State-led Social Audits: Enabling Citizen Oversight in India's National Rural Employment Guarantee Program

Suchi Pande

About Accountability Research Center (ARC)

The Accountability Research Center (ARC) is an action-research incubator based in the School of International Service at American University. ARC partners with civil society organizations and policy reformers in the global South to improve research and practice in the field of transparency, participation and accountability. See: www.accountabilityresearch.org.

About Sandwich Strategy Research

This case is published in a series of studies that contribute to ARC's comparative analysis of "sandwich strategy" reforms, with support from the John D. and Catherine T. MacArthur Foundation's on Nigeria program. For additional cases, see: https://www.macfound.org/press/grantee-publications/top-down-ground-up-creating-accountability-with-sandwich-strategies.

"Sandwich strategies" are interactive processes in which reformers in government tangibly enable citizen action from below, potentially bolstering coalitions for change. This comparative study seeks to identify diverse reform pathways, roadblocks and outcomes. See: https://accountabilityresearch.org/sandwich-strategy-research/.

About ARC Publications

ARC publications serve as a platform for accountability strategists and researchers to share their experiences and insights with diverse readers across issue areas and sectors. These publications frame distinctive local and national initiatives in terms that engage with key issues in the transparency, participation and accountability field.

Rights and Permissions

Notes on Support

About the Authors

Suchi Pande is a scholar in residence at the Accountability Research Center. She has extensive research and practical experience in the field of social accountability, including implementing right to information laws and public oversight processes, consultancies with international organizations, leadership of action-research initiatives at American University in the US, and doctoral research at the Institute of Development Studies at the University of Sussex in the UK. Before joining ARC, Suchi worked with the National Campaign for People's Right to Information, and the Mazdoor Kisan Shakti Sangathan in India. She is currently researching national grievance redress mechanisms in the public sector.

Contents

Acronyms

BJP   Bharatiya Janata Party

MKSS   Mazdoor Kisan Shakti Sangathan

NREGA   National Rural Employment Guarantee Act

SSAAT   Society for Social Audit Accountability and Transparency

UPA   United Progressive Alliance

Introduction

This case study documents state-civil society collaboration to implement effective social audits, a participatory citizen oversight mechanism in India's large-scale national rural employment guarantee program. Following a sequence of openings from above—national electoral victory, creation of a national policy advisory forum, and a legislative mandate for social audits—an important opening was the creation of a semi-autonomous agency to implement social audits in the state of erstwhile Andhra Pradesh (later bifurcated into Andhra Pradesh and Telangana). For over a decade the Society for Social Audit Accountability and Transparency in Telangana has organized uninterrupted participatory social audits, making citizens' collective action possible.

India's National Rural Employment Guarantee program is one of the largest public works programs in the world. In 2005, the Indian Parliament passed the National Employment Guarantee Act or NREGA, entitling all rural adults to a legal right to work for hundred days in a year.[1] NREGA is a demand-based program. State governments must provide employment (unskilled manual work) to all those who demand it, within 14 days. Concerns about corruption or poor implementation of the program were central to the debates leading to the enactment of the law. These concerns were based on the past experience of existing welfare programs. Stories of private contractors working in collusion with local officials to fabricate labour lists and siphon public funds were all too common (Aiyar et al 2013).

In 2004, with a change in national government, the Congress Party won the general elections and along with coalition parties formed the United Progressive Alliance or UPA government. Many analysts attributed Congress Party's 2004 election victory to the Party President, Mrs. Sonia Gandhi. Supported by the Left Parties, the UPA was seen as accommodative towards the more marginalized sections of the populations. Mrs. Gandhi constituted an advisory council and invited movement activists to guide social policy. Several prominent activists associated with national campaigns for Information, Food, and Employment such as Aruna Roy, Jean Drèze, and

Harsh Mander were invited to join the National Advisory Council (the Council).[2] With its key allies in the Council, rights-based movements such as the People's Action for Employment Guarantee, the Right to Food Campaign, and The National Campaign for People's Right to Information collectively pushed for the passage of important transparency and social protection legislations such as the Right to Information and the National Employment Guarantee Act, the Forest Rights Act, the Right to Education Act, and later the National Food Security Act.

The National Employment Guarantee program was enacted with the help of state and societal actors who used an "invited space" such as the Council for pro-poor legislative reform. On the outside, these activists were supported by national broad-based issue coalitions with links to grassroots organizations across the country. Prominent activists from the right-to-information, food, and employment campaigns—some of whom were themselves former civil servantswith access to high level political and bureaucratic elites—convinced the national government to insert transparency and accountability safeguards into one of the legislations such as NREGA's participatory social audits.[3]

The practice of social auditing originated in a grassroots struggle for minimum wages by workers and peasants in the north-western district of Rajasthan. In their struggle for minimum wage payment on rural drought relief and welfare programs, activists articulated the demand for a right to information. The space in which this demand was articulated and sharpened was the precursor to social audits, called the *jan sunwai* or public hearing. The *jan sunwai* was uncommonly successful in improving the implementation of previous welfare programs in the early 1990s in rural Rajasthan (Jenkins and Goetz 1999, Pande 2014). As the struggle for Right to Information was scaled up, activists formed broad coalitions with other national rights-based campaigns for food and employment and popularized the *jan sunwai* as an accountability strategy.

One of the distinctive features of NREGA social audits that were inspired by the *jan sunwai* is the role of the state. As per the NREGA, all state governments are required by law to organize regular social audits—once every six months through village local bodies or *panchayats*[4]—to enable workers to assess program implementation and to hold public officials accountable. Since 2005, social audits were implemented unevenly across the country—majority states did not implement them and others contracted out implementation to non-government organizations (Comptroller and Auditor General of India 2016). Only one state government created a quasi-independent agency to implement social audits, the state government of erstwhile Andhra Pradesh (now divided into two states, Andhra Pradesh and Telangana) (Maiorano 2014; Aiyar 2013; Pande 2014, Aakkela and Kidambi 2007a, 2007b).

In 2006, a partially autonomous agency was created to train cadres and organize social audits. Nested within the state department for rural development, the Society for Social Audit Accountability and Transparency (SSAAT) was responsible for organizing social audits. To date, SSAAT has organized over 10,000 social audits. In the absence of these social audits, workers from marginalized groups, especially women, Dalits and Adivasi or indigenous populations would lack any forum to register complaints related to NREGA such as their inability to apply for work, denial of work, delayed wage payments or discrepancies in wage payments. This state led social audit is the largest mass contact program, reaching at least six million workers annually, actively helping to resolve workers grievances (Pande and Reddy 2017), improving the civic capacity of participants (Mehta and Aiyar 2015), and making modest gains in deterring corruption and grievance redressal (Pande and Reddy 2017).

Though necessary, a legal mandate for social audits was insufficient as many state governments did not act on the mandate. This meant the struggle for effective implementation of social audits went through several iterations of state-society collaboration and conflict (Pande 2021). Over a decade, activists continued to draft and revise operational guidelines supporting the implementation of NREGA, including drafting rules and national standards to ensure effective implementation of social audits. This case study traces four iterative cycles of convergence and conflict between state and civil society actors at the national and sub-national levels to implement NREGA social audits: 1) grassroots mobilization from below for payment of minimum wages to daily wage workers that led to the emergence of a downward accountability strategy that inspired social audits; 2) a preliminary opening from above at the national level that created an enabling environment for activists to negotiate and make NREGA social audits legally binding on state governments; 3) a proximate opening from above at the sub-national level where political and bureaucratic elites created an enabling environment to organize potentially autonomous collective action through a supportive roll-out of NREGA social audits; and, 4) co-production of auditing standards by the country's Comptroller and Auditor General, right to work activists, and the national Ministry for Rural Development. The first two sections document who did what, when, and how at each turning point to win the legal mandate for NREGA social audits nationally, and how political and bureaucratic elites provided extended legitimacy for social audits in one southern Indian state. The third section documents the role of India's Comptroller and Auditor General in creating legitimacy for social audits and extending it to other states. The final sections reflect on some lessons from the ongoing efforts to implement NREGA social audits.

1. Civil Society Innovation and the Emergence of *Jan Sunwai* (Rural Public Hearing)

State-led NREGA social audits in India have their origins in movement-led *jan sunwai*. In the early 1990s, a grassroots organization, the *Mazdoor Kisan Shakti Sangathan* (MKSS or Workers and Peasants Collective) first developed *jan sunwai* or rural public hearings to expose corruption in rural development programs (Jenkins and Goetz 1999). The *jan sunwai* that inspired social audits evolved out of grassroots struggle by daily wage workers and middle-class activists to enforce minimum wages on government-run welfare programs. Workers and peasants were trying to enforce minimum wages on public works programs which they knew were being embezzled by local elites. As the struggle evolved, workers linked the demand for right to information to issues of livelihood and survival (Roy et al 2018; Pande 2014; Roy and Dey 2002).

In their fight for minimum wages for unskilled manual workers, MKSS activists and workers realized they needed access to official records. More than just access to information, they also realized they needed forums to interrogate what was in government documents and to what extent they mirrored reality. The power imbalance between the worker and the local bureaucrat was exacerbated by the lack of information. With control over information related to development programs, officials dismissed workers as lazy liars, discrediting their demand for wages. Workers were frustrated by older strategies commonly used by Indian social movements inspired by the

Gandhian non-violent principles such as petitioning local officials, requests for official records, protests, and hunger strikes. The latter jeopardized the safety and well-being of activists. MKSS was in search of a new strategy that placed workers and public officials on an equal footing and enabled them to openly question government action without fear of reprisals.

The *jan sunwai* that emerged in response to this dual focus was a space in which citizens could openly and collectively interrogate the practices and functioning of government agencies. In the initial years, the local elites such as elected village heads or *sarpanches* tried to buy people's silence through alcohol or bribes, though women, who constituted nearly 50% of the workforce, could not be bribed with alcohol, and it was not feasible to bribe an entire village (Pande 2014). Verbal threats and intimidation were countered by activists by building support amongst villagers, consolidating their base and keeping moral up. The presence of the media was also a deterrent sometimes, especially if elections were close.

The *jan sunwai* was an innovative strategy that used official information to open up the state to broad public scrutiny. It existed outside formal representative institutions such as panchayats or elected village bodies, which tend to exclude marginalized groups such as women and lower caste members or Dalits. While public hearings were also organized in cities by activists and researchers to discuss the plight of the landless, the dispossessed; often those affected by government policies or practices were absent from these hearings. The *jan sunwai* or rural public hearing was organized in the village where those affected by government practices could attend. Activists made concerted efforts to ensure the participation of the most marginalized. The *jan sunwai* derived its legitimacy from their participation. MKSS' use of the *jan sunwai* also turned it into a site for "agitational activity", and "mobilizing dissent" against corrupt practices of public officials (Pande 2014). By creating a different kind of deliberation about the everyday practices of local-level public officials, juxtaposing official information with people's testimonies, the *jan sunwai* was qualitatively different from other participatory techniques, development aid projects, or existing government reform and decentralization policies, which as Mosse (2005) explains require 'enlisting participants' and 'enrolling different interests' for the purpose of mobilizing consent for predetermined projects or policy goals.

Between December 1994 and April 1995, MKSS organized jan sunwai, which created an enabling environment for potentially autonomous collective action by daily wage workers to demand accountability in the implementation of rural public works programs and payment of wages. In December 1994, the MKSS organized its first *jan sunwai* in the village of Kot Kirana in central Rajasthan. Without a legal mechanism to access information about welfare programs, activists obtained information through a sympathetic mid-level public official, the Block Development Officer. This official visited the MKSS to meet one of its founder members who was a former civil servant. At the MKSS house in the village of Devdungri, the official heard complaints from villagers about unpaid and delayed wages. Activists convinced this official to meet them at the complainant's village. The official arrived in the village of Kot Kirana with all the records. This was highly unusual, but the public official who was a new recruit and inspired by the MKSS founder was eager to resolve the issue. He handed the information to the activists, not sure what to do with the information, and activists read it out loud to a small group of villagers who had gathered. As activists read aloud the information, the villagers of Kot Kirana laughed and corrected it—names of dead people or those who left the village were highlighted, villagers also pointed to holes in the building, behind the activists, illustrating that no windows or doors were built even though the official records contained bills and receipts for the same (Pande 2014). This organic and spontaneous act of reading aloud information laid the foundation of a public accountability practice that is founded on the juxtaposition of official information with people's testimonies.

Within two months, MKSS organized 5 *jan sunwai* on the issues of food security, land, health, and minimum wages. One indication of the positive influence of the *jan sunwai* was the counter mobilization by panchayat level frontline bureaucrats (*gram sewaks*) against jan sunwai. By the time of the fourth *jan sunwai* in Jawaja block, in Ajmer district, the *gram sewaks* or *panchayat* bureaucrats went on a district-wide strike refusing to disclose any information related to development expenditure in panchayats across Ajmer district. They even staged a sit-in protest outside the office of the high-level official, the District Collector, to protest his order to disclose information and categorically stated they would only cooperate on a government audit (Pande 2014). As the districtwide strike developed into a statewide protest, villagers from seven different *panchayats* in Ajmer district attended and testified at the Jawaja *jan sunwai*.

In this first phase, before an opening from above was triggered, *jan sunwai* were organized without the participation of state actors, though activists often sought out mid-level officers to obtain program related information. A *jan sunwai* could not be imposed from the outside, or MKSS could not organize a *jan sunwai* without the support of local villagers. MKSS's role was bringing together powerholders and interested groups into a deliberative dialogue. Before a *jan sunwai*, in each village, activists identified local supporters. These supporters would help inform the activists about local power dynamics and stay alert to any possible threats. A concerted effort was also made to reach out to parts of the village occupied by socially excluded groups like Dalits or tribes. Did this create severe backlash for those who participated? Some of the *jan sunwai* participants I interviewed said they were not physically harmed, though elected elites tried to dissuade villagers from participating by bribing them with alcohol or money.

A Dalit *sarpanch* who asked MKSS to help him organize a *jan sunwai* to audit the works carried out in his *panchayat* was also not physically harmed, though the upper caste elite in his village forced him to contest the election on a reserved Dalit seat, and used him as a rubber stamp by coercing him to sign financial documents. If the documents were made public, the *sarpanch* would be accused of fraud and embezzlement. He agreed to organize a *jan sunwai*, risking imprisonment, to put an end to the humiliation and ridicule. So, while pre-existing forms of domination did not disappear after a *jan sunwai*, there do not appear to have been violent or punitive reprisals. In this sense, the north-western state of Rajasthan in the 1990s was different from the eastern states of Uttar Pradesh or Bihar, notorious for violent reprisals and where organizing a *jan sunwai* posed a huge potential risk for organizers and participants alike. With each *jan sunwai* in Rajasthan there were verbal threats and intimidation. MKSS had recently formed a collective of workers and peasants from several *panchayats* in Rajsamand district –it had a strong base in the central district of Rajasthan at the time. Activists took precautions to avoid any personal harm or injury. They also informed the police and video recorded all *jan sunwai* proceedings.

While MKSS continued a parallel struggle for a legal right to access information, in 1998, the state elections brought the Congress Party to power. The incoming Congress Party Chief Minister, Ashok Ghelot, was a known Gandhi loyalist, for his affinity to the Gandhi family and leadership of the Congress Party. Also known as "Rajasthan's Gandhi," he promised to pass a state Right to Information law (Economic Times 2018). The Congress Party was also more accommodative of MKSS's demand for Right to Information than the outgoing Bharatiya Janata Party government. In 2000, Ghelot's government amended the state *Panchayati Raj* or local governance act, inserting a provision for "social audits" of all works implemented by *panchayats*. This was the first instance of the *jan sunwai* informing a pro-accountability reform initiative. State level officials and frontline officers were directed to attend these social audits. MKSS and other right-to-work activists were invited to participate in these state-supported social audits.

In one *panchayat*, Jhalon ki Madar in Rajsamand district (where MKSS is based),C.P. Joshi—the then-Panchayati Raj Minister—retorted to an unhappy sarpanch at a *jan sunwai*— "The right to information is here to stay…these social audits will happen. The sooner we accept this, the better we will be able to use our rights (Sivakumar 2010)." Despite the high-level support, these official social audits were nothing like the MKSS *jan sunwai* and became more of a check-the-box exercise. MKSS activists who were invited by the state to assist in these state-supported social audits recall that of the three social audits that were organized, one was a "complete washout" where villagers were threatened and prevented from testifying. In Jhalaon ki Madar, the testimony by *Bhil* or tribal villagers broke the resistance of *Brahmin* (upper caste) sarpanches, only because on the eve of the *jan sunwai* activists were able to slip away from the officials and reach out to the *Bhils* to encourage them to testify.[5]

Over the next decade, MKSS continued to organize *jan sunwai* across rural Rajasthan and campaigned at the national level for right to information and right to work laws. In 2004, the Congress Party won the national elections, and together with the support of the Communist Parties formed the United Progressive Alliance or UPA government. MKSS activists together with their allies in the People's Action for Employment Guarantee—a national network of rights-based movements, scholars, writers, judges and lawyers, and Parliamentarians—lobbied the UPA government to pass a national right to work law which included a legal obligation for state governments to organize social audits as a potential safeguard against corruption (Chopra 2011, Khera 2011).

2. A Preliminary Opening from Above Provides Legitimacy for Social Audits

The first opening from above was provided by the national elections in 2004. The passage of the National Employment Guarantee Act included a legal mandate for social audits, providing state governments with the opportunity to create a space for societal action for pro-accountability institutional change. The UPA and its coalition partners issued a Common Minimum Program (an outcome of negotiations between coalition partners). The Common Minimum Program contained the vision of the *aam aadmi sarkar* or common man's government. Improving social policy was high priority of the Congress Party's campaign. It specifically stated, "The UPA Government will immediately enact a National Employment Guarantee Act…" and, "The Right to Information will be made more progressive, participatory, and meaningful."[6] The role of the leftist parties and people's movement was crucial to the implementation of the Common Minimum Program. Both these actors leveraged the Congress Party's 'social democratic platform' that was more 'accommodative' towards the poor (Hasan 2013).

The Council was constituted by the Congress Party President, Mrs. Sonia Gandhi. The Party's decisive win in the 2004 parliamentary elections was credited to her. Mrs. Gandhi was offered the Prime Minister-ship, which she refused and instead offered to Dr. Manmohan Singh.[7] Some observers argue that the electoral success of 2004 rested on the balance between Dr. Singh's "pro-market agenda" and Mrs. Gandhi's "focus on social welfare policies" (Hasan 2013). As Party

President, Mrs. Gandhi enjoyed tremendous power and influence over the UPA government's policy goals and objectives. Her decision to establish the Council and invite social activists to inform the Party's social policy agenda surprised activists, and few within her party questioned her motives. It is common for political elites to draw on societal actors from time to time to inform public policy. The formation of the Council was not uncommon; however, the influence movement activists were able to exercise as a result of Mrs. Gandhi's focus on social welfare policies was unprecedented.

The Council was an advisory body, it could recommend policies and draft legislation to the executive. Some of the prominent activists invited to become members of the Council were former civil servant and right to information activists who co-founded the MKSS such as Aruna Roy and development economist and right-to-food activist Jean Drèze—both with overlapping memberships in the Right to Work, Right to Information and Right to Food Campaigns, former bureaucrats such as N. C. Saxena, and Harsh Mander, who was also affiliated with the Right to Food and Right to Information campaigns.. Although these individuals belonged to the Indian middle class, they were embedded in more broad-based campaigns and grassroots networks of poor and socially excluded groups that gave them credibility. Without a set agenda, activists in the Council were able to leverage Mrs. Gandhi's "hegemonic position in UPA-I" and "her emphasis on the social agenda", and activists pushed rights-based pro-poor policies, which became the "trademark of the government" (Hasan 2013). The UPA government came to power positioning itself as a party of the common man (*aam aadmi*), and the Council's agenda to enact "path-breaking initiatives" such as the right to information, rural employment guarantee and rural health mission farm waiver loans had a "multiplier-effect" (Hassan 2013).

While the Council created an enabling environment for movement activists to push pro-accountability reform initiatives, anti-accountability coalitions inside the state mobilized against the Council's agenda. For example, the draft Right to Information legislation brought by the National Campaign for People's Right to Information was strongly rejected by the bureaucrats because of the strong sanctions for non-compliance. The bureaucrats used the Prime Minister's office to counter the legislation that was pushed by the Council. For example, the RTI law received its staunchest opposition, particularly from the Department of Personnel and Training, the nodal department in charge of reviewing the Council's draft. Both the scope and breadth of public access to government information and the penal provisions in the RTI bill created panic amongst sections of civil servants (Pande 2014). They adopted a two-fold counter strategy to resurrect a weaker Freedom of Information Bill (from 2002) and to create additional legal hurdles. The Department of Personnel and Training (DoPT) officially took the view that since the Freedom of Information Bill (2002) had already been passed by Parliament and received Presidential assent, the government should ratify the Freedom of Information Act and implement it for a few years; then further amendments to improve the Freedom of Information Act could be considered (Pande 2014). Dr. Singh and Mrs. Gandhi differed on the scope of the right to information law (Times of India 2010). Activists were able to overcome the bureaucratic opposition in part by leveraging Mrs. Gandhi's support through the Council and by mobilizing people on the ground to oppose the government's weaker access to information bill.

Similarly, for NREGA, the Prime Minister's Office was reluctant to implement a large-scale employment programme. Ministers who favoured economic reform over social welfare convinced the Prime Minister that it did not make economic sense to dedicate a large part of the budget to another welfare program, fearing the influx of public funds would allow local politicians to pilfer the money. In response, the People's Action for Employment Guarantee, a national coalition of right to information, food, and work campaigns and other social movements organized a bus

yatra (journey) through ten states to mobilize popular support. Banners demanding a national employment law with signatures from daily wage workers from across ten states covered the streets of the national capital as Parliament debated the NREGA legislation.

Some observers reported that the Council was referred to as a "super cabinet" by senior ministers and party members who did not appreciate that it was the Council and not the party that showcased Mrs. Gandhi as a political leader (Sardesai 2014, Kidwai 2013). In negotiating pro-poor reform the Council became a contested terrain for societal actors working with the poor, marginalized, and excluded groups. Membership in the Council did not guarantee the implementation of social movement demands; however, it provided activists with unprecedented access to national policy makers and legislators to introduce pro-poor reform initiatives.[8] Legally-mandated NREGA social audits are one example of the opening from above that was made possible through the Council that was preceded by mobilization from below to mainstream rights-based reforms focused on the poor.

3. Government Elites Provide Political Cover for Organizing Social Audits

The creation of the semi-autonomous social audit unit in Telangana was the most relevant opening from above for understanding this sandwich strategy case. The preliminary opening factors such as formation of the Council and activists' efforts to achieve legal recognition for participatory audits created an enabling environment at the sub-national level for state governments to: 1) make possible the exercise of partial freedom of association through social audit public hearings, and 2) ensure delivery of material resources such as employment and wages under NREGA. While social audits are unevenly implemented across India at their inception in 2005, one southern Indian state was proactive in rolling out social audits across the state.

In 2004, Y. S. Rajasekhara Reddy, a charismatic Congress Party leader, won the Andhra Pradesh state elections and became chief minister. As a loyalist of the national party President, the chief minister campaigned on an anti-corruption platform. This included using social audits to expose corruption by the rival party candidate in a welfare (food for work) program. The chief minister's support for social audits was cultivated by a sympathetic, high-level bureaucrat, the Principal Secretary, who was inspired by the MKSS *jan sunwai*. This bureaucrat, a Dalit, had deep personal commitment and motivation to use his position to do good for the working poor. He was inspired by a former bureaucrat, Mr. S. R. Sankaran, who was affiliated with the Right to Information Campaign and committed to Dalit struggles. The Andhra Pradesh Principal Secretary benefitted personally from scholarships for Dalit students by Mr. Sankaran and entered the civil service with the motivation to work for the poor and marginalized. The 2004 state elections provided him and other honest civil servants an opportunity. The Principal Secretary was given a "free hand" in implementing NREGA (Pande 2014). He put together a team of public officials to actively mobilize support for their efforts and capitalized on every press conference and public appearance of the newly elected Chief Minister to shape public opinion in favour of social audits (Pande 2014). A

politically powerful Chief Minister declared the NREGA out of bounds for profiteers within his own party (Maiorano 2014). In interviews conducted in 2010-2011, I was told by former civil servants and observers that local political cadres were told to make their profits elsewhere such as big infrastructure projects (also see Maiorano 2014). In fact, implementing the NREGA won Y. S. Rajasekhara Reddy [the Chief Minister] the title of "people's messiah."[9]

In Andhra Pradesh, political commitment and bureaucratic support for NREGA social audits was high (Chopra 2018). A number of honest officials were brought to the Rural Development Department including the Principal Secretary, and the department was given the "necessary authority and autonomy" to successfully run NREGA (Maiorano 2014, 96). The Principal Secretary and the NREGA Director made a "list of five non-negotiables that were translated into fifty-five recommendations (Chopra 2018)." The Chief Minister "backed these recommendations and used all his political leverage to make a Cabinet Committee accept all fifty-five recommendations including those with far-reaching consequences for transparency and accountability (Chopra 2018)." Some observers call NREGA in Andhra Pradesh a "post-clientelistic" scheme (Manor 2010, cited in Maioranao 2014) that was insulated from intrusion by politicians "seeking to deviate public resources and distribute them through their patronage networks (Maioranao 2014)." However, NREGA was not completely isolated from politics.

As per the NREGA, social audits are implemented at the village or *panchayat* level. Thus, gaining support of local political elites and frontline workers was crucial. But it was not easy. Virtually all politicians opposed to transparency and downward accountability strongly opposed the implementation of social audits (Manor and Jenkins 2017). After inquiring if social audits would enhance *his* popularity, the Chief Minister wholeheartedly backed the social audits, extending legitimacy or political cover for social audits despite stiff resistance from members of the legislative assembly (Maioranao 2014, emphasis in original).

To implement social audits, the state government needed a blueprint. The Principal Secretary, along with other officials from the rural development department, travelled to Rajasthan to participate in a mass NREGA awareness campaign organized in Dungarpur district, an unusual practice for civil servants. This mass awareness drive was supported by a senior civil servant in charge of the district official of Dungarpur and organized by MKSS and their allies in the People's Action for Employment Guarantee. Several hundred participants from across India walked through the entire district, covering 800 villages to popularize NREGA. The aim in Dungarpur was to generate mass awareness about NREGA and provide social audit training to civil society. No social audits were organized, and with official support for the awareness drive, the risk of collective action were low. After the Dungarpur awareness campaign, the Principal Secretary for Andhra Pradesh consulted the MKSS on social audit methodology. A former MKSS activist was invited to join the Strategy and Performance Innovation Unit. This unit was responsible for the training and oversight of the cadre of officials who conduct social audits across Andhra Pradesh.

While inspired by MKSS, the Andhra Pradesh social audit initiative was state-led and followed a different strategy from the civil society one in Rajasthan. With full autonomy and authority to implement social audits, the Rural Development department centralized the implementation of social audits. As per NREGA legislation, village *panchayats* are responsible for organizing social audits. In Andhra Pradesh the process was initiated and controlled from the top by the Rural Development department, bypassing *panchayats*. According to the NREGA Commissioner, there were two reasons for this: 1) keeping social audits free of political interference, and 2) weak panchayat institutions.[10]

The AP social audits were different from their movement counterpart in four ways. First, the state government itself would undertake the audits through a para-state agency created specifically for the purpose: the Society for Social Audit Accountability and Transparency (SSAAT). Second, the state government trained ordinary people, in particular youth from Dalit households from different parts of the state, to conduct the audits in different constituencies. Third, a separate oversight agency would follow up on the social audit reports submitted by the para-state audit agency (Pande 2014; Maiorano 2014). Finally, the state considered a narrow role for organized civil society in social audits. By centralizing the implementation of social audits, the process was also insulated from civil society. According to a high-level civil servant, the lack of civil society actors made social audits appear an independent process under the aegis of government,[11] though the government collaborated with rights-based organizations (AP NGO Alliance) to raise awareness amongst the rural poor about their entitlement under NREGA (Government of Andhra Pradesh 2010), and attempts were made to form worker federations (Maiorano 2014).

Sections of civil society were also critical of the social audit process. For them, state-supported social audits were a highly centralized system, designed to exclude *panchayats*[12] and too focused on financial aspects. Some observers I spoke to even questioned the commitment of frontline social auditors who carry out third party verification and aggregate factual information from several individual cases that precedes a public hearing. The village social auditors, because they belong to workers' families from the most marginalized groups, have tremendous potential to imbue social audits with real participatory focus. However, many of them aspire for better positions within the social audit hierarchy and see the village social auditor position as a stepping stone to a district or state-level resource person position.[13] The Andhra Pradesh experience shows that with support from political elites with high political capital, and bureaucratic elites motivated to helping the poor and marginalized groups, pro-poor reforms were initiated, albeit in a highly centralized manner. The Society for Social Audit Accountability and Transparency in Telangana that was formed after the state was bifurcated into Andhra Pradesh and Telangana[14] has achieved some uncommon results. In the last five years (2015-2021) social audits exposed USD$26.4 million of corruption in NREGA. In the absence of these audits, it is impossible to know the leakages from such a large-scale program[15]. Over 10,000 public hearings were organized, providing a collective forum for villagers to provide feedback and claim rights and social audits have been extended to the oversight of child nutrition, sanitation programs, and programs intended for marginalized populations.

Closely modelled on the MKSS *jan sunwai*, the social audit process in Andhra Pradesh included five steps: identification and training of social auditors, obtaining and simplifying information related to program performance, third-party verification of worksites, personal interviews with workers to assess official information, and organizing social audit public hearings to share findings. The entire process lasts seven days. The auditors are provided with official records related to NREGA implementation which they take to individual workers to assess their accuracy. For instance, this third-party verification and visits to work sites assesses whether workers were paid for the work they completed and whether the work in questions exists on the ground. SSAAT's pre-hearing third party validation of program performance is carried out by village social auditors. This village-auditor-led independent verification prior to the public hearing creates a factual record that provides governmental legitimacy for the voice expressed previously in safe spaces to the third-party monitors as they did the validation. It produces assessment results which are then made public in the deliberative setting of the hearing.

The public hearing is the main arena for SSAAT-enabled collective action. NREGA senior staff preside over the social audit public hearings. In the absence of these public hearings, workers

generally rely on middlemen or wait in long queues outside public offices in order to meet officials. In SSAAT's social audit public hearing, the interaction between NREGA workers and state agents such as frontline workers or the financial and technical assistants are mediated by local auditors in the presence of a high-level NREGA public official with power to impose sanctions and refer cases to the vigilance unit. Information from the third-party assessment is read out loud and workers are invited to testify to the accuracy of the official record. In some instances, high number of reports pertaining to extortion or payment of bribes leads to the presiding officer directing frontline staff to provide explanations.

For example, in past hearings the local postman returned cash to the presiding officer when he was asked about commission charged for disbursing wages to workers from their accounts. This external validation (an aggregation of many individual reports) makes it less controversial or risky for participants in the assembly to speak up in the deliberative setting. Some observers who surveyed social audit participants note that in undivided Andhra Pradesh workers have limited encounters with higher level officials, and limited participation in associational life such as membership in self-help groups or community-based organizations. In this context, according to a survey of 206 workers from Andhra Pradesh, social audits increase "sightings" of the state, that is, villagers reported seeing these officials at public hearings, and participation in social audit public hearings momentarily shifts the nature of interactions between workers and state from being passive recipients to active claimants who scrutinize the practices of state agents and raise complaints.[16]

4. National Audit Agency Extends Credibility to Social Audits

The 2004 preliminary opening at the national level provided pro-reform actors with opportunities to extend legitimacy for social audits, though much of the progress on social audits rested with state governments. The outcome of the national process to make social audits legally binding was highly uneven, varying across the country. With the exception of undivided Andhra Pradesh, the majority of Indian state governments failed to implement the legal mandate for NREGA social audits. At the national level, five years later, the Congress Party-led UPA alliance collapsed (over the Indo-U.S Nuclear agreement), and the second term of the UPA government (2009-2013) saw a radical shift away from the social democratic focus towards a more conservative economic liberalization focus (Hassan 2013). This meant that legitimacy or political cover for social welfare programs fell dramatically. Senior party leaders who viewed the Council as a 'Super Cabinet' filled with the Prime Minister's critics (Baru, 2014) began to vocalize their dissent against the Council and obstructed the passage of new social policies such as the National Food Security Act.[17] From 2009-2013, the Congress Party was mired in one corruption scandal after the next, implicating several senior cabinet members. The Bharatiya Janata Party capitalized on the anti-corruption wave and won the 2014 national election.

The new Bharatiya Janata Party (BJP) government was less supportive of NREGA and social audits. The new Prime Minister (Narendra Modi) referred to NREGA as a 'living monument of UPA's failure' and began to steadily dismantle the rural job guarantee scheme through budget cuts, non-pay- ment of wages, and indifference to non-implementation of social audits. Social audit advocates lost access to high-level policymakers and legislators at the national level. However, losing access to the national level forced activists to focus their attention at the sub-national level and leverage support of more sympathetic state governments, especially in non-BJP governed states. In some states such as Rajasthan where social audits originated and had a big movement presence, pro- accountability actors in state and society were out-manoeuvred by anti-accountability forces, especially the frontline *panchayat* workers who stalled social audits, and used a court order to ban civil society participation in social audits. While civil society actors lost allies in the National Parliament and senior officials in national ministries were resisting the anti-accountability forces on the ground in some states, civil society gained new allies in oversight bodies that created new openings to keep the pro-accountability reform initiatives such as social audits alive.

The uneven progress at the sub-national level made clear to activists that they needed to push state governments to organize social audits. In states like Rajasthan, activists also recognized that they needed to go over the heads of local, frontline officials who were opposing social audits. The country's Auditor General's supportive position on social audits provided activists legitimacy and credibility. A collaboration between state and societal actors through a joint task force led by the Comptroller and Auditor General of India formalized a set of national auditing standards, a blue- print that drew on both government financial auditing practices as well as social accountability practices of marginalized groups like Dalits. One such example was the insertion of 'the Bhilwara Principles' into the auditing standards as recommendations for minimum requirements for state government to organize social audits (Swamy 2019). Dalit youth fighting caste oppression in Rajasthan repurposed everyday discourse to communicate transparency, participation, and ac- countability, and articulated a set of principles that emphasized the right to relevant information, time-bound grievance redress mechanisms, the right to be heard with a written acknowledge- ment, participation at every stage of the policy and pre-legislative processes, and protection for complainants against violent reprisals (Swamy 2019).

The Comptroller and Auditor General (Auditor General), the country's supreme audit agency re- oriented its position on social audits and attempted to bring together the practice of social and government financial audits. Why did India's Comptroller and Auditor General attempt to syner- gize social audits and government audits? First, the change in the design, implementation, and delivery of social welfare programs. Over the last decade, local governments were increasingly charged with implementing big-budget welfare programs despite the fragile or non-existent accountability mechanisms at the village or *panchayat* level. The Auditor General's office recog- nized that its jurisdiction over local governments was 'nebulous.' Support for social audits was one way for the Auditor General's office to increase its oversight capacity over local government institutions such as *panchayats*. Second, actual verification of government program outputs and outcomes remained a secondary focus of government audits in part due to methodological and evidence requirements as well as limitations of manpower. To broaden the depth of government audits, Auditor General's office proposed developing standards to mainstream social audits, use findings from state social audit reports for a through scrutiny of records at various levels of govern- ment, and incorporate findings from state-level social audit reports to supplement government audits findings (Comptroller and Auditor General of India 2010, 8, 9). Third, the Auditor General's office recognized that social audits provided an opportunity to strengthen micro-level scrutiny of program planning and implementation while providing a 'multi-perspective and transparent monitoring and appraisal mechanism' (Comptroller and Auditor General of India 2010, 4).

The Auditor General's supportive view of social audits is new. According to a former Principal Director of Audit, the official view of social audits was that it is something that 'society does.' The renewed interest in social audits contributed to a "momentous shift" and legitimatized social audits in the Auditor General's official work.[18] In May 2015, the Auditor General's office took tangible actions to provide legitimacy for social audits. They organized compliance audits in fifty local village bodies or *panchayats* to assess the status of NREGA social audits. According to the compliance audit report, national auditors found that in seven states, social audit units did not exist. In others, their existence was nominal with little reliable evidence on actual performance—such as an annual calendar for social audits organized, availability and examination of records and incurred expenditure, whether social audits were organized in a neutral place and chaired by a neutral third party, and awareness levels amongst workers.

The findings from the compliance audit created another opening for state and societal actors to keep the struggle over social audits alive. The collective action in this phase was focused on movement activists drawing on their network of grassroots organizations to inform the formulation of national auditing standards. The risk of collective action emerging from this process was low as the process had the official stamp of the national ministry for rural development. The Auditor General's office in collaboration with the Ministry of Rural Development and civil society actors, and movement affiliated academics developed standards and a methodology for organizing social audits. The Ministry set up a task force, including representatives from civil society and government, to guide the deliberative process between the ministry and the Auditor General's office on national social audit standards. In 2016, the Ministry forwarded the 'Auditing Standards for Social Audit' to all states. Based on the recommendations of the task force, the ministry adopted a social audit action plan and instructed state governments to begin monthly social audits. A prestigious academic institution, the Tata Institute of Social Sciences was also recruited to develop training modules and conduct trainings for social audit cadres from across the country.

A decade after social audits were institutionalized in the national rural employment guarantee program, social audits have been mandated across nine different (national and state) legislations and policies related to food security, pensions and disabilities, community participation, social assistance, sanitation, road infrastructure, housing, building and construction worker rights, and juvenile justice. In twenty-two states, independent social audit units have been created in accordance with the national auditing standard co-created by the Auditor General's office, civil society, and government. While still a work in progress, social audits are gradually being extended to different states and services/sectors.[19]

Concluding Reflections

This case study documents the most proximate opening for participatory social audits that followed a sequence of openings from above to facilitate citizens' collective action. In undivided Andhra Pradesh the state government took several steps to create an enabling environment for pro-accountability institutional change and for ensuring participation of its most vulnerable

populations: the state government 1) provided legitimacy or political cover for social audits, 2) created an autonomous social audit unit (SSAAT) free from political interference, 3) opened safe spaces or social audit public hearings that made possible the exercise of at least partial freedom of association, and 4) engaged and trained the most marginalized groups to conduct social audits such as Dalit youth from NREGA worker families that credibly reduced the risk of collective action.

Over the last decade, state-led social audits have survived major political changes such as elections, changes in political party, and state bifurcation. Other tangible actions by state actors that facilitated social audits were related to the social audit methodology such as third party verification of NREGA implementation that allowed workers to register complaints (in private); organized participatory forums or public hearings where workers complaints were presented by third party independent monitors as well as by workers who were willing to testify; and the presiding of senior public officials over social audit public hearings with the authority to order punitive actions against erring officials. Cumulatively these actions created an enabling environment for potentially autonomous collective action by local auditors and NREGA workers. State support extended legitimacy to social audits and lowered the risk of participation. According to one study, surveyed local auditors reported that reprisals are normal and systemic, but people continue to participate (Pande and Reddy 2017).

Despite these modest gains that enabled the state to lower the risk of collective action by NREGA workers, overall enforcement of social audit findings is slow, creating an impression that the audit has limited outcomes. One survey study of frontline social auditors reveals that the state government is weak in responding to complaints raised through social audits (Pande and Reddy 2017). This is problematic, especially if we want to examine the (positive) influence of social audits on institutional change. While the state government displayed high levels of political commitment to establish social audits, they have been less responsive with follow up action on social audit findings. For example, SSAAT staff identified lack of support from high levels of the bureaucratic state as a major obstacle to social audit effectiveness. While the social audit unit or SSAAT has operated without political interference, other organizational pressures loom large. Every two years roughly forty percent of the social audit cadres are new recruits. A high turnover rate prevents the cultivation of *esprit de corps* amongst local auditors. Despite the trainings and frequent social audits, it appears that the local cadres have not developed a sense of ownership for the social audit process. In early 2020, SSAAT initiated major organizational restructuring. Some observers suggest the contractual staff including local auditors, and state and district level resource persons who oversee the social audit process were 'unionizing in ways to bring down the organization'. At the time of writing, the restructuring was put on hold due to COVID-19 restrictions.

Over a decade after a sequence of national opening from above enabled social audits to be organized at scale, there are uneven gains from the legislative backing for NREGA social audits (with the exception of Andhra Pradesh and Telanaga). Some states encountered opposition from anti-accountability coalitions such as in Rajasthan (Pande 2016). In other states, state governments did not act on their mandate to organize social audits. Advocates used the positive experience from Andhra Pradesh and continuous lobbying of national and state governments to further expand the enabling environment created by a national legislative victory to push for effective on-the-ground social audits across the country (Pande 2021).

With the help of new allies in the country's supreme audit agency, the experience of state-led social audits in undivided Andhra Pradesh inspired a parallel national level process, to develop national guidelines and standards for social audits. This new national opening provided legitimacy for social audits and officials from the supreme audit agency and the national ministry for rural

development, and civil society organizations co-produced national auditing standards. At the time of writing, several state governments have set up social audit units and are implementing social audits following the national standards.

According to one study (Karuna M. et al 2019), as per the auditing standards, twenty-two states have set up independent social audit units. In 2018-19, 51.22% of the total *panchayats* across the country conducted social audits (noting a ten percent improvement over the previous year). In fifteen states, concurrent social audits are also taking place, with a focus on grievances and ongoing works rather than completed works. This is an important improvement as one of the key limitations of social audit is that it is viewed as a post-facto exercise. Following national auditing standards, twenty-four states have included Principal Auditor Generals and thirteen have included civil society representatives on the governing body of their social audit units. This is to facilitate access to third-party monitors who have long standing experience on transparency and public accountability as well as accounting standards.

To ensure the independence of the social audit unit from the implementing agency (department of rural development), in sixteen states, the chairperson of the social audit unit's governing body is independent—they are selected from departments other than the rural development department. In ten states, social audit units have separate bank accounts. This is to facilitate financial independence so that the social audit unit staff are not dependent on external personnel, especially those from the implementing agency. In eleven states, the social audit unit appointed a director following an "open process"; that is, the director was selected by a selection committee consisting of state and civil society representatives. In sixteen states, full-time directors have been appointed.[20] This emerging national picture suggests a significant shift in the right direction, though it is too early to tell the path each state government will take to implementing participatory social audits.

References

Aiyar, Yamini, Soumya Kapoor Mehta and Salimah Samji. 2013. "India: Implementing Social Audits." Pp.249-68 in *Public Works as a Safety Net: Design, Evidence, and Implementation*, edited by Subarao, Kalanidhi, Carol de Ninno, Colin Andrews, and Claudia Rodriguez-Alas. Washington: The World Bank.

Aakella, Karuna, V. and Sowmya K. Kidambi. 2007a. "Challenging Corruption with Social Audits." *Economic & Political Weekly* 42(5): 345-347.

Aakella, Karuna, V. and Sowmya K. Kidambi. 2007b. "Social Audits in Andhra Pradesh: A Process in Evolution." *Economic & Political Weekly* 42(47): 18-19.

Baru, S. 2014. *The Accidental Prime Minister: The Making and Unmaking of Manmohan Singh*, New Delhi: Penguin-Viking.

Chopra, Deepta. 2018. "Accounting for success and failure in policy implementation: The role of commitment in India's MGNREGA." *Development Policy Review*. 37 (6).

Chopra, Deepta. 2011. "Interactions of 'Power' in the Making and Shaping of Social Policy." *Contemporary South Asia* 19(2): 53–171.

Comptroller and Auditor General of India. 2010. Report of the Task Group on social audit. Comptroller and Auditor General, Government of India.

Comptroller and Auditor General of India. 2016. Report on Mahatama Gandhi National Rural Empolyment Guarantee Audit of Scheme Rules, 2011 (Social Audit Rules). Comptroller and Auditor General, Government of India.

Hasan, Z. 2013. 'The Congress and its Future', *Seminar* 641.

Jenkins, Rob and Ann-Marie Goetz. 1999. "Accounts and Accountability: Theoretical Implications of the Right-to-Information Movement in India." *Third World Quarterly* 3(20): 603-622.

Jenkins, Rob, and James, Manor. 2017. *Politics and The Right to Work: India's National Rural Employment Guarantee Act*. Hurst & Co Publishers Ltd.

Karuna M., C. Dheeraja, Rajesh Kumar Sinha, Srinivas Sajja, Shahameed Ali, and Shashidhar R. 2019. "Status of Social Audit in India 2019." Hyderabad: Center for Social Audit, National Institute of Rural Development and Panchayati Raj.

Khera, Reetika. 2011. *The Battle for Employment Guarantee*. New Delhi: Oxford University Press.

Kidwai, R.2013. 24 *Akbar Road: A Short History of the People Behind the Fall and Rise of the Congress*. India: Hachette.

Maiorano, Deigo. 2014. "The Politics of the Mahatma Gandhi National Rural Employment Guarantee Act in Andhra Pradesh." World Development 58:95-105.

Mehta, Soumya Kapoor, and Yamini, Aiyar. 2015. "Spectators or Participants? Effects of Social Audits in Andhra Pradesh." Economic and Political Weekly. 50(7):66-71.

Roy, Aruna and the MKSS Collective. 2018. *The RTI Story: Power to the People*. New Delhi: Roli Books.

Roy, Aruna and Nikhil Dey. 2002. "Fighting for the Right to Know in India." *Development Dialogue* 1: 77–90.

Pande, Suchi. 2021. "Social Audits in India: Institutionalizing Citizen Oversight." Blog featured on *Accountability Keywords Project*.

Pande, Suchi and Rakesh R. Dubbudu. 2017. "Citizen Oversight and India's Right to Work Program: What Do the Social Auditors Say?" Accountability Research Center, Accountability Working Paper 1.

Pande, Suchi. 2016. "The Non-party Left's Looming 'War of Position", *Seminar* 677.

Pande, S. 2014. "The Right to Know, The Right to Live: Grassroots Struggle for Information and Work in India," University of Sussex, PhD dissertation.

Sardesai, R. 2014. 2014: *The Election that Changed India*, New Delhi: Penguin-Viking.

Notes

1   According to the Government of India, in 2019-20, over forty-four million households benefitted from NREGA, generating over 1,700-million-person days of employment https://www.nrega.nic.in/netnrega/mgnrega_new/Nrega_home.aspx.

2   An advisory body set up by the ruling Congress Party's President, and included civil servants, members of parliament as well as social justice activists.

3   Other safeguards include, keeping labor lists at the worksite, payment of wages in public, separation of payment agencies and implementation agencies, and formation of vigilance committees.

4   In practice, several state governments have set up semi-autonomous social audit units or cells to organize social audits.

5   Interview with author, MKSS activists, 22 May 2010. Hyderabad, India.

6   https://architexturez.net/doc/az-cf-182356.

7   International Monetary Fund trained economist who as finance minister oversaw India's economic reforms in the early 1990's.

8   The NAC's influence varied between the two terms of the Congress-led United Progressive Alliance government. From 2004-2008, with support of left parties, NAC-I, backed by Sonia Gandhi, was influential in passing rights-based legislations such as RTI, NREGA and Forest Rights. On why some rights were able to make it through the NAC while others were not, see Jenkins (2013).

9   Interview with author, B. Yughandar, retired Indian Administrative Services officer, 22 May 2010. Hyderabad. India

10   Interview with author, NREGA Commissioner, Hyderabad, 20 May 2010; According to one scholar, the outgoing Chief Minister, Chandrababu Naidu's 'competitive neoliberal populism' further destroyed the powers of the village elected elites (*sarpanches*) by creating middle level institutions like self-help groups, water user associations, and joint forest committees. These institutions were created to address the 'needs' of different 'stakeholders', replacing the discourse of 'rights and entitlements.' Interview Ananth K, 24 November 2010.

11   Interview with author, Principal Secretary to Chief Minister, Government of Andhra Pradesh. Hyderabad 20 May 2010.

12   Interview 24 November 2010. Some studies also point to problems of 'co-option' of village social auditors by local politicians and suggest signs of routinization (Aiyar et al).

13   Interview with Author, member of Andhra Pradesh Agricultural Workers Union (APVVU). Hyderabad. 27 November 2010.

14   The state of Andhra Pradesh was bifurcated into two separate states in June 2014, following a movement for separate statehood for Telangana.

15   Social auditors from Telangana report lack of state responsiveness to social audit findings as one of the big challenges for effective social audits (Pande and Reddy 2017).

16 Mehta and Aiyar (2015); also see Pande and Reddy (2017) who note the potential of social audits for grievance redress.

17 Also see Pande and Houtzager (2016) on how the competing agendas within the Congress Party, between 2009-2013, impacted the role of the Council in legislating the National Right to Food Security Act.

18 Phone Interview with author, Former Principal Director of Audit (Autonomous and Local Bodies), 11 March 2016

19 Author notes from "Social Audits in Practice" organized as part of national workshop on social audits: Social Audits in India Today and an Agenda for Action: National Seminar and Workshop, November 5-7, 2020, https://socialauditin.wordpress.com/.

20 See current status of social audit units in India, http://nirdpr.org.in/nird_docs/rss/socaudit-rs.pdf.

ACCOUNTABILITY RESEARCH CENTER