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Source: *Economic and Political Weekly*, Vol. 42, No. 5 (Feb. 3-9, 2007), pp. 345-347

Published by: [Economic and Political Weekly](#)

Stable URL: <http://www.jstor.org/stable/4419201>

Accessed: 03/02/2014 16:12

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Challenging Corruption with Social Audits

Social audit – a transparent, participatory and active evaluatory process – has the potential to attack the corruption that plagues anti-poverty programmes. A report from Andhra Pradesh on the use of the audit in the employment guarantee scheme.

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“It is better to throw the money into a drain than to put it in the National Rural Employment Guarantee Scheme”, one of the country’s better known economists proclaimed when the debate for the National Rural Employment Guarantee Act (NREGA) was at its peak. His comment needed no explanation; many of the opponents of the NREGA bill and indeed, much of the public voiced concern that the scheme would simply add to the corruption that infects most of the development schemes in this country.

But in the face of these grim predictions, an unanticipated tool has provided a reason for hope. Social audit – a transparent, participatory, active evaluative process – is attacking the corruption that plagues most anti-poverty missions and is beginning to change the rural landscape in Andhra Pradesh, especially in the context of the Andhra Pradesh Rural Employment Guarantee Scheme (APREGS).

Taking its inspiration from the pioneering work done by the Mazdoor Kisan Shakti Sangathan in Rajasthan, Andhra Pradesh has moulded the process to suit its local needs and circumstances. Also, the fact that section 17 of the NREGA mandates social audit to be conducted on a continuous basis to monitor the scheme; and that there are clear instructions for the same in the guidelines issued by government of India pointing out the various aspects of the scheme on which social audit has to be conducted has been of great significance in preparing the ground for the process.

The resultant social audit process promises to save the NREGA from the regular

problems that afflict the implementation of a scheme.

Social Audit Process

Experience of the social audits of APREGS is significant as it comes against a backdrop of a well-designed delivery system. A committed top-level bureaucracy has undertaken several initiatives to address corruption and leakages. An end-to-end information technology (IT) application ensures that job cards are issued and work estimates, pay orders, and documents such as measurement and material requirement sheets are generated in the mandal computer centres. A revised schedule of rates ensuring a minimum wage of Rs 80 has also been issued based on time and motion studies. The wage payments of the labourers are directly credited to their post office or bank accounts, which have been made mandatory. A separate stream of functionaries have been recruited exclusively for the implementation of the programme such as a field assistant per gram panchayat, three technical assistants and two computer operators per mandal. To date, 59 lakh job cards have been issued and 13 lakh workers have earned wages amounting to Rs 170 crore. The administrative measures have ensured that contractors and middlemen are more or less out of the picture – a first in the history of civil works in Andhra Pradesh.

The social audit process in Andhra Pradesh was initiated in February 2006, under the Reform Action Plan of the department of rural development with the training of 35 state resource persons identified from different civil society organisations (CSOs), non-government organisations (NGOs) and unions. As part of the training, pilot social audits were conducted on

12 civil works carried out under the national food for work programme. The insights gained from the pilot social audits were significant enough for the senior officials who were at that point of time operationalising the APREGS, to see the tremendous potential of the process both as a monitoring and evaluation tool and as a means of uncovering and addressing the leakages within the system. A tool kit was designed for conducting social audits of the APREGS, following which the actual social audits began in July 2006.

Social audits have thus far been conducted on the APREGS works in Andhra Pradesh in approximately 3,000 habitations across nine districts. In another two months, the social audit process will cover all the 13 initial phase APREGS districts. The state government initiated the social audit process, teaming up with civil society groups and organisations. The actual audits however, are being conducted largely by literate village residents who belong to the beneficiary families and have been trained in the social audit process. A trained pool of state and district resource persons facilitate the process.

One of the most positive developments emerging from the social audits is the creation of new partnerships between the government and civil society organisations, benefiting all parties. The latter participate in the conduct of social audits on a voluntary basis. Officials at the state and district levels take the responsibility for ensuring access to official records, training in social audits, and commit to taking corrective action on the issues arising out of the audits. Together, the government and civil society participants all have the opportunity to see their efforts create real, positive change for the people they serve.

In Ananthapur district, a mass social audit was conducted in the first week of September 2006. A record 31 CSOs set aside their individual differences to join a single platform to work with the government. Over a one-week period and on an entirely voluntary basis, 1,500 volunteers conducted social audits in 600 gram panchayats. Following this, in Vijianagaram district, 20 tribal organisations have come together to conduct social audits and requested for training to be conducted.

Starting with applying for official records under the Right to Information (RTI) Act

pertaining to the mandal (panchayat samiti) where the social audit is to be conducted, the process exposes the various steps and procedures of the scheme to public scrutiny. The reaction from the villagers to the process and the ultimate impact demonstrate the enormous potential that lies in the social audit process. This is something that was earlier beyond the comprehension of both the officials and the public. The rural poor had no idea that they could apply for information pertaining to works undertaken in their villages and actually scrutinise the details of records. Similarly, the administration had no idea that they would have to be accountable to the people whom they served and not just opposed to the higher-ups whom they have always reported to.

Reading aloud the muster rolls and the other documents of a civil work in front of the villagers has a tremendous response and immediate impact. While generally at the start of a social audit process in a village, people choose to sit at a distance and listen to the general information that is being shared; there is a visible transformation in interest when specific details in a muster roll or pay order are read out. People standing at the periphery move closer and start listening more keenly. As

names and payments actually made are identified, a range of reactions – from surprise to anger to frustration, wonder, and cynicism are expressed. When the social auditors finally question the field assistant and technical assistant for the work, the villagers start responding to the queries.

The villagers appreciate the insistence of the social audit team members that job cards and post office accounts books be distributed on the spot. There are also long and heated discussions about the rights and entitlements of the poor within the NREGA and as the issues of job cards, work and other provisions within the Act are addressed, the people begin to identify with the process.

At the conclusion of the social audit process, a public meeting attended by villagers, peoples representatives, the local media and the officials responsible for the implementation of the scheme is held. Members of the public testify on various issues identified as problematic by the social audit team, and animated discussions on the various aspects of the implementation like the identification of works, mode of measurements, payments, wage rates, and social equity issues ensue.

Ultimately, the process is cleansing; information enters the public domain where it is subject to scrutiny and discussion and people have an opportunity to express their concerns and state their opinions. Officials are called on to respond to the need for taking corrective action, such as suspending a functionary, ordering a delayed payment, or initiating an enquiry into an allegation of corruption. The group witnesses the statements of officials about the actions they will take and has the opportunity to hold the officials accountable.

Insights into Working of Scheme

The lessons learned from social audits of APREGS are significant. Before the social audits began, there was no hint regarding the nature of leakages that were taking place. The social audits point out these gaps and leakages, which are dangerous portents of what the scheme could become if not checked early. Further, issues that come out of a social audit process do not come on to the table in a regular monitoring and evaluation process or any review meeting. No official report captures the leakages in a programme like the APREGS.

On an average, it has been found that one in every 20 muster rolls is fudged.

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and in every mandal between two and three gram panchayats harbour financial irregularities. In several places records are poorly prepared and poorly maintained. There are deviations in the wage amounts paid to the labourers. For instance, as against the Rs 100 officially recorded as the wages paid, the labourer may state that s/he has received only Rs 75 or records indicate Rs 250 as being paid, yet the labourer states that s/he received only Rs 200 and so on. As of now it has been found that in a few villages the programme has been completely hijacked; muster rolls are fabricated in their entirety and non-existent works are shown as having been completed. Till date, following the social audits about 50 field assistants, 10 technical assistants and six computer operators have been dismissed from service. Three mandal parishad development officers (MPDOs) have been suspended and full-fledged departmental enquiry has been initiated in six mandals.

In addition, the audit process reveals the extent to which the basic concept and requirements of the scheme must be detailed. Wage seekers and administration alike do not seem to have a clear understanding of the concept and scope of the guarantee of the Act. The government has been unable to meet the labour demand or to translate the demand-driven nature of the scheme into action. The social audits have exposed the often unscrupulous relationship between the village level government functionaries and local politicians.

It is clear that while there is often a process of accountability higher up in the system, there is little or no accountability to the public and even this concept has been lacking so far in our systems of governance. Once the public is included and participates in information dissemination and starts evaluating these schemes, schemes like APREGS can potentially begin to serve those whom they were designed to serve.

The reaction of the administrative machinery to the opening up of the official records for public scrutiny has been varied. At the state level there is a total conviction that social audits yield useful insights for the effectiveness of a programme and that corrective courses can be taken immediately. At the district level, an initial defensiveness has given way to the realisation of the value of the audit and cooperation with the process is now more a norm. Functionaries at the mandal and the village level (with the most to lose) express resentment initially. With training being

provided to the MPDOs on the social audit process where they do the same kind of verification as the village level social auditors do, it is seen that the honest officers are beginning to come on board and realise the potential it offers.

Social audits establish that unless transparency and accountability measures are put firmly into place and corrective action is taken immediately, a scheme of the scale of the APREGS or NREGA cannot be monitored effectively. One of the best tools to ensure these transparency measures is to bring the documents to the public domain and discuss them in an open forum. It is otherwise very difficult to track any gaps in the system. The coming together of the various stakeholders – the labourers, government functionaries and the polity on one single platform and the public nature of the proceedings, wherein the various details of the scheme are discussed threadbare has a desirable effect on the quality as well as the implementation strategies of the scheme. There is now, as a district collector put it, “a quantum leap” in the awareness levels of the labourers regarding the programme.

There are several challenges in the process of institutionalising social audit. To begin with, the administrative machinery which has till date functioned under the Official Secrets Act and in turn used it as a cover for the inefficiencies and misuse of the system will now have to learn to work under the new Right to Information Act where the public has full access to information. They will also have to learn to be accountable to the public instead of just the higher ups within the administration.

This seemingly impossible task is achievable through a combination of administrative directives on the one hand and training and sensitisation of the officials to the social audit processes on the other. In the three districts (Ranga Reddy, Medak and Khammam) where this has been done, the MPDOs who were previously wary of the social audits have expressed, in a dramatic turn-around, an appreciation of the processes and also reported an increased awareness of reality at the ground level.

Several directives and executive instructions on the duties and responsibilities of the administration in a social audit process have been issued so far. Social audit rules which will form the framework within which the social audits would be conducted henceforth, are due to be passed in the state assembly.

At this point of time, the government is the triggering factor for the social audits

being conducted in Andhra Pradesh, as opposed to states such as Rajasthan, where civil society groups have triggered the process. Therefore, the civil society organisations and individuals will have to take on the responsibility of bringing the information regarding government programmes to the public gaze and facilitating the social audit process so that people begin to question and demand their rights and entitlements not as a one-time event but as a way of everyday life.

The vested interests that indulge in misuse of public money and would like the majority to continue to remain voiceless are well entrenched within our system and society. To tackle them the administration and civil society will have to realise that neither can single handedly achieve much progress. Each while doing its duty will have to necessarily work together even if it means through a limited engagement to achieve the common agenda of a transparent and accountable administrative machinery through a vigilant public.

Even as the rank and file of administration in Andhra Pradesh is addressing the issues coming out of the social audits it is perhaps time for some serious introspection for the administrative machinery across the country. In programme after public programme significant amounts of thousands of crores of rupees have been siphoned off by vested interests. So much so that development works have become synonymous with corruption in the country today. The culpability and indeed the active contribution of the administrative machinery to this state of affairs can neither be ignored nor remain unaddressed. The issues of corruption and the corrupt must be addressed squarely.

The Rural Employment Guarantee Scheme gives an opportunity for the country's poor to seek livelihood with dignity. It has the capacity to address debilitating hunger and poverty in the country. In passing the NREGA and the RTI Acts, India's policy-makers have made strong statements in support of the country's poor. The administrative machinery and the civil society now have the responsibility to ensure that the employment guarantee scheme is implemented in a manner that serves intended beneficiaries – and does not simply send more money down the drain and into the hands of the undeserving. Social audit has the potential to close that drain for good. [E]

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