

## **Democratic Decentralization and Welfare Governance in Kerala A Theoretical Reappraisal of Participatory Governance**

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### **Introduction**

Across Global South, decentralization remains a central pillar of democratic and participatory governance. This is primarily because of its potential in ensuring transparency, accountability, responsiveness and its effectiveness in delivering welfare oriented strategies (Manor, 1990, Crook and Manor, 1998, Smoke, 2015). Decentralization has often been touted as a panacea to address the challenges emerging at the grassroots level (Chathukulam, 2021, Chathukulam and Joseph, 2022, Chathukulam and Joseph, 2023, Chathukulam et al., 2025). In India, local governments constitute the foundational tier of India's democratic decentralization framework, institutionalized through the 73rd and 74th Constitutional Amendments to realize local self-governance and community-driven development. It institutionalized a three-tier Panchayati Raj System and urban local governments, intended to deepen democratic participation and empower local governments as primary stakeholders in planning and welfare – oriented service delivery. Article 243 of the Indian Constitution states that panchayats are entrusted with the responsibility of fostering economic development and ensuring social justice. Decentralization activists and experts have pointed out that grassroots level governance can provide high-quality people-centric service delivery (Oates, 1972, Tiebout, 1956, Crook and Manor, 1998). Policy experts argue that empowerment at the grassroots level play a significant role in ensuring effective service delivery to citizens and enhancing governance in public service provision at sub-national levels (Oates, 1972, Tiebout, 1956, Ostrom et al., 1993).

Since the 1970s Kerala model of development has been celebrated for its notable achievements in human development indicators, despite its relatively low growth in gross domestic product (Centre for Development Studies, 1975, Franke and Chasin 1994, Heller 1996, Tornquist, 1998, Tornquist, 1999, Heller, 1999, Heller, 2000). This unique developmental model has defied conventional development economics, particularly state's early investment in health and education despite low income (Tornquist, 1991, Tornquist, 2002, Tornquist, 2009, Tornquist, 2021). Robust healthcare system, vibrant local governments, state-society synergy framework, public action and proactive civil society organizations with a high degree of consensus and public trust are the defining characteristics of the Kerala model of development (Chathukulam and Tharamangalam, 2021).

Prior to becoming a unified state in 1957, the two princely states of Travancore and Cochin and the British ruled region of Malabar, all three regions had a half century old history of anti-caste and social reform movements followed by trade union and socialist movements, resulted in a mobilized and a socially and politically conscious population (Chathukulam and Tharamangalam, 2021, Chathukulam and Joseph, 2021). In 1957, when Kerala became a state in

India, one of the first democratically elected government was formed by the Communist Party of India (CPI). (Desai, 2006). The first elected Communist government in Kerala did not last long in the highly contentious political environment especially due to the “liberation struggle” unleashed by interest and pressure groups including the dominant religious and caste groups and the union government used these hostile developments to dismiss the first elected government in the state (Chathukulam and Joseph, 2021). However, within a short span of time, Kerala settled into a vibrant democratic system governed alternatively in every five years by two coalitions: Left Democratic Front (LDF) and United Democratic Front (UDF) (Chathukulam and Tharamangalam, 2021, Chathukulam and Joseph, 2021). Both the political fronts have implemented various welfare measures and they have made considerable investments in health and education sector and among these two, health sector has been a major priority for the governments over the years and the robust healthcare system with special focus on primary healthcare in the state is the biggest testimony in this regard (Chathukulam and Tharamangalam, 2021, Chathukulam and Joseph, 2021).

The decentralization experiments since the mid-1990s, the state had its own extensive and efficient decentralization programs anywhere in India named as People’s Plan Campaign (Chathukulam, 2021). It helped in generating vibrant social capital in the form of Kudumbashree to help the state to formulate a social engineering to aid the development process in the state (Chathukulam and John, 2002, Chathukulam and John, 2003, and Oommen, 2007). Kerala’s progress in achieving social well-being by all measures, ranging from the Human Development Index (HDI) to Multi-Dimensional Poverty Index (MPI) are not only decades ahead of India, but on par with middle level developed countries (Chathukulam and Tharamangalam, 2021).

Kerala has a long history of social mobilization and struggle including anti-caste and social reform movements in the latter part of the nineteenth century and this gave birth to a unique Kerala model of renaissance, enlightenment, and reformation (Chathukulam and Tharamangalam, 2021). During the British period, rack-renting and predatory landlordism were more prominent in Malabar region of Kerala and the social movements during the nineteenth and early twentieth century focused on agrarian issues (Herring, 1983). Social reform movements, land reforms, political mobilization of left-oriented parties combined with high literacy, vibrant civil society and strong labour unions, created conditions conducive to participatory governance and social citizenship that validated community participation (Jeffrey, 1979, Jeffrey, 1976, Franke and Chasin, 1994, Kannan, 1995). Jean Dreze and Amartya Sen terms it as public action and Kerala’s legacy of public action has made it into a proactive and interventionist state that responds to popular demands for basic social security and a politically conscious society that puts pressure on the state and holds it to account ( Dreze and Sen, 1989, Dreze and Sen, 1998 and Dreze and Sen, 2002). There is a strong correlation between Sen’s “human capability approach” and “public action” and the development experience of Kerala (Chathukulam and Tharamangalam, 2021, Chathukulam and Joseph, 2021). Researchers and scholars agree on the fact that the development trajectory in the state were shaped by the social

and political movements, processes and systems over a long period of time, that took place even before the formation of Kerala as a state (within a state) in 1956.

The human development indices showed a standard of living which was comparable with the life in developed nations (Govindan, 1996) and one of the major reasons for such a human development trajectory has been attributed to “public action” and the “public sphere” in the state. Since the late 1930s, various forms of public action - such as “social reform movements, radical political movements, and the mobilization and organization of the labouring poor - have created an “effective political demand” that still has a strong impact on society today”, (Kannan and Pillai, 2004). The public action and the public sphere that existed in Kerala, even before India became an independent State, was moulded by a slew of socio-religious movements along with political movements and a vibrant social capital and this in turn empowered and sensitized people to articulate their needs and demands to the concerned authorities and it eventually translated into a seamless convergence of state-society synergy rooted in resilience and collective consciousness. Development scholars and experts argue that active governments and mobilized communities can enhance each other’s developmental efforts and generate “state-society synergy” (Evans, 1996) and this is true in Kerala context.

While decentralization has unfolded unevenly across Indian states, Kerala stands out as a globally recognized model for participatory local governance (Heller and Issac, 2005, Heller et al., 2007). In 1996, Kerala launched a decentralization exercise titled People’s Plan Campaign (PPC) to strengthen local democracy and service delivery at the grassroots level (Heller, 2001, Chathukulam et al., 2021, Chathukulam, 2021 and Chathukulam and Joseph, 2023). The PPC was the most extensive and efficient decentralization programme undertaken in India (Tornquist, 2021).

In 1957, after the unified state of Kerala was formed, the revenue villages came to be addressed as Panchayats. Though at the time of the formation of the state, the panchayat systems in Travancore, Cochin and Malabar were unified under the Kerala Panchayati Raj Act of 1960, it was only after the 73rd and 74th Constitutional amendments, the Kerala Panchayati Raj Act 1994, came into force, establishing a three-tier system of local governance with district panchayats, block panchayats and village panchayats. In 1996, a massive exercise of decentralized planning under People’s Plan Campaign (PPC) fostered the devolution of funds, functions and functionaries. As part of the PPC, 25 to 30 per cent of the State Plan Funds were allocated to the local governments and empowering the grassroots government led to the emergence of welfare governance. Today, local governments are enablers of participatory governance and act as a crucial link in streamlining the state-society synergy dynamics. Kerala has a rich legacy in decentralization and local governments are part and parcel of welfare governance.

The first part of the paper looks into the Decentralization and People’s Plan Campaign (PPC) in Kerala and the second part of the paper analyses Kudumbashree through the lens of welfare governance, third part of the paper looks into Ayyankali Urban Employment Guarantee

Scheme (AUEGS) from the perspective of Urban Welfare Governance and fourth part offers a brief overview of the performance of AUEGS in Kottayam Municipality. It is followed by discussion and conclusion.

### **Theoretical Frameworks**

Using theoretical frameworks from Elinor Ostrom (1990), James Manor (1999) and Archon Fung and Elik Olin Wright (2003), the paper positions Kerala in a participatory democracy and welfare governance framework. Ostrom's theory of polycentric governance implies multiple autonomous centres of authority operating under overreaching rules. There are clearly defined boundaries, collective choice agreements, rule congruence and local autonomy enables efficient resource governance and collective action. James Manor's democratic decentralization framework requires meaningful devolution of funds, functions and functionaries, downward accountability and institutional mechanisms that allow elected local governments to exercise autonomous decision making. The People's Plan Campaign (PPC) in Kerala and the decentralization framework in the state exemplifies these components. Archon Fung and Erik Olin Wright's empowered participatory governance framework is based on principles like practical problem solving, involvement of ordinary citizens, deliberative decision-making and state-centred enabling mechanisms (Fung and Wright, 2003). These theoretical frameworks collectively analyse the participatory and welfare governance in Kerala. This study employs empirical evidence and desk-based research.

### **Part I: Decentralization and People's Plan Campaign (PPC) in Kerala**

Effective decentralization can provide better opportunities not only for participatory planning but also open up spaces and platforms for "local experimentation" as in the case of the 1996 People's Plan Campaign (PPC) in Kerala, India. Good decentralized systems in Kerala is one of the hallmarks of Kerala model of development. Social scientists and researchers have equally revered Kerala model of development and Kerala model of decentralization (Heller et al., 2007).

The People's Plan Campaign (1996) marked a landmark moment in decentralisation, transferring nearly 25-30 per cent of state plan funds to local governments, empowering communities to shape development priorities (Issac and Franke, 2021). The PPC was one of the radical experiments in realm of democratic decentralisation in India. The Communist Party of India (Marxist) – CPI (M) led by Left Democratic Front (LDF) pioneering this decentralisation campaign to deepen grassroots democracy by augmenting space for participatory planning and public action. Vibrant civil society and local governments rooted in participatory democratic framework are the hallmarks of Kerala model. The CPI (M) in Kerala, or Communist Parties in India, favouring participatory democracy and decentralisation can be treated as a paradox in Communism. In fact, the introduction of the PPC in 1996 gave the Left front in Kerala a new makeover as democratic communists (Williams, 2008). It was under the banner of PPC, Kerala facilitated the devolution of funds, functions, and functionaries to local governments with the historic decision to devolve 25 to 30 per cent of state's plan funds to the local government (Harilal, 2008). Local governments were empowered to use grant-in-aid and resource mobilised

at the grassroots level for formulating and implementing local development plans in the PPC framework.

The first phase of the PPC initiated large-scale rural development. Poverty reduction in the state was the major objective of the PPC and it succeeded to a great extent (Heller and Isacc, 2005). Decentralisation of primary and secondary healthcare facilities to local governments. Road development, sanitation, drinking water, energy and housing are other actors that were brought under the PPC. The first phase of the PPC ended in 2001 as LDF lost power. Though there were attempts to replicate the PPC in the form of Kerala Development Program (KDP), it was met with lukewarm response. Though the LDF returned to power in 2006, the PPC could not be revived. Eventually in 2016, when LDF came back to power, the revival of the PPC began. When the LDF was voted back to power in 2016, the second phase of the PPC was launched. The revival of PPC made through the vision of the New Kerala ( Nava Kerala Programme). As part of this initiative, four Missions were launched and they include Aardraam (State Mission for Public Health Services), Public Education Rejuvenation Mission, LIFE (Livelihood, Inclusion, and Financial Empowerment) and Haritha Keralam (Green Kerala Mission).

All the four Missions emphasis on sustainable development and people participation in generating people-friendly health facilities, high-quality school education, secure housing and livelihoods, effective waste management, clean water bodies, purifying water resources and deepening people's planning by local governments are some among them. While the four Missions still exist under the PPC framework, the PPC process as a whole remains in a stagnated mode largely to lack of genuine decentralisation, deficit of local autonomy, and bureaucratic capture of local governments.

The PPC in a way reconfigured welfare governance into participatory and deliberative system rooted in gram sabhas, social audits, sectoral working groups and institutional transparency mechanisms. In addition, Kerala model of development also offered a fertile ground for participatory and welfare governance to flourish in the state (Sen, 1999). Local governments in Kerala and democratic decentralization spearheaded by the PPC is well positioned within Ostrom's collective action, polycentric governance, Manor's democratic decentralization and Fung and Wright's empowered participatory democratic framework

## **Part II: Kudumbashree Through the Lens of Welfare Governance**

Kudumbashree, one of the largest women self-help groups in India, was an outcome of the PPC. In 1997, a three member task force was constituted to examine the possibility of addressing the problem of poverty in the state through a poverty eradication mission. The Kerala State Budget of 1997-98, recommended the establishment of State Poverty Eradication Mission (SPEM). In 1999, the SPEM came under the local-self government department (LSGD) , Government of Kerala and the SPEM came to be known as Kudumbashree. With 46.16 lakh members across 3 lakh Neighbourhood Groups (NHGs), Kudumbashree remains as a cornerstone of Kerala's welfare and poverty alleviation framework (The Hindu, May 17, 2024).

The Kudumbashree has largely involved in the implementation of a series of welfare measures undertaken by the Government of Kerala. The sustained efforts by Kudumbashree over the years have supported vulnerable women to help them secure stable livelihoods, financial access, social support and inclusion (Chathukulam and Joseph, 2022). For instance, Kudumbashree has provided employment to more than 3 lakh women in the micro-enterprise sector, through more than 1.63 lakh enterprises in the state, of which, over 1 lakh are individual ventures and the remaining are group ventures (The Times of India, April 20, 2025). Women are provided with self-employment opportunities in production and service sectors through Kudumbashree and it has made significant strides in areas such as food production, value added products, and food processing, with 2,685 enterprises dedicated to food processing sector alone (The Times of India, April 20, 2025). With 4, 438 Haritha Karma Sena (Green Task Force) units under Kudumbashree, provides substantial income to 35, 214 women in the state and thereby integrating their contribution even into the solid waste management framework. In the last 27 years, Kudumbashree members have offered their expertise in micro-enterprises, agriculture, rural development, and empowerment of women. During the Covid 19 pandemic, the women in Kudumbashree served as frontline warriors to provide food to the poor and needy through a vast network of community kitchens (Chathukulam and Joseph, 2022).

On November 1, 2025, Kerala was declared as extreme - poverty free and the role played by Kudumbashree in this regard cannot be undermined, as it has helped countless of women from the clutches of poverty by opening avenues for sustainable incomes through self - employment initiatives and enterprises (The Times of India, November 1, 2025). The NITI Aayog's 2023 Multidimensional Poverty Index (MPI) found that only 0.55 per cent of Kerala's population are multidimensionally poor, the lowest in the country (NITI Aayog, 2023).

Kudumbashree as a collective agency played a crucial role in increasing the social and political mobility of women in public life ( Seema and Mukherjee, 2000). It also offered Kerala's civil society a form of 'tutelage' (Baiochi et al., 2008). Kudumbashree has also been instrumental in bringing about new forms of associationism amongst previously unorganised poorer women (Williams et al., 2011). Kudumbashree can also be termed as a broad-basing agency as it has helped women from marginalized sections of society into mainstream social, political and economic realities (Nadkarni, 1997 and Nadkarni, 2020). Thus, the Kudumbashree operates through the polycentric governance and collective action framework proposed by Elinor Ostrom. For instance, Kudumbashree operates through three independent but interlinked entities (1) Neighbourhood Groups (2) Area Development Societies (3) Community Development Societies (CDS). Here, each tier has authority to take certain decisions independently but coordination and consultation with each other and respective local governments are also equally important actor before making final decisions. A layered autonomy framework is seen in Kerala's Kudumbashree. Similarly, Kudumbashree operationalizes democratic decentralization by shifting power, funds, and authority directly to women collectives to some extent and it in a way aligns with James Manor's democratic

decentralization framework. Moreover, Kudumbashree rightly fits in Archon Fung and Erik Olin Wright's empowered and participatory governance as well.

### **Part III: Ayyankali Urban Employment Guarantee Scheme (AUEGS) Through the Lens of Urban Welfare Governance**

As part of the Eleventh Five Year Plan (2007-2012), Government of Kerala, introduced the Ayyankali Urban Employment Guarantee Scheme (AUEGS). The primary objective was to mitigate poverty by reducing unemployment in the urban areas of the state. The Urban Local Governments (ULGs) in the state, including Municipalities and Corporations were entrusted with the charge of implementing the scheme. The AUEGS is on par with its rural counterpart Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The AUEGS aims at enhancing the livelihood security of the people in the urban areas by guaranteeing 100 days of wage-employment in a year to an urban household, whose adult members volunteer to do unskilled manual work. It aims to provide a strong, right-based social safety net for the people in the urban areas of Kerala, while MGNREGS applies the same framework to rural areas across India.

While the AUEGS was launched in 2007, the budget allocation for the scheme started only in the year 2010-11. In 2010-11 financial year, Rs.20 crore was allocated out of it only 17 per cent was utilized (Government of Kerala, 2025). In the subsequent five years, the budget allocation for the AUEGS fluctuated and the fund utilization remained well below 50 per cent till 2015-16. In 2016-17, the AUEGS had an allocation of Rs.15 crore and out of it Rs. 9.17 crore were utilized.

In 2017-18, the AUEGS fund utilization increased. For instance, a total of Rs.24.89 crore out of an allocation of Rs.25.10 crore was utilized and high utilization continued in 2018-19 with an expenditure of Rs.45.77 crore against an allocation of Rs.48.91 crore. The Covid pandemic had in 2020 clearly affected the implementation of AUEGS with lockdowns and social distancing making the situation more complex (Chathukulam et al., 2021). Meanwhile, the post-pandemic year saw an increase in budget allocation of the AUEGS.

In 2022-23 financial year, the budget outlay for the AUEGS was Rs.125 crore, of which Rs.89 crore was expended (Government of Kerala, 2025). A total of 41,11,897.5 persondays in Municipalities and Corporations across Kerala. In the same financial year, 85,310 households and 79,766 women were provided employment under AUEGS, and 12,024 families completed 100 days of employment in the state. Of the women provided employment, 15,531 workers were from Scheduled Castes (SCs) and 1,714 were from Scheduled Tribes (STs). In the same financial year (2022-23), 3,187 SC and ST families completed 100 days of employment.

In 2023-24, Rs.150 crore was allocated to the AUEGS and Rs.103.5 crore was expended. The AUEGS generated 26,89, 283 persondays across Municipalities and Corporations. Here, a drastic drop in the number of persondays can be seen from the previous 2022-23 financial year in which 41,11,897.5 persondays were created.

In the 2023-24 period, 68,864 families received employment, of which 54,384 belongs to general category, 13,650 SC families, and 830 ST families. Of these, 4,624 families from general category, 1,607 SC families and 26 ST families completed 100 days of employment. Among the 63,847 women provided employment in the same financial year (2023-24), a total of 12,911 workers were from SC category and 825 were from ST category.

In 2024-25, the budget allocation increased to Rs.165 crore and the scheme's expenditure up to August 2024 was Rs. 35.5 crore. A total of 4,34,082 persondays were generated till August 31, 2024.

Activities undertaken in AUEGS include waste management, pre-monsoon cleaning, water conservation, afforestation, and house constructing under Pradhan Mantri Awaz Yojana – Urban – (PMAY – U) in convergence with LIFE Mission. Since 2019-20, dairy farmers have also been included as beneficiaries of AUEGS.

In the guidelines for convergence, it has been instructed that all the secretaries of the urban local governments should ensure that all PMAY (U) – LIFE Mission beneficiaries are provided with Job Cards and 90 persondays under the AUEGS is provided under the scheme to beneficiaries. House construction materials for PMAY (U) beneficiaries are provided under AUEGS. The ULGs were permitted to produce, solid blocks, cement concrete frames, and windows for the supply to the PMAY (U) beneficiaries.

As per the guidelines of AUEGS, the adult members of every household in the urban areas, who volunteer to do unskilled labour are permitted to register their names in the respective ULGs. Every adult member, whose names have been included in the job card are entitled to demand unskilled work under the AUEGS to a maximum of 100 persondays per a registered household. On receipt of application for work from any of the person registered, the applicant should be provided with work within 15 days of receipt of application. Priority is given to provide work for women in such a way that at least 50 per cent of the beneficiaries are women. The beneficiaries of the AUEGS are to be provided work within a radius of 5 kilometres of his/her residence. The scheme assures equal wages to women and men. At present, an AUEGS worker gets Rs.369 as wages. The workers are entitled for free medical treatment in the event of the occurrence of any accident as part of the job. Moreover, if the treatment requires admission in hospital as inpatient, he/she will be provided 50 per cent of the eligible wages. In the case of death of a worker or if becomes physically disabled as part of the work, he or she is eligible to get an ex gratia of Rs.50,000. Grievance redressal system is ensured under the scheme and all documents pertaining to the AUEGS are managed by online information system/MIS.

Water conservation, water harvesting, drought proofing, minor irrigation works including provision of irrigation facility to land owned by households belonging to SCs, STs, beneficiaries of centrally sponsored schemes, renovation of traditional water bodies, desilting of tanks, land development, flood control and protection works, drainage cleaning in waterlog prone areas, supplementary work in clusters, renovation work in colonies, clearing of debris/waste in public places are some of the major works permitted to be undertaken in the

AUEGS. The secretary of the urban local government is the Job Registration Officer (JRO) and they are permitted to appoint data entry operators and overseers on a contract basis.

As stated earlier, the AUEGS is a state-level employment guarantee scheme implemented through the ULGs. The implementation of the AUEGS indicates a process of welfare delivery shifting from centralized bureaucracy to participatory democratic framework to facilitate locally planned welfare. Here the ULGs identify works, implement it and manages the selection of beneficiaries in consultation with ward sabhas and Kudumbashree. This in a way opens space for citizen participation and local planning through ULGs operationalize decentralized autonomy. Thus, the AUEGS illustrates Kerala's bottom-down welfare programs in which ULGs directly design, plan and execute livelihood security interventions. For instance, the AUEGS, implemented entirely through the ULGs, guarantees manual employment to poor urban households. Here, the ULGs prepare labour budgets, identify works, and manages beneficiary identification and registration with the support of participatory structures at the ward level like Ward Sabhas and Kudumbashree. The principles of polycentric governance are very much evident in the operational framework of the AUEGS (Ostrom, 1990). Here ULGs are given substantial autonomy at the same time they are embedded withing a broader regulatory architecture framework.

The AUEGS also exemplifies Fung and Wright's participatory governance as citizens articulate demands in ward sabhas and Neighbourhood Groups which are part of Kudumbashree also assist in mobilizing beneficiaries and elected and selected functionaries facilitate welfare outcomes through administrative staff. Despite operating within a safe participatory democratic framework rooted in welfare governance, the AUEGS faces challenges including delayed fund flows, limited convergence, technical capacity deficits and these aspects are causing constraints in Kerala's decentralized model itself. Nevertheless, the AUEGS framework devolves the planning powers to the lowest tiers and in this case, it is the ULGs and it in a way enables local governments to tailor welfare interventions to suit the local need.

#### **Part IV: Performance of AUEGS in Kottayam Municipality**

Kottayam Municipality is located in Kottayam District, the central part of Kerala. As per the 2011 Census, population of Kottayam Municipality is 55,374, of which 26,687 males and 28,687 females (Census, 2011). The Kottayam Municipality has 52 wards, with council members elected from these wards every five years, as per the Kerala Municipalities Act, 1994.

**Table 1: AUEGS Job Cards and Details of Kottayam Municipality for the Financial Year (2025-26)**

Municipality	Total Job Cards Issued	General (Male)	General (Female)	Scheduled Caste (SC) Male	Scheduled Caste (SC) Female	Scheduled Tribe (ST) Male	Scheduled Tribe (ST) Female	Other Backward Castes (OBC) Male	Other Backward Castes (OBC) Female	Others (Male)	Others (Female)
Kottayam	914	25	58	18	143	0	7	37	448	7	171

Source: Kottayam Municipality

In Kottayam Municipality, a total of 914 Job Cards for AUEGS workers have been issued in the current financial year (2025-26). The distribution of Job Cards across social groups shows diversity. The OBC category has the largest share with 485 (male and female job card holders combined), followed by SC category (161), and the General category (83). The Others group received 178 Job Cards, while the ST category accounted for seven Job Cards and all the seven are women from ST community and not a single male from ST community (Table 1). The predominance of female beneficiaries across almost all categories, particularly among the SCs, OBCs and Others. Women’s participation in AUEGS is high because it provides nearby, safe, and reliable work that fits well with women’s time constraints and care responsibilities in poor urban households. As per the AUEGS guidelines, the workers are to be provided work within a radius of five kilometres of his or her residence. Guaranteed minimum wages through direct bank transfer, availability of socially acceptable works for women, and reduced travel and safety risks, make it more attractive in the urban context. In addition, urban local governments, *Kudumbashree* networks also actively mobilise women from poor urban households.

**Table 2: Year -Wise Performance of AUEGS, Kottayam Municipality (2016-17 to 2025-26)**

Financial Year	Persondays Generated	Expenditure (in Rs)			
		Wages (Rs)	Material Components (Rs)	Admin expenses (Rs)	Total (Rs)
2016-17	6700.5	1203550.47	27500	232531.5	1463581.97
2017-18	10156	2361172.4	59400	449500	2870072.45
2018-19	17337.5	4110583.70	103348	428886.4	4642818.10
2019-20	24809.5	6921594	37411	490662.7	7449668
2020-21	20483	3236620	549284.64	380058	4165962.64
2021-22	70315	15271389	3698828	575698	19545915
2022-23	40534.5	9709179	5978441	829611	16517231
2023-24	35036	7675408	2261893	728993	10666294

2024-25	59498.5	23296102	3684605	699702	27680409
2025-26 (03.12.2025)	17657	6334269	338043	513902	7186214

Source: Kottayam Municipality

Between 2016-17 and 2021-22, the number of persondays generated shows a consistent upward trend (right from 6,700 person days in 2016-17 to 70,315 persondays in 2021-22). The higher number of persondays in 2021-22 is likely due to intensified employment support offered by the Kottayam Municipality to support vulnerable households. However, the persondays started plummeting afterwards. Seasonal migration, alternate employment opportunities, preference towards higher-paying opportunities, delays in sanctioning projects, insufficient labour-intensive works, poor awareness among beneficiaries, and administrative bottlenecks in implementation and absence of effective monitoring mechanisms are the major reasons for the drop in number of persondays. Regarding fund utilization, in the financial year 2024-25, the Kottayam Municipality was allocated Rs.2.86 crore under AUEGS. Out of this, Rs.2.77 crore (close to 96.8 per cent of the allocation) was utilized. The largest portion of expenditure (84.2 per cent) was directed towards wages, followed by 13.3 per cent for material components and 2.5 per cent for administrative expenses (Table 2). In the current financial year (2025-26), Kottayam Municipality received an allocation of Rs.74.98 lakh under AUEGS, of which Rs.68.65 lakh has been utilized. However, the remaining Rs.211.02 lakh is yet to be released and the paucity of funds is stalling the execution of ongoing projects under AUEGS in Kottayam Municipality.

### Discussion and Conclusion

Kerala offers a convincing case study for understanding how decentralized institutions and mechanisms can reconfigure welfare governance. The Kerala model of participatory democracy and welfare governance demonstrates that local governments can become spaces for participatory democratic framework, accountability and welfare governments even in urban administration and governance. The decentralized structures in Kerala including the PPC, local governments and AUEGS operate through the principles of Ostrom's polycentric governance, Manor's democratic decentralization, and empowered participatory governance framework proposed by Fung and Wright.

Kerala's achievements including improved welfare outcomes, gender -inclusive participation, transparency, robust civic engagement, improved social infrastructure at the grassroots level highlight the potential of participatory local governance. However, fiscal uncertainty, institutional fragmentation and administrative constraints pose ongoing challenges. To sustain, Kerala model of participatory democracy and welfare governance requires renewed commitment to fiscal devolution, capacity building and institutional integration. While Kerala model is not a perfect model, it remains one of the most instructive empirical models for theorizing decentralized welfare governance in India's evolving participatory democratic oriented welfare governance paradigm.

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