



Status of Social Audit Process for Mahatma Gandhi National Rural Employment Guarantee Act 2005 in Chhattisgarh

Anand Raguvanshi^{1*} and Sangya Shrivastava²

¹Thakur Pyarelal Institute of Panchayats and Rural Development, Nimora, Raipur, India

²Jharkhand Rai University, Ranchi, India

*Corresponding author: anand14674@gmail.com

ABSTRACT

Social audit is a requisite tool under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) to monitor and evaluate the works that are being carried out under MGNREGA, in line with annual village plans. MGNREGA play a helpful role to reformation local governance and transforming social defense into social justice. By analyzing the Social Audit mechanism under Mahatma Gandhi Rural Employment Guarantee Act, this paper explores how Social Audit process is effectively in Rural Employment. The basic objective of a social audit is to ensure public accountability in the implementation of projects, laws and policies. Primarily envisaged as only post implementation exercises, they have actually now emerged as a way to empower poor and transform social-political structures in the villages. Section 17 of the MGNREGA Act provides for conduct of regular 'Social Audits' at different stages of implementation of the scheme to ensure the reach of benefits to the poor. To strengthen the process of social audit, the Ministry Rural Development has notified the Social Audit Rules in June 2011 and made it mandatory to establish an independent Social Audit Unit to facilitate the Social Audits in Gram Panchayats and to ensure the proper implementation of various Rural Development Programs. We examine the accuracy and performance of Social audits process in Gram Panchayats of Different District in Chhattisgarh.

Keywords: MGNREGA, social audits, social justice, gram panchayats

Social Audit is accepted as a central accountability tool in the improvement sector because it is argued that it contributes to transparency and effective governance. The compulsory requirement for social audit under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which was launched in 2005 by the Government of India, is an innovative measure aimed at ensuring accountability from those involved in the implementation of the scheme. What is particularly significant is that social audit under MGNREGS is to be conducted by the beneficiaries of the scheme. While the scheme is to be implemented by Gram

Panchayats (GPs) or Village Councils, it is the members of Gram Sabhas comprising of ordinary villagers who are responsible for conducting the audits. Social audit is measurement of an national development towards superior accountability in all fields. Social auditing is a process by which organizations can report for, account on, and improve their social presentation. It indicates and quantifies the social impact and principled activities of an organization in relative to its aims and those of its stakeholders. To put it exactly, social auditing is a process by which an organization accounts for its social performance to its stakeholders and seeks to progress

its future social concert. To guarantee continuous community vigilance, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) during Social Audit involves the prospective beneficiaries and other stakeholders of an action or project at every stage at planning, execution, monitoring and assessment. This development is to ensure that a project is planned and implemented to go well with local environment, brilliant priority and as a result effectively helping the public awareness. Under the scheme, there are assured standard actions and process of social audit is to be adopted by chhattisgarh state. This research study was carried out broadly to find how various district of Chhattisgarh states responded to the compulsory social audit process in MGNREGS as now the scheme acquire enormous experience in the process of social audit. It would be also necessary to look at how other agencies are adopting social audit process in improving their organizational performance. The issues involved in the study are, to what extent different organizations might adopt the process, what is the difficulty in following social audit process? Can it help to improving the performance of MGNREGS? How do the grassroots institutions responded in terms of participation and support? Does it improve local governance and transparency? To ensure the effective implementation of MGNREGS, the Government of India has constituted Program Advisory Group and six National Resource Groups. The NRG on Transparency and Accountability is responsible to establish independent Social Audit Units in every State.



Vision: Chhattisgarh Social Audit Unit is to promote and strengthen Social Audit process by developing a

strong resource base and thereby Social Audits become as an integral part of the Governance in the State.

Mission: Chhattisgarh Social Audit Unit seeks to promote and facilitate the Social Audits as a preferred means for continuous public vigilance, monitoring and evaluation of all welfare and developmental schemes implemented for the benefit of poor. It also generates the Social Audit Reports for appropriate actions.

Social Audit is accepted as a central accountability tool in the improvement sector because it is argued that it contributes to transparency and effective governance. The compulsory requirement for social audit under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which was launched in 2005 by the Government of India, is an innovative measure aimed at ensuring accountability from those involved in the implementation of the scheme. What is particularly significant is that social audit under MGNREGS is to be conducted by the beneficiaries of the scheme. While the scheme is to be implemented by Gram Panchayats (GPs) or Village Councils, it is the members of Gram Sabhas comprising of ordinary villagers who are responsible for conducting the audits.

Objectives of Social Audit

Unit To strengthen and deepen of Social Audit process in State so that Social Audits become an integral part of the Governance process; it shall ensure that the purity of the social audit process is maintained by all stakeholders; The social audit process remains autonomous from mainstream Government administration as well as the implementing agencies at all times; Responsible for Social Audits of the MGNREGS and other Rural Development Schemes and any other Departments that are benefitting the poor. Social Audit Process-Obtaining officials records (photo copies) from Janpad Panchayat & MIS Identification of rural youth (10th & 12th Standard) by the Social Audit Facilitators Organizing training for 6-7 days to build the skills of rural youth Consolidation of official records and identification of deviations in the recorded information VSAs and Social Audit Facilitators form into groups to audit in allocated GPs Social Audit at GP level disclosure of official information to public scrutiny Wall writings indicating the days worked, wages earned

by each household. Wall writing of IAY beneficiaries, cross verification of recorded information with each worker/household, recording of the deviations if any, taking the evidences from the beneficiary concerned along with signature. Taking measurements of work and comparing with Measurement Book, vouchers and recording deviations Cross checking materials utilized with workers and vouchers and recording deviations; Enquiring of performance of Gram Rojgar Sahayak, Sachiv, Mate, Paying Agencies (Bank/Post office) etc. Preparation of Social Audit Report.

Literature Survey

The researcher is involved in reviewing the major findings of some of the related studies undertaken by other researchers in different places at different times. The past literature, actually, helps the researcher to adopt, modify and improve the conceptual frame work of this thesis. In any research work review of literature helps to find out the past theories, axioms and established doctrines.

Kurian (1991) examine the "Special Employment Programmes". The researcher is mainly concerned with the rural employment programmes in India. JRY, NREP and RLEGP were implemented and empirical y improved and added various programmes under their scheme for creating employment opportunities in village level.

Balla *et al.* (2003) in their paper on Rural Employment and Poverty, consider employment and income growth agriculture and non-agriculture in rural urban areas under various sectoral growth rates and employment elasticities. It deals with generating employment in the years and labour force as also in raising wages and productivity of workers. It also considers possible strategies for increasing employment significantly reducing rural and urban poverty by 2020.

Vaithyanathan's (2005) article, "Employment Guarantee and Decentralization" examines the activities among the panchayat level in all over the country. This article reveals that the main objective of decentralization must be within the panchayat level of the work in local development activities. Protagonists of the NEGS do

favour entrusting the programme to panchayats and incorporating provisions to this end in the national law. NEGS must be combined with a campaign strong opinion and mobilize elected panchayatdars all over the country to bring pressure on the central and state governments to strengthen democratic panchayats and empower them to plan and implement all local development programmes.

Puran Singh's (2006) article, "NREGS A Task Ahead" confers legal right to employment on the rural citizens. This article is a modest attempt to critically examine the various provisions of this scheme with special reference to the delivery mechanism and role of Panchayat Raj institutions the implementation of the scheme. The NREGS is imperative that a village level micro plan is prepared and the work area plan.

Vinayak Reddy's (2007) work "NREGS an Approach to Inclusive Growth," suggests more effectively a new approach for provided the social security work in job in rural BPL households. The delivery systems can be improved with the new approach of participatory development, social mobilization, right to information, involvement of civil society and panchayati raj institutions. It is the services economy and it's providing the employment opportunity with inclusive growth in rural India.

Vidhya Das *et al.* (2007) made a study on, "Illusions of Change" in Orissa and observed that the National Rural Employment Guarantee Act as implemented. The researcher revealed that the implementation of NREGA has resulted in grandiose claims of expenditure but very little to show in reality.

Ram N. (2008) in his analysis points out that the importance of the MGNREGS has increased in the wake of the global economic slowdown. The slowdown would put a squeeze on rural livelihoods and incomes. Hence, unless there is massive injection of demand into the economy that puts purchasing power into the hands of the rural masses, especially the poor, who have to go out and work to support their families, the economy will take a long time coming out its difficulties.

Performance Audit Report (2008) of MGNREGS reported by the Ministry of Rural Development revealed that (i)

The Governments of Arunachal Pradesh, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Kerala, Maharashtra, Manipur, Punjab, Rajasthan and Tamil Nadu (13 states) did not formulate rules for carrying out the provisions of the Act as of March 2007. (ii) In Tamil Nadu, though the State Employment Guarantee Councils (SEGCs) was constituted, no periodicity of meeting was fixed and Council had met only once during 2006-07. (iii) The Governments of Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Harkand, Karnataka, Madhya Pradesh, Manipur, Nagaland, Orissa, Sikkim, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal (18 states) did not appoint dedicated Gram Rozgar Sevaks in 303 test checked Gram Panchayats and (iv) Out of 68 districts test checked, District Perspective Plan (DPP) was not prepared by 40 test checked district.

Gopal, K.S. (2009) has written about, "NREGA Social Audit, Myths and Reality" research had been conducted in Andhra Pradesh. The researcher got ground there and found that audits had achieved much less than

advertised and they (rural people) had ignored many important aspects of implementation of NREGA. The social audit process has a long way to go before it can claim to have contributed to transparency empowerment and good governance.

The Annual Report of the Ministry of Rural Development (2009-10) disclosed that in 2009-2010, up to December 2009, an amount of 18,950 crore has been utilized out of 39,100 crore and during the same period 160 crore person-days of employment has been generated across the country. At the national level, average wage paid under MGNREGS has increased from 65 in financial year 2006-07 to 88.44 in financial year 2009-10. In financial year 2009-10, 36.51 lakhs works were undertaken, of which 51% was for water conservation, 16% for rural connectivity, 14% land for development and around 17% for provision of irrigation facility to individual beneficiaries.

Sivakumar Sowmya (2010) who conducted social audit in Durgarpur District of Rajasthan, revealed that the Mahatma Gandhi National Rural Employment

Sl. No.	Name of the GP	No. of application for job card receiving during SA	No. of applications demanding working receiving during SA	Pending wage payment to workers in different works*		Fake/Binamy MRs in different works*	
				No. of workers	Amount (₹)	No. of workers	Amount (₹)
1.	Labji	26	170	33	4818	—	—
2.	Katinda	16	11	28	62918	234	25640
3.	Chodeya	2	25	15	31304	58	8411
4.	Tirkela	11	—	30	51732	—	—
5.	Sakria	8	48	14	4296	—	—
6.	Dhondakesara	2	—	52	93443	263	38788
7.	Lipingi	16	—	10	17374	228	31392
8.	Losangi	5	72	2	5256	—	—
9.	Pondi	7	28	7	4088	64	9344
10.	Manja	18	61	9	20128	—	—
11.	Losanga	85	372	41	44146	—	—
12.	Kunni	10	76	23	79090	232	30968
14.	Karai	8	26	1	876	17	2482
14.	Patkura	4	133	38	89702	—	—
15.	Argoti	11	—	28	37988	27	3942
Total		229	1022	331	547159	1123	150967

Guarantee Act, which has revitalized the rural landscape across the country, stands diminished in the land of its birth, Rajasthan State, hijacked and held to ransom by vested interests and stripped of its backbone of an open social audit. Hence, the author suggested that, as the Andhra Pradesh State experience has shown, there is one ingredient that can bring back its vitality: institutionalizing citizen audits and added that, the single most important ingredient missing in the social audit attempts was the absence of a strong political and administrative will.

Puja Dutta *et al.* (2012) examine the performance thus far of the MGNREGS in meeting the demand for work across states. They examine the evidence for India as a whole using the household-level data from the National Sample Survey (NSS) for 2009-10. They confirm expectations that the demand for work on MGNREGS tends to be higher in poorer states. This appears to reflect the scheme's built-in "self-targeting" mechanism, whereby non-poor people find work on the scheme less attractive than do poor people.

Aiyar *et al.* (2013), the vision of MKSS is embedded in a discourse on rights-based democratic action, where social audits not only represent an anti-corruption tool but 'a platform on which citizens can be empowered to directly exercise their democratic rights.' Social audits thus ensure bottom-up involvement and opportunities for stakeholders to learn.

BS's and Banerjee *et al.* (2010) identification of impacts were made easier by randomized interventions: the attribution of desirable change to social audits, on the other hand, is made harder both by the absence of a credible source of exogenous variation in the quality of social audits and by the likelihood that problem areas are more likely to attract audits.

RESULTS

GPs in Lakhanpur Block of Surguja district rained 70 VSAs Got information of 80 works out of 161 works executed Done the social audit from 2-9, January 2014 As part of audit process Wall writings, Collected Job Cards registration details, Captured the work demand.

CONCLUSION

In principle, the modest impact of social audits could also reflect a problem of capacity on the part of social audit teams. In our discussions above, we assume that as the social audit process is repeated, core social audit personnel learn and amass new knowledge and understanding. This should make audits increasingly effective and auditors more able to detect more sophisticated irregularities. This conjecture is only plausible if core personnel stays put or learning is effectively transferred to new staff Experience based skill accumulation may become obsolete if the portfolio of MGNREGA projects undergoes significant change. This is an issue other adopting states need to pay attention to. Intensification of scrutiny may shift priorities towards projects with more material expenditure and harder to detect irregularities.

REFERENCES

- Agrawal, A.K. 2012. Impact of NREGA on wage rates, food security and rural urban migration in Gujrat. Implementation of the NREGA in Uttar Pradesh, *International Journal of Business and Management Research*.
- Aiyar, Y., Mehta, S.K. and Samji, S. 2013. India: Implementing Social Audits, in K. Subarao *et al.* 2013. Public Works as a Safety Net: Design, Evidence and Implementation,' Washington DC: The World Bank, Chapter 11, pp. 249-68.
- Balla.G.S. and Peterhazell 2003. Rural Employment and Poverty Strategies to Eliminate Rural Poverty Within a Generation, *Economic and Political Weekly*, XXXVIII(33): 3473 - 3484.
- Banerjee, A.V., Banerji, R., Duflo, E., Glennester, R. and Khemani, S. 2010. Pitfalls of Participatory Programs: Evidence from a Randomized Evaluation in Education in India, *American Economic Journal: Economic Policy*, 2(1).
- Bhatia, Bela and Dreze, Jean 2006. Employment Guarantee in Jharkhand: Ground Realities, *Economic and Political Weekly*, XLI(29): 3200-3202.
- Bordoloi, Johit (). Impact of NREGA of wage rates, food security and Rural Urban migration- Study in Assam.
- Das, Basanti 2007. Governmental Programmes for Rural Development. Discovery Publishing House Pvt. Limited, New Delhi.
- Dreze, Jean (). Employment Guarantee Act: Promise and Demise. In Berma, Sawalia Bihari; Upadhya, Yogesh and Sant Gyaneshwar Pd. Singh (Ed.), Rural Employment. Sarup.

- Ganeriwala, Anil. () Impact Study of the usefulness and sustainability of the assets created under MGNREGA in Sikkim – IRMA, Rural Management and Development Department, Sikkim.
- Gopal, K.S. 2009. NREGA Social Audit: Myths and Reality, *Economic and Political Weekly*, **XLIV**(3): 70-74.
- Government of India 2008. Performance audit Report No, XXXXI, Ministry of Power Rural Development, Department of Rural Development, New Delhi, p. 82.
- Government of India 2009-2010. *Annual Report*, Ministry of Rural Development, Department of Rural Development, New Delhi, p. 311.
- Institute of Applied Manpower Research, Delhi, All India Report on evolution of NREGA – A survey of Twenty District.
- Khera, R. and Nayak, N. 2009. Woman Workers and Perceptions of the NREGA”, *Economic and Political Weekly*, **44**(43): 49-57.
- Kurian, N.J. 1991. Review: Special Employment Programme, *Economic and Political Weekly*, **XXVI**(24): 1459-1460.
- Mehrotra, Santosh, 2008. ‘NREG Two Years On: Where Do We Go from Here?’ *Economic & Political Weekly*, August 2, pp 27-35.
- Ministry of Rural Development (). MGNREGA 2005, Report of the people (02/02/2006 to 02/02/2010) -
- Ministry of Rural Development 2006-07. Report of the Second Year of MGNREGA.
- Narayanan, S. 2008. Employment Guarantee, Women’s Work and Childcare. *Economic & Political Weekly*, March 1, pp 10-13.
- National Rural Employment Guarantee Act 2005. Ministry of Labour, Govt. of India, New Delhi.
- Puja Dutta, Rinku Murgai, Martin Ravallion, Dominique van de Walle 2012. Does India’s Employment Guarantee Scheme Guarantee Employment?, *Economic and Political Weekly*, **XLVII**(16): 55-64.
- Puran Singh 2006. National Rural Employment Guarantee Scheme, *Kurukshetra*, **54**(7): 42-47.
- Puri, Manuhar. 2006. The NREGA: Rural People to Grow with the Nation. In Berma, Sawalia Bihari; Upadhya, Yogesh and Sant Gyaneshwar Pd. Singh (Ed.), *Rural Employment*, Sarup & Sons, New Delhi.
- Ram N. 2008. With global meltdown, NREGS becomes more important, *The Hindu*, Madurai, 11 January.
- Rao, K. Hanumant; Ambakar, Bhushan; Jadhav, Nana Sahib and Jayalaxmi, K. () Planning and Implementation of NREGA in Maharashtra, A Process Study.
- Shrinivasan, Rukmini 2012. NREGA’s non-existent impact on migrant labourers, *The Times of India*, Retrieved on 23.02.2013 <http://timesofindia.indiatimes.com>
- Sivakumar Sowmya 2010. No guarantee anymore, *The Hindu*, Madurai, 03 October.
- Sundaram, K. 2007. ‘Employment and Poverty in India, 2000-2005’, in *Economic and Political Weekly*, July 28, pp. 3121-3131.
- Thakur, Abhishek. (). A study of MGNREGA and its impact on wage and work relation, School of Social Work, TISS, Mumbai.
- Vaidyanathan, A. 2005. “Employment Guarantee and Decentralization”, *Economic and Political Weekly*, **XL**(16): 1582-1586.
- Vidhya Das and Pramod Pradhan 2007. Illusions of Change, *Economic and Political Weekly*, **XLII**(32): 3283-3286.
- Vinayak Reddy 2007. NREGS: An Approach to Inclusive Growth, *Southern Economist*, **46**(3): 21-24.