# An Uneven Path to Accountability: A Comparative Study of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India's Best and Worst States

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## INTRODUCTION

One of the aspects that have plagued most poverty alleviation programmes in India is accountability, absenteeism, incompetence and corruption. Among these, accountability[1] is cited as the key parameter for the failure of most developmental programmes. Attempts to promote accountability have been thwarted by elites or members of state machinery for their vested interests. This has resulted in poor targeting of service deliverables to the citizens (Aiyar, et al. 2010: 88) and has prevented the state from designing an appropriate poverty alleviation policy.[2] To reach these households, several welfare schemes have been introduced but most of them lack accountability as benefits hardly reach these poor households. In India, the roots of accountability runs deep-patronage politics, bureaucratic politicization, and asymmetric information and above all, a weak citizen voice. All this has made it difficult for the citizens to participate and amplify their voices, contributing to a weak environment for service delivery.

In most public sector institutions in India, horizontal and vertical accountability is weak (Aiyar, et al. 2010). The horizontal weakness relates to state's internal mechanisms – institutional checks, hierarchical controls and oversight agencies. The vertical problem is about citizen's participation in accountability processes. The most common is the elections. Elections occur in every few years, and force diversity of opinions on a single voter. But elections hold elected officials accountable, leaving behind bureaucrats who are out of the electoral processes. During elections, voters are mobilized based on ascriptive identities such as religion or caste, or by the lure of particularistic benefits, rather on

accountable governance and long-term initiatives that benefit citizens (Ackerman, 2004).

To overcome these lacunae, citizens are invited to assist in the implementation, administration, scrutiny, and monitoring of the state's everyday operations. This 'hybrid accountability' (Jenkins, 2007) or 'invited spaces' (Aiyar, 2010) have come to constitute the new development agenda. This shift from 'vote' to 'voice' challenges the state to establish a 'new' relationship between citizens through participation, responsiveness and accountability, an important tool for the citizens (Gaventa, 2006). Two prominent characteristics stand out in this form of accountability. First, social accountability works in a way to integrate voices of the citizens into everyday working. Second, transparency in governance is essential for social accountability. The main channel for empowering citizens is information – better the information, greater the participation, more voice, leading to greater accountability (Aiyar, et al. 2010).

The first of these reforms, which has opened up spaces for citizens to participate in, is the Right to Information Act, 2005 (RTI Act). This Act was the culmination to RTI movement, pioneered by Mazdoor Kisan Shakti Sangathan (MKSS)[3] in Rajasthan. The movement began in 1987 by organizing underpaid labourers working on drought relief programmes. MKSS mobilized village communities against private appropriation of development funds, using public hearing and social audits as their tool. It received popular support, and achieved success in restitution of embezzled funds. Encouraged by the success of MKSS, the Government of India (under Congress-led government) took steps to institutionalize public engagement into larger service delivery programmes. The Right to Employment Guarantee – MGNREGA[4] – the world largest public employment programme was introduced.[5] Unlike, previous poverty alleviation schemes MGNREGA is an Act initiated by the parliament, and treats employment as right (contains provisions such as, minimum wages, worksite facilities and mandatory participation of female workers). The main objective is to enhance the livelihood security of the villagers by guaranteeing them 100 days of wage-employment in a financial year whose adult members volunteer to do unskilled manual work, at a minimum wage, on demand, within 15 days of asking for employment. It serves a threefold agenda: transfer of income, development of rural infrastructure and meeting food security of poor households. The Act is demand driven, as it does not rely on the administrators to choose the beneficiaries, instead it relies on the beneficiaries in selecting themselves. This self-selecting mechanism is supposed to ensure that anyone who could earn above the minimum wage will opt out of the Act.

The Act has a formidable transparency mechanism to combat corruption as it places importance on the *panchayats* (local councils) as

these institutions are expected to perform better than government bureaucrats who control service deliverables. The Act provides funds to the cash stripped councils to revive and broaden their transparency mechanisms (through social audits). As research suggests (Manor, 2010) that democratic decentralization works well under three conditions: when local bodies have adequate powers; when they have adequate resources; and when their accountability mechanism is robust. Across rural India, *panchayats* have become less accountable (horizontally) to the elected members and to the citizens (vertically downward). Despite the introduction of the 73rd Amendment of 1994, only a few Indian states (West Bengal and Kerala) have satisfied the mandate of holding regular elections, given proper representation to the women and marginalized castes (Chaudhuri 2007). The performance of MGNREGA varies across states. Kerala and Tamil Nadu are seen as apex states in implementation of pro-poor schemes, as these states have a history of governments being held accountable by the voters on issues of service deliveries (Keefer and Khemani 2004). Next are the states of Rajasthan and Madhya Pradesh. Rajasthan is the foremost state in India to conduct social audits in Bhilwara district in 2009. Social audits in Rajasthan started under an NGO network soon gathered pace within poor households, but failed to sustain momentum as social audits could not be institutionalized (Reddy, 2013). In Madhya Pradesh, Chief Minister Digvijay Singh enjoyed a long stint (from 1993 to 2003) of success in public service delivery. Digvijay Singh during his tenure reached out to Dalits and *adivasis* (native citizens of the state), breaking the traditional reliance of Indian National Congress on the upper castes and local rural elites. But his good work did not fetch dividends, as he failed to gather support from rural elites (Heller, 2011). Uttar Pradesh and Bihar are at the bottom, these states have a history of poor service delivery as public action is not motivated by the concern of public goods instead it is channelled by personal interests of ruling politicians and industrial groups who use the state apparatus to establish their networks.

Andhra Pradesh has earned a reputation of being one of the leading states where MGNREGA is successfully implemented, despite the principal agency being not the *panchayat*, but state bureaucracy. The functioning of the *panchayat* in Andhra Pradesh is not adequate to bring everyone within the fold of *gram sabha* (village meeting) and to disseminate information regarding the Act, therefore the state has involved other agencies like the NGOs, community-based organizations and self-help groups (SHGs) to play a significant role. In Andhra Pradesh, SHGs have emerged as an institution for social mobilization under the state *Velugu* programme (later renamed as Indira Kranti Patham). The formation and capacity building of women's under the SHGs is been carried by Society

for the Elimination of Rural Poverty (SERP, autonomous institution) headed by the head of the state. Given the popularity of the SHGs in rural areas, the state bureaucracy (under late Chief Minister Y.S. Rajasekhara Reddy, hereafter YSR) found SHGs as the key institution to eradicate poverty and to create awareness among villagers regarding MGNREGA.

Uttar Pradesh on the other hand has failed to take active interest in this Act. Institutions at the local level are co-opted by the elites through secrecy, lack of awareness and discriminatory patronage, out of which secrecy is biggest weapon available to members of the local institutions for siphoning off development funds. Corruption is rampant, as local leaders are involved in distributing benefits on the basis of caste, language and religion (Corbridge, et al. 2013). The failure of the state to protect these institutions from elites have resulted in underprivileged sections been excluded from active participation as their aspirations and priorities are rarely reflected in public polices. Given the backdrop of India's best and worst states, this paper examines the differences existing behind the performance of MGNREGA across these states. Are these differences due to socio-political structure? How have MGNREGA performed in terms of accountability across these states? Have the poor benefited from this Act? To address these issues, I start by investigating the socio-political structure of both states.

The paper is divided into two sections. The first section describes the villages and the main methodology. The second section is sub-divided into two parts – the first section explores the socio-political structure in both states; the second part addresses the performance of MGNREGA in terms of accountability and impact on the poor households.

## METHODOLOGY

### THE VILLAGES

In 2011-12, I surveyed two villages each in Andhra Pradesh and Uttar Pradesh. These villages were chosen in consultation with the Ministry of Rural Development and a local NGO having experience of working in these states. The villages chosen were multi-caste villages, with a section of population working on MGNREGA worksites. Based on these criteria I selected villages of Upparahal in Kurnool and Upparawanka in Anantapur district in Andhra Pradesh. While in Uttar Pradesh, my main focus was on Raipur Raja and Udoutpur located in Sitapur district, central Uttar Pradesh.

In Andhra Pradesh, the villages chosen were located in the poorest and

backward districts of the state. Lack of water and other irrigation facilities have made it difficult for the farmers to cultivate rainfed crops, such as, rice and maize (World Bank, 2006). These high level of risks have forced poor households to depend upon rural institutions and poverty alleviation schemes during prolonged droughts. Despite vagaries of nature, both villages are connected by metalled road providing poor farmers a market to sell their produce, thereby cutting down on middlemen and agents who regularly exploited these households. Another noticeable change in these villages, is the collective strength exerted by rural women who have joined the SHGs. SHGs have broken old cultural caste barriers and have brought added pressure on the local institutions demanding better public deliverables. SHGs also play an important role in disseminating information on several poverty alleviation programmes, including MGNREGA.

In Uttar Pradesh, the economy of Sitapur is agrarian, based on rice, sugar cane, mustard and groundnuts. In terms of industrialization, the district has a sugar, flour and a rice mill, which absorbs some proportion of labourers from the villages. The non-agricultural sector which provides employment to most poor labourers in the villages, include small petty business, general shops, milk business, tailoring and working in brick kilns and sugar mills. These include labourers who are willing to take risks and embrace new opportunities, rather than those who follow conservative strategies of survival. In Uttar Pradesh, villagers do not demonstrate any collective strength as local institutions are weak. Participation is low, as most poverty alleviation schemes routinely monopolized by head and important members of these institutions. For instance, villagers complained regarding the corruption in Integrated Rural Development Programme[6] and Jawahar Rojgar Yojana,[7] according to them, benefits of these programmes have gone to the *pradhan* (head of *panchayat*) and his associates. MGNREGA was introduced in the villages in 2009-10, many labourers managed to obtained job cards by paying bribes to the pradhan. These labourers were engaged in digging ponds, roads and drainage.

THE SURVEY

A total of 8,000 households resided in four villages. Out of these, I randomly choose 300 households (150 households from each state) for my household survey (refer to Table 1). Respondents were selected based on three criteria (i) Households having registered job cards (ii) Awareness of the respondents towards MGNREGA (iii) Respondents should have worked on MGNREGA worksites within (or outside) the villages.

TABLE 1. COMPARATIVE SCENARIOS OF MGNREGA IN
ANDHRA PRADESH AND UTTAR PRADESH (IN 2011-12)

| Indicators of Performance | Andhra Pradesh (Kurnool and Anantapur Districts) | Uttar Pradesh (Sitapur Districts) |
|---|---|---|
| Household registered with job cards | 150 | 150 |
| Households currently working on MGNREGA worksites | 110 (73.3) | 54 (36) |
| Average wages per person/day (Rs) | 110 | 82 |
| Average days of employment per household | 80 | 28 |
| Households completing 100 days of employment | 40 | None |

*Source:* Household Survey.
*Note:* Figures in parentheses are percentages.

This survey was conducted on three levels (village, household, and the local institution) At the village level, respondents were enquired regarding their landholding and household assets. At the household level, discussion was focussed towards education, occupation(s) and future aspiration of respondents. At the local level, questions were asked regarding the level trust with local institutions, welfare schemes (including MGNREGA) and impact of these schemes on poor households (refer to Table 2 and 3 for respondents profile).

TABLE 2: PROFILE OF RESPONDENTS IN ANDHRA PRADESH

| Variable | Upper Castes | Scheduled Castes | Other Backward Castes | Others |
|---|---|---|---|---|
| Cultivators | 05(45.4) | 07(14.9) | 06(15.4) | 06(11.4) |
| Labourers | 05(45.4) | 19(44.7) | 21(53.8) | 37(69.8) |
| Landless | 01(9.2) | 21(40.4) | 12(30.8) | 10(18.8) |
| Average Landholding | 0-3 acre | 0-3.5 acre | 0-3.5 acre | 0-2.7 acre |
| Average Education | 6th standard to 11th standard | Illiterate to 9th standard | Illiterate to 9th standard | 2nd standard to 12th standard |
| Total number of households | 11 | 47 | 39 | 53 |

*Source:* Household Survey.
*Note:* Figures in parentheses are percentages. Others includes Muslims and Christian households the new percentages.

TABLE 3. PROFILE OF RESPONDENTS FOR UTTAR PRADESH

| Variable | Upper Castes | Scheduled Castes | Other Backward Castes | Others |
|---|---|---|---|---|
| Cultivators | - | 02 (6.2) | 01 (1.3) | 02 (5.4) |
| Labourers | 02 (40) | 10 (31.3) | 40 (52.6) | 19 (51.3) |
| Landless | 03 (60) | 20 (62.5) | 35 (46.1) | 16 (43.3) |
| Average Landholding | 0-1 acre | 0-0.8 acre | 0-0.6 acre | 0-0.7 acre |
| Average Education | 3rd standard to 5th standard | Illiterate to 8th standard | Illiterate to 8th standard | Illiterate to 7th standard |
| Total number of households | 5 | 32 | 76 | 37 |

*Source:* Household Survey.
*Note:* Figures in parentheses are percentages. Others include Muslims and Christian households.

The household survey was followed by in-depth interviews with 82 respondents (40 respondents from Andhra Pradesh and 42 from Uttar Pradesh). During these interviews, questions were directed towards working of MGNREGA, to what extent they depend upon MGNREGA for their livelihoods; their relationship with the FAs/pradhan and his associates; and who holds accountability towards welfare schemes.

## COMPARATIVE ANALYSIS OF
## SOCIO-POLITICAL STRUCTURE

Before I start accessing the impact of MGNREGA in two states of India, it is necessary to understand the socio-political structure and strike off power equations existing at the local level where most poverty alleviation schemes are administrated.

### SOCIO-POLITICAL STRUCTURE OF ANDHRA PRADESH

Andhra Pradesh has a checkered history of caste and class antagonism. Politics in the state is dominated by the rivalry between the Reddys and the peasant cultivator groups, the Kammas and the Kappus (Khosla, 2011). Reddys who benefited from Green Revolution through capital-intensive techniques held sway in village economies. In the 1980s, the Kamma and Kappu in opposition to the Reddys founded the Telugu Desam Party (TDP). TDP provided more political space for backward castes (like OBC). This assertiveness of the OBCs under TDP was due to their

newly-acquired education and the formation of Dalit Maha Sabha (in 1985). The TDP lost elections in 1989 due to its failure to implement its election promises. However, under their charismatic leader N.T. Rama Rao (commonly know as NTR) TDP rode back into power in 1994 with an overwhelming majority on the promise of restoring subsidized rice scheme and providing free electricity to farmers. However, within TDP, a section of politicians were against social sector expenditure as they considered it unproductive and unsustainable. To them, market oriented, privatized public works like roads and flyovers, aggressive scouting for foreign direct investment especially in projects with quick gestation period like information technology constituted 'development'. In 1995, this faction under NTR's son-in-law Chandrababu Naidu, separated from NTR government. The regime of Naidu was based on attracting industrial investments and outsourcing public works. In the process of attracting private investment, Naidu's government neglected the agricultural sector, where small and marginal farmers were reeling under severe credit shortage. There was stagnation in the area under canal irrigation and decline in tank irrigation. Andhra Pradesh, which was considered a progressive agricultural state, was in grips of a crisis. Small and medium farmers were pressurised by moneylenders, who had to sell their produce at low prices. By mid-1990s, the Naidu's government instead of coming to support for small medium-sized farmers, launched a series of reforms in agriculture as a part of economic restructuring programme, putting extra pressure on these farmers. This resulted in increased distress, leading to expulsion of Naidu government.

In 2004-5, YSR took over as chief minister from Naidu. YSR promised to introduce comprehensive welfare programmes, including investments in irrigation, subsidized interest rates for SHGs, land distribution and land rights to disadvantaged castes and introducing several poverty alleviation programmes, including MGNREGA. The government policies towards MGNREGA were 'post-clientelistic', as it protected the act from powerful networks, and ensured greater participation of poor households. To protect MGNREGA, YSR made it clear to his party members, that wealth generated from this act should not misused to amass wealth or finance political activities, and that violators would not be protected (Maiorano, 2014). To ensure that his instructions were followed, YSR made several transfers and brought efficient and honest officials to the rural development. The department was given a free hand to tackle issues and innovate solutions. It was given orders to uphold strong accountability and transparency measures. For example, YSR was a strong proponent in institutionalizing social audits, he knew politicians in his cabinet were antagonistic towards transparency and downward accountability as they strongly resisted the audit process (Maiorano, 2014). Moreover, the rural

department was allowed to collaborate with AP-NGO alliance[8] and to make them actors in the policy decision process.

## SOCIO-POLITICAL STRUCTURE OF UTTAR PRADESH

Social structure is the distribution of power between various social groups (Johnson, 2000). A power differential results when a particular social group controls society's existing resources leaving minimal resources to a large section of the population (Corbridge, 2002). In India, identities such as caste, religion, and ethnicity are deeply hierarchical. The most prominent among them is the caste. In Uttar Pradesh, the power structure is concentrated in the hands of the upper castes, which have excluded the lower castes and discriminated against them (Thorat, 2010). This trend continued till the mid-1980s; from the late-80s continuing till 90s, the HDI (composite index of education, healthcare and wellbeing) for lower-castes registered a marginal improvement, but a huge gap persists between higher and lower castes.

Historically higher castes (Kshatriya, Thakur or Rajput and Brahmin) have combined privileges of land and ritual status. This conjunction of temporal power and authority has made it harder for the lower castes to challenge the inequalities of caste and class. From the 1950s to 1980s, lower-caste resistance was confined to some pockets of the state. Studies indicate that lower-caste agricultural labourers pressed for higher wages and abolition of *begar* (free labour) (Singh, 1979). Protests were made against debasing work (Pathak, 1987). Landowners attempted to stop labourers from cutting fodder and grass; and redistribution of grains from fair price shops (Brass, 1985).

It was in 1990s, with the advent of Bahujan Samaj Party (BSP)[9] the Dalits in Uttar Pradesh found 'new' vehicle of identity consciousness for themselves who until then had neither political voice nor representation among the state machinery (Pai, 2007). In April 2007, BSP won a landslide victory in state elections, capturing political power for the first time. The BSP started raising the political, economic and social standing of Dalits. This party vigorously pursued its goal through transforming the symbolic landscape of Uttar Pradesh: it started naming parks, libraries and public spaces after lower-caste heroes, a symbolic demonstration to challenge the upper castes. However, BSP top brass failed to satisfy poor Dalits as most of them were disheartened by their exclusion from developmental projects (Jeffrey et al., 2008). The Dalits who actually benefited from BSP pro-poor policies were small middle-class business entrepreneurs who were educated and gained from the government affirmative policies in rural areas (Mendelson and Vieziany, 2007). BSP party leaders in order to sustain their position started allying themselves with the upper castes

leaders, a move which was against the party's interests, and were ultimately voted out of power in the state elections of 2012.

This inability of the state machinery to support the concerns of the disadvantaged castes resulted in lower participation in rural institutions (*panchayats*). In Uttar Pradesh politics, there is vast scholarship on corruption and patron-client relationship existing in these institutions. The first group of scholars (Lieten and Srivastava, 1999) has commented regarding co-option of these institutions by rural elites. The second strand discusses the links between elites and state machinery. These scholars (Jeffrey, 2000) have demonstrated that elites have forged links with the police and local politicians through bribery, influence and intimidation. One of the harmful effects of patronage and corruption existing in these institutions that it rewards for political allegiance, which are made in form of public resources (such as, public sector employment (teaching jobs), government subsidies (IRDP loans) and building contracts (school buildings). This form of patronage based system is not a localized phenomenon, but has corrupted public sector institutions at all levels (Dreze and Gazdar, 2001). As Chandra (2004) defines this system as 'patronage democracy' where politicians find it convenient to court ethnic groups (in terms caste affiliation) with promises of discretionary benefits that are steered in their direction, while voters find it convenient to sell their votes in exchange for such promises. This kind of 'political market' undermines the notion that government duties should be performed impartially and works, in a crude sort of way, for both sides. In Uttar Pradesh, this factionalism has manifested into severe forms of inequality in both urban and rural areas and has prevented the state from obtaining development funds. These inequalities, coupled with state corruption, have led to high levels of poverty (Hasan, 1998), sluggish growth in formal salaried employment, inadequate funds for educational and health sectors and has prevented the state from achieving higher levels of output. The report published by the Comptroller and Auditor General in 2010 cited six government departments in the state with corruption and that misuse of funds was rampant. These departments include – public works, agriculture, sugar cane and sugar industries, social welfare, food and civil supplies and urban development (Hasan, 2014).

This rampant corruption and patronage existing in public institutions has raised several limitations. It has increased distortionary effects due to rent seeking activities, cornering the interests of disadvantaged castes. Corruption within local institutions has led to severe forms of equity. When villagers have to 'buy' their way through government offices, hospitals and police stations, the rural elites who have political connections tend to rule, no matter how desperately the poor households require these services. Despite the introduction of the 73rd Amendment providing affirmative action to women and disadvantaged sections, an submissive

female *pradhan,* sitting quietly in a corner while her husband (often mistaken as *pradhan*) answers to all the researchers is a common scenario in Uttar Pradesh villages. One of the reasons, that powers and resources are not been clearly devolved in these institutions, is because the participation remains low.

Given the corruption and patronage existing in these institutions, leaders of public institutions along with his acolytes squander development funds, as administration thrives only on graft (Dutta, 2012).

In such a structure, the social and economic relationship between the elites and citizens does not allow the latter to claim their rightful share of benefits. This class of elites wants to acquire political and economic power by maintaining links with state machinery. Their bases of power are non-traditional, compared with the traditional elite, who relies more on landholding as their main bases of power. To achieve their objective, these 'new' elites consider the seat of *panchayat* to be of paramount, not only does it ensures power and prestige to the holder, but it allows them to control funds meant for the development. The bargaining power of the ordinary citizens to check the incidence of elite capture is weak. Participation in these institutions happens in two ways. The first is through elections, which takes place after five years, but are often marked with corruption and vote rigging. The decision to vote for particular candidate depends on the pressure exerted by social groups on the voters, responsive to benefits distributed by them. A voter is pushed and pulled by multiple allegiances and must decide which allegiance will prevail. These patron-client relationships, divide voters into one or more factions, serving as mere vote banks. The second is through gram sabhas (village meetings) which should be held twice a year, but never held on time, and whenever they are held, participation is low. The reason for low attendance is that villagers have no faith in these meetings, as they think these gatherings cannot resolve their problems. This has resulted in *panchayats* emerging as individual-centric in which the authority is vested with a single person. This helps the *pradhan* in several ways. First, colluding with one person or small group enables him to use his powers in providing personal gains to alliances, which are close to him. Second, the head is able to control information, which helps him to select beneficiaries based on his personal gains.

## PERFORMANCE OF MGNREGA

### PERFORMANCE OF MGNREGA IN ANDHRA PRADESH

The successful implementation of MGNREGA in the state can be attributed to several factors. The first reason is the transfer of responsibility from the village institutions to the state bureaucracy. In Andhra Pradesh, the state machinery feels that local institutions have failed to provide on

service deliverables and are administratively ill-equipped to handle massive Act like MGNREGA. For example, the Deepam Scheme introduced to help poor households with liquefied petroleum gas connections ran into problems as intended beneficiaries found that connections were being sold at a higher price in the open market. The beneficiaries of Indira Awaas Yojana faced hurdles in registration and securing a subsidy, and ended up bribing officials to receive their benefits. Therefore, successive governments have weakened the autonomy of *panchayats* by redistributing constituencies and undermining the *pradhan's* authority. Consequently, user committees proliferated[10] and re-established control over many central and state-sponsored schemes (Khosla, 2011).

To implement this Act, the Ministry of Rural Development along with SERP has appointed field assistants (FAs) in the villages for execution of government orders. This has made few FAs intimating figures amassing considerable wealth and influence and co-opting with local politicians (Maiorano, 2014). Seeing this nexus, the state government have introduced steps to appoint top three MGNREGA workers as FAs and terminate FAs from their position who have failed to generate less than 7,500 person-days work. These measures have stopped politicians from co-opting the FAs. In Upparahal village, respondents had mixed reactions towards the FAs. Some complained that the village FA along with the local politician have siphoned off funds meant for building a canal irrigation system for which the construction had not begun, but was complete on paper.[11] Others felt that FAs helped poor households in providing employment and was an important source of information regarding MGNREGA jobs. These households (about 30 in number) mostly Dalits and other lower castes were proud to show their bank statements as each of them were earning more than Rs. 500 per week by working in various MGNREGA worksites. This saving enabled them to pursue their children's education and spend money on their nutrition and health.

The second reason for the better performance of the Act is participation of villagers in rural institutions. In Andhra Pradesh, poor households participate in large numbers within SHGs and NGOs this has enhanced the interest of the state government to take keen interest in institutionalizing social audits and introducing modern technology to reduce large-scale corruption. The state government has engaged Tata Consultancy Services to build an end-to-end management information system (MIS). This MIS has enabled data-job cards, work estimates, pay orders to be generated electronically and made accessible to the public. This procedure bars corruption practised by the engineer who in the past had the power to enhance payments and bring in private contractors (banned from participating in the Act). Another form of safeguard is institutionalizing of social audits. Social audits have produced informed workers, and have brought about a sense of collectiveness among villagers (Chandhoke,

2007). Field research indicates, social audits have enhanced awareness levels by 90 per cent[12] (Pokharel et al., 2008). This has provided confidence to the poor households to take punitive steps against corrupt officials to recover embezzled funds[13] (Shankar et al., 2010). As rightly pointed out by Dreze et al. (2008: 5):

... Andhra Pradesh has put in place a system of institutionalized social audits, involving routine verification of NREGS records through participatory process. Judging from our visits, and social audit reports, these safeguards are quite effective. While various forms of petty corruption (such as bribes being taken by postmasters) have emerged from social audits, there is no evidence of the sort of large-scale fraud that has plagued public works scheme in Andhra Pradesh just a few years ago.

Our in-depth interviews with the beneficiaries support the above arguments. Beneficiaries from Upparahal village claimed that when post offices handled MGNREGA payments, most beneficiaries had to pay 20 to 30 per cent as a bribe or commission either to the postmaster or to the *gram sevak* (assistant to *pradhan*). But with the introduction of computerized job cards, petty corruption has died out as wages earned are directly transferred to the bank accounts of beneficiaries. Muster rolls are regularly updated by FAs, and to maintain transparency names of beneficiaries are painted on village walls along with their wages.

The other reason for higher participation is the presence of SHGs. SHGs has helped disseminating information regarding MGNREGA and other welfare programmes to women and other poor households who are members of these groups (refer to Table 4). As a women beneficiary from Upparawanka commented:

TABLE 4. PARTICIPATION IN INSTITUTIONS
REGARDING MGNREGA IN ANDHRA PRADESH

| Caste/Religion | Attended and discussed in Gram Sabha | Information from SHGs | Information from FAs | Other sources (NGOs) | Total households |
|---|---|---|---|---|---|
| Upper Castes | - | 5 (45.4) | 6(55.6) | - | 11 |
| Scheduled Castes | 7(14.8) | 22(46.9) | 12(25.6) | 06(12.7) | 47 |
| Other Backward Castes | 4(10.2) | 16(41.1) | 11(28.2) | 08(20.5) | 39 |
| Others | 9 (16.9) | 24(45.3) | 17(32) | 3 (5.8) | 53 |

*Source:* Household Survey.
*Note:* Figures in parentheses are percentages. Others includes Muslims and Christian households.

From the time SHGs programmes started in the village, women participation has increased. For every *gram sabha* meeting conducted in the village, women are participating in equal proportion to men. We have taken up NREGA discussions in the *gram sabha*, women labourers are attending these meetings in large numbers.

The reason why they attending in large numbers so that they can demand from officials increase in payment of wages, self-employment schemes, subsidiaries, ration cards and issues of payment of wages on time.[14]

Given the success of SHGs, the state government has promoted the formation of Shrama Shakti Sanghas (fixed labour groups) at the village level. These wage-seekers (10-20 in numbers) belonging to same *panchayat* are involved in training and unionizing poor labourers. The training improves the workers' awareness and political sensibilities, and helps them to deal better with the administration. Upparawanka labourers trained by veteran activist N.S. Bedi under the Young India Project had improved their *televi* (Telugu word for astuteness, awareness, education, and smartness).[15] This has made the labourers outspoken and assertive compared to their co-workers in other MGNREGA sites. According to them, when there were fewer employment opportunities, large farmers called them on demand and paid them low wages. Now that they are better organized, farmers request them to join them in the fields. Poor labourers are now aware of their entitlements as they are in position to target corrupt government officials whenever they feel deprived of their entitlements. In 2010, a poor, lower-caste labourer in Kalyandurg village in Anantapur district charged the FA for providing false information regarding compensation for loss of employment under MGNREGA. The local police took the case seriously and imposed corruption charges against the FA under the Harijan Atrocities Act. The FA was dismissed, and the labourer was compensated for the loss.[16] The success of these SSS groups has prompted the government to make them autonomous. They are empowered to decide their labour budget (amount of employment to be provided) and to retain (or dismiss) the FAs. The formation of SSS is the first step towards equalizing local power relations. Expressing grievances or demanding respect as a group compels local politicians or power holders to listen to their requests, and thereby provide labourers with confidence to interact in public sphere.

## PEFERMANCE OF MGNREGS IN UTTAR PRADESH

In Uttar Pradesh, MGNREGA was introduced in 2005-6, but was not implemented vigorously till 2009. Ms Mayawati who was the chief minister had a concern on the electoral impact of this act. Her main concern was given the word 'National' in the title of the Act (amended later to include Mahatma Gandhi) would benefit the Congress (Kohli, 2012). Respondents in Raipur Raja and Udoutpur who were first to obtain their job cards in 2010, recalled that most villagers initially thought MGNREGA would make a difference in their lives, and would pull them out of distress, but after couple of years they realized that the act was no different than other poverty alleviation schemes introduced in the past. Respondents

commented, that only source from where they gathered information regarding welfare schemes was the *panchayats* and block office, but office bearers of these institutions were reluctant to dislodge information to the poor households. They felt benefits of most schemes (including MGNREGA) were distributed between the *pradhan* and his associates who had access to government machinery. Poor respondents complained that they had to bribes to open their bank accounts to receive their wages; registration and obtaining MGNREGA job cards was difficult and time consuming and at times they had to depend upon the *pradhan* to complete their paperwork.

TABLE 5: PARTICIPATION IN INSTITUTIONS REGARDING MGNREGS IN UTTAR PRADESH

| Caste/Religion | Attended and discussed in Gram Sabha | Information from SHGs | Information from FAs | Other sources (NGOs) | Total households |
|---|---|---|---|---|---|
| Upper Castes | 5 (100) | – | – | – | 5 |
| Scheduled Castes | 6 (18.7) | – | – | 26(81.3) | 32 |
| Other Backward Castes | 2 (2.7) | – | – | 74 (97.3) | 76 |
| Others | – | – | – | 37 (100) | 37 |

*Source:* Household Survey.
*Note:* Figures in parentheses are percentages. Others includes Muslims and Christian households.

When elites or members of state machinery provide access to resources, poor beneficiaries are indebted to him. In the study villages, dominant castes control important institutions through concealment of information and discriminatory patronage. Poor labourers merely serve as 'vote banks' and operate under the instructions of these elites. As Aiyar (2010) describes how limited public action in Uttar Pradesh has affected the beneficiaries of MGNREGA:

Almost in all *panchayats* the team visited, MGNREGS workers had many complaints regarding the functioning of the Act. However, the complaint registers in *panchayat* offices were blank showing no entries. None of the MGNREGS workers were aware of the helpline number or the mechanisms for grievance redressal. The grievance redressal system established by the state government is not known to the people and hence not effective. Why didn't the workers pick up courage to complain against the *panchayat* officials or their complains ignored or suppressed? The general lack of adequate sensitivity in entertaining complaints and addressing them was observed.

There are three prerequisites for successful public action – a literate population; unequal power relations; and investment of time by poor

households. All these conditions are absent in Uttar Pradesh. In the villages most respondents working on MGNREGA worksites are scarcely literate. These poor households have very little interest in village politics, as they are occupied with several occupations. They rarely operate as collective group, and in the absence of collective podium (NGOs or SHGs) their voices are muted. The rural institutions that provide employment to these groups are leaders who have emerged from power structure that have lorded over agrarian landscape of Uttar Pradesh for decades. Women and lower castes elected as representatives of these local institutions under the 73rd Amendment have little training or understanding of the governance pattern. Under these circumstances, if any external agency representing the interests of the poor work together with local institutions, they are likely to confront questions from the power structure on issues of transparency and accountability, to which most local leaders are antagonistic. Questions can be raised by the local power structure on corruption and why the poor are allowed to discuss issues of rent seeking with external agencies. When poor villagers testify against issues of corruption, they can become extremely vulnerable to the rural elites. As poor are unorganized, they need protection against the powerful elites, as atrocities against poor have become an everyday affair in the villages. This weak bargaining capacity of the poor households has provided confidence to the dominant groups who have realized that poor are not position to challenge them. These powerful groups have protested against implementation of poverty alleviation schemes. In 2007, a traditional landowning caste (Rajput) protested against renovating the main road (under Pradhan Mantri Sadak Yojana) connecting Raipur Raja to cities of Lucknow and Sitapur. According to them the new road would create labour shortage, as labourers will commute to towns or other villages in search of better employment opportunities. In 2008, the same castes were against the renovation of the government school building in Raipur Raja, their protests were so strong that construction got delayed by a year. According to these elites, pro-poor schemes increase labourers demand and opportunity costs. This helps in increasing the bargaining power of labourers while landowners are adversely affected by lowering labour compliance and effort, while raising wages and lowering yields. As a Brahmin landowner commented:

Every year we face problems of labour shortage. But in the last two years this problem has intensified. Wage labourers have openly started asserting their demands for higher wages. Last year [2011] we arranged a group of twenty labourers to work in our fields. After working for two days they started demanding higher wages. In fear that these labourers would leave our work incomplete, we arranged a loan from one of our close relatives. We paid them according to the prevailing village wage rates . . . some of them agreed, but the majority of them refused to accept our wages; they demanded a high wage at par with JRY.[17] When

we refused, they abused us in public. We really felt embarrassed in front of other villagers, but had no choice, but to comply with their demands.[18]

. The arguments of farmers are consistent with Scott's description of traditional patronage amongst the peasantry in Southeast Asia. According to him, the subordinated in villages willingly accede to their subordination in return for consumption insurance. 'Within the village context, a wide variety of social arrangements typically operated to assure a minimum income to inhabitants. . . They are not radically egalitarian. Rather they imply only that all are entitled to a living out of the resources of the village, and that living is attained often at the cost of loss of status and autonomy (1977: 5).

In subsistence economies, the poor place a premium on help during contingency, for which they are willing to give up substantial long-term gains. These powerful groups provide employment (or access to resources) to poor labourers to keep them under their control. Any resistance or pro-poor government actions, which strengthen the position of the poor households, are seriously challenged. This is conducted through modern institutions, which are under their control or are made to work to their vested interests.


## CONCLUSION

Since 2004-5, the Indian government has introduced three monumental Acts – RTI Act in 2005; Right to Work Guarantee (MGNREGA); and National Food Security Bill of 2013 which claims to provide food and nutritional security at affordable prices to poor households. India's record of corruption, transparency and accountability with pro-poor programmes is mixed. States like Kerala and Tamil Nadu have performed better than other Indian states as citizens are mobilized over matters of service delivery. Whereas, in states like Uttar Pradesh and Bihar, participation remains low, as citizens do not have faith in government programmes, including MGNREGA. Most beneficiaries are deprived of the benefits as the political class hardly takes interest in such activities. To these groups, caste, religion and language of voters count more than developmental needs. At the local level, poor households feel that local democracy, which represents participation to larger democratic system, is inaccessible to the powerless and disadvantaged castes. Local leaders are involved in factional politics rather than working towards social change. The greatest beneficiaries are private contractors, the rural elites, and members of the state machinery who are the real stakeholders of welfare programmes. As the Congress vice-president Rahul Gandhi commented in a conversation, 'Why should my Members of Parliament from Uttar Pradesh support MGNREGA when they are all contractors?' (Maiorano, 2014).

Andhra Pradesh has performed well in implementation of MGNREGA. The political class has taken keen interest in implementation of this Act. Due to the poor performance of local institutions in matters relating service delivery, the political class has collaborated with SHGs and NGOs who better knowledge of the field. In Andhra Pradesh, the three pillars on which accountability: decentralized planning, proactive disclosures and social audits are well implemented by the government. Social audits have not only increased awareness among poor villagers, but has upheld the concept of transparency, as muster rolls are updated regularly posted on village walls. Beneficiaries have the courage to point fingers at corrupt officials. Some villagers have even gone far with the help of local NGOs to register their cases against government officials who have deprived them of their entitlements. This overall environment of collective action has been brought about by the presence of SHGs and community-based organizations. SHGs are not only instrumental in disseminating information, but have served as invaluable coping mechanisms raising the awareness of women and poor households. They have pushed the poor to demand for better service deliverables. As women member from SHG pointed out: *maa bathukulaku velugu nichchayi* (our lives became brightened after we have joined this group).

## NOTES

1. Accountability is defined as a relationship in which power holders are held answerable for their conduct. In a relational concept, it is the interaction between person that performs an action or delivers a service, i.e. the agent or the principal who may specify the nature of operations (Aiyar et al., 2010).

2. The Indian Planning Commission started computing poverty line since 1979, first based on the Alagh report and then on Lakdawla Committee Report of 1993. In 2009, the Tendulkar group suggested a new poverty line. Tendulkar committee designed the poverty line based on income per capita per month. However, this poverty line was not without controversy. In 2011, a new poverty line was designed with a person earning Rs. 965 per month in an urban area, and Rs. 781 per month in a rural area is considered as poor (Hossain, 2014).

3. The organization was established by Aruna Roy, an ex-Indian Administrative Service officer for the rights of workers and farmers in Rajasthan. Farmers and workers were mobilized by MKSS in village Kot Kirana in Pali district of Rajasthan. This became a cornerstone for the movement spearheaded by activists to become an RTI law in 2000.

4. This Act (in theory) compares well with other social protection programmes of the world such as Bangladesh's Food for Education programme and Mexico's *Progresia* (now called *Oportunidades*). The Act was introduced in 2005, and was rolled out in stages. In the first stage it was launched in 200 of the poorest districts, followed by 130 more districts in 2007-8, and in 2013-14 it covered the remaining 625 districts. The total budget in 2010-11 was around Rs. 4.01 trillion.

5. The total budget between 2006 and early 2012 for workers' wages alone was Rs. 1.1 trillion (over 60 per cent of programme expenditure, and equivalent to US $ 20.2 billion). Local councils were promised half this sum. They were promised additional funds for purchase of materials (Manor, 2011).

6. The Integrated Rural Development Programme was introduced in India in 1978. This scheme seeks to provide productive assets to the 'poorest of poor' through a credit-cum-subsidy package after careful assessments of their requirements.
7. The National Rural Employment Programme and the Rural Labour Employment Guarantee Programme were merged to form the Jawahar Rojgar Yojana, which was launched in 1989, mainly to provide employment by focusing on public works that improve rural infrastructure in villages.
8. The alliance identified 40 NGOs to following objectives: to form fixed labour groups (FLGs); training of FLGs regarding rights and entitlements of the act; FLGs to play an observer role during social audits.
9. BSP was formed by Kanshi Ram in 1984. The party's objective is to protect the interests of Bahujans, or the 'majority' of the society, referring especially to Scheduled Castes, Scheduled Tribes, and Other Backward Castes. In 1990, due to failing health, Kanshi Ram transferred the party leadership to Ms. Mayawati. In Uttar Pradesh, the BSP came to power in short spells in 1993, 1995, 1997, and 2002, before winning the general elections in 2007 and losing again in 2012.
10. These committees include watershed development, forest management, and thrift and credit committees (Mooij, 2002).
11. Interview with group of MGNREGA workers on 17 December 2011.
12. Based on the World Bank study conduced in partnership with government of Andhra Pradesh on 1 February 2008.
13. As on 2010, Rs. 120 Cr worth of misappropriated funds have come to notice, out of which Rs. 15 Cr has been recovered; 33 FAs has been dismissed; 3,842 staff has been dismissed based on the finding of social audit. A total of 548 police FIR has been lodged, and 1,220 departmental enquiries have been initiated.
14. Interview with Laxmi Tejwani on 18 December 2011.
15. Interview with agricultural labourers along with N.S. Bedi on 16 December 2011.
16. Interview with Narayan (group leader) and N.S. Bedi on 18 December 2011.
17. The National Rural Employment Programme and the Rural Labour Employment Guarantee Programme were merged to form the Jawahar Rojgar Yojana, which was launched in 1989, mainly to provide employment by focusing on public works that improve rural infrastructure in villages.
18. Interview with Nanda Singh, Raipur Raja on 27 March 2012.

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