

Transparency and accountability in employment programmes: the case of NREGA in Andhra Pradesh¹

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This paper is based upon several field visits to the state of Andhra Pradesh to observe and analyse the social audit process initiated by the Government of Andhra Pradesh (GoAP) under the National Rural Employment Guarantee Act (NREGA). This researcher visited Ananthapur, Karimnagar, Medak, Nalgonda, Rangareddy and Warangal districts during the period August 2006 – May 2007. Field visits consisted of accompanying social audit teams on their house-to-house verification visits, attending public hearings and discussing issues that had emerged with villagers after the social audit process was over. These were supplemented by extensive discussions and conversations with villagers, NGO representatives and government officials both at the mandal and district levels as also at Hyderabad, the state capital.

The most interesting finding of this research is the possibility of a new paradigm for the relationship between state agencies and Civil Society Organisations (CSOs). At one end of the spectrum is a model of conflict between CSOs and the state and, at the other end, is a model of cooperation where CSOs act closely in concert with agencies of the state. Of course, these models are idealized and many CSOs will not fit neatly into either of these conceptual categories. What is fascinating about the Andhra Pradesh example is that the state itself has commissioned CSOs to ensure transparency and accountability in the working of NREGA through the process of social audits. On the one hand, this relationship could be described as one of partnership between the state and CSOs. However, the term partnership does not perhaps capture the nuances of the relationship because CSOs are encouraged to bring out into the open instances of corruption and maladministration in the state machinery itself. In a sense, this model involves both conflict and cooperation with state agencies and therein lies its uniqueness. As we approach the second anniversary of NREGA in February 2008, there may be lessons to be learnt from the experience of Andhra Pradesh for other states.

The paper traces the background of the NREGA to grassroots agitations – particularly in Rajasthan – as also to public interest litigation in the Supreme Court. It goes on to briefly describe the main provisions of the NREGA with special reference to social audits. The next section of the paper deals with the experience of social audits in the state of Andhra

¹ I am extremely grateful for the help provided to me by K.Raju, IAS, Principal Secretary, Rural Development, Government of Andhra Pradesh during my fieldwork. This paper would not have been possible but for extensive discussions with Raju and Karuna Akella, Director, Strategic Planning and Implementation Unit, Government of Andhra Pradesh on the whole social audit process. She not only arranged for me to visit villages and attend public hearings but also made available copies of social audit reports from the districts. Her insights into the whole process were invaluable. Jhansi Rani and Jagannath Rao, State Resource Persons, accompanied me to the various public hearings and also translated the proceedings. Many thanks to them for their assistance.

Pradesh and proceeds to raise some practical and conceptual issues that emerged from the functioning of social audits in terms of the relationship between state agencies and CSOs.

Background

The nineties experienced “hunger amidst plenty” and the situation was so grim with starvation deaths being reported from the field that activists across the country felt that something had to be done about it. The People’s Union for Civil Liberties (PUCL) of Rajasthan filed a public interest litigation on the issue in mid-2001. The petition argued that the right to life, a fundamental right under the Indian Constitution, had been recognised by the Supreme Court of India as inclusive of the right to live with dignity and all that goes along with it, including the right to food. Focusing specifically on Rajasthan, the petition argued that the inadequate response to the drought situation by central and state governments constituted a clear violation of the right to life. The petition emphasized two specific aspects of state failure: a) the complete collapse of the public distribution system (PDS) and b) the inadequacy of government relief works in the time of famine and drought. In the context of the evolution of the National Rural Employment Guarantee Act (NREGA), it is significant that the petition asked the Supreme Court to intervene by directing the government to provide immediate open-ended employment in drought-affected villages.² During the course of the judicial proceedings there was widespread resentment and popular agitation against the state of affairs, more particularly in the state of Rajasthan. These grassroots movements also contributed to the generation of an atmosphere conducive to the passage of legislation.

Over time, a series of interim applications submitted by PUCL expanded its demands – moving from a primary focus on the drought situation in Rajasthan to a broader litigation that advocated, amongst other issues, the introduction of a nation-wide employment guarantee act to act as a shield and deterrent against hunger and starvation in the country. However, as a result of the petition, the Supreme Court of India began to breathe down the neck of the Government of India (GoI). This led to a greater awareness of endemic hunger and the need for public action. Though the GoI launched a massive employment generation programme, large-scale corruption and mismanagement were reported across the country.

When the United Progressive Alliance came into power at the Centre in 2004, providing an employment guarantee as also establishing a right to information were part of their Common Minimum Programme.

National Rural Employment Guarantee Act (NREGA), 2005

In August 2005, the Indian Parliament passed the National Rural Employment Guarantee Act (NREGA), which provides for 100 days of guaranteed employment to every rural

² Dreze, Jean (2005) “ Food Security: Beating Around the Bush”, www.righttofoodindia.org.

household. The Act came into force in 200 of the country's poorest districts and has now been expanded to another 130 districts. It has recently been announced that NREGA will be extended to cover the whole country by April 2008. NREGA has placed a judicially enforceable obligation on the state. Under the provisions of the Act, State Governments are to provide unskilled, manual work within 15 days of a person making an application, within a radius of 5 kms from the applicant's residence. Failing this, the state government is to provide an unemployment allowance. Workers are entitled to a statutory minimum wage for their labour, to be paid within 7 days after the work is done. Men and women are to be paid equal wages. This Act is based on the principle of self-selection by focusing on unskilled, manual work.

There are strong provisions for transparency and accountability at all levels: for instance, wages are to be paid in the presence of the community on pre-specified dates, all relevant documents are to be made available for public scrutiny and regular social audit of all works has to be conducted. The NREGA has to work in tandem with another very important legislation, the Right to Information Act, 2005. NREGA, unlike other employment programmes, confers a right and an entitlement. There is a ban on the use of contractors because their participation was often associated with corruption in food-for-work or other public works programmes. Since the work has to be provided directly to the people by district authorities or local panchayats, it is easier to hold them to account.

It is the responsibility of the district authorities to register any household that wants work and issue them Job Cards in which details of the number of days of employment provided and payment made have to be entered. The names and photographs of every household member are to be on the Job Card and this Card is to be kept by the household. Massive campaigns and social mobilization efforts were made to inform people of their rights and entitlements under the Act. Training programmes have been conducted across the country for government officials and panchayat members to spread awareness about their roles and responsibilities.

Instructions have also been sent to the effect that payment of wages should be made through local banks or post offices, wherever possible. The entire NREGA process has been computerized and in some states - such as Andhra Pradesh and Orissa - data is available on line of each household registered and the number of days of employment provided as also wages paid. This level of information on public works was hitherto unavailable.

But perhaps the most unique feature of the Act is the insistence upon regular social audits. This includes the social audit of muster rolls which are the daily attendance registers as well as social audits of works sanctioned to verify whether the measurements were correctly taken, materials properly accounted for and payments made on actuals and not on inflated estimates.

The NREGA not only details out the functions of officials at various levels but also sets out the monitoring and evaluation criteria and the methodology for ensuring transparency and accountability. For instance, it is mandatory for the government and the panchayats

to make available copies of muster rolls “for inspection by any person interested after paying such fee as may be specified in the Scheme”³ All bills, vouchers, measurement books, copies of sanction orders and other connected books of accounts relating to the Scheme have to be made available for public scrutiny and any person can get a copy or relevant extracts of documents.

Social Audits and Community Participation

What is a social audit and how is it done? This is a key issue. The idea of a social audit was conceived of by a grassroots people’s organization called the Mazdoor Kisan Shakti Sanghthana (MKSS) in the state of Rajasthan when it was found that there was large-scale fraud in drought-relief work. MKSS then demanded information from local authorities about work done and payments made and verified this by comparing official data with the field reality. Soon villagers realized that they had been defrauded and millions of rupees worth of work shown as having been completed was, in fact, never even taken up in the first place. Old public works were passed off as new. Local contractors and elites had received payments for non-existent structures. Wages were supposed to have been paid to people who did not exist in the village. This movement, which started in a few districts in the state of Rajasthan, led to a countrywide demand for a Right to Information (RTI) legislation and an employment guarantee Act.

A social audit is a process in which the people work with the government to monitor and evaluate the planning and implementation of a scheme or programme. The social audit process is critically dependent on the demystification and wide dissemination of all relevant information. The Act empowers people to play an active role in the implementation of employment guarantee schemes through Gram Sabhas, social audits, participatory planning and setting up of local Vigilance and Monitoring Committees. It was felt that active community participation was particularly important for ensuring transparency and public accountability. Thus, there is a role for all grassroots institutions such as workers’ associations, local beneficiary committees, self-help groups and user groups in spreading awareness, mobilizing workers and in monitoring the implementation of the Scheme.

Once the NREGA was passed, the Government of India issued operational guidelines which provide the broad operational framework and, in the context of transparency and accountability, detail out the Citizens’ Charter and provide a step-by-step guidance on how social audits are to be done along with formats for reporting.

Social audits are key instruments for stemming corruption in NREGA. However, social audits can be done properly only if all relevant information is provided to the seekers of information in a manner in which they can understand it. The first challenge is access to information. While the RTI Act makes it possible now for people to ask for information, the ground reality is that getting the information is not that simple. The second challenge is to get the information in a simplified format so that it can be understood easily. In

³ The National Rural Employment Guarantee Act, 2005, No.42 of 2005, New Delhi, the 7th September, 2005, Schedule I, para 17.

many districts, NGOs who have intervened to get information have found it difficult and time-consuming. Invoking the RTI is easier said than done.

NREGA in Andhra Pradesh

The Government of Andhra Pradesh has provided employment to 52,25,287 households from the inception of the programme. 83,28,238 individuals were provided employment of which 38,42,610 or 46 per cent were men, 44,85,628 or 54 per cent were women and 53,965 or 0.64 per cent were disabled persons. Twenty-six per cent of person days of employment have gone to members of the Scheduled Castes⁴, and 11 per cent to members of Scheduled Tribes between April 2007 and March 2008. Some 487,623 works have been initiated between 2006 and March 2008.⁵

Land development, road connectivity, flood control and protection, water conservation and water harvesting, drought proofing, desilting of ponds, minor irrigation works and provision of irrigation facilities to Scheduled Caste/Tribe families and other beneficiaries of land reform were amongst the types of works taken up

Social Audit: Experience from the state of Andhra Pradesh

The Government of Andhra Pradesh (GoAP) recognized early on that if corruption was to be stemmed in NREGA, several steps would have to be taken to plug potential sources of leakages. For one thing, past experience with the National Food-For-Work Programme (NFFWP) revealed that inflated budgets would be prepared by engineers and contractors, workers would be defrauded of their wages (particularly if they were paid in cash) and it was difficult to track expenditure as vouchers, bills, pay orders and sanction orders were prepared at different levels. It was virtually impossible to assemble all the papers needed for a scrutiny.

With NREGA, the state government decided to computerize the entire process from end to end with the help of Information Technology company. Thus, for instance, from the process of registration to the issuing of the pay order, everything is computerized and is available for scrutiny. Secondly, engineering norms have been digitized so that the discretion available to local engineers is no longer available. Payments for materials are based on fixed rates and works cannot be sanctioned unless they follow the sanctioned norms.

Again, there has to be correspondence between the names on the muster roll, pay order and the Job Cards and wages are paid directly into the bank or post office accounts of workers.

The MKSS and its partners in Dungarpur district in Rajasthan organized a mass social audit in April 2006. The Government of Andhra Pradesh sent a team there in order to get

⁴ Affirmative action is provided to certain castes and tribes whose names are listed in a Scheduled attached to the Constitution of India.

⁵ See National Rural Employment Guarantee Scheme-AP website for details on employment generated.

first-hand knowledge of how it was to be done. On returning, they decided to undertake a social audit in a project area where the government's own audit had given a clean chit to the National Food-For-Work Programme. NGOs and experts on social audit, along with the state government officials, found to their great horror that while the government auditors had found no signs of corruption, when the information was field tested by asking the villagers, huge anomalies were found. This came as a rude shock to the state officials who decided that they would have to ensure social audit of NREGA in order to stem corruption.

Emulating the experience of Durgapur, the state of Andhra Pradesh organized a social audit in Anantapur district in the last week of August, 2006. In this case, the initiative came from the state government which invited 31 NGO networks and civil society organizations, 1000 volunteers from local NGOs and CSOs, 25 writers from the Anantapur Writers' Forum, students, trainers, civil servants and government auditors to make an independent assessment of the implementation of the NREGA in Anantapur district, which is one of the most drought-prone and poor districts in the country.

All the major NGOs, trade unions and people's organizations in the district participated in this social audit. Action Aid and MKSS provided the technical expertise to conduct the social audit. This was perhaps the first time that a state government had asked CSOs to take a lead in detecting corruption and mismanagement using the Right to Information Act. Drawing upon the experiences of the Durgapur social audit, padyatras or walking tours under the banner of the "Grameena Upadhi Hami Yatra" were initiated during the 10-day period. CSOs ran training programmes for government officials to understand the social audit process, which was not widely understood. Thereafter, citizens' groups consisting of teams of 10 persons each visited 600 villages in 38 mandals (administrative units) where the social audit process was carried out. Volunteers, officials, civil society activists and journalists from across the country inspected villages and went from work-site to work-site looking at muster rolls and asking wage-seekers whether they had been given work on demand and whether equal wages for equal work had been paid to men and women.

GoAP has now initiated the process of social audit in all of the 13 NREGA districts in partnership with about 150 NGOs, CBOs, agricultural workers' and tribal organisations. Social audit has been conducted in almost 2000 Gram Panchayats. Almost 5000 people have been trained in social audit. About 100 public meetings have been conducted where about 500-1000 rural labourers have been present.⁶ Village social auditors belonging to employment-seeking households have been identified and trained by NGOs. All records are made available by the government under the Right to Information Act to these teams so that they can verify the authenticity of the records from the field. Door-to-door verification of records, work-site inspection and group meetings are held to ascertain whether work was done according to rules and full payment of wages was made. This is an important part of the process, which then culminates in a public meeting where the

⁶ An excellent account of the social audit process in Andhra Pradesh is provided by Aakella, Karuna Vakati and Sowmya Kidambi (2007) "Challenging Corruption with Social Audits", Economic and Political Weekly, Vol XLII, No.5, February, 3-9, pp. 345-347.

reports of the social audit teams are read out. The social audit teams have audited Rs. 500 crore worth of employment guarantee works in one year. GoAP has already done one round of social audit to cover all NREGA works by social audit.

The GoAP has set up a social audit team, which is independent of the NREGA implementation machinery. A core group of 35 state-level resource persons have been identified and trained. In addition, district-level resource persons have been trained and village social auditors have been identified from amongst those families with potential labourers and they have been trained to conduct social audit at the village level.

Once the relevant records are consolidated, the village social auditors go from house to house verifying Job Cards and matching their entries with the entries in the muster rolls and in their bank or post office account passbooks. People are asked whether they have actually worked on a particular site for the number of days mentioned and whether they have been paid their dues. At the end of the verification process, a report is prepared by the village social auditors and the district resource persons. The findings are then placed before a Gram Sabha (village meeting). Names of people who are supposed to have worked and the amounts ostensibly paid to them are read out in public. This is where the whole process becomes very interesting. In village after village, it was found that fraudulent names had been entered in the muster rolls. People complained about not getting paid the amounts that were entered in their passbooks. Complaints regarding delays in payment, nepotism and fraud would come pouring out at these meetings.

These Gram Sabha meetings are followed by Public Hearings at the block level where senior officials and local officials and non-officials are invited and the reports of all the gram sabha meetings are read out. Typically, five to six hundred villagers turn up for these meetings for grievance redressal. In most cases, the competent authorities take decisions on the spot. Corrupt officials are suspended and recovery proceedings instituted immediately.

But apart from administrative action, what is interesting is that in village after village after the social audit was done, corrupt officials have gone back to the workers and returned the money that was taken from them. It was found, for instance, that there is a growing nexus between the field assistants who maintain the muster rolls and the technical assistants who are responsible for the measurement of work done and the local post-master. The most common type of corruption noted has been that the number of days worked shown against the name of a worker are increased and the additional dues are transferred into the post office accounts of the workers. However, since most labourers are illiterate, they have no idea what has been entered in their Job Cards or in the passbooks. They merely sign their names on the withdrawal slips. They are paid for the work they did legitimately and the additional moneys are shared between the field assistants, technical assistants and post-masters.

This was a real revelation to state officials managing NREGA as well as for the labourers who had no idea how the state was being defrauded. In village after village, labourers have testified against fraud and the government has taken remedial action.

Box 1 A District Resource Person testifies

“People were very upset with Lingaiah, the Field Assistant. He has generated double entries in the Muster Roll and the Pay Order for 12 persons, all of whom are his relatives. The two Field Assistants are not maintaining records properly. Eighty wage-seekers worked but their names have not been entered in the Muster Roll and therefore they have not been paid. They worked between 15-28 days. Those 12 people whose names are on the Muster Rolls have not actually worked.”

“It was the Field Assistant’s job to open accounts for wage-seekers but he did nothing. The village is near the border of Nalgonda District. The Postal department refused to open accounts for the villagers as they belonged to a different district. Then the wage-seekers approached the Deccan Grameen Bank, which agreed to open accounts. I went to the Bank the day before the Public Hearing to find out whether the Government had transferred wages to the Bank. I was told that Rs. 7 lakhs was lying in the bank but this had still not been transferred into the accounts of the wage-seekers.”

“Today, the day of the Public Hearing, the Bank says they will transfer the money into individual accounts. “

Source: interview with Devraj Chiranjeev, District Resource Person

Box 2 Public hearing in Manchala Block, Rangareddy District

The Public Hearing took place in front of the Block office. Almost 500 people were gathered there from various villages. Each village social audit team made a presentation of its findings. They also called upon witnesses to come forward and to depose. The crowd was restive and there were frequent attempts by a group of villagers to get up and go towards the podium. As the proceedings started and the officials started to make their welcome speeches, some female labourers got up and said, “ First you give us justice, then make your speeches.” More people got up and ran towards the dignitaries and there was heated discussion in the audience. One by one, the cases from each village were heard.

The report from Lingampalli Village was not very encouraging. Ayyelu, the Field Assistant, had just joined. The earlier Field Assistant was useless. He was running a shop and also working as a real estate agent. The Gram Panchayat had dismissed him because he was not doing any work. People had not been paid wages. Three thousand pits had been dug but no payments had been made. The signatures of the wage-seekers were not on the Muster Roll. Duplicate Job Cards had been issued to several households.

The presentation on the findings of the Manchala Village social audit brought out that the Post-Master had collected Rs. 50 each from 28 wage-seekers for issuing them passbooks for their accounts.

The Post Master came up to the podium and said that the Social Audit Team had forced labourers to complain about him. He denied that he had asked people to give him money. He called one of the labourers, a woman, to come forward and prove him right. She said, “ It is true he didn’t come and ask us for the money, he just took it out of our Post Office accounts”. Everyone in the audience laughed. Then she said, “late last evening he came to the village and returned our money and told us not to complain in the Public Hearing.” The Post Master said, “I am innocent. But since the labourers complained about me, I went from house to house yesterday evening and returned the money”. Then one of the State Resource Persons asked him whether it was a general practice of his of returning money to people even if he had not taken it. Would he distribute money to the audience at the Public Hearing? Everybody giggled and laughed. The Post Master glared at the audience and went off.

Corruption in the postal department has now been reduced dramatically as labourers have testified in public hearings and corruption levels have come down as a result. The most amazing fact is that huge sums of money, approximately Rs 55 lakhs, have been voluntarily returned by corrupt officials because of the social audit process in the 13 NREGA districts.⁷ Strict action has also been taken by the state government against corruption in NREGA.⁸

⁷ In Rajasthan also, corrupt officials have returned money to the poor. Aruna Roy and Nkhil Dey report that in 1998, Sarpanches of Kukarkheda (Rajasamand district), Rawatmal and Surajpura (Ajmer district)

Several villagers in Medak district told this researcher that before the practice of social audit started, labourers used to take it for granted that there would be cuts in their wages and commissions would have to be paid to middlemen and contractors. After the social audit, they realized that they don't have to give any cuts to anyone and they have started questioning this practice. Although the GoAP had organized mass awareness programmes prior to the implementation of NREGA and members of Self Help Groups played a major role in building awareness, villagers reported that their awareness about NREGA really grew after the social audit process started. For the first time they fully understood that this was a guarantee and a right and that contractors were forbidden to take on works. Interestingly, as a result of the social audit process, their awareness about pay slips and the method of calculation of wages and the fact that wages were to be paid through post office or bank accounts rose by more than 50 percent. In the past, there was very little understanding of the procedures and rules governing any schemes. However, once the social audit process started and the verification of muster rolls and Job Cards began, people started to understand how fraud was taking place. Now this was no longer a process of verification in isolation but a matter of their wages and their accounts.

One of the major challenges of the social audit process has been not to make it a blame-game exercise. Ideally, both state functionaries and NGOs should look upon the exercise as an occasion to accept joint responsibility for the welfare of ordinary people. From this perspective, it follows that state officials should not be consigned to the background but play creative and active roles during the different stages of the social audit. In Ananthapur district during the mass social audit process, it was argued that processes and events like social audits could become fora for democratic decision-making and expressions of social equality, where groups with varied skills and differing perspectives could work together. In spite of these sentiments, some people told me that after the mass social audit, the local bureaucracy went on a go-slow with the implementation of NREGA. Officials who were supportive of NREGA got cold feet when they realized that even the poor could hold them accountable. They were afraid that even genuine mistakes could get them into serious trouble. This led to a slowing down of the implementation of NREGA in Ananthapur district. I might add here that the above account is based upon hearsay and would need independent confirmation. It did, however, sound extremely plausible. Intensive public scrutiny – an innovative mechanism to promote accountability – can have the unintentional impact of discouraging sincere officials who delay decision-making for fear of public criticism.

What is becoming increasingly clear is that corruption in NREGA in Andhra Pradesh is mostly at the lower level and amongst staff, which is responsible for maintaining records and making payments. Corruption at higher levels in NREGA has not been reported.

apologized for committing fraud and publicly returned money after being confronted. This happened after the social audit was done. Similar reports have come from other districts in Rajasthan. See Roy, Aruna and Nikhil Dey (2005) "Guaranteeing action for employment", *The Hindu*, August 15.

⁸ See also Dreze, Jean (2006) "National employment guarantee inaction", *The Hindu*, September 12 where he commends the GoAP's efforts to bring about transparency in public works particularly because this was not the case under the National Food For Work Programme where massive corruption was found.

Villagers are suddenly realizing their own power when they find officials coming to them and requesting them not to complain to authorities. This is a far cry from the practices in the past where it was almost impossible to track corruption. Now the social audit reports provide detailed information, village by village, of what is happening; who is being paid what; for how much work. Everything is in the public domain. Now that the first round of social audit has been completed for all the NREGA villages, a second round is under way to see what actions, if any, have been taken against corrupt officials and non-officials. This is acting as a deterrent for those looking for illegal ways to make money. As one observer told this researcher, “It is impossible to make serious money in NREGA. People are afraid that they will be caught and publicly humiliated. There are so many other schemes where transparency norms are not observed. The message is very clear, don’t touch NREGA.”

The impact of social audit on people’s awareness levels

The World Bank recently commissioned a study to understand the impact of social audit in Andhra Pradesh by gauging the perception of labourers. The idea was to examine whether social audits enhance the bargaining power of labourers. 750 labourers were tracked across the three districts of Cuddapah, Khammam and Medak. The idea was not to do an evaluation but just to observe general trends. Three rounds of the same questions were asked before the social audit, one month after the social audit and then six months after the social audit. The questionnaire was administered once before the social audit, again after one month and again after a period of six months.

The results were amazing. Before the social audit, only 39 per cent of labourers knew about NREGS in Andhra Pradesh. After the social audit, 98 per cent of the labourers said they knew about NREGA in A.P. This was the response after one month and again after the six-month interval. Awareness about the 100 days guarantee rose from 31 per cent before social audit to 99 per cent after social audit. This was the response after the six-month interval. Awareness about the fact that no machinery can be used for getting work done was 30 per cent earlier and this awareness rose to 96 per cent after the social audit. This was confirmed after the six-month interval. Only 27 per cent of the labourers said they knew that contractors were not allowed under NREGA before the audit. This awareness rose to 99 per cent after the social audit. This was also confirmed when labourers were asked after the six month interval.

NREGA is supposed to be a demand driven programme. Earlier only 25 per cent labourers knew about this provision of the Act. Six months after the social audit, this rose to 99 per cent.

On other issues the difference before and after social audit was not so dramatic. For instance, the information that minimum wages are to be paid was known to 26 per cent of workers and this rose to 68 per cent after the six-month interval. Similarly 18 per cent of the workers knew that wages had to be paid to them within 15 days before the social audit. This rose to 57 per cent after the one-month interval. However, after six months, only 47 per cent people remembered this provision of the Act. Only 7 per cent of

labourers knew that there was a provision for getting an unemployment allowance before the social audit. This awareness rose to 33 per cent after the six-month interval.

What is interesting is that 60 per cent of the labourers said they were more confident about approaching local officials because they had greater awareness about the provisions of the Act as a result of the social audit. 82 per cent of the labourers felt that social audit was an effective mechanism for grievance redressal.

Village social auditors and other resource groups have conducted the social audits in Andhra Pradesh. One month after the social audit, 87 per cent of the labourers said that while social audits were very important, they would **not** be able to conduct the social audit themselves because of lack of education and illiteracy. However, when the same group was asked the same question six months after the social audit, 95 per cent of the labourers felt confident that they could conduct a social audit themselves.

As the coordinators of this study point out, social audit has a significant and lasting effect on citizens' awareness levels. It improves the implementation process. It enhances citizens' bargaining power and offers them a never before opportunity to address petty grievances. And, in this process, it increases the confidence and self-respect of the poorest and disempowered.⁹

Social audit: Practical and conceptual issues

The concept of social audit as a tool for ensuring transparency and accountability is a powerful one and it seems to have captured the imagination of many activists, academics and policy-makers in India. At one level, it seems such an easy thing to do: go to the community and ask them whether they received the payments and other services to which they are entitled under poverty reduction schemes. Make field visits to see whether the pond that was supposed to have been dug was actually dug or whether an old pond was being passed off as new. And verify the information with the records of the government. But it is not as simple as that. A social audit can be done only if all relevant information is given by the state to the social auditors. Thus the Right to Information Act, 2005, becomes extremely important and needs to be invoked every time a social audit has to be done. And this is itself not an easy task as many NGOs and activists have found to their dismay. Given the asymmetric relationship between citizens and the state, in the context of NREGA, state intervention has been extremely important in making access to documents possible. Thus, while the District Resource Persons in Andhra Pradesh apply for information under the RTI Act, administrative instructions are also sent from the state government to all local officials and it is possibly really only this latter intervention from higher authorities that compels local officials to give information, rather than requests from civil society organizations. Only time will tell.

⁹ "Social Audits: from ignorance to awareness. The AP experience", World Bank study coordinated by Atul Pokharel with Yamini Aiyar and Salimah Samji in partnership with Intellectap and SPIU (AP govt), 1 February 2008.

Social audits will necessarily bring out issues of rent-seeking and leakages. When the poor testify, they also become extremely vulnerable to threats from ruling elites and the state machinery. How will those who testify in these public hearings be protected against intimidation? Since the majority of the poor are not organized, who will protect their rights? Clearly the state has a major role to ensure the safety and security of its citizens and this has to be done in partnership with civil society organizations. When social audits are done by CSOs taking a lead and the state taking a back-seat, the chances of a backlash against the poor after the social audit is over are much greater unless the state takes responsibility to protect the poor. In Andhra Pradesh, this researcher noticed the presence of the local police at several public hearings. Apparently this is standard procedure when there is a congregation of more than 100 people. However, this researcher was told that where there were cases of reported intimidation at the time when the records were being verified, instructions were sent to local police stations to ensure that there were no untoward incidents. This researcher observed that people expressed themselves freely and fearlessly at public hearings. Villagers who were interviewed also said that they could speak fearlessly.

There are concerns in some quarters that social audits done by the state in an organized manner may not be as transparent as is necessary for the truth to come out. Mass social audits, where the lead has been taken by social activists - as has been done in the states of Rajasthan, Chhatisgarh, Jharkhand and Tamil Nadu - is sometimes considered to be a better formula. While this is certainly an important way forward, the problem is both of scale and of follow-up action. Given the size of the country and its population and the fact that there is very little expertise available to conduct social audits, can you cover the country even in one year? And the answer is obviously no. And relying on informed and capable social activists from outside is hardly a reliable, replicable and institutionalized approach given the paucity of individuals with hands-on experience of conducting social audits.

Unfortunately, while the social audit process appears to have reduced corruption to a great extent, it has not necessarily led to better implementation of NREGA. Andhra Pradesh has one of the lowest rates of implementation of NREGA and the GoAP has been able to provide only 27 days of employment in the last year. But this is still early days. It will be a while before the poor and disadvantaged are able to make demands upon the system.

Social audit is an expensive exercise. Considerable funds are required to pay for photocopying, travel and logistic support to social auditors and public hearings. It has to be an on-going process for it to have a lasting impact. There have to be follow-up social audits to see whether action has been taken against erring officials. But the spin-off effect would be dramatic. If in Andhra Pradesh, corrupt officials have voluntarily returned Rs. 55 lakhs to the poor without having been asked to do so, all in the space of one year, it is unimaginable what financial and moral gains there would be in the long run if all state governments set up independent social audit units to monitor their programmes. Once people, particularly the poor, get used to the idea that asking for information is their right and entitlement, it is only a matter of time before they start asking the same question

about other rights and entitlements. And it is only then that good governance will be ensured.

What the Andhra Pradesh model has shown is that even a state government can set up systems for enhancing transparency and accountability in partnership with CSOs. The state lead in social audit does not necessarily mean that the process is being subverted in order to show state agencies in the best possible light.. A reading of any of the detailed social audit reports that have been prepared by the grassroots auditors provides minute information of what has been transacted in the field. For the first time, the government knows the names of labourers who have been defrauded and the amount of money that has been taken. The reports provide an enormous amount of information about the nature of corruption. The public hearings bring all these issues to the forefront and, for the first time, unpalatable information is publicly shared. Officials do not like this and routinely complain that the public hearings are a form of public humiliation. Some officials told this researcher: “ Why can’t this information be given to us in our offices? Why should this be read out in public? What kind of audit is this where landless labourers can start asking government officials questions?” But, of course, it is precisely because information is in the public domain that social audit as a tool is so powerful.

It goes without saying that social audit necessarily requires a partnership between civil society and the state. Can civil society have a synergistic and non-adversarial relationship with the state while also drawing attention to corruption and nepotism within the state machinery? This is the tricky part. Both CSOs and the state have to be ready to trust each other and appreciate each other’s strengths and weaknesses. In the context of Andhra Pradesh, the state resource persons and the district resource persons are recruited from the ranks of NGOs, agricultural workers’ organizations, and user groups with a track record of experience with social mobilization and community empowerment. NGOs, for instance, are not sub-contracted to undertake social audits by themselves and to that extent the problem faced by NGOs taking funds from the state and also reporting on corruption by state officials is bypassed. But even so, NGOs are not coming forth to collaborate with the Government. The Government of Andhra Pradesh found that very few NGOs were willing to come forward to be part of the social audit process. Many of the NGOs may have been worried about being co-opted or becoming rubber stamps for the government. Many organizations are also not very transparent in their own functioning.¹⁰

¹⁰ Anne-Marie Goetz, an analyst of accountability innovations, has suggested that transparency is an essential element for effective state-CSO partnerships in the interests of building accountability and improved implementation of anti-poverty programmes. Without this, partnership is impossible and CSOs have to remain at arms length in more of an external ‘watchdog’ role. See Goetz, Anne-Marie (2003) “Reinventing Accountability – Making Democracy Work for the Poor”, Presentation at the World Bank, 12 November

This partnership therefore has to be very carefully nurtured so that CSOs are not co-opted by the state. CSOs also need to become more transparent and shed their prickly ‘touch-me-not’ attitudes and begin to engage with the state in a constructive mode.

In Conclusion

NREGA is the United Progressive Alliance (UPA) government’s flagship programme and they hope to gain political mileage in the coming elections. That is perhaps one of the main reasons why NREGA has been fast-tracked and will be implemented throughout the country by 2008. The earlier plan was a phased one where there would be a progressive implementation. The opponents of NREGA were very critical when the Act was in the final stages of being drafted as it was felt that corruption would be rampant and scarce resources would be wiped out without any real benefit to the poor. Interestingly, while there are reports of corruption in NREGA across the country, these are necessarily “petty” corruptions and not found on a “grand” scale, which was the case with other poverty eradication and employment generation programmes. And the main reason for this is the transparency and accountability measures that have been integrated in the Act and in the Operational Guidelines issued by the Government of India. Of these, social audit is a key tool. However, good intentions are not enough.

Much more needs to be done. If the Government of India seriously wants to ensure transparency and accountability, then it needs to provide additional resources separately for social audit and not expect funds for social audit to come out of administrative support costs as is currently the practice. State governments do not have the capacity to initiate social audits on their own. In many states, NGOs are at loggerheads with the state on other issues and there is no trust between CSOs and the state. Even where there is trust, there is no capacity, either within local CSOs or within the state machinery. What is required is capacity-building on a massive scale, which goes beyond manuals and tool-kits and provides hands-on training to core groups of trainers from within the government and its training institutions and CSOs in every state. Inter-state and intra-state exposure visits and training programmes on an on-going basis need to be supported.

This new paradigm of relationship between state agencies and CSOs deserves to be explored more thoroughly in the wide range of socio-economic and political contexts to be found in different States. Both sides need to rethink their positions and attitudes and allow this new paradigm an opportunity to prove itself. Otherwise, aspirations towards transparency and accountability, which depend to such a great extent on this partnership, will remain unfulfilled.