

PROCESS OF SOCIAL AUDIT UNDER MGNREGA: A CASE STUDY OF KALAHANDI DISTRICT IN ODISHA STATE OF INDIA

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ABSTRACT

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), launched on 2nd February 2006, has empowered the Gram sabha to hold regular social audits of all the projects under the scheme for ensuring transparency and social accountability. Such kinds of social auditing mechanisms become essential in flagship schemes which are heavily financed by the State aimed at specific policy goals. When the available literatures on the implementation of MGNREGA speaks about its effect on the decline of internal migration, reforming rural wage patterns, building of rural assets, there is very little attention devoted towards the actual implementation of the MGNREGA in the letter and spirit of the Act. In reality, the conduct of social audit has not been uniform across the country as many states still lag behind in having an effective social audit. Social audits conducted sporadically have brought out the issues in the implementation of the Act and hence it is argued that MGNREGA has not yet been successful in achieving its goal of overall empowerment of rural poor due to manifold challenges embedded in the process of its implementation itself. It is in this context, the present paper intends to highlight the reality of the conduct of social audit under MGNREGA in Kalahandi district of Odisha state in India.

KEY WORDS: MGNREGA, Social Audit, Gram Sabha, Kalahandi District, Odisha

INTRODUCTION

Empowerment of the poor can be said to be the earnest goal of almost all development and welfare oriented programmes/schemes initiated by the government. The term 'empowerment' has been defined as "a process through which the poor, excluded and vulnerable sections of society are informed of their rights and entitlements, so they can participate and influence the governance process and eventually integrate with the mainstream discourse" (Vij, 2011). The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) came to the forefront mandating legally the conduct of Social Audit (SA) for the first time in the history of the country, thus departing from the colonial legacy and paved way for a de-bureaucratized functional framework. This provision in the Act posits that social audit would be an effective instrument towards the effective implementation of the Act and thus in a larger extent will be contributing to the empowerment of the target population. Social Audit involves a process of scrutinizing the implementation of the scheme with the participation of stakeholders of the scheme including beneficiaries and representatives of the community to see whether that scheme is achieving its stated objectives (Venugopal, 2009). This is a

revolutionary breakthrough in the field of good governance establishing transparency in the operation of the system and accountability of the operators of the system.

The rationale behind studying social audit under MGNREGA can be legitimized on the following grounds. Firstly, it is held that MGNREGA being a national level employment programme incurring massive government expenditure (In MGNREGA Sameeksha II, it is highlighted that the approximate annual expenditure incurred under MGNREGA is about RS. 40,000 Cr.) if accompanied by effective social audit can potentially contribute towards participatory development and rural democratization (Lakha, Rajasekhar, & Manjula, 2013). Secondly, Social audit is a potent instrument through which we can predict the state of affairs of the execution of the schemes like MGNREGA and their actual repercussion on the lives of the people for whom these have been designed. Further, this knowledge will provide valuable insights in policy making regarding the formulation of employment programmes and their effective implementation.

In this regard, the present paper is designed to find out how the social audit under MGNREGA is being

conducted in the District of Kalahandi, Odisha and to what extent the social audit has benefitted the stake holders of the scheme. Kalahandi district is one of the 19 backward districts of Odisha in which the programme was implemented in its first phase. Kalahandi is located in the KBK region known for chronic poverty and distress migration. The rationale for the selection of this particular region for the study is that the region has been one of the regions with the highest per capita allocation of funds for the implementation of National Rural Employment Guarantee Schemes (NREGS) (Rai, 2007). Moreover, Kalahandi is one among the eighteen highland districts in the state having more than 60% rain-fed cultivated areas and high labour force and hence has high potential for the implementation of MGNREGA (Panchayati Raj Department, 2014). In addition, a scanty academic attention has been paid to explore the process of implementation of MGNREGA and social audit in this region.

DESIGN OF THE STUDY

The proposed study has been categorized into the following sections: Section one deals with the introduction to MGNREGA and its performance at national level. Section two presents an overview of social audit under MGNREGA in India. Section three draws attention to the implementation of MGNREGA in Odisha and Kalahandi district. Section four relates to the discussion on the findings of the field study. And finally, section five concludes with some suggestions.

METHODOLOGY

In the present study, Bhawanipatna block of Kalahandi district is selected. Bhawanipatna is one of 13 blocks in the district. This block consists of 33 Gram Panchayats and 283 villages. The three panchayats of Bhawanipatna block of Kalahandi district such as Medinipur panchayat, Duarsuni panchayat, and Tal Belgaon panchayat have been randomly chosen for the study. At panchayat level, the Sarpanchas, Panchayat Executive Officer; at block level, Zila Parishad Member, Assistant Project Officer, District Project Co-coordinator of Department of Rural Development Agency (DRDA); and at village level, some villagers from three Panchayats are interviewed regarding the status of social audit in Bhawanipatna block. The villagers, who participated in interview, are all beneficiaries of MGNREGS and they are selected by the use of purposive sampling method. In this study, the open-ended questionnaire tool is followed for interview.

MGNREGA IN INDIA

In India, Poverty and Unemployment are the major concerns to be dealt with. In order to eradicate Poverty, the Indian Government had initiated several schemes from time to time like the Food for Work Programme (FWP), the National Rural Employment Programmes (NREP), the Jawahar Rozgar Yojna (JRY), Sampoorna Grameen Rozgar Yojana (SGRY), and National Food for Work Programme (NFFWP) etc. In this line, MGNREGS is the latest one among all these schemes (Ministry of Rural Development, 2007).

The National Rural Employment Guarantee Act (NREGA), previously used name for MGNREGA, was notified on September 7, 2005 after being passed as a labour law in the parliament. The NREGA law guarantees 100 days of annual employment at a statutory minimum wage rate in a financial year to every rural household whose adult members are willing to do unskilled manual work. The scheme was implemented in three phases. In the first phase in financial year 2006-07, the scheme was implemented in 200 selected highly backward districts of the country and subsequently in financial year 2008-09 it extended to all the districts except those having a hundred percent urban population.

MGNREGA, being the largest wage employment programme in the world, is unique in itself. It was preceded by the Maharashtra Employment Guarantee Act, 1977 (Dey & Roy, 2016). However, MGNREGA is different from all other precedent wage employment programmes for its specific provisions and characteristics, such as; it has legal attributes with statutory guarantee of wage employment, employment is to be provided within 15 days of application for work, provision for unemployment allowance in case of failing to provide work on demand, employment within 5 km radius, else extra wages to be paid, 33% of beneficiaries must be women, Gram Sabha to recommend work and Gram panchayat to execute 50% of works, Panchayat Raj Institutions (PRIs) to have a principal role in planning, implementation and supervision of work, provision for transparency and accountability tools in the form of social audit, and provision for grievance redressal mechanism for addressing people's major etc., (Ministry of Rural Development, 2007).

The central government has widened the scope of work under MGNREGA by incorporating a list of 30 works in the schedules of MGNREGA. These works includes watershed, irrigation and flood management, agricultural and livestock related works, fisheries, rural drinking water and sanitation and other related works (Panchayat Raj Department, Government of Odisha, 2014). In terms of the

performance at national level, the scheme has witnessed remarkable progress. In financial year 2006-07, about 2.10 crore of total rural households were provided employment which further increased to 5.12 crore in 2016-17. In FY 2006-07, around 90.5 crore person days were generated out of which SCs person days was 25%, STs Person days was 36%, and women person days was around 40%. Total budget outlay was 11,300 crore and about 8.4 lakhs works were taken up, where 3.9 lakhs works could be completed in 2006-07 (Viswanathan et al., 2014). In the FY 2016-17, total person days generated was 235.75 crore, where SCs Person days was 21.32%, STs Person days was 17.6%, and women Person days was 56.14%. Budgetary allocation for the scheme in 2016-17 was Rs 38,500-crore and 167.07 lakhs works were undertaken out of which 64.55 lakhs works have been completed.

It is noteworthy here that, during the initial phase of its inception and implementation, NREGS was apprehended to be victim of corruption as evident from the past records of the government initiated welfare oriented programmes (Aakella & Kidambi, 2007). In order to deal with the old age menace of corruption and eliminate loopholes in the implementation of the scheme, NREGA came out with a safety valve in the form of social audit as an accountability tool. Under section 17 of the NREGA, the regular conduct of social audit by the Gram Sabha has been made compulsory to monitor the scheme (MoRD, GoI, 2013; MORD, GOI, 2015). The 'Audit of Scheme Rules, 2011' framed by the Government of India under the sub-section (1) of section 24 of the MGNREGA 2005 has provided for the conduct of Social Audit of all the works taken up under the Act in every Gram Panchayat (GP) at least once in six months (MORD, GOI, 2015). Hence forth, social audit has been made mandate in MGNREGA as a means of continuous public vigilance for ensuring public accountability and transparency (Vij, 2011, p. 30). It also aims at empowerment of rural population and minimization of leakage and wastage of public funds.

DEFINING THE TERM SOCIAL AUDIT

The term social audit can be defined in many ways while the underpinning idea around social audit remains the same in almost all the definitions. In the words of Akella and Kidambi (2007), "social audit- a transparent, participatory and active evaluator process – has the potential to attack the corruption that plagues anti-poverty programmes". According to K S Gopal, "social audit is a dynamic tool by which people are able to make officials accountable for their performance in the delivery of legally enshrined rights" (Gopal, 2009). Social audit in the broader sense is defined as "a

continuous process of public vigilance to ensure accountability in the implementation of projects, laws and policies by the community as whole" (Vij, 2011). Therefore, it can be presumed that the social audit, that requires the involvement of rural people in scrutinizing of the performance of the programme, has the potential to empower the poor through raising their awareness regarding their entitlements. In India, social audits were first given statutory recognition through the National Rural Employment Guarantee Act, 2005 and the Social Audit Rules in 2011 has been issued under the MGNREG Act.

PERFORMANCE OF SOCIAL AUDIT IN INDIA

Due to its mandatory nature, social audit is being carried out in almost all the states of the country, though the degree of the success and effectiveness of the practice of social audit may vary from state to state. Moreover, social audits are being conducted in different manner by different states. Social audits may be facilitated by civil societies as in Rajasthan, Uttar Pradesh, and Chhattisgarh or it may be facilitated by government agencies as in Jharkhand (Agarwal & Agarwal, 2012). In Madhya Pradesh, the social audit team comprises government officials from Revenue and Rural Development, along with engineers, the sarpanch (village head), the secretary and villagers from the Gram Panchayat, who conduct the social audit without any participation of Civil Society Organizations (CSOs) (Vij, 2011). Similarly, in the state of Karnataka, social audits are being conducted by Vigilance Monitoring Committee (VMCs), but not in fair and impartial manner. The primary reason for inefficient VMCs is that it is the local elites having monopoly over the economic and political resources of the society, greatly influence the process of social audit by exploiting and marginalising the poor (Lakha Salim, et al., 2015, p. 331).

However, among all the states, the state Andhra Pradesh has performed well in the NREGA social audit (Gopal, 2009). In the state of Andhra Pradesh, the Social Audit under MGNREGA is being successfully carried out partly due to the presence of an autonomous body 'the Society for Social Audit, Accountability and Transparency (SSAAT)' to check discrepancies in the implementation of MGNREGA (Sushmita, 2013). The SSAAT aims at engaging the rural people and social activists in the process of the public vigilance upon the implementation of scheme. The regular conduct of social audit under MGNREGA has led to the overall improvement in the quality of the implementation of the scheme including increase in the size of programme and level of awareness among the people about the programme (Kumar & Shah, 2015). The study by Singh &

Vutukuru on social audit in the state Andhra Pradesh revealed that the bargaining power of the citizens with the local officials has been enhanced and their grievances have been timely addressed. It has been further found that the committed top-level bureaucracy and an emerging partnership between the state and the Civil Society Organizations (CSOs) in the social audit process are the main factors behind the success of social audit in Andhra Pradesh (Aakella & Kidambi, 2007).

Taking the evidence from the successful conduct of Social Audit in Andhra Pradesh, the present paper is designed to examine about how the social audit is being conducted in other states of India. In this backdrop, the state of Odisha is selected for the present study.

MGNREGA AND SOCIAL AUDIT IN ODISHA

As per the 2011 census, Odisha is the eleventh most populated state in India with 41 million people. The

state is consisted of 30 districts, 58 sub divisions, 171 tahasils, 314 blocks, and 6232 gram panchayats. The state is one of the poorest states with a very high percentage of rural population living in utter poverty and chronic hunger (Rai, 2007). In Odisha, the MGNREGS scheme was implemented in three phases, with emphasizing and covering 19 backward districts including KBK districts like Kalahandi, Balangiri, and Koraput in the first phase in 2006. (http://nrega.nic.in/mnrega_dist.pdf) As per the official records of the State government, Orissa provided 7.99 crore person-days employment to 13, 94,169 households in 2006-07. In other words, an average 57 days of wage employment was provided to every claiming family in the State during the year. Total person days generated under MGNREGA in Odisha during the financial year 2007-08 was 405.23 lakhs which then increased to 543.5 lakhs in the financial year 2015-16. In 2010-11 financial year, MGNREGA was at its peak in Odisha with total person days generated under it was

976.57 lakhs. But later it marked a declining trend. One of the primary reasons behind the declining trend in the number of Households employed under MGNREGA is that the demand for work under MGNREGA is not so much as in other advanced states, though Odisha with its high levels of poverty and unemployment in the country has the high potential for the implementation of the scheme.

In order to enhance transparency and accountability in the implementation of the programme, the Panchayati Raj department of Odisha Government with the support of 'Orissa Modernizing Economy, Governance, and Administrative Programme (OMEGA)' has initiated a new model on social audit rendering final responsibility to Panchayats to conduct the social audit (MORD, GOI, n.d.). In this backdrop, it is pertinent to find out how the social audit process is being conducted and to what extent the

Table.1:

Performance of MGNREGA in the three selected panchayats of Bhawanipatna block of Kalahandi District in the financial year 2015-16

Panchayat	Total Households Worked	Persondays Generated so far	SC persondays % as of total persondays	ST persondays % as of total persondays	Women Persondays out of Total (%)	Number of Completed Works	Total Exp(Rs. in Lakhs.)
Deypur	157	5,421	14.31	65.5	50.03	6	2.19
Duarsuni	450	19,953	37.7	39.17	50	79	22.09
Medinipur	193	3,516	31.4	35.55	31.43	Nil	-
Bhawanipatna	8,985	3,28,607	19.41	43.38	45.51	469	445.63

Source: www.nrega.nic.in

process is effective in achieving its desired goals in the study area of Kalahandi District.

In the Kalahandi district, about 35.81 Lakhs person days were created in financial year 2015-16. Of these, SCs person days was 16.68%, STs Person days was 36.94% and women person days was 41.24%. Around 0.93 Lakhs of total households worked under the scheme and about 4,631 number of works got completed during the same period. Total expenditure incurred under it was 7,859.88 lakhs. The performance of MGNREGA in the three panchayats of the Bhawanipatna block was given through the table.1 below;

ANALYSIS OF THE STUDY

The finding of the field study, which was conducted during November –December 2015 with the help of an NGO named DAPTA, is summed up as follows;

It is observed that though MGNREGA has been implemented since 2006 in the study areas, the rural people don't have much awareness about the provision of social audit under MGNREGA. The participation of rural people in Palisabha and social audit is only that of passive observers. While social audit proceeding reports are available at office level, it was difficult to find out any Action Taken Report (ATR) at Panchayat Office and block level office; this is because Social Audit is conducted merely for fulfilling formality. Further, there is no such evidence of follow up action which further raises question about the effective conduct of social audit. Moreover, the Social Audit Proceeding reports are being prepared solely by the implementing agencies like panchayat, block officials without any participation of the social auditors, beneficiaries, NGOs, and CBOs. While the Audit of Scheme Rules, 2011 mandated that an independent organization (Social Audit Unit) comprising the resources person at the village, block, district and state level will facilitate the conduct of social audit without any interference from the implementing agency of MGNREGA (MORD, GOI, 2015), while there is no such things happening in these areas. The transparency and accountability tools like RTI and Social audit are quite known at official level, but people at ground level fail to take advantage of these tools due to their ignorance and lack of confidence. It is partly due to this reason; the interest of the poor and innocent villagers has often been purposely ignored by their elected representatives. In addition, it has been mandated that the Village Monitoring Committees (VMCs) at village level is to monitor the implementation of work under MGNREGA (Ministry of Rural Development, 2011). But, in the study area, it is found that VMCs constituted for the purpose of monitoring the implementation of the work under MGNREGA are ineffective due to lack of interest and activeness among its members. Specifically, the members of the VMCs who are drawn from the participant workers under MGNREGA are not able to monitor effectively due to their ignorance and powerlessness. Furthermore, they are members for namesake only. Likewise; the involvement of NGOs, Community Based Organizations and common people in the process of social audit is meager.

Another important finding is that rural people lack interest to work under the scheme due to delay in payment of wages. As the Gram Rozgar Sevak (GRS) reveals that due to administrative bottlenecks, wage payments are not made timely. Moreover, MGNREGA wages are comparatively lower than the minimum wage for unskilled manual works available near local areas, which makes it less attractive for the workers, especially for the male youth who usually prefer

to migrate to cities and towns for work. Besides, in order to curb corruption in wage payments, the Government of India has mandated the direct transfers of funds through banks and post office to the accounts of beneficiaries (MGNREGA Sameeksha II: An Anthology of Research Studies (2012-2014), 2015). However, poor and illiterate people fail to understand bank services and thus face many complexities in getting their wages from their bank accounts.

While, the participation of beneficiaries in the conduct of social audit is considered as the prerequisite for an effective social audit, the least awareness among common people about Social Audit has rendered towards its ineffectiveness in our society. Hence, Social audit lacks inclusiveness and institutionalization. The ineffective conduct of social audit reflects the implementation gap in the scheme which hinders it to become a panacea for poverty and unemployment across the region. In this backdrop, it can be inferred that social audit has not been put into practise in its true form in the study areas and this has partially resulted in the poor state of affairs in the implementation of MGNREGA in these villages of Bhawanipatna block.

CONCLUSION

The paper concludes that the Social audit has not taken root in its true form in Kalahandi district of Odisha in the absence of the support of independent institutions like OMEGA and OSSAAT. It is also observed that the impartial and effective conduct of social audit would be challenging without the intervention of the OMEGA, OSSAAT, NGOs, CBOs and beneficiaries. The OSSAAT needs to be well equipped with adequate personnel and also needs to cover all the districts of the state. There is also an urgency to strengthen the Gram Panchayats, the nodal agency of the implementation of MGNREGA, so that they would play major role in raising awareness of the rural poor about the provisions of MGNREGA and social audit. While the demand for social audit in every government initiated welfare programmes is rationally mounting, the possibility of social audit penetrating into the society and becoming a common and successful exercise is still vague. Much work has to be done to raise awareness among citizens regarding social audit as well as to prepare them to participate in the process of social audit effectively at ground level. In this regard, both the state government and the non-government organizations including CBOs, CSOs etc. must take up and share responsibility of making social audit realistic in the state.

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