants can be comfortable with one another.
- Guide the participants through a process of learning.
- Encourage the participants to become involved in the training program.
- Help the sub groups to establish proper roles and responsibility.
- Help the participants in setting up agenda and develop an attitude among them that it is in their best interests.
- Ensure that both the participants and the facilitator(s) are honest, open in their behaviour and actions.
- To provide a process, which will help the participants to discuss their own content in the most satisfactory and productive way possible.
- Facilitator is positive about the content of the training and has equal stake in the decisions that are taken by them.
- Facilitator may face many challenges with the participants but ultimately the participants must solve it on their own.

3.7.2 Facilitation Skills

Adapting: to the changing conditions, allowing freedom to change the mind and adjust to suit the particular needs of the moment.

Communicating: thoughts, feelings and ideas about the happenings. Enables to contribute and share; also helps to develop a sense of freedom to act in appropriate way.

Listening: in an open and quiet way. Helps to understand what and how it is happening. and gives basis for the choices to act.

Questioning: in an enquiring and learning way. Gain knowledge to make choices.

Reviewing: what is happening here and how. Helps to assess what changes your action has had on what is happening.

After reading this section, you would have gained some idea about participatory methods and tools. Now you should be able to answer the questions given in *Check Your Progress 2*.

Check Your Progress 2

Note: a) Write your answer in the space given below.

b) Compare your answer with those given at the end of the unit.

1) What do you understand by participatory learning action?

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2) What are the advantages of participatory methods?

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3.8 RELEVANT TERMS EXPLAINED

- **Access to resources.**

A series of participatory exercises that allows development practitioners to collect information and raises awareness among beneficiaries about the ways in which access to resources varies according to gender and other important social variables. This userfriendly tool draws on the everyday experience of participants and is useful to men, women, trainers, project staff, and field-workers.

- **Analysis of tasks.**

A gender analysis tool that raises community awareness about the distribution of domestic, market, and community activities according to gender and familiarizes planners with the degree of role flexibility that is associated with different tasks. Such information and awareness is necessary to prepare and execute development interventions that will benefit both men and women.

- ***Focus group meetings.***

Relatively low cost, semi-structured, small group (four to twelve participants plus a facilitator) consultations used to explore peoples' attitudes, feelings, or preferences, and to build consensus. Focus group work is a compromise between participant observation, which is less controlled, lengthier, and more in depth, and preset interviews, which are not likely to attend to participants' own concerns.

- ***Force field analysis.***

A tool similar to one called "Story With a Gap," which engages people to define and classify goals and to make sustainable plans by working on thorough "before and after" scenarios. Participants review the causes of problematic situations, consider the factors that influence the situation, think about solutions, and create alternative plans to achieve solutions. The tools are based on diagrams or pictures, which minimize language and literacy differences and encourage creative thinking.

- ***Logical Framework or LogFRAME.***

A matrix that illustrates a summary of project design, emphasizing the results that are expected when a project is successfully completed. These results or outputs are presented in terms of objectively verifiable indicators. The Logical Framework approach to project planning, developed under that name by the U.S. Agency for International Development, has been adapted for use in participatory methods such as ZOPP (in which the tool is called a *project planning matrix*) and Team UP.

- ***Mapping.***

A generic term for gathering in pictorial form baseline data on a variety of indicators. This is an excellent starting point for participatory work because it gets people involved in creating a visual output that can be used immediately to bridge verbal communication gaps and to generate lively discussion. Maps are useful as verification of secondary source information, as training and awareness raising tools, for comparison, and for monitoring of change. Common types of maps include *health maps*, *institutional maps* (*Venn diagrams*), and *resource maps*.

- ***Needs assessment.***

A tool that draws out information about people's varied needs, raises participants' awareness of related issues, and provides a framework for prioritizing needs. This sort of tool is an integral part of gender analysis to develop an understanding of the particular needs of both men and women and to do comparative analysis.

- ***Participation***

Participation refers to involvement whereby local populations in the creation, content and conduct of a program or policy designed to change their lives. Participation requires recognition and use of local capacities and avoids the imposition of priorities from the outside

- **Participatory development.**

An approach to “development” that empowers individuals and communities to define and analyze their own problems, make their own decisions about directions and strategies for action, and lead in those actions. The approach is contrasted with “top-down” development processes, in which outsiders, with greater socioeconomic and political power, make the key decisions about local resource use and management.

- ***Participant observation***

A fieldwork technique used by anthropologists and sociologists to collect qualitative and quantitative data that leads to an in depth understanding of peoples’ practices, motivations, and attitudes. Participant observation entails investigating the project background, studying the general characteristics of a beneficiary population, and living for an extended period among beneficiaries, during which interviews, observations, and analyses are recorded and discussed.

- ***Preference ranking.***

Also called direct matrix ranking, an exercise in which people identify what they do and do not value about a class of objects (for example, tree species or cooking fuel types). Ranking allows participants to understand the reasons for local preferences and to see how values differ among local groups. Understanding preferences is critical for choosing appropriate and effective interventions.

- **Public participation.**

A process that consists of a series of activities and actions conducted by a sponsoring agency or other entity to both inform the public and obtain input from them. Public participation affords stakeholders the opportunity to influence decisions that affect their lives. Other terms for public participation include public involvement and public engagement.

- ***Role playing.***

Enables people to creatively remove themselves from their usual roles and perspectives to allow them to understand choices and decisions made by other people with other responsibilities. Ranging from a simple story with only a few characters to an elaborate street theater production, this tool can be used to acclimate a research team to a project setting, train trainers, and encourage community discussions about a particular development intervention.

- ***Seasonal diagrams or seasonal calendars.***

Show the major changes that affect a household, community, or region within a year, such as those associated with climate, crops, labor availability and demand, livestock, prices, and so on. Such diagrams highlight the times of constraints and opportunity, which can be critical information for planning and implementation.

- ***Secondary data review.***

Also called desk review, an inexpensive, initial inquiry that provides necessary contextual background. Sources include academic theses and dissertations, annual reports, archival materials, census data, life histories, maps, project documents, and so on.

- ***Semi-structured interviews.***

Also called *conversational interviews*, interviews that are partially structured by a flexible interview guide with a limited number of preset questions. This kind of guide ensures that the interview remains focused on the development issue at hand while allowing enough conversation so that participants can introduce and discuss topics that are relevant to them. These tools are a deliberate departure from survey-type interviews with lengthy, predetermined questionnaires.

- ***Socio-cultural profiles.***

Detailed descriptions of the social and cultural dimensions that in combination with technical, economic, and environmental dimensions serve as a basis for design and preparation of policy and project work. Profiles include data about the type of communities, demographic characteristics, economy and livelihood, land tenure and natural resource control, social organization, factors affecting access to power and resources, conflict resolution mechanisms, and values and perceptions. Together with a participation plan, the socio-cultural profile helps ensure that proposed projects and policies are culturally and socially appropriate and potentially sustainable.

- ***Surveys.***

A sequence of focused, predetermined questions in a fixed order, often with predetermined, limited options for responses. Surveys can add value when they are used to identify development problems or objectives, narrow the focus or clarify the objectives of a project or policy, plan strategies for implementation, and monitor or evaluate participation. Among the survey instruments used in Bank work are *firm surveys*, *sentinel community surveillance*, *contingent valuation*, and *priority surveys*.

- ***Tree diagrams.***

Multipurpose, visual tools for narrowing and prioritizing problems, objectives, or decisions. Information is organized into a treelike diagram that includes information on the main issue, relevant factors, and influences and outcomes of these factors. Tree diagrams are used to guide design and evaluation systems, to uncover and analyze the underlying causes of a particular problem, or to rank and measure objectives in relation to one another.

- ***Village meetings.***

Meetings with many uses in participatory development, including information sharing and group consultation, consensus building, prioritization and sequencing of interventions, and collaborative monitoring and evaluation. When multiple tools such as resource mapping, ranking, and focus groups

have been used, village meetings are important venues for launching activities, evaluating progress, and gaining feedback on analysis.

- **Wealth ranking.**

Also known as wellbeing ranking or vulnerability analysis, a technique for the rapid collection and analysis of specific data on social stratification at the community level. This visual tool minimizes literacy and language differences of participants as they consider factors such as ownership of or use rights to productive assets, lifecycle stage of members of the productive unit, relationship of the productive unit to locally powerful people, availability of labor, and indebtedness.

- **Workshops.**

Structured group meetings at which a variety of key stakeholder groups, whose activities or influence affect a development issue or project, share knowledge and work toward a common vision. With the help of a workshop facilitator, participants undertake a series of activities designed to help them progress toward the development objective (consensus building, information sharing, prioritization of objectives, team building, and so on). In project as well as policy work, from preplanning to evaluation stages, stakeholder workshops are used to initiate, establish, and sustain collaboration.

- **Stakeholders**

Stakeholders are any individual, group or institution, which could be involved in the transfer of knowledge and best practice to improve the urban development process, can be considered a stakeholder.

3.9 LET US SUM UP

Development practitioners use a wide variety of different methods, tailored to different tasks and situations, to support participatory development. Each of the methods described above is a combination of tools, held together by a guiding principle. Dozens of exercises exist to cultivate collaborative development planning and action. These are the tools with which social scientists and other development practitioners encourage and enable stakeholder participation. Some tools are designed to inspire creative solutions; others are used for investigative or analytic purposes. One tool might be useful for sharing or collecting information, whereas another is an activity for transferring that information into plans or actions

It would be misleading to claim that any tools or methods are inherently participatory or that they spontaneously encourage ownership and innovation among stakeholders. The participants in development planning and action—the users of these methods and tools—must be the ones who encourage and enable participation. The tools themselves facilitate learning, preparation, and creative application of knowledge. They make it easier for Task Managers and borrowers who are committed to participation to collaborate with a broad range of stakeholders in the selection, design, and implementation of development projects. These same methods, however, can also be implemented in a “top-down” manner, which merely pays lip service to participation. The ultimate responsibility for using these methods well, therefore, rests with the users and facilitators.

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3.11 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress 1

- 1) The principles behind participatory methodologies are:
 - That it is possible, and desirable, to increase participation in development by involving those immediately affected by a particular need;
 - Involving people so affected enables activity designers and managers to explore a range of real circumstances and systems rather than concentrating on statistical samples;
 - Issues can be investigated from different perspectives and using a range of approaches, such as involving multidisciplinary teams;
 - Informal approaches are often more appropriate and can be changed as the work progresses.
- 2) Participatory methodologies can be used at any stage of the Activity Cycle:
 - At the Design stage, by involving people in identifying problems during the planning and designing stage, e.g. needs assessments, feasibility studies;
 - At the Implementation stage, through examination of a particular problem or topic e.g. identifying priorities, or implementing new activities where information
 - needs to be collected;
 - At the Monitoring and Evaluation stage, by enabling participants to implement procedures to examine their own activities.

Check Your Progress 2

- 1) The participatory methods are now generically referred to as **Participatory Learning and Action (PLA)**. Participatory Learning and Action combines:
 - **a set of diagramming and visual techniques** originally developed for livelihoods analysis and now widely used in Natural Resources departments in development agencies. They have since been adapted for use in other sectors including enterprise development.
 - **underlying principles of grassroots participation** from human rights activism which involve rethinking power relations and partnerships between development agencies, experts and poor people. These are now being developed further to facilitate negotiations between different stakeholders in projects and policy dialogue.
- 2) Using participatory methods provides a useful way of:
 - Rapidly identifying the range of potential impacts through exploring the interlinkages between different dimensions of livelihoods and poverty
 - Prioritizing the different possible impact goals for assessment by identifying which of the range of possible impacts are most important for the primary stakeholders e.g. increased income versus decreased leisure, levels of income and/or working conditions expected
 - Identifying reliable measurable or qualitative indicators which can be used in different contexts or for different target groups.

UNIT 4 PUBLIC PRIVATE PARTNERSHIP FOR URBAN DEVELOPMENT

Structure

- 4.1 Introductions
- 4.2 Public Private Partnership: Meaning, Objectives and Importance
- 4.3 Types of Public Private Partnerships
- 4.4 PPP in the International Arena
- 4.5 PPP in India
- 4.6 Let Us Sum Up
- 4.7 References and Selected Readings
- 4.8 Check Your Progress – Possible Answers

4.1 INTRODUCTION

PPP models have been applied in many countries around the world and some infrastructure sectors are more conducive to PPP than others. In which, the power sector and transport sector have received most PPP model. There are ranges of reasons including better potential for cost recovery, higher political commitment due to the sector's importance for country economic growth etc. Nevertheless, this does not mean that PPP in other sectors is without prospects. With appropriate modalities, support for capacity development, and political commitment to sector reform, PPP is feasible in others sectors as well.

Urban development plays important role in country development; the possible good of urbanization can solve many problems such as housing, environment, infrastructure systems etc. Due to supplying the private sector's expertise, efficiency, innovation, risk sharing, financing etc. into public project, the quality of public facilities and services can be uplifted. India has the second largest urban population in the world and is likely to see significant growth in number of people living in cities over the next two decades. Ensuring quality urban services to this large, growing population would be crucial to realising India's vision of urban development. Infrastructure development at this scale would require huge resources and it was not feasible for the government alone to fund the total required infrastructure investment. PPPs are useful only if they ensure quality supply at reasonable cost stressing the need for the establishment of independent regulatory bodies with an appeal mechanism.

After reading this unit you will be able to:

- understand the importance of PPP in Urban Development;
- describe various forms of PPP models;
- illustrate examples of successful PPP models on International front;
- illustrate examples of successful PPP models on national front.

4.2 PUBLIC PRIVATE PARTNERSHIP: MEANING, OBJECTIVES AND IMPORTANCE

4.2.1 Definition of Public Private Partnership (PPP)

PPP are collective efforts, between public and private sectors, with clearly identified partnership structures, shared objectives and specified performance indicators. According to UNECE (United Nations Economic Commission for Europe) PPP refers to innovative methods used by the public sector to contract with the private sector who bring their capital and their ability to deliver projects on time and to budget while the public sector retains the responsibility to provide these services to the public in a way that benefits the public and delivers economic development as an improvement in the quality of life. The Canadian Council for Public Private Partnership defines PPP as a co-operative venture between the public and private sectors, built on the expertise of each partner, that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards.

4.2.2 Objectives of Public Private Partnership

Some of the objectives of PPPs are as follows:

- 1) Improving access to essential services
- 2) Improving quality of services available
- 3) Exchange of expertise
- 4) Mobilize additional resources for activities
- 5) Improve efficiency
- 6) Better management of services
- 7) Increasing scope and scale of services
- 8) Increasing community ownership of programmes
- 9) Ensuring optimal utilization of government investment and infrastructure
- 10) Cost-effectiveness and division of assignments
- 11) Promote co-ordination, collaboration and cooperative development

4.2.3 Importance of PPP

It is estimated that more than half of the world's population today lives in the cities, towns and other urban spaces. Current trends predict that this number will continue to rise with urban population growth. According to the World Bank, over 90 percent of recent urbanization has occurred in developing countries, with urban areas gaining an estimated 70 million new residents each year. This trend is especially prevalent in South Asia and Sub-Saharan Africa, the two poorest regions in the world, where the urban population is expected to double by 2030. For an economy to grow in a sound manner, it is important that the cities are well managed. For this very reason, the pressure on the government to provide with the basic human needs of health care, clean water and sanitation rises when the process of urbanization grows at a fast rate.

The urban areas differ in their characteristics and problems from country to country. However one thing that is common to the urban areas across the globe

is that the finances needed for different urban development projects are too high to be provided by the public sector alone. Taking this into consideration, many nations are exploring the possibility of PPP for large scale investments in providing the basic infrastructure to the urban multitude. Traditionally the role of private sector was limited to providing skilled labour under short term contracts with the delivery of service being the sole responsibility of the public sector. However a PPP allows a private consortium to assume risk

4.2.4 Advantages of PPPs

Cost Savings

Cost savings materialize in several different forms (discussed below) but are mainly due to the private sector's role as a mutual partner in the project. Generally speaking, the private partner's fundamental drive for economic gain yields it an incentive to continually improve its performance, thereby cutting overall project costs.

Whole of Life-Cycle

Public-private partnerships combine two or more of the project's phases in a single bundle for the private consortium to deliver over the long-term. This creates economies of scale by motivating the private sector to organize its activities in a way that drives efficiencies and maximizes returns on investments.

Output-Based Contracts

Public-private partnership projects typically adopt an output-focused contract which links payments to performance. This specifies project results in terms of the quality delivered, rather than how assets or services are provided.

Emphasis on outputs also encourages innovation to take place by motivating the private partner to develop new methods and approaches for project delivery that meets requirements at lower costs.

Risk sharing

Public-private partnerships are designed so that risk is transferred between the public and private sectors, allocating particular project risk to the partner best able to manage that risk cost-effectively.

PPPs Deliver On-Time

With financing risk routinely transferred to the private consortium, any delays in meeting the agreed upon timelines can lead to additional costs for the private partner as it alone carries the debt for a longer period of time. Therefore, the private sector has a direct financial interest in ensuring that projects and services are delivered on-time, if not sooner.

Enhancing Public Management

By inviting the private partner in, the public authority can transfer risks and responsibilities over the day-to-day operations of two or more phases of the urban infrastructure project to the private consortium. This frees the public sector to focus on other important policy issues such as regulating, performance monitoring and urban service planning.

Improved Levels of Service

By bringing together the strengths from the public and private sectors, PPPs have the unique ability to share a diverse range of resources, technologies, ideas and skills in a cooperative manner that can work to improve how urban infrastructure assets and services are delivered to the people.

Increased Availability of Infrastructure Funds

Public-private partnerships free up funding for other urban infrastructure projects in two ways: first, through the potential cost savings inherent in the PPP approach, and second, through access to private financing which commits the government to spread payments for services rendered over a longer period of time. Seeing that it is the private partner who typically absorbs the financing risk, the public authority is not obliged to record the investment upfront as part of its bottom line surplus or deficit for that fiscal year. This allows the transaction to remain 'off balance sheet', meaning the government can borrow money for other important projects without affecting calculations of the measure of its indebtedness.

4.2.5 Some Disadvantages of PPPs

Additional Costs

Public-private partnerships represent good opportunities to lower overall project costs. However, when compared with traditional procurement, the complete PPP process invites additional costs that, if not managed properly, can erode some of the potential economic benefits of this model. One of these potential cost drivers is identified in the tender process - a competitive approach to choosing a project partner unique to the PPP procurement model. Parties bidding for a project expend considerable skills and resources in designing and evaluating the project prior to implementation. Depending on the number of project bidders, costs can add up as all participating bids tend to be factored into the overall cost of the project.

Second, the long-term and inclusive nature of a PPP contract requires that each partner spend considerable time and resources on outside experts to help anticipate and oversee all possible future contingencies. This can be very costly, particularly for a public agency inexperienced with the private sector and requiring additional help to protect the public interest. Last, while the private financing element of the partnership is one of the most important incentive drivers for the private partner, the price of financing can result in higher capital costs ranging between 1 and 3 percent. Unless cost savings generated by the private consortium outweigh the added cost of private loan financing, a PPP project may not deliver cost savings.

Reduced Control of Public Assets

In view of the fact that the private sector absorbs a significant portion of the project risk, important decisions over outcomes are inadvertently shared with that partner. Accordingly, this can result in the loss of public control over important decisions concerning a range of public issues, from how basic public goods such as housing and clean water should be delivered and priced, through to on-site labour issues around job pay and security.

Loss of Accountability

Partnerships are typically governed by a complex web of contracts which extend responsibility over the provision of housing and other urban service to a wide range of partners. If not clearly defined, contracts can overlap roles and responsibilities and blur lines of accountability for the public taxpayer.

Mitigating Risk

The more complex the urban project and the more people involved the higher and more varied the risk becomes. Although a carefully structured PPP manages risk through a well-defined contractual agreement, some risk is unforeseen and therefore difficult to mitigate. In the case of such unexpected risk (or project failure), oftentimes it is the public authority that is left to not only pay for the failure of the risk, but also the emerging costs.

After reading this section, you would have gained some idea about public private partnership. Now you should be able to answer the questions given in *Check Your Progress 1*.

Check Your Progress 1

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) Write any five objectives of PPP.

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2) How does PPP facilitate risk sharing?

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4.3 TYPES OF PUBLIC PRIVATE PARTNERSHIPS

The PPP models vary from short-term simple management contracts (with or without investment requirements) to long-term and very complex BOT form, to divestiture.

The variations in the models may be due to

- Ownership of capital assets
- Responsibility for investment

- Assumption of risks, and
- Duration of contract.

The PPP models can be classified into four broad categories in order of increased involvement and assumption of risks by the private sector. These categories include

- 1) Management contracts
- 2) Turnkey
- 3) Lease
- 4) Concessions
- 5) Private ownership of assets

1) Management Contracts: A management contract is a contractual arrangement for the management of a part or whole of a public enterprise by the private sector. Management contracts allow private sector skills to be brought into service design and delivery, operational control, labour management and equipment procurement. However, the public sector retains the ownership of facility and equipment. The private sector is provided specified responsibilities concerning a service and is generally not asked to assume commercial risk. The private contractor is paid a fee to manage and operate services. Normally, payment of such fees is performance-based. Usually, the contract period is short, typically two to five years. But longer period may be used for large and complex operational facilities such as a port or airport.

There are several variants of the management contract including:

- a) Supply or service contract
- b) Maintenance management
- c) Operational management

a) *Supply or service contract:*

Supply of equipment, raw materials, energy and power, and labour are typical examples of supply or service contract. A private concessionaire can itself enter into a number of supply or service contracts with other entities/providers for the supply of equipment, materials, power and energy, and labour. Non-core activities of an organization (public or private) such as catering, cleaning, medical, luggage handling, security, and transport services for staff can be undertaken by private sector service providers. Such an arrangement is also known as outsourcing. Some form of licensing or operating agreement is used if the private sector is to provide services directly to users of the infrastructure facility. Examples of such an arrangement include, catering services for passengers on railway systems (the Indian Railways, for example). The main purpose of such licensing is to ensure the supply of the relevant service at the desired level of quantity and quality.

b) *Maintenance management*

Assets maintenance contracts are very popular with transport operators. Sometimes equipment vendors/suppliers can also be engaged for the maintenance of assets procured from them.

c) *Operational management*

Management contracts of major transport facilities such as a port or airport may be useful when local manpower or expertise in running the facility is limited or when inaugurating a new operation. Management contracts are also quite common in the transport sector for providing some of the non-transport elements of transport operations such as the ticketing system of public transport and reservation systems. Operational management of urban transport services can also be contracted out to the private sector. In the simplest type of contract, the private operator is paid a fixed fee for performing managerial tasks. More complex contracts may offer greater incentives for efficiency improvement by defining performance targets and the fee is based in part on their fulfilment.

- 2) **Turnkey:** Turnkey is a traditional public sector procurement model for infrastructure facilities. Generally, a private contractor is selected through a bidding process. The private contractor designs and builds a facility for a fixed fee, rate or total cost, which is one of the key criteria in selecting the winning bid. The contractor assumes risks involved in the design and construction phases. The scale of investment by the private sector is generally low and for a short-term. Typically, in this type of arrangement there is no strong incentive for early completion of a project. This type of private sector participation is also known as Design-Build.
- 3) **Lease:** In this category of arrangement an operator (the leaseholder) is responsible for operating and maintaining the infrastructure facility and services, but generally the operator is not required to make any large investment. However, often this model is applied in combination with other models such as build-rehabilitate-operate-transfer. In such a case, the contract period is generally much longer and the private sector is required to make a significant level of investment.

The arrangements in an afterimage and a lease are very similar. The difference between them is technical. Under a lease, the operator retains revenue collected from customers/users of the facility and makes a specified lease fee payment to the contracting authority. Under an afterimage, the operator and the contracting authority share revenue from customers/users. Following Figure shows the typical structure of an afterimage/lease contract. In the afterimage/lease types of arrangements, the operator takes lease of both infrastructure and equipment from the government for an agreed period of time. Generally, the government maintains the responsibility for investment and thus bears investment risks. The operational risks are transferred to the operator. However, as part of lease, some assets may be transferred on a permanent basis for a period which extends over the economic life of assets. Fixed facilities and land are leased out for a longer period than for mobile assets. Land to be developed by the leaseholder is usually transferred for a period of 15-30 years.

It may be noted here that if the assets transferred to the private sector under a lease agreement are constrained in their use to a specific function or service, the value of assets is dependent upon the revenue potential of that function or service. If assets are transferred to the private sector without restrictions of use, the asset value is associated with the optimum use of the assets and the revenues that they can generate.

- 4) **Concessions:** In this form of PPP, the Government defines and grants specific rights to an entity (usually a private company) to build and operate a facility for a fixed period of time. The Government may retain the ultimate ownership of the facility and/or right to supply the services. In concessions, payments can take place both ways: concessionaire pays to government for the concession rights and the government may also pay the concessionaire, which it provides under the agreement to meet certain specific conditions. Usually such payments by government may be necessary to make projects commercially viable and/or reduce the level of commercial risk taken by the private sector, particularly in the initial years of a PPP programme in a country when the private sector may not have enough confidence in undertaking such a commercial venture. Typical concession periods range between 5 to 50 years. It may be noted that in a concession model of PPP, an SPV may not always be necessary.

Concessions may be awarded to a concessionaire under two types of contractual arrangements:

- a) Franchise
- b) BOT type of contracts

a) Franchise

Under a franchise arrangement the concessionaire provide services that are fully specified by the franchising authority. The private sector carries commercial risks and may be required to make investments. This form of private sector participation is historically popular in providing urban bus or rail services. Franchise can be used for routes or groups of routes over a contiguous area.

b) Build-Operate-Transfer

In a Build-Operate-Transfer or BOT (and its other variants namely Build-Transfer- Operate (BTO), Build-Rehabilitate-Operate-Transfer (BROT), Build-Lease-Transfer (BLT)) type of arrangement, the concessionaire undertakes investments and operates the facility for a fixed period of time after which the ownership reverts back to the public sector. In this type of arrangement, operating and investment risks can be substantially transferred to the concessionaire. However, in a BOT type of model the government has explicit and implicit contingent liabilities that may arise due to loan guarantees provided and default of a sub-sovereign government and public or private entity on non-guaranteed loans. By retaining ultimate ownership, the government controls policy and can allocate risks to those parties best suited to bear them or remove them.

In a BOT concession, often the concessionaire may be required to establish a special purpose vehicle (SPV) for implementing and operating the project. The SPV may be formed as a joint venture company with equity participation from multiple private sector parties and the public sector. In addition to equity participation, the government may also provide capital grants or other financial incentives to a BOT project. BOT is a common form of PPP in all sectors in Asian countries. A large number of BOT port and road projects have been implemented in the region.

Under the Build-Rehabilitate-Operate-Transfer arrangement, a private developer builds an add-on to an existing facility or completes a partially built facility and rehabilitates existing assets, then operates and maintains the facility at its own risk for the contract period. BROT is a popular form of PPP in the water sector. A key distinction between a franchise and BOT type of concession is that, in a franchise the authority is in the lead in specifying the level of service and is prepared to make payments for doing so, whilst in the BOT type the authority imposes a few basic requirements and may have no direct financial responsibility.

- 5) **Private ownership of assets:** In this form of participation, the private sector remains responsible for design, construction and operation of an infrastructure facility and in some cases the public sector may relinquish the right of ownership of assets to the private sector.

It is argued that by aggregating design, construction and operation of infrastructure services into one contract, important benefits could be achieved through creation of synergies. As the same entity builds and operates the services, and is only paid for the successful supply of services at a pre-defined standard, it has no incentive to reduce the quality or quantity of services. Compared with the traditional public sector procurement model, where design, construction and operation aspects are usually separated, this form of contractual agreement reduces the risks of cost overruns during the design and construction phases or of choosing an inefficient technology, since the operator's future earnings depend on controlling costs. The public sector's main advantages lie in the relief from bearing the costs of design and construction, the transfer of certain risks to the private sector and the promise of better project design, construction and operation.

There can be three main types under this form:

- a) Build-Own-Operate type of arrangement
- b) Private Finance Initiative (a more recent innovation)
- c) Divestiture by license or sale

a) Build-Own-Operate

In the Build-Own-Operate (BOO) type and its other variants such as Design-Build- Finance-Operate, the private sector builds, owns and operates a facility, and sells the product/service to its users or beneficiaries. This is the most common form of private participation in the power sector in many countries. For a BOO power project, the Government (or a power distribution company) may or may not have a long-term power purchase agreement (commonly known as off-take agreement) at an agreed price from the project operator.

In many respects, licensing may be considered as a variant of the BOO model of private participation. The Government grants licences to private undertakings to provide services such as fixed line and mobile telephony, Internet service, television and radio broadcast, public transport, and catering services on the railways. However, licensing may also be considered as a form of "concession" with private ownership of assets. Licensing allows competitive pressure in the market by allowing multiple operators, such as in mobile telephony, to provide competing services.

There are two types of licensing: quantity licensing and quality licensing. By setting limits through quantity licensing, the government is able to moderate competition between service providers and adjust supply between one area and other. Quality licensing however, does not place any restriction on number of providers or the amount of service produced but specifies the quality of service that needs to be provided. The government may get a fee and a small share of the revenue earned by the private sector under the licensing arrangement.

b) Private Finance Initiative

In the Private Finance Initiative (PFI) model, the private sector similar to the BOO model builds, owns and operates a facility. However, the public sector (unlike the users in a BOO model) purchases the services from the private sector through a long-term agreement. PFI projects therefore, bear direct financial obligations to government in any event. In addition, explicit and implicit contingent liabilities may also arise due to loan guarantees provided to lenders and default of a public or private entity on non-guaranteed loans.

In the PFI model, asset ownership at the end of the contract period may or may not be transferred to the public sector. The PFI model also has many variants. The annuity model for financing of national highways in India is an example of the PFI model. Under this arrangement a selected private bidder is awarded a contract to develop a section of the highway and to maintain it over the whole contract period. The private bidder is compensated with fixed semi-annual payments for his investments in the project. In this approach the concessionaire does not need to bear the commercial risks involved with project operation.

Apart from building economic infrastructure, the PFI model has been used also for developing social infrastructure such as school and hospital buildings, which do not generate direct “revenues”.

c) Divestiture

This third type of privatization is clear from its very name. In this form a private entity buys an equity stake in a state-owned enterprise. However, the private stake may or may not imply private management of the enterprise. True privatization, however, involves a transfer of deed of title from the public sector to a private undertaking. This may be done either through outright sale or through public floatation of shares of a previously corporatized state enterprise.

Full divestiture of existing infrastructure assets is not very common. However, there are many examples of partial divestiture.

4.4 PPP IN THE INTERNATIONAL ARENA

1) Sustainable energy use for urban development (London)

International and national governments are promoting sustainable development and renewable energies through direct lending, changes to legislation, financial incentives, and building and construction regulations and indicators. A 2008

report by Deloitte concludes, however, that “PPP [Public-Private Partnership] financing is often the appropriate answer to renewable energy financing.” As a result, a number of municipalities are increasingly turning to models of Public-Private Partnerships to finance renewable energies, and these partnerships may take a variety of forms depending on the needs of those involved and the parameters of the project.

The following case studies illustrate examples of European cities that have taken advantage of the variety of PPP models to launch successful renewable energy systems:

London

Woking Borough Council’s Thamesway Energy Limited

The Woking Borough Council, a public authority based outside of London, established Thamesway Energy Limited in 1999 as an Energy Service Company (ESCO) that owns, operates, and manages the heat, electricity, and water supply in the borough. Thamesway is a PPP between the Borough Council and Xergi Limited, a Danish energy company which owns 10% of the shares. By utilizing the PPP model, Woking was able to surpass government controls on local government spending, establish a Combined Heat and Power (CHP) plant, and build a private wire renewable energy system and fuel cell CHP system. The private system also allows the Borough to save on fees associated with accessing the national power grid, to which it is connected as a back-up supplier.vi

The benefits of the CHP system are considerable. From 1990 to 2004, the Borough experienced a 48.6% reduction in energy consumption and a 17.23% reduction in CO2 emissions from 2002. Additionally, all residents have received free or subsidised insulation, allowing the Borough to save 91,270 tonnes of energy per year. The Borough credits its success to the technical, financial, and commercial innovation gained by working in partnership with the private sector, and has proven how a PPP model can provide additional flexibility and capital in what would otherwise be a strict planning environment.

Source: (ULI, 2011)

2) Multi-utility Complex in Warsaw

Warsaw lacked the infrastructure it needed in order to organize large, prestigious sports, business and cultural indoor events. In order to meet this need, city officials specified that the Arena Varsovia Centre needs to be constructed with a capacity of holding 12,000 people. The design and building risks lie entirely with the private partner. The management of the facility would however be in the hands of the public partner.

3) Handwashing for Diarrheal Disease Prevention in Central America

The Central American Handwashing Initiative aimed to reduce morbidity and mortality among children under five through a coordinated communication campaign promoting proper handwashing with soap to prevent diarrheal disease. The Initiative was conceived and facilitated by the United States Agency for International Development (USAID) through two of its projects: Basic Support

for Institutionalizing Child Survival (or BASICS) and the Environmental Health Project (EHP).

The Initiative took place from 1996 to 1999. The facilitator, or “catalyst” (the two projects) contacted soap producers from five Central American countries—Guatemala, Costa Rica, El Salvador, Honduras, and Nicaragua. Four companies eventually launched handwashing promotion campaigns in 1998 in the first three countries. Ministries of health and education, media companies, UNICEF, nongovernmental organizations (NGOs), and foundations also joined the partnership. The campaign consisted of radio and television advertisements, posters and flyers distributed by sales personnel and through mobile units to communities; school, municipal, and health centre programs; distribution of soap samples; promotional events; and print advertisements. According to a follow-up assessment, ten percent of the women surveyed improved their handwashing behaviour. Based on observed relationships between handwashing behaviour and diarrhoea in these studies and supporting scientific literature, one can also estimate that over the course of the intervention there was an overall reduction in diarrheal prevalence of about 4.5 percent among children under five.

4.5 PPP IN INDIA

PPPs are a relatively new phenomenon in India but already more than Rs.1000 billion worth of PPP projects are currently under development across the country. Both central and state-level governments are hoping to build on this progress, both by scaling up the use of PPPs in sectors where progress has already been made and introducing it into sectors where few private projects have yet been realized. However, to achieve their ambitions for the use of PPPs in infrastructure projects, both national and state governments will need to provide for much higher visibility PPP programs and also seek to disseminate best practice, as both commercial and bureaucratic learning advances.

PPPs in Different States for Urban Development

The PPPs represent a unique and flexible solution to implement infrastructure projects. They can embrace a range of structures and concepts which involve the sharing of risks and responsibilities between the public and private sectors. Some of these are well tried and tested conventional arrangements, while others require additional contractual agreements.

1) PPP for Construction of Roads in Rajasthan

Rajasthan has been in the forefront of successfully implementing a number of road sector projects in the recent past. Rajasthan was the first State to announce a State Road Policy in 1994 to facilitate the entry of private sector in the roads sector. A Model Concession Agreement was put in place for inviting private sector to develop roads on Build, Operate and Transfer (BOT) basis. The Rajasthan Road Development Act was enacted and launched in 2002 to encourage a greater level of participation of private sector in the development of the road sector. The Act provides formal framework to mainstream PPP modalities in the Roads sector. Under the State Road Development Fund Act, 2004 a non-lapsable State Road Fund (SRF) was created through levy of 50 paisa Cess on petrol / diesel. SRF is being leveraged to take up large / mega State Highways project.

A total of 56 road projects entailing investment of 852.84 crores have already been completed on BOT format of PPP, out of which 34 road projects entailing investment of 288.04 crores have already recovered investment, through toll, and transferred back to the Government. Other 22 road projects involving investment of 564.80 crores are being build/operated on BOT format of PPP.

Rajasthan Mega Highways Project for improvement and maintenance of 1053 km of road at an investment of 1500 crore has been completed through a joint venture company, RIDCOR.

2) PPP for Water Supply in Rajasthan

Rajasthan, a water deficient province, has many water transmission and distribution projects which are pending resource allocation and subsequent implementation. In-principle, the State

Government is inclined to proceed with annuity-based and other appropriate PPP modalities in the water sector. Project development and structuring for a few water supply projects on PPP format have been initiated. These include two projects of water supply in Ajmer (1500 crore) and Udaipur (790 crore) towns, one project of Bisalpur-Tonk- Uniyara drinking water supply (385 crore) covering 2 towns and 436 villages of Tonk District, and two pilot projects for water supply in Jaipur (Mansarovar) (25 crore) and Kota (15 crore) with focus on reduction in non-revenue water and achieving 24 x 7 water supplies.

3) PPP for Education in Rajasthan

The Government of Rajasthan intends to engage private sector participants to design, finance, establish, operate, manage and maintain 165 secondary schools (from 6th to 12th) for a period of 30 year 5 schools per districts are proposed to be built under the project. Phase-I of this project aims at procuring 50 schools in the Ajmer (4 districts) and Udaipur (6 districts) Divisions. The land for these PPP schools will be provided on a 30 year lease basis to the private sector partner After expiry of the concession period of 30 years, the assets of these schools will be transferred to the Government.

These PPP schools will be run by the private sector autonomously. The private partner(s) will bear the entire capital cost. Government will provide capital assistance at the rate of 500Rs. per sq ft of constructed area subject to maximum of 5.0 million Rs. to be paid depending upon the progress of construction and use of own funds by the private developer. The private partner will have full independence in operational matters such as teacher recruitment and running of schools. PPP schools will have to attain a high performance benchmark apart from seeking an affiliation with either the State Board or the CBSE.

4) PPP in providing radiology services in health care facilities across Bihar

The lack of diagnostic facilities in rural hospitals was evident in Bihar. Apart from other support services, this partnership was intended to focus on providing better treatment. With this intention, the Government of Bihar entered into various public private partnerships in the health sector. The Government of Bihar contracted with private provider IGE Medical Systems (IGEMS) to provide radiology services in health care facilities across Bihar, from primary health centres to district hospitals.

Under this new policy, the services in Government hospitals are provided free to patients, but necessary infrastructure was lacking. To provide better radiology services in all health care facilities operated by State Health Societies in 38 districts, these services were contracted to private providers who would set up and operate the necessary infrastructure in the allotted space inside the health centre as per agreement, and would be paid charges as per rates fixed by State Health Society Bihar for the number of tests performed.

Expression of interest was invited from various private providers operating similar services and the providers were selected through a process of technical evaluation. The partnership was formalized through a signed Memorandum of Understanding (MoU) and rates were fixed at which the charges would be reimbursed. Initially, the charges were paid by users (patients). However, when the decision was taken to provide free treatment to all patients coming to government hospitals, the MoU was amended and the charges were being paid by the Government.

IGEMS developed an innovative business model of franchising where local entrepreneurs are encouraged to operate the radiology centers with technical support from IGEMS. This model creates rural employment apart from providing radiology services at economical costs. This high volume model helps in negotiating with vendors for best prices for raw materials thus achieving economies of scale and gaining nominal profits in spite of very low costs. Monitoring is done by district health society and payments are made from districts

5) PPP for Delivery of Reproductive Child Health Services to the Slum Population of Guwahati City, Assam

The urban health intervention in Guwahati, Assam, involves contracting a trust hospital - Marwari Maternity Hospital (MMH) to provide services in eight low-income municipal wards of the city, having a total population of 2 – 2.5 lakh. The state government pays the MMH for providing outreach and referral services, in the identified areas.

In addition, vaccines and contraceptives are provided free to MMH. MMH is covering 14 outreach sites in these areas. It is mainly providing RCH services but the outreach team includes a doctor and they can also treat simple ailments or refer patients to the hospital.

In the hospital, sterilisation, spacing and abortion services are provided free of cost to patients, while deliveries, operations and diagnostic tests are charged at concessionary rates.

The initial contract was for one year (2002-2003). Government of Assam reviewed the performance after one year and renewed the contract. To build up the referral system, the Government of Assam also proposed to upgrade three or 4 health posts/urban family welfare centres to secondary hospitals in the urban limits of Guwahati, within or near the slum areas.

The PPP initiative has had significant successes. Apart from direct provision of services, it has induced replication in the public sector. The secondary/ referral system is being strengthened with marginal investment since the staffs are already available. The MMH management has started a programme of RCH camps in peri-urban areas at their own cost. Other private and trust hospitals in the city are expressing interest in joining this initiative.

6) PPP for Improving Conditions of the Slums in Ahmedabad

Officially inceptioned in 1995, Ahmedabad's Slum Networking Program commenced as an adaptation of the DFID funded Indore Habitat Project. The program continues to exist as a partnership, though the nature of the partnership has evolved.

In 1995, approximately 3 million people dwelled in Ahmedabad, 40% of whom were considered slum dwellers. Himanshu Parikh, the sanitation infrastructure engineer of the Indore Habitat Project, garnered the support of Arvind Mills, emerging as a global corporation with headquarters in the city, and the Ahmedabad Municipal Corporation (AMC) to turn the venture into a citywide pilot project, beginning with the up gradation of 4 slums, 3,300 households, amounting to approximately 22,000 people. Three objectives emerged from the partnership 1) to improve the physical and non-physical infrastructure facilities within selected slum areas; 2) to facilitate the process of community development; and 3) to develop a city level organization for slum networking and infrastructure improvement. In addition to the physical upgrading components, which included the implementation of roads and pavers, storm water, waste water, individual water supply, individual toilets and landscaping, the project also included a social component, including the organization of community groups (for woman and children), educational activities for pre-school aged children, and developing linkages to the formal sector via vocational training and access to finance for starting up businesses. SAATH, an NGO that had been working with slums since 1989, developed a strategy with SHARDA Trust, the implementing agency chosen by Arvind for carrying out the social component of the program. Although AMC passed a resolution to formalize the project, the language was extremely vague and written in such a way that most of the burden was placed on Arvind Mills. Further, indicative of the organic nature of this network partnership, no contracts were written between actors.

To avoid the burden falling on any single entity, cost sharing of the pilot was split quite evenly between the public sector, AMC, 40%; the private sector, Arvind Mills, 27%; community members, 27%; and 4% from SAATH who assumed responsibility for the community development component of the program.

The project proved successful on several fronts: first, implementation of physical infrastructure (roads, sewage, storm drains, and water supply) occurred in a timely, cost-effective manner, and remained within the budget. Second, largely with the help of SAATH, community involvement occurred at every juncture of this process, from design to payment of contractors. The community even established a "community corpus" of Rs 100 per household fund to ensure maintenance of the infrastructure. Lastly, SHARDA Trust convinced SEWA bank to provide and underwrote all loans taken by project participants who did not possess upfront funds to ensure that the project would for household financing reasons.

Where the project proved less successful was 1) bringing the project to scale – the impact of 181 households is much smaller than that of 3,300 households; 2) administrative delays due to miscommunication at AMC, resulting in a 450 day response time in some cases (and 3) community development, seemingly due to mismatched values and expectations between SHARDA Trust and SAATH. Whereas Improving Slum Conditions with Public Private Partnerships SHARDA Trust seemed to expect greater skills development training, SAATH focused the majority of community development efforts on public health.

These missed opportunities speak to the challenges faced in maintaining alliances. AMC did not feel it was treated as an equal partner, while SAATH felt that SHARDA Trust was unduly pressuring the organization to achieve results. While the organic nature of this partnership allowed for greater participation amongst various entities, namely the community members and NGOs, lack of clearly delineated roles prohibited more effective action to take place. That no legal agreement existed between the actors essentially ensured mismatched expectations. Clearly AMC's resolution, which relegated the City to a facilitator role, was either mis-communicated or not fully embraced by the many bureaucracies within AMC.

After reading this section, you would have gained some idea about different models of PPP. Now you should be able to answer the questions given in *Check Your Progress 2*.

Check Your Progress 2

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is Trunkey model of PPP.

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2) What are the different types of management contract?

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4.6 LET US SUM UP

In this unit you have read about the concept of Public Private Partnership and its importance in urban development. It also throws light on the various types of Public Private Partnerships that are in vogue. To add to the understanding of the learner on PPP, the unit also brings to light a few case studies of PPPs in both national and international front.

4.7 REFERENCES AND SELECTED READINGS

UNHABITAT 2011, Public Private Partnership in Housing and Urban Development, The Global Urban Economic Dialogue Series, UN-HABITAT.

Moszoro M. and Magdalena Krzyzanowska 2011, Implementing Public Private Partnership in Municipalities, Working Paper, WP -908, IESE Business School, University of Navara.

Qingshu X. and Roger Stough 2002, Public-Private Partnerships in Urban Economic Development and Prospects of Their Application in China, Presented at the International Conference on “Transitions in Public Administration and Governance”.

ULI 2011, Public Private Partnership in Sustainable Urban Development, Infoburst, Urban Investment Network.

4.8 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress 1

- 1) Some of the objectives of PPPs are as follows:
 - 1) Improving access to essential services
 - 2) Improving quality of services available
 - 3) Exchange of expertise
 - 4) Mobilize additional resources for activities
 - 5) Improve efficiency
- 2) Public-private partnerships are designed so that risk is transferred between the public and private sectors, allocating particular project risk to the partner best able to manage that risk cost-effectively.

Check Your Progress 2

- 1) Turnkey is a traditional public sector procurement model for infrastructure facilities. Generally, a private contractor is selected through a bidding process. The private contractor designs and builds a facility for a fixed fee, rate or total cost, which is one of the key criteria in selecting the winning bid. The contractor assumes risks involved in the design and construction phases. The scale of investment by the private sector is generally low and for a short-term. Typically, in this type of arrangement there is no strong incentive for early completion of a project. This type of private sector participation is also known as Design-Build.
- 2) There are several variants of the management contract including:
 - a) Supply or service contract
 - b) Maintenance management
 - c) Operational management