



When a national program to guarantee work to rural households in India failed to reach its potential because of poor management and corruption, Samarthan launched a campaign of broad, continuous engagement of both internal and external actors to help turn the situation around.

Photo courtesy of Samarthan.

The following case study illustrates how civil society organizations can help to improve the transparency and effectiveness of government programs through the use of social audits and budget tracking. This is a summary of a more in-depth study prepared by Ramesh Awasthi as part of the Learning Program of the IBP's Partnership Initiative. The PI Learning Program seeks to assess and document the impact of civil society engagement in public budgeting.

Download a PDF of the complete original case study and a recent update at <http://internationalbudget.org/publications/samarthan%e2%80%99s-campaign-to-improve-access-to-the-national-rural-employment-guarantee-scheme-in-india/>.

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### INDIA: SAMARTHAN'S CAMPAIGN TO MAKE REAL THE RIGHT TO WORK

When it passed the National Rural Employment Guarantee Act (NREGA) in 2005, the government of India made an unprecedented commitment to provide work to any family that was suffering from unemployment.

Specifically, the law stated that each rural household would be entitled to 100 days of unskilled employment per year on public works projects. Countless schemes around the world have provided temporary employment on an *ad hoc* basis but none before had made access to such schemes a national right. The legislature was hailed by activists, politicians, and academics as a major step toward improving the situation of rural workers.

Yet in spite of the best intentions of NREGA's architects, the program has been ridden with bureaucratic glitches and widespread corruption that have prevented it from fulfilling its potential. As a clear demonstration of the need for efforts from both government and civil society to promote development, a civil society organization has taken a leading role in addressing NREGA's failings.

This case study describes how the organization Samarthan used budget tracking and social audits to bolster the program's local accountability and, when that caused a backlash, how it altered its

strategy to keep pressure on the corrupt officials who are denying Indians their new right to work.

### THE ISSUES: A NEW RIGHT GIVEN, BUT NOT RECEIVED

Even though India's economy has grown impressively at an average annual rate of over 7 percent during the last decade, the country is still home to more poor people than any other. Rural households are the worst off, with many suffering from chronic hunger even as their urban counterparts enjoy new middle-class lifestyles. NREGA was intended as a bold step to address this inequality.

The Act stipulates that India's local councils, known as the *gram panchayat*, should prepare a list of needed public works projects; these might include activities like digging wells, contouring land, horticulture, toilet construction, and road construction. Officials at the village level then work with their counterparts at the block (a cluster of villages) and district levels to prepare a labor budget for the year.

Any rural resident adult can then approach their local officials to ask for work by submitting a simple application form. If the demand is legitimate, the applicant should be assigned paid employment on one of the preselected public works projects within 15 days. If work is not provided within the 15-day period, the applicant is entitled to compensation.

One of the problems facing the scheme is that eligible workers are not taking advantage of the program. Many are simply not aware of the new entitlement or of the procedures of the program. Many poor families are also without the "job card" that is required to participate in the public works projects.

Even when the poor demand work, bureaucratic hurdles and a lack of capacity and planning often mean that payments are delayed. Deposits are made into individual accounts at private banks with branches sometimes located only in distant towns, forcing workers to travel up to 50 kilometers to get paid. Compounding this problem, the banks have little incentive to provide prompt service to the poor and so often turn them away because they are too busy to handle the workers' requests. As a result of these issues, many poor people prefer to migrate in search of work rather than participate in the program.

A series of other problems in the program also means that government officials are able to indulge in favoritism when calling people for work and to exploit the system corruptly for personal gain.

The *panchayat* secretary often does not acknowledge the demand for work in writing (by giving a receipt) in order to avoid being held accountable for failing to comply with the 15-day deadline. The *panchayat* secretaries in many of the villages also routinely keep people's job cards in their office on the pretext of making entries on the cards. By doing this, the secretaries not only have ample opportunity to manipulate documents but can also block the poor from legitimately demanding work.

Issues at higher levels of the bureaucracy have also been a source of problems at the local level. The village secretary is expected to submit a weekly inventory of labor and materials to officials at the block level for them to vet. These higher-level officials, however, often delay their approval until after the work has been done, making manipulation of information easier.

The *panchayat* officials, for example, have been known to use machinery, rather than human labor, to do part of the work on projects at night so that bogus names can be added to the attendance list. Local officials have been found colluding with the staff of private banks and higher-level officials to embezzle the funds allocated to phony workers.

These issues have prevented many rural residents from truly benefiting from their newly given right to work — a situation that Samarthan sought to address.

## THE CAMPAIGNS

Samarthan was established in 1994 to support the development of civil society groups in the state of Madhya Pradesh. The organization, which has since expanded into the neighbouring state of Chattisgarh, says its mission is to create a social order of equal opportunities and access to information, especially focusing on the poor and disadvantaged sections of the society.

It was incidentally in the state of Madhya Pradesh where the Indian government decided to launch NREGA in 2006, so Samarthan has been involved in the monitoring and implementation of the program since its earliest days.

Samarthan has pursued the NREGA campaign in two phases. An initial phase focused intensively on 10 *panchayats*, but this emphasis on a few localities suffered from two vulnerabilities. The first was that higher-level policy makers dismissed Samarthan's observations as too anecdotal — as anomalies in a program that, according to the officials, was otherwise working well. The second problem was the backlash of hostility from the village leadership and officials in the 10 *panchayats*.

The *sarpanches* and the *panchayat* secretaries simply stopped implementing NREGA projects in the villages where Samarthan was active, to the great detriment of residents in those areas. They also decided to withhold all information from Samarthan.



### TACTICS FOR IMPROVING THE TRANSPARENCY AND EFFECTIVENESS OF INDIA'S RIGHT TO WORK PROGRAM

#### Budget tools

- Hosted social audits at the village level
- Designed a budget tracking technique to follow the paperwork up and the money down

#### Community organizing

- Distributed application forms to request employment
- Trained youths as community outreach officers
- Mobilized citizens to remind officials of their obligations
- Trained youths to gather evidence for the *gram sabha* audits of the NREGA
- Organized Social Watch Groups to marshal pressure at the district level
- Began assisting NREGA workers to form a labor union

#### Government engagement

- Trained local officials on how to prepare public works projects and budgets
- Advocacy with state-level officials

#### Media outreach

- Pitched news stories through press releases, media briefings, and site visits
- Hosted a training for journalists on relevant issues

The situation would only change permanently, Samarthan concluded, when power relations changed more fundamentally, i.e., if the poor were empowered and the *gram sabha* (village general body meeting) were able to enforce accountability. Since the *gram sabha* is the statutory body that should approve, monitor, and conduct social audits of NREGA, Samarthan realized that it needed to find a larger-scale approach.

Samarthan subsequently modified its strategy, focusing more on training local youths, strengthening social audit processes and organizing workers into a trade union — all in an expanded area of 10 districts to widen its impact. Meanwhile, it continued its budget tracking work.

#### Social audits and budget tracking

Samarthan began its work on NREGA by facilitating social audits of the program in several districts and by conducting two studies on NREGA implementation. The social audits involved village gatherings where government records from the program were read out for all to hear, including the names of those who reportedly worked on public works projects. At one such meeting, one local official literally fled the scene. With time, however, Samarthan realized that rather than host these

events independently, if it were to affect the power dynamics of NREGA implementation it needed to bolster the strength of the social audits being conducted by the *gram sabha*.

The organization also developed a system for tracking all of the paperwork and payments made under NREGA. It looked at the certificates issued by officials who physically verify the completion of public works projects. It looked at the management information system data that the Indian government avails online; these include village-level records of the number of persons given work, wages paid, and delays in payment and unemployment allowance. Samarthan even looked at the inventories provided by village officials and the notations made on job cards. Together with the social audits, this analysis revealed the pattern of abuses.

The organization also followed the money, paying special attention to dates at which funds were demanded and received and key documents filed. Samarthan gradually perfected a system for doing this that was considered so useful that it has since been adopted by officials in two blocks for their own internal monitoring. The system, when applied widely, revealed that delays were most often at the block level and that payments were often delayed by 20 days and, at times, by over two months.

Though Samarthan has gradually shifted its focus to elsewhere in the delivery system, it continues to track NREGA funds in order to stay grounded in evidence on how the program is being operated.

### *Raising awareness and mobilizing citizens*

These techniques gradually became the centerpiece of Samarthan's campaign.

Moving from house to house, village youth groups mobilized by Samarthan distributed the application forms necessary for demanding work under NREGA. In addition, these forms were also made available in the village grocery shops. Samarthan emphasized that the applicants should get a dated receipt for their application from the *panchayat* secretary, which would enable them to ask for an unemployment allowance if they did not get work within the stipulated period of 15 days.

Local officials, however, pushed back. Some of the secretaries threatened the workers who asked for a dated receipt, saying that those who insisted on a receipt would only get work after 15 days, while those who did not would be called to work within two to three days. Unfortunately, such pressure has been highly effective on poor families in urgent need of work.

Regardless of the growing tensions with local officials, Samarthan redoubled its pressure, mobilizing citizens who had filed applications to make repeated enquiries with officials about when their employment would begin. Some officials appreciated Samarthan's efforts. One district-level official replicated Samarthan's approach and even had a copy of Samarthan's pamphlet sent to all residents in the district living below the poverty line.

Samarthan scaled up this approach in preparation for the social audits being planned by *gram sabhas* in 800 *panchayats* in August 2012. The organization trained 1,600 youth volunteers to collect evidence that could be presented at their respective *gram sabha* meetings. The organization also created a district-level civil society forum named the Social Watch Group, composed of socially conscious individuals, such as lawyers, trade union leaders, social workers, and media professionals. This group attends social audit *gram sabha* meetings, interacts with Samarthan field staff, and (thus armed with evidence from the field) takes up issues with the district officials.

Samarthan also has decided to organize the NREGA workers into a trade union. Since the NREGA workers mostly belong to the socially oppressed castes and economically poor sections of the village society, they were not empowered to challenge the village leadership. If they are united as a block and district level trade union, they are likely to gain greater negotiating power to claim their entitlements. This component of the strategy, however, is still at an early stage.



### OUTCOMES RELATED TO THE CAMPAIGN

- Greater awareness among workers of their rights and entitlements under NREGA
- A rise in the percentage of workers getting demand-based employment
- Better understanding of the blockages and sources of irregularities in the administrative process of NREGA
- Increased capacity of local officials to propose public works projects and budgets
- Increased media attention to the problems and irregularities in the program

### *Government engagement*

Samarthan discovered in its work that village-level leaders did not have the capacity to plan the necessary works projects or to budget for the demands for work because they had not been properly trained by the government. This meant that budgets were being prepared at the district level, which was not how NREGA was designed to function.

Samarthan reached out to these local functionaries — many of whom had been so bitterly opposed to the organization's work — to equip them with the skills they needed to prepare a ready list of public works projects and to prepare labor budgets for the village. Budgets were set by estimating the demand for work based on the number of people holding job cards and the average number of people reporting for work during the previous year. This work not only contributed to the effectiveness of the program but also helped to diffuse the tension created by Samarthan's more adversarial methods.

Meanwhile, Samarthan focused advocacy efforts on higher-level officials in the state, presenting the findings of their social audits and budget tracking and apprising officials of their activities. Not all officials were responsive, but a few have become strong allies.

### *Media outreach*

Samarthan regularly provided the local press with evidence-based news stories, using the gamut of media outreach techniques: press releases, briefings, and site visits. The social audits brought to light many irregularities, cases of corruption, and stories about people who suffered as result of these transgressions. Even the budget tracking analysis occasionally made the news when it highlighted systematic delays in payments.

Samarthan staff's relationship with journalists has been built in other ways, too. A joint workshop of civil society organizations and the press was held in Panna in March 2011 to raise journalists' awareness of and encourage them to pay attention to development issues in the district, including issues related to NREGA implementation.

Media pressure generally made government officials more receptive to suggestions made by Samarthan for improving the situation. For example, when the local press reported that the village secretaries

were keeping job cards locked up in their offices, the administration ordered the job cards to be distributed. But the press coverage also angered government officials, opening Samarthan to their recriminations. At the apex of tensions, the organization's staff was fearful to enter some villages where the most damning accusations had surfaced.

The organization was reminded in this period that public claims require strong supporting evidence and that the media should only be used as a last resort when government officials are unresponsive to other forms of engagement.

## WERE THE CHANGES DUE TO THE CAMPAIGN?

It is difficult to generalize about the impact of Samarthan's work. On the one hand, it assisted government in identifying a number of blockages in the process of managing and budgeting for NREGA. It also played a significant role in mobilizing the population to demand work in terms of NREGA.

On the other hand, some of the hard won gains in the first phase of its efforts appear to have been eroded by persistent challenges. Publicly available figures on NREGA suggest that the campaign had an initial impact, but this has not been sustained. In the villages where Samarthan was active, there was a marked increase in the percentage of workers getting employment through the program — faster than the rate of growth for the districts where those villages are situated. But as the backlash set in, residents in those areas may have actually been put at a disadvantage.

Samarthan's new strategy is still in its early stages, but there is some evidence that it has had an impact. The collated findings of evidence collected by youth volunteers in preparation for the August 2012 social audits received wide press coverage. As the Bureau Chief of *Dainik Bhaskar* in Panna put it, "Everyone in MP is talking of social audit, and that is only because of Samarthan; earlier no one knew of the social audit."

And Samarthan's revised campaign has also influenced the government's own strategy in at least one instance. Dr. Abhay Pande, director of the newly created Social Audit Cell of NREGA Council in Bhopal, said he would emulate Samarthan in his own approach, including setting up vigilance committees and mobilizing youths to gather evidence.

Still, it is too early to say whether key components— the Social Watch Groups and labor unions — of Samarthan's new strategy will be

effective. Furthermore, given how large and relatively new the NREGA program is, the Samarthan campaign represents a modest effort, the expectations for which should not be set unrealistically high. Samarthan, if nothing else, has paved the way for others to make sure that the right to work is realized in India.

## CONCLUSION

Samarthan's success is attributable to its ability to simultaneously exert pressure on local officials from the outside while still working to improve the functioning of the system through allies on the inside.

Through its intensive work carrying out social audits in 10 villages, Samarthan gained a fine-textured knowledge of the realities in these communities and of the problems plaguing the NREGA program. Samarthan drew the ire of some government officials with these techniques, but the organization's rigorous analysis and the depth of the information and knowledge it generated helped Samarthan to maintain respect and credibility. It has since modified its approach to bolster the ability of citizens to make the *gram sabha*-hosted social audits of the program more meaningful.

Its initial grassroots efforts may have also helped Samarthan to more effectively train youths to gather evidence on irregularities in the NREGA program, and they in turn have had some success at raising awareness and drawing press coverage.

The social audit and budget expenditure tracking tools not only provided the evidence for Samarthan's most damning claims against public officials but they also enabled Samarthan to pinpoint gaps and bottlenecks at various levels in the system. The analysis provided a strong basis from which to scale up the campaign.

Should the Social Watch Groups and labor unions succeed, Samarthan will be able to draw from this budgetary analysis to provide these groups with the technical expertise they need to be persuasive. These innovations in Samarthan's campaign also shows that they have learned that sustained change will require intervention at sociopolitical, not just technical, level. Budget work is about democratization and shifts in power relations, not just technical analyses of budget systems.

As such, perhaps the most important lesson comes not from Samarthan's success but from its failures. That the gains from the campaign in some locations were so quickly reversed underscores the need for sustained action. Before rural Indians can truly claim their right to work, many more civil society organizations in India may need to follow on Samarthan's example in the state of Madhya Pradesh and beyond.

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