

Social Audits as a tool of transparency in India's rural public works scheme

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This column uses a rights-based framework to analyse the assessment of social safety-net schemes meant for poverty alleviation. One of the most prominent initiatives taken by the Indian state is to provide a guarantee of employment to its rural citizens under the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA). Today this is the world's largest public works scheme. To bring about transparency and accountability in the implementation of this scheme, a social audit was made at regular intervals. This column analyses this social audit tool.

In 1972 the Maharashtra state government initiated an employment guarantee scheme. After 35 years, the government of India adopted it nationally for all rural districts of the country. Many efforts were made to reduce embezzlement of funds and implement this public works scheme effectively. However, there were still complaints about fake attendance, bogus works and low wages. Against this backdrop, the National Advisory Council (NAC)¹, comprised of activists, proposed to include a social audit in the NREGA. Under section 17 of the NREGA, every village council (Gram Panchayat) should conduct a social audit of work undertaken in its jurisdiction every 6 months. Beneficiaries of the government welfare scheme publically record their observation about the benefit they are receiving, and also issues related to its implementation.

The process of NREGA social audit involves a public reading of workers' attendance musters, physically verifying the work that has taken place, and a household survey of the workers' family. The findings of this exercise are later tabled before a general meeting of the village (Gram Sabha), in which a panel asks the official concerned to explain the complaints they have recorded. The panel also gives its recommendations to the state government for necessary action.

The difference between NREGA's social audit process and audits of other welfare schemes is the greater involvement of vested interests. NREGA prevents outsourcing of work to private contractors, and use of labour-displacing machinery is prohibited. However the conventional modus operandi of government works involves contractors. Because of this fact, social audit teams have faced major threats and have been prevented from doing the household survey or from reading out the musters.

Demystification of Government data

Documents such as bills, vouchers of expenditure, utilisation and completion certificates, musters of labour attendance, estimates and design of works were out of reach of the common person. What social audit does primarily is to give the public at large access to these documents. This allows them to discuss, observe, and question public servants in a public forum. The

tool of social audit is a step towards rights to information in the sense that it empowers the beholder of information to use it to demand greater accountability.

When Aroehan (a grassroots organisation which works in the Mokhada block of the Palghar district for workers' rights and proper implementation of NREGA) conducted its first social audit in Beriste Gram Panchayat they found that 496 out of 514 workers could not find their names in musters. The issue was raised in the state assembly and after much pressure government took action against the guilty.

In other events, bank pass books and other records were returned to workers and wages were distributed as soon as officials got wind that the social audit process was about to begin. This has created enthusiasm amongst the people. Even though the Gram Sabha is given superior powers through the 73rd Amendment to the constitution of India, these powers are not realised in practice. The social audit is an effort in that direction to devolve administrative and financial powers to the Gram Sabhas.

The state of Andhra Pradesh has taken a further leap in conducting social audits with the aid of information technology. The Village Social Auditor can get details of government records through user-friendly Management Information System (MIS)² and can readily cross check the information in hand with workers and families.

The state of Maharashtra has involved³ civil society organisations and NGOs for the wider participation of the community. The experiment was a success as it trained youth in the rural areas, giving them confidence to voice issues of concern in more than 800 Gram Panchayat areas.

But the recent change in the central government and at the state level has clipped the wings of the social audit agency under the pressure of village-level public servants' organisation. More specifically, a reduction in budget to conduct social audit from 1% to 0.5% of overall expenditure on NREGA, effective from 1 April this year (Ministry of Rural Development, 2016; see also Ministry of Rural Development, 2013) has affected the strength of the Social Audit Unit (SAU) to hire and train people, purchase material and conduct social audits on the ground.

Challenges to implementing the social audit process

The hurdles range from stakeholders' capacity to legal shortcomings. At the level of the stakeholders, the Social Audit Rules of 2011 (S. 3(1) & S.4(1)) declare the Gram Panchayat as the appropriate body to conduct the social audit process, but it seldom has individuals with skills like surveying, accounting and engineering which are necessary to thoroughly conduct the audit. In these situations,

external assistance from civil society organisations is required to build the capacity of potential village social auditors and of the Gram Sabhas. However the government has appointed the SAU, which is composed mainly of retired government officials who are not often willing to take appropriate actions.

Another problem is non-cooperation from lower bureaucracy. In almost no cases of the social audit process in the state of Maharashtra did the government officials give records to the social audit teams in the stipulated time frame of fifteen days.

Another hurdle is vested interest at village level. The contractors, locally elected representatives, and lower bureaucracy jointly form a strong vested interest group which has been opposing and threatening social audit process in the village as it directly exposes them.

Design-related challenges include language. The NREGA MIS, although it is accessible by all, is in English, which is a hurdle as few workers can speak or read information given to them in foreign language.

The Gram Sabhas are not equipped with technical know-how such as civil construction, agricultural works design, calculation of wages and so on. Therefore, they are not able to conduct proper social audits unless assisted by civil society organizations or NGOs.

Legal challenges include the fact that, while the Social Audit Rules of 2011 provide for a panel comprising trade union representatives, activists, professors and legal professionals to hear the cases brought out by social audits, the panel has only recommendatory powers after hearing a case. The district bureaucracy, after receiving a report of a public hearing launches its own inquiry, which is time consuming and often leads nowhere. It often results in pressurising the complainant to revoke their complaints and, as Hernando de Soto correctly observes, the poor have no means nor equipment for fighting legal battles.

Despite these challenges, the fight to protect the social audit tool has received wider support especially from poor and lower middle class people, and they have started asking difficult questions to elected representative for compromising the social audit process.

People still wish to conduct social audits because they are a tool for bringing more transparency about implementation of the scheme and because it gives real strength to the struggle of poor people to get their right to employment. And it provides a platform where higher level government officials are answerable for wrong-doings, which creates downward accountability. More often it provides scope for shifts of power in the context of caste-ruled⁴ societies in India.

Scope for implementing social audit internationally

The majority of the global South comprises of developing nations in which governments are weak in implementation of public works and welfare schemes and complaints are often observed for embezzlement or siphoning of funds. In such situations, social audits can play a major role as they create downward accountability, empowering local communities to take charge of their development and funds invested by bodies such as the ILO and World Bank so that they can reach the

correct intended beneficiaries.

The other area in which social audits can be implemented is at the bottom of global value chains or global production chains. As the ILO has observed in many of its reports, working conditions for workers are not safe or appropriate at workplaces. Social audits could help to pressure multinational companies to revise the benefits they are offering at the lower end.

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Footnotes

1 The National Advisory Council (NAC) of India was an advisory body set up by the first [United Progressive Alliance](#) (UPA) government to advise the Prime Minister of India in 2004. Sonia Gandhi served as its Chairperson for much of the tenure of the UPA.

2 Management Information System is a computer-based system (found on the following website: www.nrega.nic.in) where users at various levels upload information of the scheme, works, targets, status and beneficiary information.

3 Government resolution of 13th Nov 2014 provides detailed steps for conducting a social audit in the state of Maharashtra

4 Caste is a form of social stratification in India. It attributes upper or lower social status to the person on the basis of his/her birth in a particular family. Though the Constitution of India prohibits practicing discrimination on the basis of Caste or religion, it still prevails in the society.