

Participatory Approaches in Public Expenditure Management¹, India: Mazdoor Kisan Shakti Sangathan and the Right to Information Campaign²

THE RIGHT TO KNOW IS THE RIGHT TO LIVE

- Slogan, National Campaign for the People's Right to Information, India.

BACKGROUND:

Development interventions can be made more effective through a vibrant grassroots democracy by focusing on transparency and accountability of public expenditure. The work of a community based organization, the Mazdoor Kisan Shakti Sangathan (MKSS), in Rajasthan, one of the most economically and socially backward states in western India, offers such an example. It demonstrates how a grassroots movement in which the community demands to know the details of public expenditure eventually led to the enactment of legislations pertaining to the Right to Information (RTI) in Rajasthan as well as a number of other states in India.

The MKSS, whose members are mostly from lower socioeconomic classes, such as marginal farmers and landless laborers, was founded in 1990, with the stated objective of using constructive action to change the lives of the rural poor so that they could live with dignity and justice. Since land and minimum wages have always been the two basic issues of the rural landless poor, the MKSS, initiated struggles on issues of land redistribution and minimum wages. Villagers, under the aegis of MKSS, used traditional forms of protest such as hunger strikes and sit-ins, to demand the payment of the legal minimum wage. The MKSS held *Jan Sunwais*, or public hearings, at which official records of state development projects were exposed to the scrutiny of intended beneficiaries. Shocking revelations of corruption and misuse of funds followed. Such revelations embarrassed officials and led to apologies, investigations and in some cases the return of stolen funds.

This struggle for the payment of the statutory minimum wage in government sponsored public works programs revealed the significance of transparency and the RTI. The fundamental tool for ensuring government transparency and accountability is access to relevant information. And in this manner, a simple demand for minimum wages became a struggle for the RTI. Eventually, this struggle resulted in the passing of a RTI law by the central government and nine state governments including that of Rajasthan. The MKSS, today, continues to work toward exposing corruption and increasing public accountability among government functionaries.

PROCESS:

In Rajasthan, government officials regularly denied poor, illiterate workers, their statutory minimum wage. The actual quantity of work being done was routinely under-measured. False entries in employment registers enabled project foremen to underpay laborers and thereby pad registers with bogus names whose payments would be pocketed by supervisors. Other malpractices included inflated estimates for public-works projects, use of poor-quality materials, and over-billing by suppliers. Since

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² This paper is primarily based on Roy and Dey, 2002 and Goetz and Jenkins, 1999.

the records in question were kept classified, it appeared that, making government records accessible to public scrutiny would solve the problem of contradictory claims.

This struggle for minimum wages led the MKSS, by mid 1994, to seek access to official expenditure documents that could be verified and investigated. It demanded copies of official records of expenditures incurred in the name of *panchayats*³. In the initial years, people had to rely on sympathetic officials for accessing relevant documents since they had no legal entitlement to information. The secured documents were scrutinized and subject to collective verification in the *Jan Sunvai*, a process of participatory social auditing (Box 1), that was held in the concerned *panchayats*. The *Jan Sunvai*, or peoples' hearing, was one of the most important innovations introduced by the MKSS to conduct social audits of public expenditure. In the *Jan Sunvai*, people gave individual and collective testimony on the work done by their *panchayat* officials. The average attendance in each *Jan Sunvai* was between 500 and 800, of which half the attendees were women. There was an immense public response to the *Jan Sunvais*, as thousands of people participated and contributed.

Box 1: *Jan Sunvai* (Peoples' Hearing) - A Platform for Improving Social Accountability

A *Jan Sunvai* is a form of participatory social audit in which government officials are brought face to face with citizens in a public gathering with the intent of having a public debate. The following steps take place in a typical *Jan Sunvai*:

- Information on suspected corruption in local development projects is generated from extensive research by volunteers organizing the *Jan Sunvai*.
- Official records on amounts sanctioned and actually spent on local development projects are procured from local government offices and analyzed.
- A public hearing is organized independently, not through the official village assembly, in a public place in the village concerned.
- Extensive publicity is given to the public hearing. All villagers, government officials, elected representatives and the press are invited.
- The hearings are presided over by a panel of respected individuals from the local community.
- At the start of the *Jan Sunvai* the rules of the meeting are laid out. All, except persons under the influence of alcohol are entitled to speak. Everybody must speak on the theme and be restrained in their language.
- Identified cases are taken up one by one. Detailed accounts of development expenditures from official records are demystified, paraphrased and read out aloud for the assembly.
- Villagers particularly laborers, suppliers and contractors speak out and verify whether they received the money due to them or whether construction took place as claimed. Officials are encouraged to clarify or defend themselves.
- In this way discrepancies are highlighted and officials are asked to account for missing sums.

The first *Jan Sunvai* was held in December 1994 in *Kot Kirana Panchayat*. In this hearing “*outraged people came and testified that they had never gone to those work sites, that false signatures had been used and that there*

³ The *panchayat* is the village level local self government institution in India whose jurisdiction is over a few villages. Local self-government institutions in India have a three tier structure. At the village level there is the *Gram Panchayat*, at the block level there is the *Panchayat Samiti* or *Taluka Panchayat*, and at the district level is the *Zilla Parishad*.

were names on the muster rolls of people dead and gone, and others unheard of" (Mishra, 2003). Similar *Jan Sunvais* were held in several *panchayats* in the same region from December 1994 to April 1995. Shocking revelations followed: of toilets, schoolhouses, and health clinics recorded as paid for but never constructed; of improvements to wells, irrigation canals, and roads that remained noticeably unimproved; of famine and drought relief services never rendered; and of wages paid to workers who had been dead for years. Soon a familiar pattern of corruption emerged which was similar to that revealed in the first public hearing (Box 2).

Box 2: Corrupt Practices Identified through *Jan Sunvais*

Jan Sunvais helped identify different types of corrupt practices in rural development works. Some of them are described below:

- *Purchase Over-billing*: This occurs when more material is recorded than is actually used, e.g. 50 bags of cement are used and paid for, but a bill for 100 bags is procured and claimed.
- *Sale Over-billing*: In this case suppliers provide over-priced, inferior or adulterated material at the full price. This results in inferior quality of work.
- *Fake Muster Rolls*: Wages to fictitious workers are pocketed by supervisors by recording ghost entries in muster rolls.
- *Under-payment of Wages*: In this case, workers are made to sign for amounts higher than what they are actually paid, e.g. workers receive Rs. 80 but are made to sign for Rs. 100.
- *Ghost Works*: In this case, records are fabricated for non-existent work. In *Janawad Panchayat*, over one-third, 49 out of 141 works were ghost works.
- *Tinkering with Labor-Material Ratios*: Fake wage payments are often recorded to pay for extra material which has been used for the work. This is done to get around the official 60:40 ratio for expenditure on wages and material respectively. Though this 'adjustment', as it is called, may not involve any direct misappropriation of public funds, it provides a legitimate excuse to supervisors to further fudge accounts for personal benefit.

Source: Mishra, 2003.

Through *Jan Sunvais* people discovered that they had been listed as beneficiaries of anti-poverty schemes even though they had never received any benefits. They discovered that large payments had been made to contractors for works that had never been performed. A peep into officially maintained measurement books and muster rolls revealed that corrupt local officials disbursed less and billed more for workers' wages, quietly pocketing the difference (Mishra, 2003). It was not as though people were unaware of the existence of such corruption, but prior to the *Jan Sunvai* movement, there was no systematic review of expenditure records by villagers or their representatives. Through *Jan Sunvais*, people for the first time, were able to collectively verify and audit public expenditures by gathering and using hard evidence.

The MKSS public hearing strategy met with fierce resistance by local officials. For a public hearing organized in 1998, the village development officers refused to comply with government orders to issue copies of the muster rolls, bills and vouchers and went on strike. They insisted that they would submit themselves to an audit only by government, and not by non-officials. In most cases, local officials and village heads would try to disrupt proceedings through persuasion, threats, assaults, and appeals based on caste, class and clan loyalties. Despite this, the public hearings continued.

Soon enough, the MKSS's campaign of public hearings became a campaign for transparency in government. Encouraged by the results of the *Jan Sunvais*, the MKSS, in 1996 launched a *dharna*⁴ putting forward an immediate demand for an amendment to the *Panchayati Raj* (local self-governance) law to allow citizens to obtain certified photocopies of any document in local government offices, especially expenditure records such as bills, vouchers and muster rolls. Simultaneously, a demand was made for a comprehensive law for the people's RTI in all spheres of governance. There was enormous resistance to the people's efforts to ease access to public records. The MKSS launched a series of rallies culminating in a fifty-three-day protest in Jaipur, the capital of Rajasthan state, to compel the state to make its development-fund records public. The movement soon took on India-wide dimensions as intellectuals, politicians and the media joined in. This eventually, gave birth to the National Campaign for the People's Right to Information.

RESULTS:

The Rajasthan State Right to Information Act was finally enacted in May 2000, as a result of the movement. Despite sustained pressure it took the Government of Rajasthan two years to amend the Local Self Government Institution rules and another two years to pass the Right to Information Law. Today, besides Rajasthan, the central government and eight other state governments have also passed RTI laws.

The Government of Rajasthan has institutionalized social audits for all development works. The state government has started organizing *Jan Sunvais*, some of which are under the supervision of MKSS, in villages, especially those in which large amounts of money have been spent.

The movement has also forced the government to adopt a more pragmatic approach to meet policy objectives. It has led to serious introspection about eliminating existing anomalies in rural development programs. For instance, the law requires that at least 60 percent of the funds for rural development works should be spent on employment, while no more than 40 percent is spent on materials. Given the market price of materials, this is practically impossible. Consequently local officials have to fabricate records just to maintain the ratio. However the unrealistic policy objective of using money for labor provides local officials with a convenient screen for corrupt practices. The RTI campaign has successfully revealed such anomalies. The campaign also resulted in the speedy implementation of citizens' charters. Today, over 55 government departments in Rajasthan have citizens' charters.

The multifaceted nature of corruption and its complex impact on the poor have been highlighted by the RTI campaign (Jenkins and Goetz, A.M., 1999). *Jan Sunvais* have led to the exposure of misdeeds of local politicians, government officials, engineers and contractors. The government has been forced to take action against errant officials in cases of corruption and denial of the right to information. The public hearings, the institutionalization of RTI through social audit, the exemplary action taken by government against delinquent officials in some cases, all these have had a remarkable effect on the prevalent modes of corruption. Local officials faced with incontrovertible evidence of fraud during *Jan Sunvais*, have rendered public apologies and in some cases, even returned embezzled funds. It is difficult to quantify the magnitude of corruption, but the sensational case of *Janawad Panchayat* illustrates the extent of the phenomenon and the potential of the movement. After more than a year, despite the existence of the RTI law, the *Jan Sunvai* at *Janawad Panchayat* revealed that more than Rs.7 million had been embezzled in a six-year period in one single *panchayat*. And there are over 9,000 *panchayats* in Rajasthan alone. Investigations and public pressure in the *Janawad* affair, led to a series of suspensions, arrests, and recoveries, which have not only had a demonstrative impact on officials all over the state but also are likely to translate into less leakages and a more efficient use of development funds. The *Jan Sunvais* have

⁴ A sit-in protest

demonstrated that access to government records by ordinary people can dramatically improve governance.

Ordinary rural people have benefited the most through this campaign. The RTI movement in Rajasthan has offered them hope. The RTI is not only a demand for an equal share of power but also a check on the arbitrary exercise of power. Unlike in the past, it has now become difficult to deny the people the information they seek, outright. Through *Jan Sunvais*, ordinary rural people have got a chance to stand united and speak out against the abuse of power and misuse of public money by government machinery. *Jan Sunvais* have played an important educative role in increasing people's awareness and have enabled poor, illiterate people to assert themselves and demand transparency and accountability. The people have gained an unusual level of access to information. Moreover *Jan Sunvais* have demonstrated that it is important not only to be able to access information but also have a citizen-controlled platform where that information can be used.

The RTI campaign has also forced equal standards of transparency and accountability on the users of information - NGOs and citizens' groups. A healthy trend to convene transparency meetings, in which NGOs disclose their accounts before communities in their area of work, persists today.

The strength of the RTI campaign lies in its relationships with other movements. Today many other civic groups are using the RTI in their respective battles. The women's movement in Rajasthan, for example, has used it to track the progress on cases of atrocities against women. Many civil liberties and human rights groups are using the RTI to ensure transparency and accountability of the police and custodial institutions. Such relationships will eventually build the foundation of a more vibrant grassroots democracy. Today, the RTI campaign in India is reshaping existing democratic structures and institutions to make democracy more meaningful for citizens. The RTI movement is a big step forward in generating the culture, institutions and principles necessary for a participatory democracy.

KEY CONCERNS:

A study of the above initiative leads us to two important questions - Is the MKSS model scalable and replicable; and do governments really want to promote transparency and accountability?

It has been observed that while there has been a huge support for the *Jan Sunvai* method, the model has not been widely emulated by other organizations. The few instances in which organizations have tried to replicate the model have met with failure. For instance the *Chetna Andolan*, an activist group in the northern state of Uttar Pradesh, held *Jan Sunvais* in 1997, but failed to sensitize local people or officials and build up support. This brings us to a critical question: What made the MKSS succeed in Rajasthan? It is widely acknowledged that three aspects made the efforts of the MKSS unique. *First*, the MKSS's informal structure makes it command a mass following. The MKSS has a loose 20-member central committee without any formal hierarchy. These members, despite their high profile, follow the local lifestyle, including living in small mud huts and bringing water from a distance for household needs. This reduces the gap between the MKSS leadership and the local people. *Second*, all funds are raised from community contributions and individual donations. To maintain its independence, MKSS does not accept any institutional or government funding. This has allowed MKSS to confront local authorities in the RTI campaign. Many development NGOs engage in service delivery in partnership with the state and hence lose their interest and ability to confront the state *Third*, the MKSS's ability to network with top bureaucrats, intellectuals, activists and the media provide it a high-profile leading to excellent press coverage and a degree of protection which is lacking for organizations working in other areas (Goetz and Jenkins, 1999).

The authorities' lack of intent in letting the true right to information prosper and the shortcomings in current RTI laws lead one to conclude that the government's efforts to promote transparency and accountability are highly inadequate. Existing RTI laws have many loopholes making their implementation difficult. For instance, Rajasthan law has too many exemption provisions and no penalty provisions. There are numerous instances in which information has been denied on frivolous and arbitrary grounds, sometimes even through written resolutions. Cases abound in which authorities do not act after the relevant information is obtained and presented. For instance, officials are held accountable during *Jan Sunvais*, but seldom is any punitive action taken against the guilty officials. The fact that such actions are encouraged by the existing criminal justice system is a further cause for concern. The monitoring of the RTI law is poor - there is no government data on the number of cases in which information has been sought under the RTI law. The RTI is part of the government's rhetoric, but there is no pro-active effort to change the prevalent culture of opaqueness. The passage of the RTI law with no intention of implementation will eventually ensure that public interest in such campaigns wanes and resolutions ultimately lose credibility.

This does not imply that such an initiative cannot be replicable in other parts of the world. Today, governments are less hostile to the right to information and so the likelihood of collaborative approaches being more successful than confrontationist approaches such as that used by the MKSS appear to be higher. Moreover, the *Jan Sunvai* platform has now been tried and tested successfully. This makes it possible to adapt its elements easily to any local context. Today, various innovations of the *Jan Sunvai*, such as the *Jan Swasthya Sabha* (Peoples' Health Meeting) in primary health centers, are successfully being used in different parts of the country⁵ proving that this is possible.

FINAL REMARKS:

The MKSS case demonstrates that the right to information is necessary to increase transparency. Today, most transparency initiatives such as village-level information kiosks, public-works signboards, report cards provide citizens information. However, this increase in transparency does not automatically result in an increase in accountability or a decrease in corruption. The MKSS approach proves that delinquent officials are forced to take remedial action only when concrete evidence of their complicity in misappropriation surfaces and when they are confronted by people holding them accountable. The best results are achieved when transparency initiatives are strengthened by associations of people demanding accountability and willing to confront authority. In other words, the supply of rights which can help citizens hold the state accountable is most effective only when it meets a strong civil society demand.

⁵ As noted in an interview with Nikhil Dey, May 2005.

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