Centralised vs. Decentralised Monitoring to Reduce Corruption: Insights from Comparisons across Indian States

Most countries have different agencies performing top-down audits and social audits. This project investigates the interaction between different types of audits and the effects on service delivery, using evidence on leakages in two major public works programmes across states in India.

Project Summary

A seminal study by Olken (2007) on monitoring corruption compared the efficacy of top-down versus bottom-up audits in 100 villages in Indonesia, focusing on road-building. This project questions whether the conclusion holds only for such public works that require expert audits. When considering workfare programs in India where the main expenditure category is wages for poor rural beneficiaries, we might expect that social audits work better. Evidence on leakages and audits across Indian states is used to answer this question.

Policy and Programming Implications

The research is relevant for anti-corruption and audit agencies, as well as civil society organizations doing social audit who are interested in optimal audit design. It is relevant for Supreme Audit Authorities and third-party auditors, as well as governments interested in creating efficient systems for audit.

The Global Integrity Anti-Corruption Evidence (GI-ACE) research programme **supports 14 projects** around the world **generating actionable evidence** that policymakers, practitioners, and advocates can use to **design and implement more effective anti-corruption initiatives**.

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Research Questions

- Do social accountability initiatives work better in states where citizen awareness is high and in programmes that have personal, rather than collective, benefits for citizens?
- How do social audits and top-down audits compare in effectiveness across the two programmes and across the different states?
- How does the success of each type of audit depend on the degree of electoral competitiveness of the constituency?
- When top-down audits are used, how does the design of audits (e.g., random timing, frequency of audits) affect the success?

Methodology

The methodology used in this project involves comparing different areas that have been exposed to top-down audits and social audits differentially across states in India to understand whether exposure to greater frequency / intensity of audits leads to better outcomes. The current audit methodology will be critically analysed to seek improvements in the audit process.

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