

SOCIAL AUDIT IN MGNREGA

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Abstract

Undoubtedly Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) positions among the most dominant initiative undertaken for the transformation of rural livelihood in India. In India, a lack of accountability is viewed as the key reason behind the failure of most development programs. Most poverty alleviation programs are loaded with inefficiency, absenteeism, incompetence, and corruption. This paper attempts to analyze whether the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is accountable to ordinary residents, and civil society's role in making the Act viable. In this comparative study on social audits under MGNREGA in selected districts of Rajasthan, an endeavor has been made to analyze the performance of the MGNREGA in term of social audit and to provide suggestions on how to improve the design and implementation of social audits in the state. With the help of the secondary data gathered from three districts – Jaipur, Dausa and Sikar, the study contends that although the documentary evidence demonstrates that social audits are conducted, they actually do not fulfill the main objective of engaging the beneficiaries of the scheme and making the scheme effective. Findings of the study demonstrate that respondents in all three districts are not much aware of the provisions under MGNREGA. The social audit process is undermined by the influence employed by village elites which results in the exclusion of poor laborers for whom the scheme is principally implied. The study has made some suggestions to make the social audit process more participatory by ensuring that it is conducted in an unbiased way.

Keywords: Social Welfare, Poverty Eradication, Social Audit, MGNREGS, MGNREGA.

Introduction

MGNREGS is an innovative measure, which was launched in 2005 by the Government of India (GoI), that guarantees work assurance of 100 days in a financial year to the adult member of rural family who volunteer to do unskillful manual work and the mandatory prerequisite for social audit under MGNREGS aims at ensuring accountability from those engaged with the execution of the scheme. What is especially noteworthy is that social audit under MGNREGS is to be executed by the beneficiaries of the scheme. While the scheme is to be executed by Gram Panchayats (GPs) or Village Councils, it is the members of Gram Sabhas (Village Assemblies) comprising of local villagers who are in charge of leading and conducting the audits.

Under the Act, every Gram Panchayat (village council) ought to have an annual MGNREGA plan that incorporates a list of all the tasks that need to be carried out in the community. These tasks could incorporate building new wells, repairing roads or irrigating farmland. The subsequent resources – for example, wells, roads or irrigation systems – ought

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to be utilized and accessed by the whole community. Under Section 17 of MGNREGA, independent social audits of the Gram Panchayats ought to be conducted at regular intervals, carried out by a third party. These audits ought to be participatory, including all village members to guarantee that MGNREGA works are being completed comprehensively, fairly and in accordance with annual plans.

Social Audit is perceived as a vital accountability tool in the development sector because it is argued that it contributes to transparency and effective governance (CAG 2010). Though social audits are conducted in a wide range of contexts, under MGNREGS an audit involves the “checking and verification” of the execution of the scheme by “primary stakeholders” which include the beneficiaries (Singh and Rajakutty 2007: 1). The process involves assessment of the nature of the activities, a review of expenditure and materials, and ensuring that the payments are made to the beneficiaries as mandated by the scheme.

Social Audit is not quite the same as Financial Audit. Social Audit is the examination and evaluation of a program/ scheme conducted with the active involvement of individuals and comparing official records with actual ground realities. Social Audit is a useful asset for social change, community participation, network investment, and government accountability. Financial audits involve inspecting and evaluating records related to the financial transactions in an organization to provide a fair image of its financial performance and financial stability. Social audits center around the execution and performance of a program in satisfying its proposed social objectives and ethical vision through consultation with a range of stakeholders including social program beneficiaries, community members, government authorities and verifying the information obtained with documents and physical evidence.

Objectives of My Study

MGNREGA is a flagship program of the government of India which is extraordinarily unique and first of its kind. It is in implementation in all the districts of the country since April 2008. Enactments of MGNREGA and subsequent policies and programs of the government have extensive impacts in the field of rural development and implement the right to employment. A number of studies were taken up by NGOs, researchers, institutions and so forth, analyzing the impact of MGNREGA on various parameters and examining a number of implementation issues. A few studies found a significant positive impact of MGNREGA on wage rate, food security, migration whereas few studies reported minimum and delayed wage payment, non-payment of unemployment allowances, failure in halting migration, errors in wage calculation, number of operational bottlenecks, corruption etc. The majority of the studies were concerned with fundamental deformities as opposed to probing the roots of irregularities and corruption in the execution of the scheme. However, no empirical study has been made in the context of understanding how social audits can be used as a tool to control the irregularities and corruption, making the Act to be actualized appropriately and effectively.

This study, conducted in selected districts of Rajasthan, intends to analyze how social audits are being used as a tool to control irregularities and corruption, so as to provide suggestions about how to improve the structure and execution of social audits in the state. As indicated by Jayal, “the instruments of accountability” have not been adequately analyzed in India (2008: 106) and she appropriately alludes to the Right to Information (RTI) as an example. However, we have chosen to focus our analysis upon social audits under MGNREGS for two reasons. First, MGNREGS is a national level scheme which if appropriately audited could make a massive contribution to participatory development and rural democratization. Second, the GoI has made a massive investment in the implementation of the scheme which

therefore requires some evaluation of the adequacy and effectiveness of its instruments such as social audit. Hence, if social audits are effective then they will add to positive benefits of MGNREGS investment.

Researcher believe that this study will provide an in-depth understanding of the relevant issues associated with the process of social audit and which will point the way for a larger investigation incorporating other districts in the state. While there are numerous studies dealing with the implementation of MGNREGS, the literature on Social audit under the scheme is nearly limited in the state of Rajasthan. A study on Rajasthan has featured that social audits have generated pressure from below to ensure that corrupt practices are brought to light and kept under check (Afridi 2008). The objective of the study, therefore, is to make a comparative analysis of the performance of MGNREGA in terms of social audit in selected three districts of Rajasthan.

Progress of MGNREGA in Rajasthan

MGNREGA came to force on 2006 in Rajasthan and implemented in a phased manner. In Rajasthan, out of total 33 districts, 6 districts namely Banswara, Dungarpur, Jhalawar, Karauli, Sirohi, Udaipur were covered in Phase I of MGNREGA (2006-2007); another 6 districts comprising of Barmer, Chittorgarh, Jaisalmer, Jalore, Sawai Madhopur and Tonk were covered in Phase II of MGNREGA (2007-2008) and from April 1, 2008, remaining 21 districts, including Jaipur, Dausa and Sikar, were covered in Phase III of MGNREGA. The Panchayat Raj in Rajasthan consists of 295 Blocks (Panchayat Samities) consisting of a total of 9892 Gram Panchayats (GPs). Rajasthan is one among the Indian states where the performance of social welfare scheme MGNREGA is found pleasing. Therefore three districts of Rajasthan – Jaipur, Dausa and Sikar are selected as a research area for the study. I conducted this comparative study based on both primary data and secondary data.

Research Hypothesis

The study will test the accompanying HYPOTHESES. Further attempt has been taken to test the fitness of these hypotheses through Pearson Method. As such the hypotheses are:

- Social audit is significantly conducted and practiced in MGNREGA, in an impartial way, as required by regulations and guidelines;
- Social audits have possibilities for making a meaningful impact on the viability of the Program delivery System, the capability of which is not completely utilized;
- The social audit process is undermined by the influence employed by village elites;
- The primary grass-root level institutions, namely the Gram Sabha & Gram Panchayats in rural areas need to be strengthened;
- Social audit training programs are effective and adequate;

Research Questions

Given these differences, this study addresses four questions:

- What is the role of CSOs in making social audits vibrant?
- To what extent are the beneficiaries of the scheme engaged in extracting accountability from those responsible for implementing the scheme?
- Why has MGNREGA performed unevenly in terms of accountability across these three districts and how can it be overcome in the future?
- Can social audits become effective instruments of accountability?

Data Source and Methodology of Study

This study, which was conducted in January 2019, involved both documentary research and fieldwork in three districts of Rajasthan - Jaipur, Dausa and Sikar. The justification for selecting these districts is that MGNREGS was implemented in its third phase of implementation in the country and these districts are neither developed nor backward. The methodology is the way of achieving the goal through considering the observation, collection and analysis of relevant data related to the study of MGNREGS with reference to selected districts of Rajasthan. The methodology adopted was based on the objectives and scope of the study. The project demanded an exploratory study. The study made use of both primary and secondary data depending upon the constraints, feasibility and requirements. As a part of preliminary investigation, I examined secondary sources related to MGNREGS. The data for the study has been collected through secondary sources from government and non-government agencies, different reports of Ministry of Rural Development, surveys of NSSO, Annual reports of MGNREGA, including references made from various past years social audit reports, manuals, government notifications and circulars related to social audit. Data was gathered for five consecutive years from 2011-12 to 2015-16. Collected data was tabulated and analyzed on the basis of bar graphs.

During my field visit, I examined various documents connected with social audits which included social audit reports and consulted the records of expenditure like receipts and payments made for works under MGNREGS. I visited a few of these works which provided me with vital insights into the quality of work. The methodology adopted involved various data collection tools like Semi-structured Interviews, Unstructured Interviews, Focused Group Discussions (FGDs), Gram Sabha, Public Hearing etc. depending upon the kind of people I interacted with. An important feature of my field visits included group discussions with members of Gram Panchayats (GPs) or Village Councils that are responsible for conducting social audits. Besides members of GPs, the meetings were also attended by laborers who were beneficiaries of MGNREGS. Through these meetings I was able to obtain a cross-section of views pertaining to the process of conducting social audits and more generally the implementation of MGNREGS.

Comparative Study of Selected Districts in Rajasthan

Jaipur district has 13 sub-districts. The administrative setup of Jaipur district is sub-divided into a group of villages called Panchayat Samitis. In total, Jaipur district consists of 15 Panchayat Samitis (Blocks). Each Panchayat Samiti is made up villages. In total, there are 2369 villages and 532 Gram Panchayats in Jaipur District.

Table 1: Social Audit Report of Jaipur Under MGNREGA

S. No.	Social Audit Facts	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
1	Total number of Gram Panchayats	532	532	532	532	532
2	Number of Panchayats covered	435	0	473	489	492
3	% of Gram Panchayats covered	81.77%	0	88.91%	91.92%	92.48%
4	Number of Social audits	444	0	475	673	663
5	Issue raised and action taken	317	0	360	286	289
6	% of Issue raised to number of social audits	71.39%	0	75.79%	42.49%	43.59%
7	Verification of documents	0	0	124	0	0
8	Grievances submitted and action taken	0	0	2	0	0
9	Minutes of meeting	295	0	357	237	209
10	Average minutes of meeting (minutes of meeting/number of Panchayats)	0.67816	0	0.75476	0.48466	0.4248

The social audit report of Jaipur district under MGNREGA program for five financial years from 2011-12 to 2015-16 was considered for the study. It indicated that out of 532 Gram Panchayats, 435, 473, 489 and 492 Gram Panchayats were respectively covered in financial years 2011-12, 2013-14, 2014-15 and 2015-16. In terms of percentage of Gram Panchayats covered, 92.48% was at its height in financial year 2015-16 and it was lowest at 81.77% in the base year 2011-12. The number of social audits conducted almost showed a rising trend throughout the period under consideration, but issue raised and action taken even showed a better performance. The percentage of issue raised and action taken fall below 45% of the number of social audit during financial years 2014-15 and 2015-16. During financial year 2013-14, the report indicates verification of 124 documents out of which, only for 2 documents, the grievance was submitted. For rest of the financial years under study, neither the documents were verified, nor were any grievances submitted for action. The minutes of meetings showed poorly for financial years 2014-15 and 2015-16, showing a decline in total meeting time and average meeting minutes per Panchayat.

Sikar district has nine sub-districts. The administrative setup of Sikar district is sub-divided into a group of villages called Panchayat Samitis. In total, Sikar district consists of nine Panchayat Samitis (Blocks). Each Panchayat Samiti is made up villages. In total, there are 1192 villages and 343 Gram Panchayats in Sikar District.

Table 2: Social Audit Report of Sikar under MGNREGA

S. No.	Social Audit Facts	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
1	Total number of Gram Panchayats	343	343	343	343	343
2	Number of Panchayats covered	329	323	257	329	334
3	% of Gram Panchayats covered	95.92%	94.17%	74.93%	95.92%	97.38%
4	Number of Social audits	329	330	257	425	421
5	Issue raised and action taken	329	85	244	360	368
6	% of Issue raised to number of social audits	100%	25.75%	94.94%	84.70%	87.41%
7	Verification of documents	0	85	0	0	0
8	Grievances submitted and action taken	0	0	0	0	0
9	Minutes of meeting	329	84	246	231	235
10	Average minutes of meeting (minutes of meeting / number of Panchayats)	1.0	0.260062	0.957198	0.702128	0.703593

The social audit report of Sikar district under MGNREGA program for five financial years from 2011-12 to 2015-16 was considered for the study. It indicated that out of 343 Gram Panchayats, 329, 323, 257, 329 and 334 Gram Panchayats were respectively covered in these 5 consecutive financial years. In terms of percentage of Gram Panchayats covered, it was lowest at 74.93% in the financial year 2013-14. The number of social audits conducted almost showed a rising trend throughout the period under consideration, except for financial year 2013-14. In terms of issue raised and action taken, the performance of the district was the worst, with 100% issues being raised in the base year 2011-12. Though the percentage of issues raised improved at 25.75% in the immediately following year, but for next three financial years the percentage deteriorated. During financial year 2012-13, the report indicates verification of 85 documents out of which, none of the document was submitted for grievance. For rest of the financial years under study, neither the documents were verified, nor were any grievances submitted for action. Total minutes spend for meetings showed poorly for financial year 2012-13. Even the average

meeting time shows a decline. Dausa district has six sub-districts. The administrative setup of Dausa district is sub-divided into a group of villages called Panchayat Samitis. In total, Dausa district consists of six Panchayat Samitis (Blocks). Each Panchayat Samiti is made up villages. In total, there are 1109 villages and 234 Gram Panchayats in Dausa District.

Table 3: Social Audit Report of Duasa under MGNREGA

S. No.	Social Audit Facts	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
1	Total number of Gram Panchayats	234	234	234	234	234
2	Number of Panchayats covered	225	211	219	225	228
3	% of Gram Panchayats covered	96.15%	90.17%	93.58%	96.15%	97.43%
4	Number of Social audits	448	211	219	445	456
5	Issue raised and action taken	388	0	161	400	409
6	% of Issue raised to number of social audits	86.60%	0	73.51%	89.88%	89.69%
7	Verification of documents	0	0	0	0	0
8	Grievances submitted and action taken	0	0	0	0	0
9	Minutes of meeting	214	0	121	400	408
10	Average minutes of meeting (minutes of meeting/number of Panchayats)	0.95111	0	0.55251	1.77778	1.78947

The social audit report of Dausa district under MGNREGA program for five financial years from 2011-12 to 2015-16 was considered for the study. It indicated that out of 234 Gram Panchayats, 225, 211, 219, 225 and 228 Gram Panchayats were respectively covered in these 5 consecutive financial years. For each of the financial year, over 90% of the Gram Panchayats were covered. The number of social audits conducted almost showed a stagnant trend throughout the period under consideration, except for financial years 2012-13 and 2013-14. In terms of issue raised and action taken, the performance of the district was the best, with no issues being raised in the financial year 2012-13. However, during the remaining 4 financial years, the performance deteriorated, with issues raised in over an average of 80% social audits. Throughout the 5 financial years under study, neither the documents were verified, nor were any grievances submitted for action. In terms of total and average minutes spend for meetings, the district showed improvement.

Major Findings

Although all the three units have the same mandatory social audit procedures under the scheme, but there is a very significant difference in the way some processes are followed. It is evident from my study that the social audit process in the GPs I visited was marked by many constraints and problems. Significantly there was a structural conflict of interest. In my view, the implementation of the scheme and the process of social audit have to be considered in the context of this structural conflict. The dominant actors in this structural relationship like the ones mentioned above have an influential status in local institutions connected with social audits.

Some of the key problems and complaints I identified with the social audits included:

- Selective audit of the works executed.
- Relative ineffectiveness of the Gram Panchayats.
- Lack of independent auditors (third party).
- Inadequate training provided to the villagers for conducting social audits.
- Insufficient scrutiny of the possession and distribution of job cards.

- Lack of execution and competency by the village panchayat members in implementing the scheme in a decentralized manner.
- Complaints by laborers that not enough work was available under MGNREGS.
- Lack of equilibrium among Accountability, governance and participation.
- Social audit meetings conducted in majority of the villages of these districts during the financial years considered, lacks regularity.
- Effective publicity about social audit meetings was given in 73% villages across the District.
- Overall over 46% of the villages conducted 2 or more social audits as required in the Act.
- Just over half (54%) of the job card holders said that they participated in social audit meetings.
- The participation minute time of members in the social audit meetings was lower than the average.
- Another interesting point to note is that out of the villages visited, issues were raised in just 8% villages. Out of the issues raised, only 42% were successfully disposed off. This observation indicates that social audit is not being used effectively as a forum for grievance redressal.
- It was observed that most Social Audits conducted in the Districts were not effective in completing the accountability loop. No effective grievance redressal and complaints mechanism was observed.
- Concurrent monitoring is yet another link which is missing from the chain of effective implementation of the scheme.

Suggestions

- There is an urgent need to build capability among village panchayat members to implement the scheme, rapidly and effectively.
- Set up an independent social audit unit and frame a detailed training program for Social Audit functionaries.
- Strengthening local monitoring system including having regular social audits and making the ombudsman more effective.
- The engineering input in designing and executing the scheme should be improved to enhance the utility and durability of the scheme.
- All the officials and citizens need to be educated regarding the details of program through awareness and intensive training techniques by the government. People at the grassroots level must be made aware of Right to Information (RTI) Act and be encouraged to use it.
- Primary attention during the social audit must be on matters related to the utilization of works completed, increase in production, operationalization, multiplier effects of income generation, maintenance of assets created on the public land and issue of ownership rather than the allocation of work, registration, issue of job cards, timely wage payment and worksite facilities.
- Social Audits and Grievance redress need to be strengthened.

- The management information system under MGNREGA must be further developed so as to promote timely alert on crucial issues.
- Social Audit Units should also practice special audits, concurrent audits and test audits so that social audit does not remain just an annual exercise rather it should be a continuous public vigilance mechanism.
- To make the concept of social audit universal and more relevant in the governance, the state must progressively support the social audit units in terms of all kinds of resources required for carrying out the exercise.

Limitations of the Study

The study encountered following limitations, which has been taken care of, to ensure that it does not affect the outcome of the study.

- Definition of Social Audit: The very title of the study got in to debate itself as the definition of Social Audit as understood in the world, beginning with its source of origin has variations from the definition, with which it is being advanced in India including the Act of Parliament and various Government Policies, Circulars etc. Although social audit as an idea is comprehended along these lines by three districts under study but the manner in which social audit as a tool is institutionalized is altogether different. Accordingly, the report doesn't endeavor to make a strict comparison.
- Coverage: The study has been conducted in three districts of Rajasthan. So, the results are not applicable to whole Rajasthan or India. No major conclusions can be drawn for entire State or Country.

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