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Résumé de l'article

This paper aims to report on how accounting practices are framed and implicated in experiential learning, adaptation and change processes at the micro level in one of the biggest publicly delivered social services program in India. The paper draws on Kolb (1984) and Lewin (1943) four stage experiential learning Model (ELM) to examine the role accounting plays in processes of learning, knowledge and adaptations. An attempt is made to theorise learning and adaptation that can be triggered and supported by accounting practices. Accounting processes gather meaning based on the manner in which they are enlisted in contextual and cultural environments. They are known to be not only be the change but also be the provider of the preconditions for change. In contrast to a negative enlistment of accounting in developing nations settings (Rahaman, Everett & Neu, 2007), this study argues that the accounting and accountability practices in MGNREGS create conditions for newer understandings, learning and change by providing information and concrete experiences around which communication, interactions and reflections take place and as a platform for testing, sense-making and knowledge assimilation in developing nation village settings. In effect, these accounting practices have the potential to positively shape not only organizational processes but the socio-economic life of the wider social at the micro level. Social services is an underexplored area in accounting literature and especially so in developing nation contexts. This paper introduces a social accounting perspective on learning and change at the micro citizen level in the field of social services. Also, it introduces the Experiential Learning Theory (ELT) and Kolb's ELM as an alternative accounting framework, which has so far only been used for research in accounting education.

# Accounting, Experiential Learning and Change: A Micro Case Study in the Field of Social Services

by

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*This paper aims to report on how accounting practices are framed and implicated in experiential learning, adaptation and change processes at the micro level in one of the biggest publicly delivered social services program in India. The paper draws on Kolb (1984) and Lewin (1943) four stage experiential learning Model (ELM) to examine the role accounting plays in processes of learning, knowledge and adaptations. An attempt is made to theorise learning and adaptation that can be triggered and supported by accounting practices. Accounting processes gather meaning based on the manner in which they are enlisted in contextual and cultural environments. They are known to be not only be the change but also be the provider of the preconditions for change. In contrast to a negative enlistment of accounting in developing nations settings (Rahaman, Everett & Neu, 2007), this study argues that the accounting and accountability practices in MGNREGS create conditions for newer understandings, learning and change by providing information and concrete experiences around which communication, interactions and reflections take place and as a platform for testing, sense-making and knowledge assimilation in developing nation village settings. In effect, these accounting practices have the potential to positively shape not only organizational processes but the socio-economic life of the wider social at the micro level. Social services is an underexplored area in accounting literature and especially so in developing nation contexts. This paper introduces a social accounting perspective on learning and change at the micro citizen level in the field of social services. Also, it introduces the Experiential Learning Theory (ELT) and Kolb's ELM as an alternative accounting framework, which has so far only been used for research in accounting education.*

## 1. Introduction

Accounting today is not limited to a set of calculative routines. Beyond planning, costing, budgeting and control functions in organizations, it can be an interface between governance and the governed (Walker, 2016). Social services is one such field where accounting practices impact macro labour markets, national economies and the daily life of citizens. Though investment in this sector is growing exponentially, not much is known about the potential social role and impact of accounting (Hopwood, 1987; Burchell et al, 1987) and accountability at the micro level. Current accounting research in this field is severely limited, even more so in developing countries (Alawattage, Hopper, & Wickramasinghe, 2007). The purpose of this study is to examine how accounting practices are framed and implicated in experiential learning and change processes at the micro level. In contrast to a negative enlistment of accounting in developing nations settings (Rahaman, Everett & Neu, 2007), this case study showcases a site where accounting practices have emerged to play significant roles in social learning, change and transformative reform processes at the meso and micro levels.

The site of this study is the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), a massive, public wage guarantee program for rural areas in India, perhaps one of the largest social services workfare programs in the world. The decentralized MGNREGS program is designed around its financial systems, citizen participation and bottom-up accountability, allowing a study of its two foundational micro level practices - participative budgeting and social audit. The

study examines processes of experiential learning within the contexts of these participative accounting practices.

Drawing on elements of Kolb's (1984) experiential learning model (ELM) based on the theories of Lewin's (1943) and Dewey where learning is a continuous adaptation, reformation and modification to the environment and one's experiences in it and of it, this section throws some light on the changes in MGNREGS delivery process to rural citizens in the Indian state of Andhra Pradesh (AP). The paper argues that these practices create conditions for newer understandings, learning and change by providing information and concrete experiences around which communication, interactions and reflections take place and as a platform for testing, sense-making and knowledge assimilation in developing nation village settings. In effect, these accounting practices have the potential to positively shape not only organizational processes but the socio-economic life of the wider social at the micro level.

Why are learning theories important – because learning is *the* major process of human survival and adaptation (Kolb, 1984, p. 32). It is a much wider concept than what we consider classroom learning, encompassing adaptive behaviour in the workplace, personal life, and all other settings, at all ages, including facets of decision making and problem solving, behavioural and historical elements (Kolb 1984, p. 33). Such processes can be extended to social settings and organizations that are learning spaces. So, the question is – what part can accounting and accountability processes play in such learning and adaptation?

Accounting processes gather meaning based on the manner in which they are enlisted in contextual and cultural environments. They are known to be not only the change but also the provider of the preconditions for change, connecting to economic, political and experiential conceptions of decision-making, visibility and knowledge (Hopwood, 2005, 1987, 1990). Miller (1990) talks about three distinct views of accounting - as a technology, a rationale and finally a practice that creates visibility and makes things knowable by putting an economic number to it. Though the fields of learning and social services are largely unconnected in accounting research, a variety of critical and alternative theoretical frameworks have been enlisted to examine social impact (Gray, Owens & Adams, 1996), while cognitive, behavioural and experiential learning theories have been used almost exclusively in accounting education research (Auyeung & Sands, 1996). However, these social accounting and critical studies are yet to connect experiential learning to accounting's patterns of influence, its strategic mobilization and its impact on action as a social activity deeply affecting and affected by its particular setting.

Among the more recent studies, Bracci & Llewellyn (2012) looks at the connection between accounting and accountability in the field of social service provision in Italy. The study explores public reforms and their effect on what it calls "people-changing" and "people-processing" approaches. Smyth (2012) looks at neoliberalism and movements around the world that attempt to keep critical citizen services such as the social housing sector within the public realm, which at the end of the day boils down to accountability. Preston, Chua, & Neu (1997) investigate the sensitive topic of government rationing and rationalizing of healthcare for the elderly. Accounting is enlisted here to play a strategic role as a "knowledge-impregnated" (p. 161) technology that facilitates calculations to make sensitive medical decisions at a distance. Chua & Preston (1994) explore the constitutive cost control and containment in the healthcare sector and the rise of a new rhetoric of financialization through accounting. Llewellyn (1998a) investigates the boundaries between costing and caring as front line social services professionals delivering social program adjust to the financialization as a part of their job responsibility and overall change in sector. The two studies of Preston, Cooper, & Coombs (1992) and Preston, Chua, & Neu (1997) focus on budget construction in the delivery of medical services in hospitals. Dillard & Smith (1999) offer another study that provides an analysis of the significant and impactful role of accounting in the delivery of healthcare services. Finally, Preston, Cooper, & Coombs (1992) focus on the construction of a budgeting system. They argue that systems are designed and implemented for an initial, general set of

purposes and characteristics. The dynamic and flexible unfolding of accounting provides a chance to observe newer potentials for decision making and responsibility. These studies reflect a strong research focus on the United Kingdom's National Health Service (NHS) and an overall under exploration and lack of diversification in studies connected to social services. However, we also see common threads in such literature connecting accounting, social services and accountability.

Very limited literature connects accounting, change and social services, implicating it not only in the social impact of economic events but also embedded practices of providing accounts and accountability, not necessarily calculable but steeped in social and political relations (Alawattage & Wickramasinghe, 2009, p. 380). Alawattage & Wickramasinghe (2009), for example, draw on James Scott's political anthropology to theorize the everyday resistance of workers as a form of emancipatory accounting in the tea plantations of Sri Lanka. Neu, Cooper & Everett (2001, p. 735) draw on French sociologists Foucault and Bourdieu to discuss the partisan, distributive role of accounting towards perpetuating unequal social relations and to analyze "the functioning of accounting within public policy struggles" (Neu, Cooper & Everett, 2001, p. 735). Jayasinghe & Wickramasinghe (2011) is an ethnography study enlisting Bourdieu's concepts of field, capitals and habitus to explore accounting as the means for resource allocation or "developmental accounting" in social programs in Sri-Lanka but in effect disempower the rural poor. Prior and Barnes (2011) find the agency of workers and users produce negotiated and contested social policy outcomes and delivery of social services.

However, even in this literature, most micro studies do not extend beyond local governance to citizens. One of the few studied that connects to this sub-field. Kuruppa et al. (2016), enlists French sociologist Bourdieu's concepts to explore micro learning and local accountability through the practice of participatory budgeting in Sri Lanka. However, the study concludes that social and political dynamics have overrun the project and accounting has become a practice of power domination. Awio, Lawrence and Northcott (2007) is perhaps one of the few positive studies that explores the delivery of social services in Uganda, a developing nation, and the contribution of its community lead initiatives towards increased bottom-up accountability. It extends existing literature to explore the social impact of accounting practices as they perform in citizen life.

Hopwood (1990, p. 8) notes that locating accounting as a part of complex processes of change may not be an easy endeavour. The problematic of defining change, learning, resistance and their socio-organizational context has been explored through a range of frameworks including resource dependence, contingency theory and actor-network theory (Quattrone & Hopper, 2001; Brier & Chua, 2001; Nahapiet & Ghoshal, 1998). Locating this study in the social constructivism paradigm (Richardson, 1987, p. 342-344), accounting practices can link to action and perform a range of roles in furthering interests – including its function of legitimizing (Richardson, 1987) in developed nations and political hegemony (Alawattage & Wickramasinghe, 2008) in developing nations. In developing nations, accounting practices framed and constrained by complex structural, historical, cultural and socio-economic backgrounds (Alawattage & Wickramasinghe, 2008; Kuruppa et al., 2016) can be seen to play especially important roles in practices of power, control and hegemony.

Drawing on these research traditions, this study examines accounting's role in learning, change and reform experiences at the micro level by enlisting experiential learning frameworks that emphasize participative spaces where practice-based learning and understandings can be accumulated. MGNREGS's struggles and learnings in Andhra Pradesh involve strong elements of individual, group, social and organizational conditionings, understandings and learning processes at the micro and meso level, providing a good setting for ELT. This study explores accounting practice's potential to create conditions for change through visibility, sense-making, knowledge and as a platform in developing nation village settings. To explore the creation of these embedded understandings and conditionings through interactions, experiences, testing and integration, and to better understand potentially participative and

collaborative learning spaces, processes and the role played by accounting this study draws on experiential learning theory (ELT) concepts by Kolb (1984) and Kolb & Kolb (2005).

This study adds to the literature in the following ways. Firstly, this study investigates accounting practices in the underexplored field of social services and even more so in the context of developing nations, where currently there is a strong publishing focus on developed countries (Neu, 2001, p.320). Existing research in developing nations focuses on supranational organizations such as UNDP and the World Bank (Uddin & Hopper, 2001, Neu & Ocampo, 2007) and non-governmental organizations (NGO's) with very limited studies connecting to public sector social services in accounting. A meso-micro setting such as the MGNREGS presents issues steeped in economic and political contexts and socio-cultural structures, articulating complex connections of interests, agency and relationships (Gray, Bebbington & Collison, 2006, p.320-322) specific to a fast-developing nation and Indian setting at the meso and micro level. With this backdrop, this case study explores implementation and role played by specific accounting practices in a government delivered social services program.

Second, field actors can be impacted upon and impact the effect of social programs. Studies like Barnes and Prior (2009) and Prior & Barnes (2011) reflect the agency of public servants and citizens in the shaping of public policy connected to the delivery of social services programs through processes of mediation, negotiation and adaptation in implementational contexts. This paper answers also the call for going beyond the banal and insular, linking with modern "wider rationales" (Ahrens & Chapman, 2007, p. 139) that mobilize accounting in the field of social services towards emergent transformations within the organization and broader social practices that are relevant to struggles faced by citizens (Neu, Cooper, & Everett, 2001, p. 1). Third, Kolb (1984) ELM and Lewins's (1948) ELT concepts have been enlisted in a variety of fields such as nursing, management, education and engineering. However, the enlistment is largely towards formal learning in organizations and schools. This study uses the ELT prism in a social, non-formal setting of a rural villages in a developing nation to investigate micro level learning, adaptation and change. Finally, in locating a specific site where program implementation is being turned around (Andhra Pradesh), this study also sheds light on the specific case environment, successful implementation strategies, and transition mechanisms that can provide potential best practices for similar contexts.

This study is a part of a larger research project situated in India that includes the south Indian states of Andhra Pradesh and Tamil Nadu and the north Indian states of Rajasthan and Uttar Pradesh and covers eight annual cycles of program implementation between 2006-2014. This study focuses on program implementation in the state of Andhra Pradesh (AP), where these practices have done comparatively better, but it also incorporates insights from other sites to triangulate analysis and findings. The research is in the form of a qualitative case study which is sociological in nature. From this perspective, there are fundamental differences in what is perceived to be "reality", the nature of questions asked and the manner in which the reliability of findings can be established (Mays & Pope, 1995, p. 109-111) as compared to quantitative research.

This case draws on the interpretive tradition outlined by Berger & Luckmann (1967) and Chua (1986), wherein social and intersubjective human interactions and experiences lead to the creation and recreation of an objective social order. Accounting and accountability are also constructs of social science, shaped by contextual society and culture and situated within human actions and institutions – "a social and organizational practice" (Miller, 1994, p. 1). The research questions in this study are not oriented towards a rationalistic confirmation of results or explanation of policy outcomes but rather an exploration of a specific set of contexts and conditions that have the potential to make a particular outcome possible (Prior & Barnes, 2011, p. 265).

Structure and practices go hand in hand to create embedded cognitive and non-cognitive enduring conditionings in organizations, individuals and the social collective, which affects the agency of actors,

the production and reproduction of norms, behaviours, actions and learning. While outcome-based performance management indicators work well in traditional organizational settings, the influence of MGNREGS practices on village life is challenging to explore through quantitative data and models, which aside from not being available, would also take away from understanding the rich context that impacts the way in which accounting and accountability practices are shaping and shaped.

Primary data for this project is gathered from fieldwork through individual and group semi-structured interviews and direct observations. Secondary data sources include program financial and operational documents, archived government documents, memos, research reports, news articles and project registers at the village level. This study looks at eight annual cycles of program implementation from 2006–2014. Interviews were eventually conducted at five separate sites: central government offices in New Delhi; four clusters of sites representing a mix of state, district, block, and local governance and program beneficiaries in the northern provinces of Uttar Pradesh and Rajasthan and southern provinces of Tamil Nadu and Andhra Pradesh. Interview data was collected over four months through a sample size of approximately 70 semi-structured individual and group interviews of up to 75 minutes conducted in English, India's national Hindi language, and the regional languages of Tamil and Telugu.

The selection of interviewees was random and based on a snowball sampling technique in order to access a hidden population, gaining the trust of these individuals based on an introduction by someone familiar, and also to identify individuals active in the MGNREGS program. However, as outlined by Miles and Huberman (1984), a major part of the sampling was purposive wherein interviewed individuals were connected to specific functions or parts of program implementation or village governance. This means these individuals had the program knowledge, responsibilities and experience to respond to interview questions. Interviews were conducted until empirical data saturation was reached (Morse, 2000, pp. 3–5; Mason, 2010). Shadow data was used to gather secondary data and also reach the next set of interviewees. Here interviewees talk not only about their own experiences but also those of others, as well as differences and comparisons between both. Though such data needs to be verified, it can provide in-depth perspective through fewer interviews.

This primary analysis draws on interviews with the government officials at the state, district, block and village level, various members of the social audit team at the Society for Social Audit, Accountability and Transparency (SSAAT), field officers, legal officers and rural beneficiaries, as well as interviews with national-level monitors (NLMs). The data analysis consists of a search for initial themes in transcribed and translated interview data based on a theoretical thematic analysis connected to the research question. Open coding rather than pre-set coding is used and data is evaluated manually to identify, modify or collapse smaller codes into broader codes, towards finding something specific and relevant connected to the research question. I compare themes generated from this exercise to insights generated from other interviews, secondary documents, observations, personal lived experience and secondary data to provide an underlying context to themes of learning, change and reform.

Qualitative sociological research is connected to interpretations and making meaningful connections among data through theory is connected to an engagement with the data and the underlying logic and sociopolitical dynamics of the field (Ahrens & Chapman, 2006). As a case study, this study's findings are not aimed towards generalizations and hypothesis building and confirmation. To provide an analysis of the intentional and the contextual elements of learning and change, I present an outline of the legacy administrative and accounting issues juxtaposed with change markers (Fiol & Lyles, 1985) in the shape of new structures, practices, understandings and actions to construct an overall account of GoAP's visible program decisions and citizen connected data so changes can be observed over eight years of program implementation.

## **2. MGNREGS and Accounting Practices**

The MGNREGS program was initiated through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2006. This social security program is largely centrally funded and has public delivery system. It functions through self-identification and demand for work by rural citizens and guarantees 100 days of annual employment to any rural family willing to undertake unskilled work under the purview of program. A World Bank (2015) report identifies MGNREGS as one of the largest social safety programs in the world. With 1.21 billion Indian citizens out of which 83.3 billion reside in rural India (Chandramouli, 2011), this program is a massive financial, geographical, administrative and technological undertaking. The program initially started with 200 districts in Phase I in 2006 and eventually covered all of India except 100% urban areas (MoRD, 2013, p.2). MGNREGS unmatched financial outlay generated more than 11 billion person-days of work through an investment of over INR (Indian Rupees) 2,124 million or Canadian (CAD) \$42 billion from 2006 to 2014 (MoRD, 2013–14, p. 9; 1 Canadian dollar = Rs. 50 approximately). The budget outlay for the year 2013–2014 alone was INR 330 billion or CAD 6.6 billion (MoRD, 2013–2014).

Several elements set this program apart at the micro level. First, the government has legislated (rights-based) citizen participation at the rural level – right to work, participate, and hold to account. Second, the right to work is based on self-selection both for employment and public works at the village level. Self-selection means work is provided to those who demand it. The village as a collective also has the right to determine the local assets to be created through the program’s public works, so long as they are within the allowed work-types. The MGNREGS budget, therefore, does not technically have a ceiling, as all verified demand for work from rural beneficiaries that comes up in the form of the labour budget must be honoured. Third, MGNREGS is designed with a bottom-up structure, backed by legislation; key planning, budgeting, implementation, reporting and accountability processes are designed to take place at the village and block (micro) level with rural citizens envisioned as key stakeholders. The processes and records they generate are collated up to the block, district, state and central government levels.

MGNREGA’s vision of accountability is aligned with transparency and participative, bottom-up accountability. Public Programs combine social objectives with public and non-public funding in complex delivery arrangements that connect macro-level funders to micro-level implementation. It is the task of the central government agency, the Ministry of Rural Development (MoRD), Government of India, to figure out the framework and outline that houses the bare bones of the program as well as what accountability is deemed to represent through program systems and practices. This study explores two accounting and accountability practices in MGNREGS – its collaborative budgeting practice and its social audit practice.

### **2.1. The MGNREGS budgeting practice at the micro level**

In MGNREGS, the labour budget is both a major accounting artifact as well as a major accounting process spanning all three levels of governance: the micro village and block levels, the meso district and state-government level and the macro central-government level. It is an expression of the nationally anticipated amount of work demanded as well as the timing for demand of such work (MoRD, 2012, p. 49) that includes an assessment of the labour demand; identification of works to meet the estimated demand; estimated cost of works and labour; and benefits from employment and asset generation (MoRD, 2005, p. 15) from all of rural India.

The MGNREGS is supported by the MGNREG Act (MGNREGA) that awards significant power to the Gram Panchayat (GP) and the Gram Sabha (GS). This budget is constructed bottom-up and though it is the mandated responsibility of the District Program Coordinator (DPC) at the district level and the Block development officer (BDO) at the block level, its construction begins at the village level through

the GS. The GP is the elected group of representatives at the village level while the GS is a village level meeting that includes not only the elected GP but also villagers, program beneficiaries, local government officers such as the village secretary, BDO, engineers, Community based organizations (CBO's), non-governmental organizations (NGO's) and state government representatives. The GP is the crucial implementing agency and the village household is its basic unit.

The first step of the labour budget is the construction of the Annual Development Plan at the village level. This involves the assessment of labour demand and construction of a prioritized "shelf of projects" by the village that have technical and administrative approval. The labour budget process begins with the release of government-approved dates for special GS's. Once the block office and the village council are informed, steps are taken to have this information available to the villagers, such as public drummers, wall paintings; and information on the village notice board. On the day of the GS, there is a public meeting that can include program beneficiaries, other village residents, the elected GP, NGO's, community based organizations (CBO) and government representatives. It is here that the most important participative element of this structure and process kicks in - the legislative power granted to the micro village level. This creates the potential difference between citizens who *may* contribute to the process and citizens who by law, as here, have a *right* to contribute to these decisions.

Decisions regarding types and duration of works and site selections are discussed and ratified at the village level through the GS, which is presided over by the head of the GP or village governance committee and the village President, committee ward members elected by the villagers, and government employees including the technical officer, panchayat Secretary, block development officer (BDO), and other officers. Either through ward members bringing in work-project recommendations or through a collective public decision on projects that are needed, the village comes to a decision about works are to be taken up in the coming year and in what priority (Mann, Pande & Ramesh, 2012).

Each village goes through this process to make decisions on a shelf of works and their priority levels, which is converted into a written budget document by an appointed government official such as the Deputy BDO. After being passed by the GS, the labour budget is constructed and approved by the BDO at block level, and forwarded to the Program Officer (PO). The village level budgets collate into the block level budget then the district the state level labour budget - all state budget finally make the national budget for MGNREGS.

In the Gram Sabha, they call all the people of the village. [Here] they will read the resolutions about what works the panchayat Secretary and ward members have selected. They will also ask the villagers in the gram sabha, if needed. That will also be included in the list and the list will be approved [by] the people (Interview)

## 2.2. The Social Audit practice

Social audit in its primary form was envisaged as a mechanism to extend the traditional principles of audit, responsibility and transparency (Owen et al., 2001, p. 83; Medawar, 1976) towards corporate social responsibility and accountability. Recent developments have produced newer formats used in public sector devolved governance and in developing countries as a public participatory mechanism (Ansell & Gash, 2008, pp. 544–545; Berthin, 2011) and a monitoring and assessment tool (Ebrahim, 2003; O'Dwyer & Unerman, 2008) by organizations such as the United Nations Development Programme (UNDP) and the World Bank. Social audits involving NGOs have also attracted renewed research interest (Unerman & O'Dwyer, 2006; Owen et al., 2000).



The social audit was designed as a key foundation for the MGNREGS program delivery. On an objective level, it was intended to provide a legislation-backed mechanism for citizen-based accountability and governance, supported by comprehensive verification of records and processes in the field by rural citizens. Its structure aims for central and state governance, NGOs, community based organizations (CBOS's), civil society and citizens to collaborate for participative governance and citizen-based accountability at a micro level. The MGNREG Act (Section 17) makes it mandatory for social audits be conducted in every state. However, no clear mechanism for implementation was outlined in the Act or the initial program guidelines. Rather, each state held the right and responsibility to make requirement and resource based decisions regarding accountability mechanisms enlisted and the setting up of a state-level MGNREGS social audit practice (MoRD, 2013, p. 10).

The Indian state of Andhra Pradesh (AP), through its Department of Rural Development, was one of the first to make an independent effort to focus on social audit as a critical accountability mechanism. Social audit is entrusted to the Society for Social Audit, Accountability and Transparency (SSAAT), a non-governmental organization that was incorporated for and funded by the state government. SSAAT, a non-governmental and a not-for-profit organization, functions like a process department responsible for conducting MGNREGS's social audit, similar to the responsibilities of a state government vigilance wing. However, unlike state governance, the structure of SSAAT is narrow at the top with the bulk of its employees working at the micro level. It has its own organizational hierarchy consisting of managers handling sub-departments of administration, accounts, IT, capacity building and field activities. The Director and Joint Director of this agency have substantial amounts of experience, power and significant support and freedom to act from the state government, all of which have contributed to the success of the social audit practice in AP.

Through the efforts of the state government and the SA implementing organization, AP has witnessed a comparatively higher level of implementational and objectives-based success. However, as revealed by lengthy policy and public debates, the measurement, comparison and interpretation of what can be considered success is no simple, conclusive exercise providing unqualified answers. One way could be through measurement of available markers such as the number of social audits held, number of successful GS, number of irregularities unearthed and the amount of program funding reaching beneficiaries. Another way is through the individual and group learning, earning and emancipation that happens through these accounting practices. A third option is to have a mix of these two approaches.

### **3. An Experiential Learning Theory Framework**

Definitions of learning, knowledge and development can vary significantly and so can the results of such learning:

“In its simplest form, experiential learning means learning from experience or learning by doing...(It) immerses learners in an experience and then encourages reflection about the experience to develop new skills, new attitudes, or new ways of thinking.” (Lewis & Williams, 1994, p.5)

Cognitive and behavioural models of learning and conditioning have a dominant body of research literature. However alternate theories of learning such as the experiential learning theory (ELT) that include embedded experiences, socio-cultural environments and the role of power relations are emerging to have increasing influence. ELT focuses on learning through practice and experience rather than abstract knowledge (Brown & Duguid, 1991, p. 41) and is epistemologically different from cognitive and psychological, behavioural models. The ELT model developed by Kolb (1984) and further detailed in Kolb & Kolb (2005, 2009) draws on a range of ideological influences including the works of Dewey,

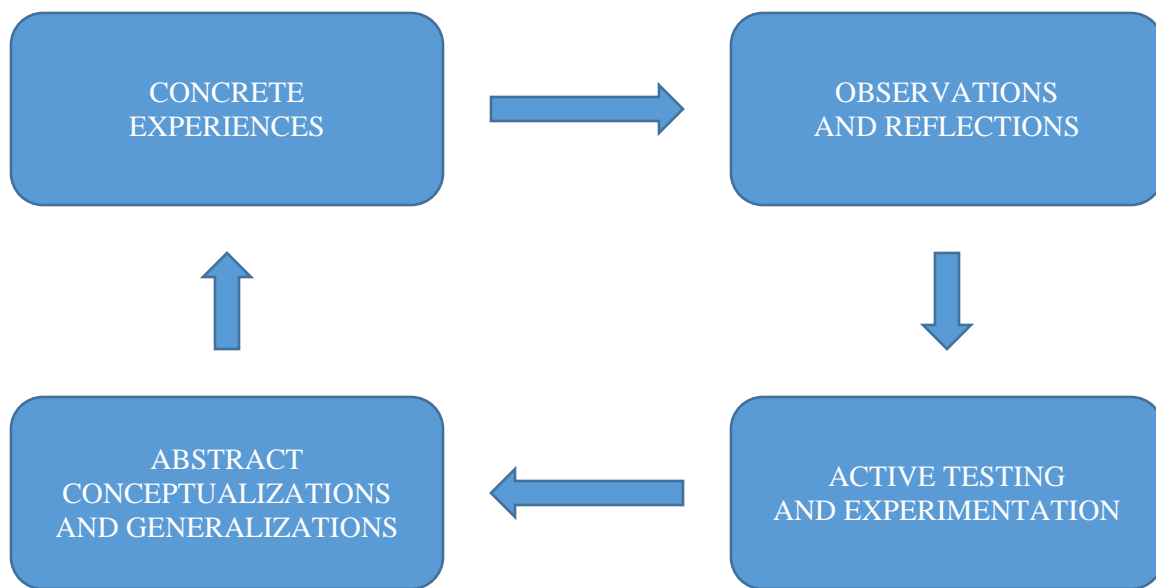
Lewin and Piaget and has been enlisted in research fields such as nursing (Lisko & O'Dell), agricultural education (Roberts, 2006), software design (David & Bostrom, 1993) and organizational learning (Dixon, 2017) at individual, group and organizational levels.

Learning is more than the acquisition of the ability to think or an independent external process limited to a specific skill (Vygotsky, 1978, p. 29-36). It is an ongoing interaction and adaptation between the environment, history and accumulated knowledge and processes of learning - individual, group and social. ELT defines learning as “the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping and transforming experience” (Kolb, 1984, p.41). Kolb’s (1984) learning model presents learning as a dialectic, holistic and continuous process that is an adaptation to one’s environment and the larger social. Such learning and development is heavily grounded in experience while also integrating perception, cognition and behaviour (Kolb, 1984, p.20-21), producing learning that is continuously modified and reformed through experience (Kolb & Kolb, 2005, p. 21-29). This process, by its very nature, is filled with complexity, conflict and struggles, where the individual, group or organization is both an actor and an observer – experiencing, observing, reflecting, experimenting, verifying and finally integrating new concepts.

Kolb’s (1984) ELM was proposed by Lewin in 1948 but was made popular by Kolb in the 1980’s, which is why it is known as Kolb’s Experiential Learning Model (ELM). It includes Lewin’s cycle and some unique characteristics based on three major traditions of Lewin, Dewey’s and Piaget models of experiential learning. First, learning is not a fixed idea or product or outcome but a process that includes continuous integration of thoughts and realizations that are formed and reformed through experience. This is why new understandings are connected to interactions that encourage adaptation and integration. Second, such learning and education comes from continuous testing, reconstruction and integration, grounded in real experience. Third, the learning process can provide opposing choices in the way an individual deals with the world. Such conflict and disagreements are a part of experience and social settings and so are the choices the individual makes to accommodate new ideas into existing conceptual structures and to resolve conflicts. Fourth, grasping of new information is not only cognitive but a wholistic adaptation process to the external environment (Kolb, 1984, p. 26-33). Kolb (1984, p. 30) outlines four abilities through which new knowledge, skills or understandings are gained. These are Concrete experience (CE), Reflecting Observations (RO), Abstract conceptualization (AC) and Reflective Observations (RO), used in combination towards a certain learning style.

“...learning is recognized as a social phenomenon constituted in the experienced, lived-in world, through legitimate peripheral participation in ongoing social practice; the process of changing knowledgeable skill is subsumed in processes of changing identity in and through membership in a community of practitioners; and mastery is an organizational, relational characteristic of communities of practice” (Lave, 1991, p. 63-67)

Kolb’s (1984) experiential learning model (ELM), first proposed by Lewin (1943) consists of four stages of learning. It begins with concrete experiences, observations and reflects, formation of abstract concepts and generalizations.



*Source: (Kolb's Learning cycle and Lewin's (1948) Experiential Learning Model - Kolb, 1984, p. 21)*

Kolb's experiential learning model (ELM) and Lewin's ELT model sit on two cornerstones. The first are concrete experiences that provide the base and focal point for subjective personal experiences and shared personal meanings that get converted to abstract concepts while also being the testing and validation ground for experientially derived abstract concepts. The second are feedback processes that draws on learning as a social, problem solving and choice making process that provides continuous observation, assessment and action loop. Dewey's philosophy gives particular importance to the role of community in gaining experience and learning, where citizens communicate interests, have discussions, build opinions and finally take decisions (Gilles & Eyler, 1994, page 81-82).

An interpretive paradigm (Chua, 1986, p. 612) allows this study to move away from quantitative and "reliable" data and analysis (Chua, 1986, p. 602) to connect to the complex, diverse (Meer-Kooistra & Vosselman, 2012, p. 252) and experiential ways. Cyert & Marsh (1963) and Argyris & Schön (1978) put forth the notion of the "learning organization," while Huber's (1991) more expansive behavioural view looks at learning for an entity or individual as a change in its response and behaviour through the processing of information (p. 89). However, one of the dilemmas of empirical research in this field is that change in understanding, knowledge and learning may not be completely visible or possible to quantitatively measure. In such conditions, concepts such as learning and change can become contested notions (Carter, Clegg, & Kromberg, 2010, p. 583) unless represented by certain markers. ELT models offer a process based theory to better understand the experiential learning process and development at an organizational and social level.

The results of learning through ELT can be unpredictable but they also depend significantly on individual and group characteristics. Individual observations, processing and experimentation can be very different from group knowledge, where development and reflection also include elements of teamwork, communication, leadership, power relationships and interests. In order to address these elements, this study uses knowledge, learning and development to represent similar and connected notions. It enlists Kolb (1984) and Lewin's (1948) Learning model to provide an analysis of processes of learning and knowledge. This new knowledge, skills and learnings in AP create newer embedded meanings and

understandings in the existing stratified social. This in turn connects learning to the notion of change in AP through the MGNREGS program.

The next section explores the accounting practices of budgeting and social audit in MGNREGS.

#### **4. Program Issues**

Methodology and measures of measuring poverty can vary but according to the World Bank, India is home to the largest number of poor people in the world, even though this number has been halved in the past two decades (Narayan, 2016). A Government of India's (GOI) socioeconomic census (GOI, 2011, 2013; Chandramouli, 2011) approximates that 68% of the Indian population lives in rural India. Using a standard of INR 816 (USD 12) per capital, per month for rural India and INR. 1,000 (USD 14) for urban areas, approximately 26% of the population or 270 million individuals were found to be under the poverty line in 2010-2011 (GOI, 2013). India continues to rely significantly on agricultural income in rural areas, where conditions of unequal distribution of productive resources and deep-rooted social relations of dependency exist unchanged in the decades since India's independence (Aubron, Lehoux, & Lucas, 2015; Deaton & Dreze, 2002). Landless farmers, rural sharecroppers or farmers with small portions of land are financially, educationally and geographically isolated and at the mercy of the landowner class called "zamindars" and money lenders, both powerful political and social players in the village and the block. This access to and distribution of resources and power is built into the very fabric of rural social life where each player knows and acts through his or her position in the pecking order.

The MGNREGS blueprint with its participative budgeting, social audit, management accounting processes and artifacts created at the village level has strong accounting and accountability design elements. In theory, the GP and GS, which includes villagers, elected panchayat and village President, are empowered to select, and monitor all public works executed as well as fund disbursement at the village level. In keeping with the GP's role in works planning and implementation, it is also responsible for, among other things, maintenance of key records including works registers like material procurement registers, e-muster roll, receipt register, and asset register; and financial documents including cash book and register, stock register, monthly receipt and expenditure register, bank reconciliation folder; weekly reports and monthly squaring of accounts. The panchayat secretary, a state representative, is the public custodian of these records at the village level (MoRD, 2013).

In practice, the MGNREGS program has been publicly plagued by substantial issues of implementation, significant levels of corruption and large-scale illegal misappropriation of program funds at the micro level. Deep-seated patterns of public sector bureaucracy coupled with lack of infrastructure, weak administrative systems and inefficient accountability mechanisms (Mukhopadhyay, Muralidharan, Niehaus & Sukhtankar, 2013, p. 5) created a relative absence of dependable data which made it difficult to monitor micro level activity for financial and operational control, oversight and constraint (Pendlebury, 1994). The largest measures of power and control, formally and socially, were held jointly by the GP, Panchayat Secretary and connected local power-holders in MGNREGS, while rural citizens held little social, economic or political power. Divergent interests between the local powerful and rural citizens created circumstances in which individual rights became disregarded, oppressed or contested. This was exacerbated by the multiple levels of governance and powerful local players involved in local decision making. Issues including ghost workers, non-issuance of work card, cash payments, siphoning of wages and fraudulent measurement of work meant major portion of program funds released by the central government did not seem to reach program beneficiaries at the village level. As Adorno (1963) states, "Moral questions have always arisen when moral norms of behavior have ceased to be self-evident and unquestioned in the life of a community" (as cited in Butler, 2005, p. 3).

## **5. Participative accounting practices, learning and change**

The initial years of MGNREGS in Andhra Pradesh were similar to other Indian states. State governments were not especially invested in program implementation but within the first few years millions of INR were funnelled down towards rural villages. The landowners or *zamindars* hold ancestral property, are traditionally significant employers and money-lenders and are known to convert their economic and social standing into political positions like the Gram Panchayat member. In many cases, they can hold all three positions of GP member, land owner and money lender. With the funds and powers allocated to elected GP and state representatives under MGNREGS, the local powerful began to take an additional interest in being in the GP as this position held more power and higher financial gain than being involved in state level politics (Joint Director, SSAAT).

## **6. Changes to the external environment**

With limited operational, banking and technological infrastructure, central and state financial and administrative capacity to oversee funding, budgeting, project and control processes was limited. At the micro level in Indian villages, generation of power hierarchies and disproportionate distribution of resources have perpetuated social and economic orders that are ingrained in the individual and played out unchallenged in the larger social.

Appendix 1 outlines an ELT model-based framework for MGNREGS that begins with the external changes introduced and supported by the GoAP and SSAAT in the state of Andhra Pradesh. The MGNREGS learning framework then looks at individual and group learning cycles and process and activity elements through which learning and adaptation take place. But before we explore elements of learning and reform, it is important to have a deeper understanding of the external changes that have impacted this environment.

Administrative funding — with the first few years of MGNREGS, the GoAP made a political decision to select MGNREGS as its flagship program and social audit as its key accountability tool (Appendix 2). It began by supplementing the central administrative budget with additional state funds to create a dedicated MGNREGS department, resources, micro-level employees and agent network. Other states departments handle multiple public programs concurrently, which would likely not support the structural and implementational changes required by the program in AP. Next, the GoAP started making efforts on the social audit front – it recruited key individuals, well known flag-bearers for the social audit process in India - to start the audit process in AP through which SSAAT was incorporated in 2009.

Changes to positions and powers — AP passed a ruling to limit the role of the panchayat President in the local processes. This was a significant change and AP is the only state to take steps to introduce an innovative solution to a long-term agency problem causing significant corruption issues.

Building program structure, infrastructure and technology — Rural infrastructure in terms of roads, electricity and vehicles was lacking, so physical verifications, checks and balances and grievance days for program activities and social audit processes were limited. This allowed local powerful to collude with local governance officers and agents with impunity. The state government began to make efforts towards building financial, technological and infrastructure elements. Over eight years, a central electronic fund management system (eFMS) was introduced to allow real-time management of fund flow processes (Appendix 2), transactions and reconciliations. This eliminated the need for manual fund transfers or unused funds sitting in localized accounts. A newer MIS was commissioned (Appendix 2) to be built and now allows real-time uploading of data, generation of program reports and fixing of responsibility for program and financial lapses. The government supported the opening of millions of

post-office bank accounts for program beneficiaries. This meant wages were transferred straight to beneficiary accounts without middlemen involvement. Investments were made into computers for block level offices and personnel for data-inputting. Dedicated MGNREGS employees were provided dedicated vehicles that increased travel to village, access, information, project inspections, data upload and grievance-days. State and district level vigilance teams called “Flying Squads” were established to conduct surprise audits at the micro level. Where computers and internet were not available, mobile phones with the capacity and software to upload program data were made available to block officials.

Building the Social Audit practice — In 2008–2009, the GoAP issued state guidelines and rulings for social audit (Gazette, 2009-Appendix 2), With the augmented funding and government support, the SSAAT was set up and took organizational shape from the initial small team. It began to design and test its first social audit format on a small scale. The organization gradually built this format through trial, error and testing, slowly building its capacity and structure to conduct audit processes. It started to hire technical and legal professionals and began to populate its employee structure. Decisions were made to keep the management level light and have more employees on the ground. During the next few years SSAAT further clarified its SA structure and format and extended its social audit model. A critical decision to involve and train local youths to conduct social audits, turned out to be extremely impactful. Again, this was a labour-intensive endeavour involving the training of social audit trainers who travelled extensively to villages and blocks to recruit young villagers. Then resources were allocated so these youths could travel to block offices to be trained. AP was one of the only states to do so and it contributed significantly to the building of trust and shared social spaces for concrete experiences, knowledge, testing and learning.

Vigilance, monitoring and recourse — the existing management information systems (MIS) was fragmented, technologically outdated that did not allow access to partial block-level data so it could be tracked or verified. The GoAP implemented a scheme through self-help groups (SHGs) for scheduled castes and scheduled tribes, to ensure entitlement to the poorest labourers. The AP NGO alliance (APNA) for MGNREGS, where AP government partnered with rights-based NGOs to mobilize rural poor and empower them to make full use of entitlements guaranteed by MGNREGS, was also implemented (Appendix 2). MGNREGS-AP issued guidelines for eMMS – “Own your mobile” scheme – payment of mobile charges to service provider and provided phones to the block level so that program data could be uploaded through it. Additionally, it issued a ruling nominating the members for state-level vigilance and monitoring committee. AP also introduced processes for transparency and accountability facilitating the participation of civil society in MGNREGS-AP implementation - including muster verification, social audit and concurrent audits; inspections by vigilance wing; inspections by a dedicated quality control wing; grievance reporting and follow-up by an IT-enabled call centre; visits by the “flying squads” (monitoring teams) at state level, with at least one technical and one non-technical member in each team with proven high honesty and commitment levels (Appendix 2) – authorised to verify records such as muster rolls, measurement, pay orders, and material payments. Processes to follow-up actions and submission of connected reports were also introduced.

## **7. Accounting and the Learning cycle – nature, platform and integration**

ELT’s are grounded in the critical role of experience or immersive learning in knowledge construction and provides a holistic theoretical basis for process analysis (Healey & Jenkins, 2000). Such learning is seen as an active relational, contextual and constructive process (Smith & MacGregor, 1992) linked to the environment, spaces and platforms for learning. According to Dewey (1938), “amid all uncertainties there is one permanent frame of reference: namely, the organic connection between education and personal experience” (p. 25). This connects to the notion that experiences and environment conditions can lead to learning. Along the same lines, Kolb (1984) outlines learning to be a process where

“knowledge is created through the transformation of experience.” (p. 38), while Kolb and Kolb (2005) introduce the concept of “the learning space” (p. 199).

In turn, accounting can be enlisted in diverse ways that shapes its environment and shapes accounting itself. A significant amount of alternative accounting literature focuses on accounting’s role on the reproduction of dominant interest (Farjaudon & Morales, 2013). MGNREGS’s planning and implementation processes, even at the micro level, are structured around its accounting and accountability processes. Instead of enlisting accounting as a tool for the dispossession, this study sees rural Indian citizens as “subjects with agency rather than disempowered objects” (Buhr, 2011). Drawing in elements of Kolb’s (1984) and Lewin’s (1948) experiential perspective where learning is a continuous adaptation, reformation and modification to the environment and one’s experiences in it and of it, this section throws light on accounting practices, documents and interaction in MGNREGS that play a role in process of learning, change and reform - experiencing, reflecting, experimenting and testing to integrate new ideas, thoughts and attitudes.

The external environment, platforms for communication and program experiences are linked to the contextual immersion that is the foundation of the learning process. Experiences that solidify and support existing understandings cannot lead to change, so it is exposure to new events that go against the grain, which set the stage for a new order. The MGNREGS program processes provide that context, at least for the rural citizens. Drawing on elements of Kolb’s (1984) and Lewin’s (1948) experiential perspective where learning is a continuous adaptation, reformation and modification to the environment and one’s experiences in it and of it, this section explores the role of accounting in the experiential learning processes.

## **8. Accounting as a participative platform**

Subjective experiences of the world can be a transaction between the individual, groups and the larger social environment. There is a strong conceptual rationale for the roles played in ELT by the Kolb’s concept of life space and Dewey’s foundational communities. Dewey’s philosophy gives central important to the role of community in experience and learning. Such interactions include shared understandings, histories, norms, traditions and identities that are embedded in the psyche and reside both in the individual and the community. Whether these interactions take place in an informal hallway, a community meeting or village interactions, these spaces and arrangements perform a significant role in the visibility and exchange of individual and group observations and experiences. Such socialization, especially in more isolated communities like Indian rural villages, encourage the reproduction, development, diffusion and change in individual and shared knowledge (Appendix 1). Participative micro-level practices such as budgeting and social audit are designed to require formal and non-formal involvement of multiple stakeholders such as citizens, local governance, state agents, elected village governance and NGO’s - stakeholders whose interests can diverge. From the government’s perspective, these participative practices are an attempt to focus on what Cottell & Millis (1992) call “cooperative learning” in accounting, allowing group processing, interdependence and external accountability. Accounting practices as a platform and a collective activity provide a public space for communities to collect and to build opinions and take group or community level decisions based on these opinions and discussions.

## **9. Accounting processes and documents – experiential, immersive communication and reflection**

Experiences and community- MGNREGS and its accounting and accountability processes as an activity provide experiential and immersive interactions and opportunity for rural citizens to participate and to observe. The experience of communicating, engaging and discussing and exchange of ideas and

group decisions provides personal and shared experiences that are a focal point for shared references. For the villagers, events such as public announcements, GS meetings, social audit special meetings and visitations from social audit teams, government officials, NGO's and banks provide life experiences not only with local villagers but also with external stakeholders (Appendix 1). Village young men and women selected for SSAAT training travelling to block office offers another point of experience for a smaller group of individuals. Site interviews in construction areas brought up a common theme of working and experiencing together on a project, finding work, seeing how projects are populated, materials bought and used and projects finish and wages paid, created points of reference for new observations and future comparisons and discussions.

Site visits witnessed a bank teller visiting construction sites and giving women the opportunity to learn how to open and maintain bank accounts and track MGNREGS wages deposited and savings made in individual accounts. Field visits to a block level government building in AP revealed a MGNREGS women's education class and a SSAAT audit training session happening on different floors, further strengthened the new experiences and communication theme provided by accounting and accountability processes. Conversations with these individuals reveal that most individuals had not travelled this far from home before. It was a source of pride for them to meet trainees from other villages and they had learned much from audit trainers and also from each other and were looking forward to taking this experience, education and knowledge back to their village. These immersive activities, spaces and the construction of connected accounting artifacts and processes created new individual and group experiences, interactions and observations and testing that encourage the building of inter-village communities and wider networks, debates, discussions and comparisons informally with each other and with external stakeholders leading to reflections, discussions and the seeds of newer insights, understandings, meanings, forms and learnings associated with accounting and MGNREGS in AP.

## **10. Accounting and accountability processes – space for testing of new concepts**

Lewin (1948) and Kolb (1984) combine experience, perception, cognition and behaviour (Kolb, 1984, p.21). The first element of the learning process has to do with experience, the second concept comes from the testing of new insights, thoughts and actions and the integration of the result of such actions into one's understanding. The MGNREGS reform process, the GS meetings, budget construction and social audit along with the other public-grievance redressal mechanisms created new and shared ways of accessing information, processing knowledge, forming opinions and testing of such opinions and information (Appendix 1).

An increase in experiential knowledge of program and individual finances combined with the ability to receive wages free of intermediaries provides a safer voice and partially independent living for rural citizens from the local powerful. Accompanied experiences connected to increased central vigilance and rise in number of irregularities caught and government employees penalised also provided rural citizens with testing and observations of better implementation and the GoAP's long terms commitment to the MGNREGS program and its objectives. Audit trained youths return to their villages take active part in their own budgeting and social audit process and become a voice for questions and complaints in Gram Sabha's. Their processes knowledge of projects costing, materials, generation and maintenance of records, payroll and wage disbursements and oversight and control mechanisms have provided knowledge and understandings to villages to test their new observations and understandings of the system.

Interview conversations with local men and women and social audit members produced several insights about the increase in open discussions around public works and wages earned, with each other, with state officials - both administrative and technical, as well as NGOs, especially after social audits were held more regularly. Evening group discussions around project information painted onto village



walls, comparing notes on work provided, projects finished, wages received and so forth have become more common, public and acceptable. Interviews also reveal that villagers now know the amount of wages due for one's work – any shortfall is brought up in GS meeting and triggers a public record of grievance. These shared platforms not only allowed the expression of views and experiences but also grievances raised and addressed. A lady talked about bypassing the GS and Block grievance day to go directly to the district level grievance day for prompt redressal. The opportunity to have a fair hearing of a grievance without fear of backlash from local powerful is a successful outcome in itself. The redressal of a grievance provides the rural worker with a positive conclusion to a test situation and by extension also provides her family and friends with tested observations. This encourages other villagers to re-inspect these conceptualization and observations. They outline increased level of program communication, sharing and comparing of information and reflection that now happens at the village level.

## **11. Accounting – assimilation of new understandings and learnings**

Accounting practices play an important financial and operational sense making role in MGNREGS. Sense making is a socio-cognitive process that can include reflective thinking to adapt to past and current environment, making mental order out of chaos, struggles and contradictions (Dervin, 1998). Individuals take certain actions based on such sense making, and the results of these actions add to their understanding of future options and actions (Weick, 1988). Accounting processes and artifacts connected to MGNREGS provide processes, and structures that shape financial and operational understandings, motivations and actions of the villagers (Ahrens & Chapman, 2007, p. 2), helping rural citizens understand the system and their own rights and roles better to make use of the knowledge that impacts them. Over time, this can contribute to an underlying shift in the individual and collective parameters of knowledge and sense making at the village level (Labianca, Gray & Brass, 2000, pp. 235–237).

Successful outcomes of subsequent testing of abstract generalizations can lead to new knowledge becoming standardized, shared and integrated into village life, impacting future actions, reactions and decisions. The GS and social audit reports increase external flows of news and information and provide physical accounting artifacts around which interactions and discussions take place. These interactions with individuals connected to the budget or social audit processes, state- and national-level monitors, NGOs and CBOs increases process information from multiple perspectives. Multiple program cycles of receiving of external interactions, knowledge and information from the budgeting process, NGO and CBO awareness drives, and training youth under SSAAT have contributed extensively towards comparatively more open discussions in the village about the financial outlays, expenditures and kinds of projects to be taken up in the village, as well as work received and the actions of village president and secretary (Appendix 1). They build a stronger a network of ties and strengthened community connections as citizens participate and communicate.

With the GoAP and SSAAT working towards holding more regular GS for the labour budget and special GS for the social audit, increase in the regularization of these meetings in tandem with returning trained youth, increased process and financial knowledge, and avenues of recourse from local hegemony have contributed to a change in previously held individual and social meanings and attitudes and a change in centuries old model of social order and power distribution (Appendix 1). Women mentioned being motivated and encouraged to work in MGNREGS after talking, observing other village working women. They mentioned getting information and support from these social circles, NGO's and CBO's in many areas, including accessing childcare, training in financial vigilance and operation of their bank accounts. This increases their financial and therefore social participation.

Over the course of the program implementation, patterns of conscious and unconscious reasoning and perceptions connected to accounting data and practices became imbued with shared meaning and embedded into the thought process and behaviours at a local individual and group level. Slowly, newer understandings associated with the voicing of issues and action are becoming more naturally accepted as a part of the structure, identity, sociocultural norms and social meaning at the local level. This group-based learning also spreads the establishment of new ground rules and distribution of resources. These practices extend beyond the program to make an impact on the socioeconomic structures and arrangements in the daily lives of underprivileged rural citizens. They shape the identity of the users of these accounting and accountability practices, particularly at the village level.

## 12. Program Results

Appendix 1 provides a learning model of MGNREGS using ELT. Aside from these qualitative program indicators, a measure of program performance can also be numerically tracked based on two types of measures. First measure is connected to the MGNREGS government numbers - including budget allocated and disbursed, wages paid, and job cards issued. Second types includes numbers connected to SSAAT's operations in AP- including misappropriated, staff charged, funds recovered. These numbers have been collated from multiple sources and though there are gaps in certain years, they also reflect that MGNREGS practices have increased implementational performance of the program to the benefit of rural citizens.

The number of districts in India that MGNREGS was implemented in went from 200 in 2006–2007 to 330 in 2007–2008 and finally to 623 districts in 2012–13. A total of 21 million households were provided with employment through MGNREGS funded rural projects in 2006–2007. This rose to 33.9 million in 2007–2008 and was at its peak in 2010–2011 at 54.9 million households. Budget outlay for the program went from INR 113 billion in the financial year 2006–2007 to its highest in this period – INR 330 billion in 2013–2014. Of this budget outlay 68% in 2006–2007 was spent on wages. This percentage rose to 74% in 2013–2014 (MoRD, 2013–2014). Total public works under MGNREGS completed rose from approximately 387,000 in 2006–2007 to 1.2 million in 2008–2009 to 2.59 million in 2010–11, then dropped to 1.85 million works in 2011–2012. Total job card issued went from 37.8 million job cards issued to workers in 2006–2007 to 112.5 million cards issued in 2009–2010, to 123.9 million cards issued in 2011–2012.

Based on SSAAT Annual reports from 2008–2013, the number of block where SSAAT conducted social audits were at 1,464 in 2008–2009, rising to 3,389 in 2010–2011 and falling to 1,082 in 2011–2012. SSAAT trained approximately 60,000 village-based audit resource persons (VRP's) in 2008, 2009 and 2010 and approximately 33,500 in 2011–12. Number of public sector employees implicated by SSAAT were approximately 33,800 in 2009–2010; 16,600 in 2010–2011 and 16,000 in 2011–2012. Number of public sector staff found responsible for irregularities based on social audit data and dismissed was 3,241 in 2008–2009, 3,864 in 2009–2010, while the number of staff suspended reached 698 in 2014–2015. Total amount of misappropriated MGNREGS recovered is estimated at INR 59 million in 2008–2009, rising to approximately INR 206 million in 2010–2011 (SSAAT, 2008–2013). These numbers are not linear, rising in some years and experiencing a dip in other years. However, compared to the first years of program implementation, the trend has largely been upward, so significant progress seems to have been accomplished.

## 13. Conclusion

MGNREGS is a wage based social services program in India that has been facing significant implementation and financial challenges, especially at the micro level. Weak financial and administrative

control and oversight structures in governance and combined with the context of rural India that includes significant reliance on agriculture income and struggles with generational social and economic stratification in villages (Aubron, Lehoux, & Lucas, 2015; Deaton & Dreze, 2002), a major portion of public funds were illegally misappropriated at the meso and micro level and did not reach rural citizens. In contrast to many states, a measure of turnaround, change and learning has been witnessed in the southern Indian state of AP. The purpose of this study is to explore the role of MGNREGS accounting and accountability practices and their contribution towards the experiential learning and change process in rural citizens in AP. Drawing on Kolb (1984) and Lewin's (1948) experiential learning theory, this study argues that these practices create conditions for newer understandings, learning and change by providing concrete experiences around which communication, interaction and reflections take place and as a platform for testing, sense-making and knowledge assimilation in developing nation village settings.

Learning is an ongoing interaction and adaptation between the environment, history and processes of learning at the individual and group level, so two connected elements of the ELT model have been highlighted. First, the assimilation of new information through concrete experiences between the individual and the environment, that rely on the individual's senses and what he or she participates in, observes or is exposed to. Second, the transformation or "processing experience" (Kolb & Kolb, 2009) that comes through observation of individuals and situations, and through experimentation, action, reflection and integration. The paper provides an analysis of budgeting and social audit as participative practices that provides a platform for immediate, real-life experience and observations. Along with other connected process elements like social audit training sessions, grievance redressal days, gram sabha meetings and other control and accountability mechanisms have created the potential individual and shared ways of providing new observations and information and platforms for communication, discussions and reflection. Accounting is also plays a role in the processing or integrating part of the learning process. Every day interactions with each other, with outsiders, with accounting practises and through accounting practices provides space for testing of new information is leading to reconceptualization or change in perspective on how things are understood and done.

However, in spite of conditions and program effectiveness improving significantly from initial program years in AP, significant issues in program implementation remain. The number of social audits dropped in some years mainly due to non-provision of records by block offices. As result, many audits could not be conducted as SSAAT auditors waited for records or took longer as teams waited for records or spent more time in the field trying to audit. Meso level discussions reveal that implementational successes did not entirely eliminate the hold of the local rural elite who continue to make efforts to intimidate the villagers and block their ability to participate. In response, SSAAT has recently initiated the practice of hiring District Resource Persons (DRPs) based on the number of rural individuals they have mobilized to attend the social-audit GS. Though there is a growing awareness about the budgeting and social audit process in villages and amongst beneficiaries, there remain challenges connected to motivating more individuals to attend GS meetings.

Over eight years of implementation, SSAAT has also learned from its audit experiences and gradually built the program structure and capacity to involve local citizens in holding public and private implementers to account. It has developed extensive social connections to micro, meso and macro networks as well as the trust of rural citizens. The agency now possesses experiential knowledge of contextual cultural and local reporting issues and corruption practices through its audits. Based on this, SSAAT appears to have constructed an increasingly efficient mechanism of audit, accountability and garnered a great deal of social, administrative and political power over the past years. GS and construction of the shelf of projects for the annual budgets are happening with increased regularity and participation. As the social audit increases citizens participation and becomes more adept in identifying instances of fraud, corruption and misappropriation, and the state government increases its commitment to

punishing and penalizing responsible individuals, changes in the external environment for the local villagers can be seen to becoming more publicly visible, integrated and sustained.

Though a possibility of change did not affect the daily life of rural citizens in the early program years, they have now gained newer understandings of operational, financial and audit processes and of their roles, rights and growth possibilities. The accounting and accountability processes, events and living through MGNREGS projects have provided villagers with access to range of experiences, observations and information that are dissimilar and point away from earlier socio-economic landscapes in AP villages. This learning and development processes are the base of small-scale social shift in terms of internal understandings and external distribution of resources and power. The growing understanding of program budgeting, implementation and audit processes is increasingly becoming situated and embodied in identity and lives of the rural villager (Jaegher & Paolo, 2007, pp. 485–487), bringing learning, knowledge and change to power distributions at the village level. Accumulated information, experience, reflection and testing has contributed to integration of newer concepts, meanings as well as a change in their thinking, attitudes, behaviour and actions. The grip of powerful stakeholders has become somewhat loosened as newer generations strive for better living conditions.

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## Appendix 1: The MGNREGS Experiential Learning Framework

### THE MGNREGS EXPERIENTIAL LEARNING FRAMEWORK

- ❖ Changes in the external environment – information, access to recourse, increased financial and program control mechanisms
- ❖ Changes in access - Increased financial and geographical connection to the external world
- ❖ Changes in knowledge and experiences – Increased program financial and operational knowledge
- ❖ Group level changes - Increased individual and group participation in financial and non-financial learning and decision-making
- ❖ Village level changes - Change in existing distribution of socio-cultural power relations - local *Zamindars* not the only employers
- ❖ Change in individual and shared understandings - strong steps towards the emancipation of rural citizens in Andhra Pradesh

Learning process  
(Kolb, 1984;  
Lewin, 1948) -  
Individual  
Observing,  
Reflecting,  
Experimenting  
& Integrating

1. GS meetings – individual participation and witnessing of village labour budgets and shelf of projects
2. Social audit process - requires each beneficiary family to disclose earnings and any connected issues
3. Special GS – public reading of SSAAT Social Audit report, outlining of issues and providing a platform for grievance addressal
4. Redressal mechanisms – Block and District Grievance day; State help line for grievances, opening and operating of own post-office bank account, especially women.
5. Individual work and wages – increased work, wages information and awareness of difference between wages signed for and received

Learning Spaces;  
Shared &  
Collective learning  
(Dewey, 1938):  
Sharing,  
Discussion,  
Comparison  
& Reflection

1. Budget & Report - GS' s for budget preparation and SSAAT' s social audit report discussion and presentation
2. Communal conversations – SSAAT trained returning youth with experiential financial and process knowledge
3. SSAAT' s increasing success - increase in number of irregularities caught, government employees suspended
4. Village Discussions- village level comparisons work and wages received, comparative information from other villages available
5. Public dissemination of information - wall writing detailing project and financial information; individual and collective experience from previous annual cycles of program implementation
6. Reflective observations from government' s efforts and support

- AP-State Government Support  
Additional State level program funding – for training, vehicles, phones, computers, roads, etc.
1. Establishment of an electronic fund management system (eFms) that bypasses multi-level manual fund transfer
  2. Investment into a management information system (MIS) capturing village-level data
  3. Dedicated government staff specifically for MGNREGS
  4. Appointment of SSAAT and granting of extensive discretionary powers to conduct Social Audits
  5. Increased capacity to monitor key financial and non-financial indicators
  6. Establishment of mass scale bank accounts for rural citizens
  7. Taking steps to penalize government officers and stakeholders implicated in irregularities and frauds

## Appendix 2: Andhra Pradesh – MGNERGS Policies and Rulings - 2006–2014

Source: [nrega.ap.gov.in](http://nrega.ap.gov.in)

2006	Notice to ensure bank/post office bank account shall be opened in the name of the individual labourer only	Memo No. 10063/RD.II/2006; dated 22.03.2006
	All MDOs of 13 EGS districts to become familiarized with EGS software package and procedure for maintaining files (instructions issued)	Memo No. 10063/RD-II/2006; dated 15.04.2006
	To monitor EGS program, District Collector may organize EGS mandals into blocks of 2–4 mandals, each under a designated district-level Inspecting Officer; IOs will undertake regular inspection of EGS works, participate in weekly mandal-level meetings, conduct inspection of work, record observations, take proper follow-up action and monitor the action taken on the inspection reports by the concerned officers	Ruling- G. O. Rt. No. 1555 ( <a href="http://www.rd.ap.gov.in/EGS/EGS_GIORt_No_1555.htm">http://www.rd.ap.gov.in/EGS/EGS_GIORt_No_1555.htm</a> )
2007	Selection and positioning of village resource persons	Memo. No. 23771
	Filling up of vacancies of Technical Assistants in NREGS-AP districts – delegation of powers to district Program Coordinators, NREGS-AP (orders issued)	Go. Ms. No. 506
	Rural connectivity – laying of cement concrete roads (orders issued)	
	Implementation of NREGS-AP at mandal level – permission to hire a jeep granted to MPDO & PO, EGS	Circular No. 1740/EGS(P)/2006; dated 02.02.2008
2008	Maintenance of muster rolls (certain guidelines issued); works, maintenance of measurement books (certain guidelines issued)	Circular No. 653
	NREGS-AP – rural connectivity – all-weather roads – laying of CC roads (further guidelines and orders issued)	Go. Ms. No. 45
	Implementation of NREGS-AP at mandal level – permission to hire a jeep granted to MPDO & PO, EGS (further instructions issued)	Circular No. 1740
	Permission to open SB accounts in any nationalized bank granted to MPDOs at mandal headquarters for payment of salaries	Circular No. 2013; dated 03.01.2008
	Software application – release of Version 5.5.2 (changes made to information)	
	Instructions for affixing photos on job cards in districts of Vishakhapatnam, Godavari, and Krishna	Circular No. 438; dated 11.02.2008 and 07.02.2008
	Videoconferencing of Chief Minister with District Collectors held on 21.02.2008	DoLr No. 12310
	Payment to labour through village organizations in Phase III districts (instructions issued)	Circular No. 312
2009	NREGS-AP operationalization of central fund management system through nodal banks (orders issued)	Go. Ms. No. 406
	AP conducting of social audit rules, 2008	Gazette; dated 16.01.2009
	RD – NREGS-AP – works under rural connectivity project (certain guidelines issued)	Go. Ms. No. 271; dated 08.09.2009
	NREGS-AP – works in progress status prior to installation of software version 6.00 of PMP	Memo No. 653; dated 18.09.2009

	NREGS-AP – implementation of schemes through fixed labour groups – establishment – IB wing to impart continuous training (orders issued)	Go. Ms. No. 355; dated 18.11.2009
	NREGA 2005 – conduct of social audits in EGS – creation of the posts of social audit wing under NREGS-AP (orders issued)	Go. Ms. No. 171; dated 29.05.2009
	NREGS-AP – guidelines for mates (in Telugu – local language)	Cir. No. 709
2010	NREGS-AP – operationalization of central fund management system through nodal banks (orders issued)	Go. Ms No. 406; dated 29.12.2009/01.01.2010
	Implementation of scheme through self-help groups (SHGs) of SC.ST – ensuring entitlement to poorest labourers using NREGS	Cir. No. 32; dated 18.01.2010
	NREGS-AP – operationalization of central fund management system – creation of email ID for communication of CFMS	Rc. No. 706; dated 05.03.2010
	Formation of AP NGO alliance (APNA) for MGNREGS implementation (AP government partners with rights-based NGOs to mobilize rural poor and empower them to make full use of entitlements guaranteed by MGNREGA)	Go. Ms. No. 211; dated 04.06.2010
	MGNREGS – sramashakti sangam – distribution of books (guidelines issued)	Cir. No. 9; dated 23.07.2010
	MGNREGS – Information display on street wall board to educate labourers	Cir. No. 421; dated 21.08.2010
	MGNREGS-AP – implementation of eMMS (guidelines issued)	Cir. No. 555; dated 21.12.2010
	MGNREGS-AP – eMMS – “Own your mobile” scheme – payment of mobile charges to service provider (guidelines issued)	Cir. No. 555; dated 16.12.2010
	Rural development – nominating the members for state-level vigilance and monitoring committee (orders issued)	Go. Ms. No. 368; dated 27.10.2010
	Processes for transparency and accountability facilitating the participation of civil society in MGNREGS-AP implementation, in processes including muster verification, social audit and concurrent audit; inspections by vigilance wing; inspections by a dedicated quality control wing; grievance reporting and follow-up by an IT-enabled call centre	Proc. 452; Preceding No. 452/EGS/PM (QC)/2010; dated 2.10.2010
	MGNREGS – formation of “flying squads” (monitoring teams) at state level (guidelines issued) – formation of five “flying” monitoring teams with at least one technical and one non-technical member in each team with proven high honesty and commitment levels – authorised to verify records such as muster rolls, and take up measurement, pay orders, and material payments – follow-up actions connected to reports submitted	<a href="http://www.rd.ap.gov.in/EGS/CIR_NO_837_EGS_PM_DT_04102010.pdf">http://www.rd.ap.gov.in/EGS/CIR_NO_837_EGS_PM_DT_04102010.pdf</a> Preceding No. 452/EGS/PM (QC)/2010; dated 2.10.2010
	MGNREGS-AP – training for mates – partnership with APNA voluntary organization (Reg.)	Cir. No. 9; dated 01.12.2010
	MGNREGS – whistle-blowing “shankaravam” complaints against fraudulent people involved in EGS works – secrecy of complaints, names etc.	Cir. No. 1453; dated 19.10.2010
	MGNREGS – EGS employees voluntarily educate labourers to sign muster rolls from January 01, 2011	Cir. No. 1453; dated 19.10.2010
	MGNREGS – formation of flying squads at state-level (guidelines issued)	Cir. No. 837; dated 04.10.2010
	MGNREGS – transparency and accountability works division in execution of works appointment	Proc. 452; dated 02.10.2010

	MGNREGS – information display on street wall board – educate labourers etc.	Cir. No. 421; dated 21.08.2010
	Formation of Andhra Pradesh NGO alliance (APNA) for MGNREGA implementation – addition of 38 NGOs to APNA list (orders issued)	Go. Ms. No. 211; dated 04.06.2010
2011	MGNREGS-AP – field assistants, technical assistants, computer operators, APOs, engineering consultants, MPDOs to provide work days (Reg.)	
	MGNREGS-AP – implementation of eMMS – GP abstract application for field assistants	Cir. No. 555
	MGNREGS-AP – providing rural connectivity to unconnected habitations (further instructions issued – Reg.)	Cir. No. 477; dated 10.11.2011
	MGNREGS-AP – constructions of GP buildings under BNRGSK through NREGS funds – issue of work commencement letters to WEMs in case of absence of elected local bodies (instructions issued – Reg.)	Cir. No. 39; dated 20.10.2011
	MGNREGS- AP – implementation of biometrics and GPS based eMMS in Nizamabad district – upload of e-measurements and e-check measurements (guidelines issued)	Cir. No. 556; dated 21.09.2011
	MGNREGS- AP – implementation of eMMS – policy for transfer of mobile and CUG SIM cards (certain guidelines issued)	Cir. No. 555; dated 30.08.2011
	MGNREGS-AP – concurrent social audit – wall writing – social audit volunteers responsibility (Reg.)	Cir. No. 572; dated 22.08.2011
	MGNREGS-AP – special flying squad members from Bluefrog – reporting in districts – certification from PDs (Reg.)	Cir. No. 555; dated 05.08.2011
	MGNREGS-AP – linking up of eMMS and pay-order generation – implementation of eMMS (certain guidelines issued)	Cir. No. 555; dated 16.07.2011
	Requesting TCS to monitor and facilitate Additional District Resource Persons (ADRP) to take responsibility for half the mandals (blocks) in each district	Cir. No 14687; dated 02.06.2011
	MGNREGS – electronic muster verification system (eMVS) – daily verification of musters (Reg.)	Cir. No. 555; dated 01.06.2011
	MGNREGS-AP – monitoring of e-musters - new application for APOs (Reg.)	Cir. No. 555; dated 18.03.2011
2012	Implementation of eMMS – “Own your mobile” scheme (FA guidelines issued)	Cir. No. 555; dated 21.12.2012
	Payment of wages – AP smart card project – transition to Aadhar-enabled payment system in four pilot districts (instructions issued)	Cir. No. 6139; dated 07.12.2012
	Monthly review meeting with field staff	Cir. No. 1182; dated 25.10.2012
	Implementation of eMMS – progress in uploading of photographs and GPS coordinates mandatory (guidelines issued)	Cir. No. 555; dated 06.09.2012
	Action for termination of underperforming FAs	Cir. No. 491; dated 30.08.2012
	Positioning of family members/near relatives as customer service providers (CSP) – embezzlement of government funds (instructions issued)	Cir. No. 1740; dated 27.08.2012
	Execution of works – feedback from District Vigilance Officers	Cir. No. 522; dated 08.07.2012

	MGNREGS training strategy – planning of training for year 2012–13	Cir. No. 1090; dated 08.07.2012
	Strategic planning – July–October 2012	Cir. No. 1090; dated 23.06.2012
	SSS training by APNA – resolving resource fee	Cir. No. 1283; dated 02.06.2012
	Designation of AO of DMMA as District Complaint Redressal Officer (DCRO)	Cir. No.1074; dated 02.06.2012
	Electronic muster verification system (EMVS) (certain guidelines issued)	Cir. No.727; dated 25.05.2012
	Implementation of eMMS – link with pay order	Cir. No. 555; dated 25.05.2012
	Conduct social audit every month – wall writings about payments etc.	Cir. No. 572; dated 17.05.2012
	Transparency and accountability – works deviations in the execution of works – apportionment of responsibility and recovery (certain amendments issued)	Proc. 452
	Procurement for desktops, printers and UPS systems (Reg.)	Cir. No. 3685; dated 27.02.2012
	Job card verification and data entry – (guidelines issued)	Cir. No. 38; dated 18.02.2012
	Instructions related to broadband connectivity – BSNL and APSWAN connectivity and location details (Reg.)	Cir. Rc. No. 1338; dated 17.02.2012
	Implementation of eMMS – e-measurement and e-check measurement (guidelines issued)	Cir. No. 555; dated 03.02.2012
	Implementation of biometric- and GPS-based MGNREGS GP System in Nizamabad district – GP abstract link with pay order (Reg.)	Cir. No. 556; dated 13.01.2012
	Conduct concurrent social audit every month – village-level wall writings of monthly information – responsibility for APNA NGOs (Reg.)	Cir. No. 1256; dated 21.01.2012
	Social audit guidelines to Project Directors – QC wing and social audit teams for smoother implementation	Cir. Rc. No. 1214; dated 7.01.2012
2013	1. MGNREGS-AP – utilization of services of APNA NGOs in formulation of SSS 2. MGNREGS-AP – Formation and strengthening of SSS federations (SSSF) 3. MGNREGS-AP – Formation and strengthening of SSS	Memo 4055; dated 21.11.2013
	Delay compensation system – responsibility for record maintenance	Cir. No. 616; dated 01.11.2013
	Implementation of annual performance review and contracts issues (Reg.)	Cir. No. 4779; dated 09.09.2013
	Direct benefit transfer – MGNREGS-AP – transition to Aadhar-enabled payment system in the entire state from 01.08.2013 (Reg.)	Cir. No. 6139; 28.06.2013
	MGNREGS-AP – initiation of disciplinary action against mates involved in embezzlement of funds (deviation of provisions of MGNREGA instructions issued)	Cir. No. 3479; dated 24.06.2013
	Smart card project – MGNREGS – disbursement of wages – stopping of supply of printed acquittances for carded payments	Cir. No. 28; dated 19.06.2013

	Certain guidelines for demand-capture work allocation – e-muster ID mandatory for work opening and pay order generation (instructions issued – Reg.)	Cir. No. 1766; dated 24.05.2013
	Smart card – disbursement of wages to MGNREGA beneficiaries – monitoring of prompt disbursement in districts (Reg.)	Lr. No. 254; dated 10.05.2013
	Transparency in works – establish worksite boards	Cir. No. 653; dated 27.04.2013
	Strengthening of SSS – voluntary organization role (Reg.)	Lr. No. 1197; dated 15.04.2013
	Performance audit conducted by internal audit party in Mahaboobnagar district – enhancement of wage rate (certain instructions issued – Reg.)	Cir. No. 1258; dated 21.03.2013
	Attend ZS meeting at district level – awareness among female SHG leaders of labour demand capture and unemployment allowance (Reg.)	Lr. No. 1766; dated 08.03.2013
	QC Verification of allotted works online by CQCO – poor motivation by APOs & MPDOs to co-operate with QC team – action to be initiated against Field Functionaries	Cir. Rc J1 2745; dated 23.02.2013
	SSS creation of master trainers – phase II visit to villages – strengthening of SSS (guidelines issued)	Cir. No. 1197; dated 31.01.2013
2014	MGNREGS-AP – mandatory uploading of e-muster attendance – linking with pay-order generation (Reg.)	Cir. No: 555; dated 09.07.2014
	MGNREGS-AP – review of performance of GP – provision of FAs and senior mates	Cir. No. 4779; dated 21.04.2014
	MGNREGS-AP – submission/production of relevant records – QC team during verification of works (instructions issued – Reg.)	Cir. No. 188; dated 05.02.2014
	MGNREGS-AP – organisation of wage seekers into SSS – selection and positioning of mates (certain instructions issued)	Cir. No. 173; dated 10.01.2014
	MGNREGS-AP – positioning senior mates (attendance) – responsibilities – remuneration – provision of mobile phone (further guidelines issued – Reg.)	Cir. No. 491; dated 10.01.2014
	CRD – Sexual Harassment of Women in Workplace Act 2013 – internal complaint cell (Reg.)	Lr. No. 12310; dated 07.01.2014
	MGNREGS-AP – FAs – implementation annual performance review – revision of performance parameters for period 01.07.2013 to 30.06.2014 (instructions issued)	Cir. No. 4779; dated 03.01.2014
	MGNREGS-AP – shrama mitra first-phase trainings 100% complete – ready for second-phase training (Reg.)	Memo 1404; dated 13.12.2013