**ACCOUNTABILITY INITIATIVE**
research and innovation for governance accountability

**Engaging Accountability: Working Paper Series**

# Transparency and Accountability in NREGA

## *A Case Study of Andhra Pradesh*

Yamini Aiyar *

Salimah Samji

*yaiyar@accountabilityindia.org

# ENGAGING ACCOUNTABILITY:

# ACCOUNTABILITY INITIATIVE WORKING PAPER SERIES

**Transparency and Accountability in NREGA**

*A Case Study of Andhra Pradesh*

Yamini Aiyar

Salimah Samji

## Table of Contents

## Abstract

This paper documents the Andhra Pradesh experience of institutionalizing social audits into the implementation of the National Rural Employment Guarantee Act, and uses it to analyze the social audit process. It draws on empirical work aimed at measuring the effectiveness of social audits conducted in Andhra Pradesh between March and December 2007.

**Introduction**

In August 2005, the Indian Parliament passed the National Rural Employment Guarantee Act (NREGA), which mandates the provision of 100 days of guaranteed employment (unskilled manual work) to any rural household in India. The passage of the Act saw the culmination of a lively debate with many (including the Acts most ardent supporters) predicating that corruption and poor service delivery mechanisms would together undo any potential benefits that the Act could have on the poor.  So much so that one of India's most well known economists infamously suggested that the likelihood of money reaching the poor would be higher if we 'simply drop the money by helicopter or gas balloon into rural areas' than route it through employment programs[1].

These concerns over corruption and poor delivery stem from India's past experience with delivering welfare programs to the poor. Rajiv Gandhi famously estimated that 15 paise of every rupee allocated actually reaches the poor. This could not be truer than in the case of rural employment programs. Past experience suggests that greatest beneficiaries of rural employment programs were private contractors who received 'work orders' and together with the local political bosses officials fudged muster rolls (attendance registers that determine wages to be given) to produce inflated figures and misappropriate funds.  As a result most participants in these programs rarely accessed the minimum wage- according to estimates from an India wide study of rural employment programs, 65% of those who participated in these programs were paid between Rs. 30 and Rs. 60 per day. This is far less than the minimum wage set by the government.[2] An important reason for this appalling scenario has been the lack of transparency and accountability in our delivery systems that have allowed corruption to proliferate unchecked.

---

[1] Aiyar, Swaminathan A S (2004), 'Poverty Reduction by Helicopters', December 19, 2004, Times of India
http://timesofindia.indiatimes.com/articleshow/963942.cms

[2] Government of India (2003), 'Concurrent Evaluation of Sampoorna Grameena Rozgra Yojana (SGRY)', Ministry of Rural Development,  www.rural.nic.in; Government of India (2005), '10th Five Year Plan Mid Term Appraisal', Planning Commission, www.planningcommission.nic.in, Government of India (2005), 'Concurrent Evaluation of Sampoorna Grameen Rozgar Yojana (Orissa)', Ministry of Rural Development, Government of India

In response to the corruption problem and to ensure that benefits reach those who need it, a number of transparency and accountability measures have been built in to the NREGA making the NREGA one of India's most unique experiments in strengthening governance systems. There are three pillars around which these accountability mechanisms have been constructed:

1. **Decentralized planning and implementation**: Decentralization of governance systems lies at the core of an accountable system. The NREGA draws strongly on this principle. Accordingly, section 13 (1) of the NREGA mandates that 'Panchayats at the district, intermediate and village levels will be the principal authorities for planning and implementation of the schemes'. Further empowering the Gram Panchayat, it stipulates that a minimum of 50% of the funds and relevant works be executed by the Gram Panchayat. To ensure that planning and works selected reflect the needs and priorities of the local citizens, section 16 (3) (4) of the Act states that 'every Gram Panchayat shall prepare a development plan and maintain a shelf of works.' This shelf of works is prepared based on recommendations of the Gram Sabha. These recommendations are in turn forwarded to the Program Officer. A similar system is followed at the intermediate and district Panchayat level.

2. **Proactive disclosure**: Access to regular, reliable and relevant information is an important pre-requisite for accountability. Accordingly, the NREGA guidelines mandate that all levels of government maintain proper records containing information on inputs, processes, outputs and outcomes related to the NREGA. To ensure that this information is proactively disclosed and made available to citizens, the NREGA guidelines stipulate that all information will be displayed to the public through display boards and paintings on the walls of the Panchayat offices. In addition, all Gram Panchayat level NREGA accounts and summaries of these accounts are to be made publicly available for scrutiny. The guidelines also mandate that all rural households are entitled to a job card in to which employment and wage

details must to be entered, and muster rolls are to be kept on the worksite and read out in public at the time of payments.

Building on the provisions of the Right to Information Act, the NREGA stipulates that all information requests related to the NREGA be made available to the applicant within 7 days, as opposed to the stipulated 30 days in the RTI Act.

To facilitate ease and access to information, an integrated Monitoring and Implementation System has also been developed. The guidelines stress that all NREGA related documents be digitized and regularly uploaded onto the MIS systems both at the sate and central government level.

3. **Social audits:**  Social audits or the process of cross-verification of government records with realities on the ground completes the feedback loop in the accountability chain. It creates a platform for the poorest and most disempowered to participate in governance. Section 17 of the NREGA mandates that regular social audits be conducted in the Gram Sabhas at least once every six months. The NREGA guidelines dedicate an entire chapter to the social audits process. It identifies 11 stages of the program where an individual or group can intervene to ensure public vigilance. The last stage is the mandatory six monthly social audit forum, where the gram sabha comes together to assess and verify progress.

The accountability and transparency measures enshrined in the NREGA have proved to be a catalyst for some state governments and civil society organizations to take innovative steps towards developing and institutionalizing accountability tools into the governance system. One of the most interesting examples of these innovations can be found in the state of Andhra Pradesh (AP) where the government has initiated a systematic process of undertaking social audits for all NREGA works across the state. The Andhra experience is unique because it marks the first time that the government has proactively taken steps to open itself up to scrutiny by citizens. This has facilitated the conduct of social audits at an unprecedented scale and thus offers some extremely important insights in to the

effectiveness of a social audit as a tool to strengthen accountability systems within the state as well as for citizens to demand accountability.

This case study documents the Andhra experience and analyses the strengths of the social audit process. It draws on empirical work aimed at measuring the effectiveness of social audits conducted in AP between March and December 2007.

**The Case study**

*Understanding Social Audits*

The idea of the social audit was born in the early 1990s out of a larger struggle to ensure minimum wage regulation in drought relief works and availability of subsidized food and other essential commodities to the poorest through the public distribution system (PDS) spearheaded by the Mazdoor Kisan Shakti Sangathan (MKSS) a grassroots organization based in Rajasthan. Early on in its struggles, the MKSS encountered widespread corruption both in the provision of wages in relief works and the supply of essential commodities through the PDS system. The MKSS surmised that the primary reason this large scale corruption proliferated unchecked was that all government programs were implemented under a shroud of secrecy which masked the misuse of funds. Official records were never shared with citizens as a result of which they were unable to question officials and demand accountability. Most often, citizens remained unaware of the quantum of corruption and pilfering that took place in their name. The right of people to know what their governments are doing and how government funds are being spent thus became the central point of the MKSS's struggle. Through their activism, the MKSS began to demand access to official records and information related to local development works. With the support of sympathetic officials, or by pressurizing local officials, the MKSS was able to access copies of official records. These records were analyzed and cross checked with residents of relevant villages and finally shared with the public. An important innovation in this process was the 'JanSunwai' or public hearing where details of the official records were read out to assembled villagers. Local residents that were victims of fraudulent practices were invited

to give testimonies as were government officials and local politicians who are given an opportunity to public defend their actions.[3]

*This process of reviewing official records and determining whether state reported expenditures reflect the actual monies spent on the ground is referred to as a social audit.* Evidence is gathered through interactions with participants in development programs, verification of schemes and interviews with Panchayat members and local officials. The first step in a social audit is the procurement of official records. With the enactment of the Right to Information Act in 2005, this has been made possible with relative ease. Once procured, these records are studied, de-mystified and made accessible to the general public. Findings from the Social Audit are then shared with citizens and local officials through a 'JanSunwai' or public hearing.

While the direct objective of the social audit process is to expose corruption, the social audits are a critical mechanism through which to empower citizens and strengthen democratic action. Chandoke, in her analysis of the public hearing argues, that the public hearing perform three functions intrinsic to democracy. First, it produces informed citizens, second, it encourages citizens to participate in local affairs through the provision of information and social auditing and third, it helps create a sense of civic responsibility by bringing people together to address issues of collective concern.[4] The social audit process enables people to be aware of their rights and entitlements and offers a space and mechanism through which these rights can be exercised.

With the NREGA, the concept of the social audit has taken root. Section 17 of the NREGA mandates the regular conduct of social audits on all aspects of the scheme. In addition, the Government of India operational guidelines provide implementers step by step guidance

---

[3] For a detailed account and analysis of the MKSS Jansunwai's and the struggle for the right to information see Goetz, A.M and Jenkins J (1999), 'Accounts and Accountability: Theoretical Implications of the Right to Information Movement in India', Third World Quarterly, Vol. 20, No. 3 (1999). See also the MKSS website www.mkssindia.org

[4] Chandoke, N (2007), 'Engaging with Civil Society: The democratic Perspective', Non-governmental Public Action Program, Center for Civil Society, London School of Economics and Political Science

on how to conduct a social audit.  Since the launch of NREGA in February 2006, civil society organizations, often in partnership with local administrative officials have been conducting social audits all across the country. These audits have been instrumental in maintaining public pressure for accountability and transparency in the implementation of NREGA.

*The Andhra Pradesh Experience*

Like most of India, Andhra too had a dismal record of implementing rural employment programs. Research on food for work programs (FFW) in the state told the all too familiar story of large scale misappropriations by contractors, local political bosses and officials. These abuses are well documented in a study on Rs. 3 billion worth of FFW programs conducted by Deshingkar and Johnson between 2001 and 2002. Their research showed the widespread presence of contractors in all study villages. The contractors made illegal profits by inflating employment figures, submitting inflated proposals for works, and claiming rice quotas for incomplete works. In some instances, contractors went so far as to claim funds for old works that had been constructed under a different program. The research exposed the nexus between the contractors and local political bosses- in five out of six cases the village Sarpanches, ward Panches and their family members doubled up as contractors.  Consequently, large amounts of funds were pilfered and workers were denied their wages.[5]

Against this background, NREGA posed a serious challenge for the AP government. Political compulsions put AP on the spotlight for implementing NREGA- in February 2006 the scheme was launched in Anantpur district of Andhra Pradesh. With the spotlight on, the political climate was ripe for a serious re-think of the corruption problem. AP's political class was supported by an extremely efficient and committed top level bureaucracy- in particular the principle secretary for rural development (the department responsible for

---

[5] Deshingar, P. and Johnson. (2003), *'State Transfers to the Poor and Back: the Case of the Food for Work Program in Andhra Pradesh'*, <u>Working Paper 222</u>, Overseas Development Institute, www.odi.org.uk).

implementing the NREGA is the state) who was ready to experiment with innovative ideas to plug all potential sources of leakage.

The first step in this direction was to computerize the entire implementation process of NREGA. With the help of an information technology company- the Tata Consultancy Services, the government of AP developed an end to end MIS system through which job cards, work estimates and payment orders are issued. The data is collected and inputted at the Mandal (the lowest administrative unit- a collection of 21 Gram Panchayats) and consolidated at the state level. Information on each job card holder including number of days worked and total wages received is accessible through the MIS system. All the data is public and available for scrutiny. To streamline payment processes, wages are paid directly through post office accounts or bank accounts of the workers.

But the AP government was well aware that e-governance is no panacea. It offered no guarantees on the quality of data that was entered in to the system. Systematic changes needed to be instutionalized in order to ensure real change. The AP government recognized that in order to tackle corruption it was critical to attack it at its roots for which local monitoring and verification are critical. Social audits offered the best mechanism to do this.

*Institutionalizing the Social Audit: First steps*

The social audit process began in March 2006 with a government initiated pilot social audit on 12 National Food for Work Program (the precursor to NREGA) works. To facilitate this process, the government sought the collaboration of the MKSS. The MKSS trained officials and interested civil society activists and worked with the government to design the conduct of these pilot social audits. The objective of these pilots was both to test the waters and develop a cadre of trained resource persons who could manage the implementation of social audits in the state. The pilot social audits provided the momentum necessary for the bureaucracy to crystallize the idea of institutionalizing social audit processes so that they could be conducted regularly on all NREGA works in the state.

The institutional space for developing a team and managing social audits in the state was found in the Strategy and Performance Innovation Unit (SPIU) of the rural development department.[6] Between March 2006 and July 2006, a series of training sessions were conducted by the MKSS to help the government build a team of resource persons. These trainings culminated in the setting up of a 25 member strong state resource team. In addition, 260 (20 per district) district level resource persons have also been trained. The actual audit is conducted by educated village youth who are identified and trained by this pool of resource persons. The first social audit on NREGA works was conducted July 2006. Since then, Andhra an average of 54 social audits are conducted every month across all 13 NREGA districts. This is a first - nowhere else in India have social audits taken place on such a large scale with such frequency.

*Implementing the social audit*

<u>The management structure</u>

The social audit process is facilitated by the Rural Development Department through the SPIU that provides the organizational backbone to the process. The SPIU is headed by a director, who is a drawn from the state civil service cadre. The director is supported by a team of 25 resource persons as well as a social development specialist. All team members are drawn exclusively from civil society organizations. This extensive involvement of civil society organizations is central to the key element of the social audit structure. An audit by definition cannot be conducted by the implementing agency. By bringing civil society organizations in to the process the state government has crossed this hurdle. The presence of civil society ensures that there is a high degree of autonomy and objectivity to the exercise. It is one of the most important checks and balances that have been built in to the process.

---

[6] These were departments set up through a DFID funded reform action plan aimed at institutionalizing governance reforming the state

The director SPIU together with the social development specialist is responsible for taking all policy and management decisions related to the conduct of Social Audits on NREGA. The state resource persons (SRPs) are responsible for managing the day to day aspects of conducting the social audit. This includes drawing up the social audit schedule, training district level resource persons, liasoning with district level officials and ensuring follow up to social audit findings. The district resource persons (DRPs) are responsible for managing the actual conduct of the social audit. This includes identifying the village social auditors, training the village social auditors along with state resource persons, filing RTI applications for accessing government documents and interacting with the mandal level officials to organize logistics and the public hearings. The social audit itself is conducted by volunteers from the villages. Thus far, the social audit team has developed a cadre of over 20,000 trained village social auditors.

**Figure 1: Management Structure behind the social audits**
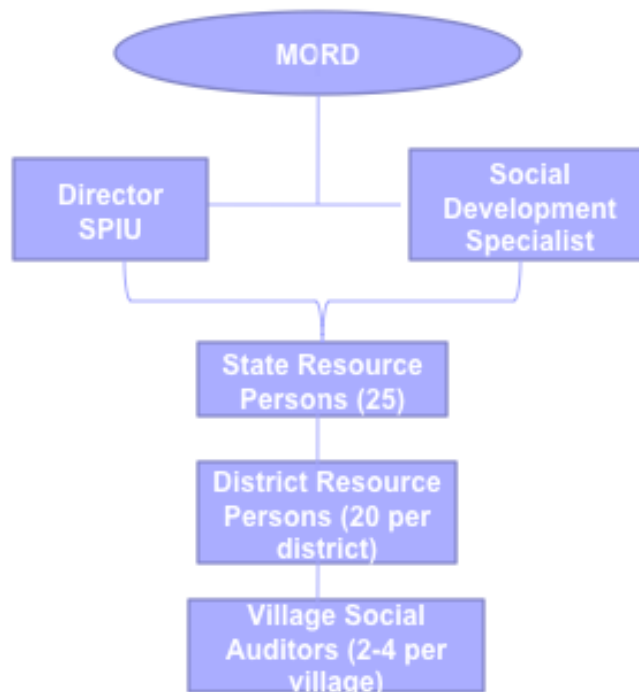
The rural development department has played a very supportive role in this entire process. The social audit team is given complete autonomy by the department in its everyday operations. To ensure the smooth conduct of the audit and the full support and cooperation from local level officials, the government from time to time, issues various orders detailing rules and processes related to the audit. These orders are essential as they have given the social auditors easy access to government records as well as made it incumbent of local officials to participate in the public hearings and respond to social audit findings. This, as we shall see in the discussion to follow, is the most essential element of the AP social audit process.

*Conducting the social audit*

A lot of preparatory work goes in to the actual conduct of the social audit. The first step is to put in an application under the Right to Information (RTI) to access relevant documents. Next the SRPs and DRPs conduct gram sabha's in villages where the audit is to be conducted to recruit volunteers to conduct the audit. These volunteers are drawn exclusively from wage-seekers families. Once identified, the volunteers undergo a 3-4 day training session. On average, about 100 volunteers are identified per Mandal. These volunteers are then divided into groups and assigned Gram Panchayats- a conscious effort is made to ensure that volunteers do not go in to their own villages to conduct the social audit. Parallel to the trainings, meticulous research is conducted and all official records pertaining to the NREGA works including muster rolls, technical sanctions, utilization certificates, bills and vouchers are scrutinized and consolidated in to manageable and easy to understand formats.

Armed with these documents, the village social auditors then go in to conduct the actual audit over a three day period. During this time, the auditors stay in the villages assigned to them. To conduct the audit, the village auditors go from house to house cross verifying official records, scrutinizing job cards, examining the worksites, taking measurements and

gathering information through interviews with wage seekers. Verification complete, the auditors organize a village level meeting where findings from the audit are shared with the villagers. Local political bosses, the Panchayat members and local officials most importantly the field assistant (government appointee who manages the implementation of the NREGA at the village level) participate in these meetings. The village level meetings begin with an information sharing session where details on the legal entitlements are shared with the public. This helps villagers understand the scheme better and most important acts as a catalyst for discussion and debate on the state of scheme implementation. During these meetings, names of wage seekers and amounts due to them are publicly read out. This information triggers a detailed discussion between wage seekers and the field assistant on different aspects of implementation. Through this process petty forms of corruption are unearthed in full public view. For instance, wage seekers may realize that that they have been given only a portion of the total wages that is there due, or that the field assistant has inflated the number of days that they have worked on the site in the muster roll (attendance register). Or that they have not been given the correct wage for every day or work done. Based on this information, villagers come forth and testify to whether they have or have not received wages and whether the information recorded is accurate.

The social audit process concludes with a social audit forum or Jansunwai at the Mandal level where social audit teams from all villages in the Mandal come together to collectively share their findings. It is mandatory for key NREGA officials from the Mandal to attend these meetings. Official participation includes the Mandal Development Officer, the Program Director, Panchayat members and officials from the postal departments. In addition, senior district officials including the collector, the District Program Coordinator for NREGA, officials and on occasion Members of the Legislative Assembly (MLAs) attend the forums. Members of the social audit team preside over the meetings. Typically, these meetings are attended by five to six hundred villagers. At these meetings village social audit teams share key findings from the audit with the forum. Villagers that have borne the brunt

of corruption are invited to testify and question NREGA functionaries. NREGA functionaries are then called upon to respond to charges levied against them.

The presence of senior government officials enables immediate and effective grievance redressal albeit only where cases of petty corruption are unearthed. Consequent to social audit forums over 500 field assistants and 10 technical assistants have been dismissed, 3 MPDOs have been suspended and inquiries initiated against at least 6 other Mandal level officials.[7] Administrative action apart, corrupt officials have actually begun to return embezzled funds. Since the social audit process began as many as 60 Lakh worth of embezzled funds have been returned.[8]

 Aside from unearthing corruption, the social audits also offer a formal setting for senior officials to interact with front line implementers and wage seekers. This allows for real time feedback on the status of the scheme implementation. As many analysts of India's public service delivery system argue corruption apart, one of its main weaknesses lies in the fact that programs are poorly managed and rarely monitored. Lack of knowledge and technical knowhow on the part of the frontline worker can in no small measure contribute to the failure of government programs. The real time feedback on progress in NREGA has ensured that some of these problems are tackled. Through interactions with senior officials, front line workers can clarify doubts, and resolve problems. Moreover, because information on the NREGA is disseminated during the forum, both officials and wage seekers come away with a better understanding of the NREGA. From the wage seekers point of you, this access to information can go a long way in ensuring that the NREGA is implemented effectively. After all knowledge is power and with this power, wage seekers are in a better position to demand their rights from the implementing agencies.  Empirical evidence on the effectiveness of the social audit corroborates these hypotheses.

---

[7] These statistics have been compiled by the SPIU, Government of Andhra Pradesh

[8] Akella, K and Kidambi, S (2007), 'Social Audits in Andhra Pradesh: A process in evolution', Economic and Political Weekly, November 2007

**Analyzing Andhra Pradesh's experience**

**What happens after a social audit?**

In 2007, the World Bank, in partnership with the SPIU of the rural development department of Andhra Pradesh conducted a study on the effectiveness of implementing regular and sustained social audits in NREGA[9]. The overarching objective of the study was to assess the efficacy of the social audits as an accountability mechanism. It did so by focusing on the effectiveness of the social audit on laborers across three parameters:

**Levels of awareness of NREGS-AP non-negotiables**: Scheme entitlements-guarantee, wages, payment processes

**The implementation process:** Worksite information, worksite facilities, measurement processes, muster roll, wage payments

**Grievance redressal:** Social audits as an effective mechanism to resolve problems, perceptions towards officials.

The study surveyed 840 laborers across three districts (Cuddapah, Khamam and Medak) asking the same set of questions to the same laborers thrice over a seven month period: **Round 1** before the social audit to establish a baseline, **round 2**, one month after the social audit to determine the immediate effect of exposure to a social audit and **round 3**, six months later to assess how the effects change over time.

In addition a set of surveys were administered to 180 laborers one week after the social audit to gauge laborer perceptions on the social audit process.

---

[9] For more details see study see: "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 Intellecap and SPIU (AP govt), 1 February 2008. www.rd.ap.gov.in/SAudit/Draft_SocialAudits_Feb08.pps

**Key finding - Significant jump in awareness levels about the NREGA**

To assess the impact that the social audit has on awareness levels, the study asked labourers whether they had heard of the NREGA and whether that were aware of its specific components- 100 days guarantee, no machines, minimum wages and so on. Through its analysis, the study found that the social audits have a dramatic effect on awareness.

When asked **'Have you heard of the NREGA'**, only 39% answered positively in round 1 (before the social audit). This rose to a dramatic 98% in round 2 and stayed at 98% in round 3 (six months later)

When queried on specific aspects of the scheme, the results were equally dramatic.

1) Only 31% respondents were aware that the APREGS offers a 100 day guarantee before the social audit. This shot up to 88% in round 2 and went up to 99% in round 3.

2) 30% respondents were aware that machines were forbidden in the program before the social audit. This increased to 88% and 99% in rounds 2 and 3 respectively.

3) 27% respondents were aware that the scheme banned contractors in round 1 this rose to 88% and 99% over the next two rounds.

4) 25% were aware that the APREGS is a demand driven scheme before the social audit. This went up to 74% after the social audit and increased to 99% in round 3 of the survey.

**Figure 2: Dramatic improvements in levels of awareness before and after a social audit**
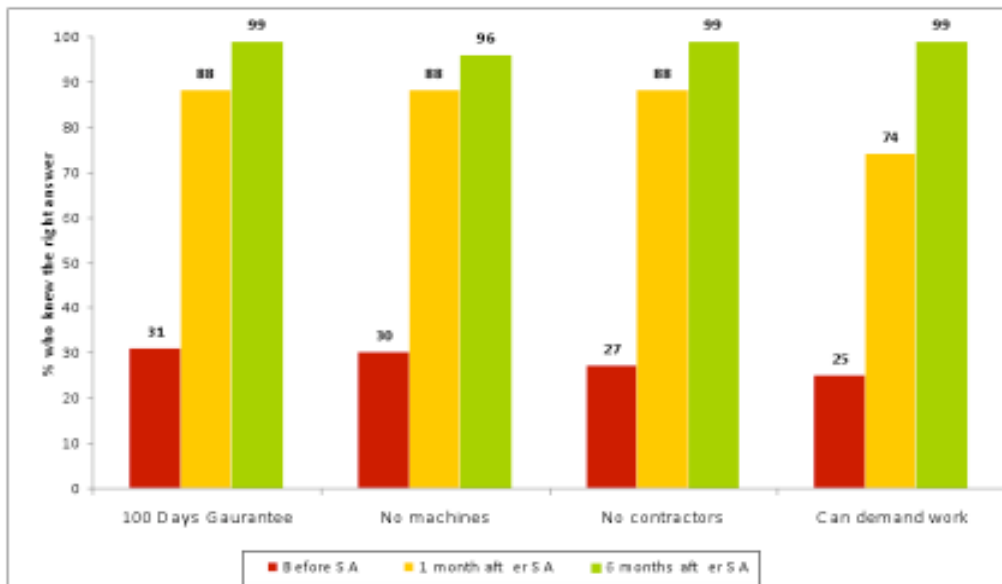


*Most people who changed responses had been exposed to a Social Audit*

This data is significant as it reflects the critical role that social audits can play in disseminating information and ensuring that it reaches those who need it. As mentioned, during the audit, teams spend a minimum of three to four days in the villages interacting with beneficiaries and discussing various aspects of the scheme with them. At the end of this process, village meetings are organized where information concerning the program and details of its implementation are shared with the village. Through this process, critical information is shared and as this data suggests, this knowledge remains with the villagers long after the audit teams have gone.

**Key finding - Improvements in worksite implementation processes**

What does access to information achieve? Can it have a significant impact on the efficacy of program implementation? Moreover, does regular monitoring- which is the objective of the

19

social audit- lead to mid course corrections? To answer some of these questions, the study investigated implementation processes of the NREGA across the 3 rounds. In each round, laborers were asked specific questions concerning work site management, muster role maintenance, worksite facilities and payment processes. The results were less dramatic but significant. For instance:

- The study found that entries in job cards increased from 39% in round 1 to 99% in round 3 indicating that there is some follow up to the social audit in key management areas.

- Knowledge about the wage payment slips and what they are meant for rose from 62% to 92% and 96% respectively. A direct consequence of that was that laborers better understood that that payment slips are linked to quantum of wages received- figures rose from 49% to 60% in round 3.

- Some visible improvements were noticed in worksite facilities. Drinking water availability went up from 79% in round 1 to 83% and 95% in rounds 2 and 3 respectively. The presence of first aid facilities at work sites rose from 41% in round 1 to 52%in round 2 and 83% in round 3. The provision of facilities for shade at the worksites improved from 16% to 40% in round 3.

Interestingly, there was a 10% jump between round 1 and round 3 in people's perceptions of delays in wage payments. This could be for two reasons, one because these delays indeed did increase but this change in perception could also be a response to the fact that a larger number of labourers were now aware that payments had to be made within 15 days of work completion.

**Key finding – social audits can redress grievances and strengthen ability to interacts with government officials**

To assess whether social audits are perceived as a useful mechanism for resolving petty grievances, the study measured laborer perceptions of the social audit process. Labourer

perceptions were assessed through two mechanisms. First was through a set of questions in the main household survey administered over the three phases. Second, through a perception survey that was administered within a week of conducting the social audit.

Study results show that 88% of those who had participated in the social audit said that grievances were raised during the audit process. Of these, as many as 84% said that these were resolved. When asked if they felt that the social audit was an effective mechanism to resolve grievances, as many as 82% laborers replied in the affirmative.

On the desirability of conducting social audits, 90% respondents said the social audits are a desirable task. Of these, 94% said that the social audit ought to be conducted on a regular basis and at the end of round 3, 95% respondents said that they were ready to conduct a social audit on their own.

This data highlights one of the greatest strengths of the social audit process in AP-government support which gives the process legitimate authority and makes immediate grievance redressal possible. Because the audits are sponsored by the rural development department, senior government officials are obliged to participate in the public hearings and take concrete action wherever possible. Moreover, the state social audit team has initiated a follow up process where every 15 days, the village social auditor along with relevant resource persons visit the Mandal office to review action taken on findings from the public meeting. The social audit team has also set up a website where social audit reports and follow up actions are uploaded and available for public scrutiny.

This immediate, tangible grievance redressal lies at the heart of the social audit process. It helps build people's trust in the process and can act as a spur for victims of petty corruption to lodge their complaints. For the rural poor, who are most often locked in exploitative patron-client relationships, to stand up in front of local officials and express their grievances is no ordinary feat. The willingness of people to participate in the public hearings – in some Mandals over a 1,000 people have gathered to participate in the public hearings-and to express their grievances is to a large extent a consequence of the fact that

corrective action is taken immediately. A responsive administration is thus critical to the successful conduct of the social audit.

Analysts of social audits argue that the process challenges the remote culture of the bureaucracy. The very act of placing hitherto secret documents within the public domain serves to remove the shroud of secrecy that surrounds government operations, which allows the bureaucracy to distance itself from its citizenry. In so doing, it has unveiled a culture of participation and openness. By mandating the presence of officials and instituting mechanisms for regular follow up on social audit findings, the Andhra social audit process is an illustration of how this can be reinforced and strengthened from within the administrative system.

What effects has this had on laborer perceptions towards government officials? The study tried to assess whether social audits affect the ways in which laborers interact and engage with local officials? Over 90% laborers said they felt more comfortable approaching various local level functionaries. When asked why, 60% said the increase in awareness about different aspects of the act had made them more confident to approach the concerned authorities.

> **Voices from the field**
>
> *"We were watching the FAs so scared, that we forgot to report our FA.":* Participants at Arepalli Social Audit Forum
>
> *"We came to know many things that we didn't otherwise know after going to the mandal meeting. We are now able to question any misdeeds that the mate, FA and TA are indulging in.":* Participants at Obulvaripalle
>
> *"The social audit people should come every month to keep these wrongdoings at bay."* Satyamma, Arepalli SJ
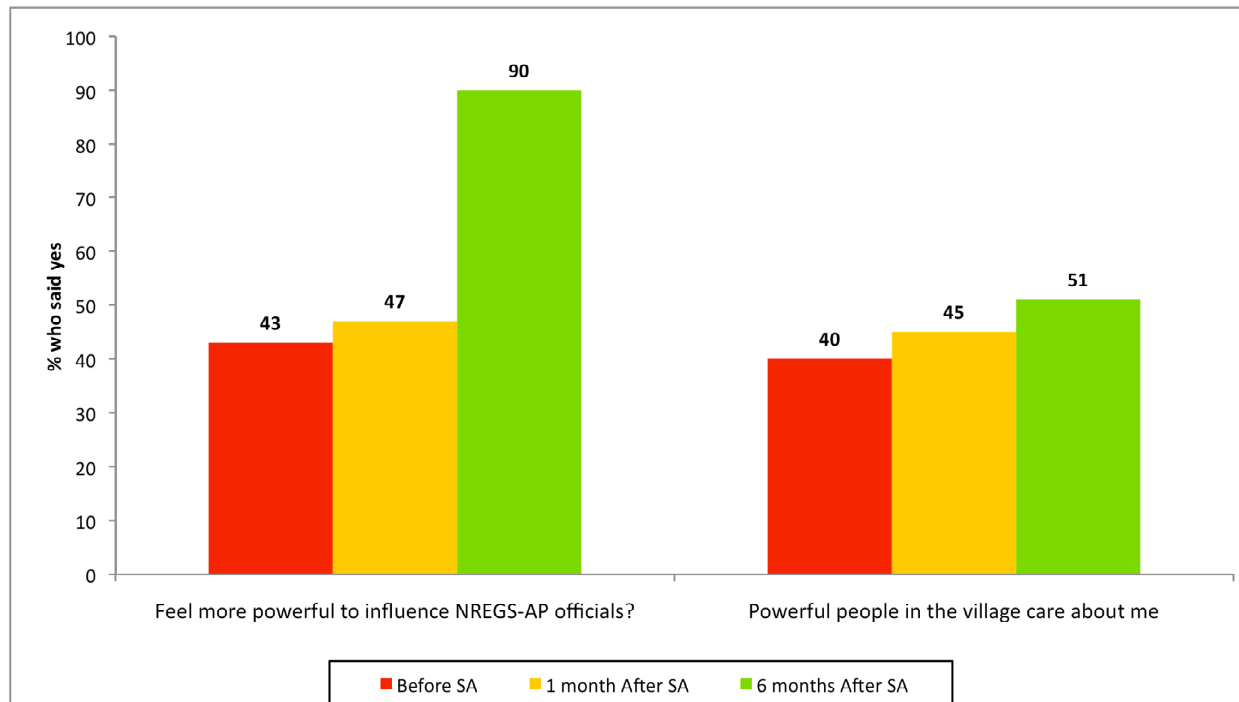
Most crucially, the study also found that people's perceptions of their ability to influence officials changed consequent to the social audit. In round 1, a mere 43% of the respondents said that they were powerful enough to influence the APREGs officials. This number went up to 90% six months after the social audit.

**Figure 3: More power and more respect**

In both instances, the numbers rose dramatically in the third round. This was mainly because the state government instituted a system for regular follow up which required village social auditors to go back and interacting with the social audit participants to monitor action taken on audit recommendations. Consequently, laborers were assured of feedback, which is responsible for the change in perceptions.

**Understanding the role of the AP government:**

No discussion on the AP social audit experience can be complete without drawing attention to the central role of the AP government in facilitating this process. As mentioned, the most striking feature of the Andhra model for conducting social audits is that the state government has willingly opened itself up for scrutiny and done so by proactively mobilizing citizens to monitor its programs. This has important ramifications on current conceptualizations of state-civil society relationships and their individual roles in addressing accountability deficits.

Conventional conceptualizations of accountability distinguish between horizontal and vertical forms of accountability (there are alternatively referred to as supply and demand side of accountability). Horizontal accountability refers to the host of mechanisms checks and balances internal to the state (judicial oversight, auditing and accounting, performance incentives) through which state agencies are held to account. Vertical accountability refers to the mechanisms through which citizens hold the state to account. Elections are the classic form of vertical accountability[10].

Dissatisfaction with traditional horizontal and vertical accountability mechanisms has resulted in increased involvement of civil society in placing demands for accountability on the state. The emphasis is on strengthening citizen '*voice*' to directly demand accountability. Theorists such as Goetz and Jenkins argue that there are a growing number of civil society initiatives that transcend the horizontal-vertical divide by directly engaging with horizontal accountability mechanisms through public interest litigations, budget analysis and social audits. These in turn can strengthen and energize horizontal accountability[11]. The focus of much academic and policy work on strengthening accountability is now on strengthening the role of these non-state actors or the 'demand side' of accountability.

The onus of demanding accountability is increasingly seen to lie solely on civil society. It is for civil society to conscientize, mobilize and organize citizens to exercise their rights and demand accountability. The Andhra experience not only challenges this notion by demonstrating that the state can and does have a role in mobilizing citizens and fostering

---

[10] For a detailed discussion on accountability mechanisms see Goetz, A.M and Gaventa, J (2001)' Bringing Client Voice and Client Focus in Service Delivery', IDS Working Paper No. 138, www.ids.ac.uk; Goetz and Jenkins (2004); 'Accountability', in Adam Kuper and Jessica Kuper (eds*),* The Social Science Encyclopedia , New York, Routledge, 2004; and Newell, P. and Bellour, S. (2002), 'Mapping Accountability: origins, context and implications for development', IDS Working Paper No. 168, www.ids.ac.uk

[11] Goetz, A.M and Jenkins, R (2001), 'Hybrid Forms of Accountability: Citizen engagement in Institutions of public oversight in India', Public Management Review, Vol. 3, No. 3 (2001)

participation but also adds a new dimension to this: the state can offer the most disadvantaged and disempowered the opportunity to exercise their rights.

State society relations are mediated by the range of rights that the state extends to its citizens. This determines the nature and form of citizen participation in state affairs and the ways in which citizens may mobilize to exercise their rights. The relationship has always been a linear one- the state extends rights to its citizens which it is obliged to fulfill and citizens draw on different forms of participation to exercise these rights. When the state does not fulfill its obligations vis a vis rights to citizens, citizens use various mechanisms to demand these rights. The AP experience transcends this linear relationship by demonstrating the role that the state, if willing, can play in mobilizing, conscientizing and organizing citizens to operationalize their rights. After all, the social audit is about citizens exercising their right to know and participate in government affairs.

Civil society has an important role to play in facilitating this process. It can, as the Andhra case has well demonstrated, enter in to strategic partnerships with the state and help facilitate societal participation in the core activities of government. This marks a significant shift in the mode of civic activism in India. Historically, civil society in India has engaged with the state through broad based protest action and resistance. In its struggles, civil society has drawn on the idiom of mass mobilization and political agitation popularized through the freedom movement. Gandhian means of civil disobedience characterized by mass mobilization, rallies, petitions and direct confrontation have dominated practices through which civil society has engaged with the state. In recent years, the civil society landscape has witnessed some innovations that have moved beyond protest to a more direct engagement with the state and its apparatus. Public interest litigation, budget analysis, participatory budget planning and social auditing are examples of these new forms of engagement. Strategies too have shifted to include networking, interacting with the media and lobbying with well meaning public officials to promote causes. One such strategy is to partner with the government. However, the nature of these partnerships has been somewhat limited. Partnerships with government usually occur at the level of

implementation- when it is cost effective and practical for the government to contract out some its core activities to civil society organizations. Civil society's role in these partnerships is reduced to being an extended 'implementing' arm of the government.

What makes the Andhra experience unique is that it offers a new dimension to these partnerships. To institutionalize social audits in Andhra Pradesh civil society organizations – including the MKSS which offered all its technical expertise to the government of Andhra- have entered in to a dynamic partnership with the government. The engagement began at the planning and strategy phase and has continued in to the implementation stage. At every step, civil society has offered its expertise, experience, insights and skills to the government to experiment with social audits. In the long run, this partnership can go a long way in guarding against cooption of the social audit process by the state.

This brings us to one of the most serious limitations with this state-led model of accountability: its vulnerability to co-option by vested interests within the state that can reduce the entire process to a sham. The success of the social audit- and for that matter any other accountability mechanism- is crucially dependent on the autonomy and objectivity of the process. This requires that the process be conducted on the basis of certain core norms and principles that remain uncompromised. As discussed, in AP the continuous presence of civil society and the fact that the audit is conducted by village level volunteers acts as an important check and balance to the process. Administrative responsiveness forms the backbone of the process. As has been discussed, in the absence of immediate, corrective action, the process loses its relevance and runs the risk of degenerating in to a meaningless exercise that elicits neither answerability from the government nor does it encourage participation from citizens. The vulnerability of the social audits is best highlighted in Akella and Kidambi's commentary on the social audit process in Andhra. Akella and Kidambi (2007) tell us the story of an MLA (state legislature) who during public hearing told the presiding officer: 'Do you think if I didn't want it the public meeting would have gone on? There would only have been tables and chairs'. Yet, as Akella and Kidambi argue, the process has acquired an almost unstoppable momentum- they quote instances where

wage-seekers have participated in the hearings despite being threatened. Does this momentum have the power to make cooption just that much harder? Only time will tell.

**Conclusion**

The Andhra Pradesh government's experience with implementing social audits is a unique experiment in integrating accountability mechanisms in to the state apparatus. It offers some interesting insights in to the effectiveness of regular, sustained social audits. Emerging empirical evidence on the social audits suggests that social audits in fact have a significant and lasting effect on citizen's awareness levels. Moreover, it demonstrates that it has some effects on implementation processes and in this process, it significantly enhances laborer confidence and self respect and most important, ability to engage with local officials.

Crucially, it highlights some important lessons on how to ensure long term effects of the audit. As the results in the third round highlight, social audits are most effective when:

1.  They are conducted regularly,

2.  Have inbuilt feedback mechanisms

3.  Are undertaken in partnership with the state to ensure immediate, perceivable grievance redressal

These lessons are important for any state government or civil society organization that wants to undertake a social audit and develop a strategy for their conduct.

## Accountability Initiative

The Accountability Initiative is an independent effort to strengthen state accountability in India by undertaking policy research, creating networks of stakeholders, exploring new areas and ways to collect and disseminate information on the quality of public services in India. The initiative's work is collaborative. It seeks to strengthen current accountability efforts by government, civil society, research institutes and the media. Specifically, the initiative aims to:

- Undertake policy research on the mechanisms of accountability in India's governance institutions
- Develop new areas and innovations to enhance accountability
- Support the creation of better quality data on basic public services
- Seek innovative ways to disseminate this data to the public
- Encourage an informed, evidence-based debate on accountability and improved service delivery outcomes in India

The Center for Policy Research, New Delhi is the institutional anchor for the initiative.

Visit us at www.accountabilityindia.org

## Engaging Accountability: Working Paper Series

In the last decade or so non-state actors- social movements, non-governmental organizations (NGOs) and the media- have emerged as a powerful force through which demands for state accountability are being articulated. Often referred to as social accountability, these new accountability claims signal a profound shift in the accountability discourse both in terms of who demands accountability and mechanisms through which it is demanded.

Despite the proliferation of these efforts, analytical work on this engagement remains limited.  We know very little about the nature, form, effectiveness and challenges of these modes of state-society engagement: what are the chief instruments? What works in what contexts? And what are the lessons that can be drawn from them?

The 'Engaging Accountability' working paper series is an effort to address some of these questions in the Indian context. It focuses on three main questions:

- What are the factors- institutional and political- that create conditions under which citizens engage in social accountability? And what are the policy implications?
- What are instruments and strategies through which social accountability actors demand accountability?
- How does one measure the effectiveness of social accountability?