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**Social Audit of MGNREGA
- A Panacea or a Placebo?
Issues and Ways Forward in
Karnataka**

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The Institute for Social and Economic Change,
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SOCIAL AUDIT OF MGNREGA - A PANACEA OR A PLACEBO?

ISSUES AND WAYS FORWARD IN KARNATAKA

Sanjiv Kumar¹ and S Madheswaran²

Abstract

This paper mainly addresses the question whether a competent, capable, and independent SAU (Social Audit Unit) existed in Karnataka with adequate human capacity building and financial resources and capacities capable to fulfill the aspirations of an effective social audit using primary and secondary data. Results show that social audit in MGNREGA, identified as a potential tool, has not been put to use by the authorities. SAU and their team have put their heart and soul and brought out meaningful reports with very pertinent and critical findings about misappropriation, financial deviation or non-compliance with important statutory and non-negotiable features of the scheme, but they have not been acted upon. The state has remained a silent spectator to the operation of 'Shadow State' and consequent leakages and programme distortion. In the absence of a credible enforcement and follow-up mechanism, and lack of exercise of 'will' of the establishment, the vast repertoire of pertinent findings of the social audit have remained decorative festoons hanging on the MGNREGA web portal. Clearly, this potentially versatile tool, capable of being a panacea, has remained a placebo. The policy implications and suggestions are highlighted for improving the efficacy of the programme.

Introduction

Of late, a complex developmental paradigm in modern developing democracies like India has spawned a political concept of democratic decentralisation through which power is spread from top to bottom. Such decentralisation expands the field of authority ceding space for a deeper and wider scope for participation in the policies and administration including delivery of key development programmes. With wider and deeper participation comes better control and access to developmental resources with better transparency and accountability and distributive justices and satisfaction. To achieve these objectives, new institutions are created and the old and existing institutions are reorganised or reformed. One of the key widely acclaimed institutional innovations of this new paradigm is social audit which is different from financial audit. Social audit focuses on the performance of a programme in fulfilling its intended social objectives and ethical vision through consultation with a range of stakeholders including beneficiaries, community members and government officials who collectively verify the programme information obtained with documents and physical inspections. Thus social audit examines and assesses the social impact of specific programmes and policies through participatory appraisals and collective monitoring, ensuring social accountability.

Thus "the process of social audit combines people's participation and monitoring with the requirement of the audit discipline. It is necessary to promote people's participation in the audit along with support provided by an independent social audit organisation that facilitates the process. The work of the Auditor is to 'investigate' by cross-verifying facts and details in the records from the workers and cross-verifying works at site."(Village Resource Person- Training Manual (VRP-TM) for social audit of MGNREGA, Ministry of Rural Development, Government of India, April 2017) "social audit is the

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examination and assessment of a programme/scheme conducted with the active involvement of people and comparing official records with actual ground reality. Social audit is a powerful tool for social transformation, community participation and Government accountability." (VRP-TM) Social audit is different than Audit, as the latter is a systematic, objective official inspection of an organisation's accounts, books, statutory records, financial and other documents and vouchers, inventory etc., typically by an independent body, to ascertain how far the financial statements as well as other disclosures present a true and fair view of the organisation including their financial, statutory and procedural integrity.

VRP-TM mentions key features of social audit as fact finding, not fault finding, opportunity for awareness building on entitlements and processes, creating the space and platform for dialogue among various levels of stake holders, timely grievance redressal, strengthening the democratic process and institutions, and building people's pressure for better implementation of programmes. It further highlights the benefits of social audit as – It informs and educates people about their rights and entitlements. It provides a collective platform for people to ask queries, express their needs and grievances. It promotes people's participation in all stages of implementation of programme. It brings about transparency and accountability in government schemes. It strengthens decentralised governances and social accountability.

Social accountability is an obligation on the part of the government to be answerable to the citizens for all its people-oriented policies and programmatic actions. It is well established that the accountability of government officials is a must for ensuring good governance. Conventional internal accountability such as channels of authority, control, reporting and performance evaluation are now supplemented by external forms of horizontal accountability; through institutions such as the Ombudsman, Judicial review, Media Scrutiny, pressure group activity and collective actions and social accountability (Jayal, 2007). Accountability is brandished as the complete and final solution to all governance problems – the chief instrument for combating the 'three-headed monster' of corruption, clientelism and capture (Ackerman, 2005). Social audit is a well-recognised and acclaimed tool for social accountability and transparency. Identified components of social accountability practice include collection, analysis and dissemination of information, mobilisation of public support, advocacy and negotiation for change. Social audit is a tool now being advocated as a panacea to enhance the effectivity of both beneficiary-oriented programmes as well as community development programmes like MGNREGA, National Rural Drinking Water Programme (NRDWP), Swachch Bharat Mission (SBM), Mid Day Meal (MDM), Public Distribution System (PDS) etc. This rapid study tries to appraise the practice of social audit in Karnataka specifically in the context of MGNREGA to explore its extent, utility and effectiveness and tries to identify lessons for the way forward.

Inter alia other objectives, this study specifically tries to explore the following issues and objectives as it finds hardly any empirical study with analysis of primary data on those parameters:

- ❖ Whether a competent, capable, and independent SAU existed within the state of Karnataka with adequate human, capacity building and financial resources and capacities capable to fulfil the aspiration of an effective social audit.

- ❖ Whether SAU is provided with adequate support mechanisms like planning, availability of records, reporting and follow-up of social audit finding within the State.
- ❖ Whether social audits executed during the last few years were adequate and effective as per the rules and regulations laid down? Were these activities supported and aided by the MGNREGA authorities, Panchayat Raj institutions and the state government,
- ❖ Whether the oversight mechanism envisaged through the State Employment Guarantee Council (SEGC) and the laying of the annual report before the legislature is meaningfully performed and effectively supporting the social audit mechanism.
- ❖ Has the process of social audit been an opportunity for awareness building on rights, entitlement and processes, creating the space and platform for dialogue among various levels of stake holders with timely grievance redressal, strengthening democratic decentralisation and building people's pressure for better implementation of programmes and social accountability?
- ❖ Has it empowered and organised beneficiaries for enhanced participation and better outcomes including transparency and accountability?
- ❖ Does the institutional mainstreaming of social audit for MGNREGAs aid and buttress the statute and rights-based programme?
- ❖ As the state government in consultation with the central government has extended the services of Social Audit Unit to NRDWS, SBM, MDM and PDS, as it was considered a panacea for empowerment, participation, effective monitoring and quality programme implementation, this study further explores if this versatile tool was indeed a panacea or a cosmetic placebo to lull sceptics and MGNREGA critics.

A Brief Review of Literature on Social Audit of MGNREGA

MGNREGA is widely acclaimed as the largest rights-based development programme guaranteeing the right to work, empowering the poor, particularly women, reducing migration, improving the capacity of the poor to negotiate, enhancing equity, augmenting productive assets and promoting environmental protection and sometimes is recognised as a social security and hence has attracted immense academic attention and spawned a plethora of literature. MGNREGA is far from perfect, but a lot more effective than any other existing scheme in benefitting the poor (Mookherjee, D, 2014). Corruption and leakage in government programmes including MGNREGA remains a serious concern. One of the innovative tools for empowering beneficiaries for participatory monitoring to reduce leakage and corruption in the programme is social audit, which also has attracted many studies and resulted in considerable literature.

Participatory monitoring, being programmatically formalised through social audit, has been recognised by many as a panacea for many ills in the poverty alleviation and community development programmes. It is argued that the best way to tap into the energy of society is through "co-governance" which involves inviting social actors to participate in the core activities of the state (Ackerman, 2004). 'Exit' solutions and 'voice' solutions like social protest or consultation without the society's participation are insufficient for strengthening government accountability. Hence the role of social audit by stakeholders as an accountability tool in good governance has been well identified (Ghonkrota, SS *et al*, 2007).

The concept of social audit was first developed in the context of a formal review of a company's endeavour in social responsibility in terms of social and environmental programmes undertaken by it. Such social audit looked at factors such as the company's records of transparency, work environment, labour and environment law compliance, energy efficiency, charitable and voluntary activity to evaluate what kind of social and environmental impact a company is having in the locality where it operates. Social audit is a way of measuring, understanding, reporting and ultimately improving an organisation's social and ethical performance (Wikipedia, 29.09.2018). Social audit term is in use since the 1950s, but there has been enhanced interest in the concept in developing countries like India since the 1990s, in an entirely different context of participatory development and community monitoring with social accountability, good governance and increased public participation for improved public service delivery with enhanced accountability and transparency.

Examples of a social accountability initiative include 'traditional' forms, such as public demonstration, advocacy campaigns, investigative journalism, and the recent ones such as citizen report cards, participatory public policy making, public expenditure tracking, and "effort to improve the effectiveness of internal accountability mechanisms of the government, for example by involving citizens in public commissions and hearing and oversight committees." (Malena, Forster and Singh, 2004). Across Asia, social audits are proving useful in promoting public accountability and responsiveness. In one Bangladesh Project, for instance, the participation of over 1,25,000 people from 250 communities, most of them women, led to their voice being counted in the provision of health and family planning services. Select studies from India show that relatively 'well – governed states' such as Kerala have made headway in social auditing. In Delhi, a successful civil society movement 'Parivartan', using the Right to Information law, has been conducting public audit of civil works and other services and rallying people around common concerns of misgovernance (Ahmad, 2008).

Harriss-white (2003) had long back analysed the role of the 'shadow state' including brokers, advisers, political workers and contractors who interact and often determine the choice of the 'official state' and engender processes that assure private gains for the employees of the formal state. And such complex political and social reality contextualised the need for a social audit with a nuanced role for the beneficiaries and civil society along with traditional actors like patrimonial elites and developmental agencies.

Aakella and Kidambi (2007) studied the process of social audits conducted in Andhra Pradesh where for the first time an institutional mechanism was created that was spaced at an optimum distance from the implementing agency.

Aiyar, Mehta and Samji (2009) studied the Andhra Pradesh experience of social audit to identify key design principles that need to be considered when developing an institutional architecture for the same. They identify social auditors with a stake in the MGNREGA, independent autonomous social audit institutions with government support, clearly defined social audit non-negotiables (like the role of local administration in facilitating social audit, training facilities, public hearing, essential attendance in gram sabha meeting and public hearing etc.), coalitions at the frontline, strong record keeping and effective follow-up and grievance redressal as key design principles for effective social audit. Aiyar and Samji (2009) consider this state government driven top-down approach of social audit

in Andhra Pradesh wherein the accountability mechanism is integrated into the state apparatus and recognise that social audits will be most effective, if they are conducted regularly, have inbuilt feedback mechanism, and are undertaken in partnership with the state to ensure immediate perceivable grievance redressal.

Speer (2012) finds that participatory governance mechanisms have been widely promoted in developing countries with a claim that it brings increased accountability, higher government responsiveness, and better public services, but he asserts that evidence on those claims was positive but limited and needed more comparative cross-case research with large samples.

Karmakar, R S (2017) states that the crisis situation everywhere in the welfare sector in the country demands some new ways to combat, and social audit may be one of the probable solutions, but concludes that the overall feature of social audit in the country are not inspiring whether in public or private sector. The government needs to step very carefully to initiate social audit scientifically, so that the ultimate objectives of different schemes or programmes are achieved and if the quality is not maintained, people may lose their faith in social audit. Strong political and bureaucratic willingness and a genuine demand for accountability and mass consciousness are flagged as issues.

Holmes, R *et al* (2010) have assessed the gender dimensions of social protection programming and concluded that women are less likely to participate in village meetings, and therefore play a limited role in deciding what types of works are to be carried out in the village through MGNREGA. Their analysis of MGNREGA through a gender lens highlights specific progressive gender – sensitive design features which support women's participation in employment through the one-third quota, equal wages for women and promotion of women's active engagement in planning and evaluation through the social audit forums. However, they conclude that their findings suggest that both the conceptual design of NREGA and its implementation need to be strengthened to further support gender-equitable outcomes. They recommend the promotion of women's participation in community planning and monitoring of NREGA works, by putting in place quotas for women's representation, flexible meeting timings, awareness raising on the importance of women's participation and mechanisms to strengthen their confidence to raise their voice and opinions in community decision-making processes and strengthening the existing monitoring and evaluation of gender-oriented data collection and analysis. Similar findings are arrived at by S Lakha, D Rajshekar and R Mangala (2015) that female VMC members were token appointees, acting as proxies for their husbands.

R Manjula and D Rajshekar (2015) studied the participation of Scheduled Caste Households in MGNREGA in Karnataka and found that they are discriminated against due to lack of awareness and their participation in planning and social audit is often manipulated by the rural elite.

Vij, N (2011) identifies participatory local governance and social accountability as themissing link to bridge social protection and social justice and recognises the role of the non-profit and civil society organisations who step in to invigorate and educate the beneficiaries of their entitlements. Lakha, S (2011) emphasised the crucial role of the state to make accountability viable and effective and asserts that the backing of the government and the state for social audit cannot be taken for granted, hence the involvement of civil society actors like MKSS and others is also critical to the success of social audit as they promote downward accountability and counteract opposition from vested interests like, for

example, the sarpanchas, contractors, and landed interests who perceive financial opportunities in NREGA. But he cautions that the professionalisation of the NGO sector has been a double-edged sword as it may promote accountability to donors rather than to the beneficiaries. If NGOs are invited to assist in conducting social audits, then it is necessary that they empathise with the conditions of struggles of the under-privileged who they are working with, and have the commitment to promote transparency and downward accountability (Lakha, S., 2011).

Raabe, K, *et al* (2010) used a new participatory research method referred to as Process – Influence Mapping which is a tool which helps identify features of the NREGA implementation process like elite capture, staff shortage, lack of training etc. that limit the programme's effectiveness. This study recognises the need for capacity building among beneficiaries seeking NREGA employment, along with detailed insights into the actual process of programme implementation, with clear views on the source of leakage and mismanagement, and the sensitivity of programme implementation to influence different actors, local power structure and informal bureaucratic processes. While ascertaining the role played by the beneficiaries in achieving accountability through social audit of MGNREGA, Lakha S, Rajshekhar D and Manjula R (2015) find that Vigilance Monitoring Committees, entrusted with spearheading the social audit process in villages, consist mainly of males and cultivators, some of whom are large land owners, so social audits are dominated by the local elite who stifle 'voices' from below. This study provides ample evidence that the workings of social accountability cannot be decoupled from social structures and hierarchical power relations (Rodan and Hughes, 2012) as co-option to the VMCs through collusion between GP members and their relatives is characteristic of many appointments. MGNREGA Sameeksha II (UNDP, 2015) mentions that bidirectional socialisation, where the powerless are socialised into silence and the powerful into transience, invites research attention when a mechanism such as accountability in MGNREGA has presumably triggered a change and hence suggest that more research was needed on social audits and deeper issues of social power.

Afridi F and Iversen V (2013) tried to assess what is achieved by the so-called low-cost and powerful participatory tool that can bolster awareness and improve public service delivery using a unique panel dataset assembled from official social audit reports in Andhra Pradesh and conclude that they found a positive but insignificant impact of social audit on employment generation. They further find a modest decline in complaints related to non-availability of work and in the leakage amount for labour-related irregularity: outcomes with high beneficiary stakes. They find evidence of beneficiary learning from audit participation and of audit effectiveness in detecting irregularities, but also find that the impact of repeated audits in deterring irregularities are mostly absent and hence suggest a time-bound process where transgressors were punished and responsibilities for follow-up of social audit findings are clearly laid out and credibly enforced. Their key lesson is that social audits should culminate in the type of enforceable and credible 'contract' that allocate responsibilities, define timeline and ensure those who have been found guilty of irregularities are promptly punished. They aver that the credibility of the social audit process rests ultimately on the ability and willingness of the state government to take effective remedial action and punish offenders.

Afridi F (2008) examined the community control mechanism that existed in the two pioneering states of Rajasthan and Andhra Pradesh representing two relatively diverse models and infers that

elements of both models need to be incorporated in order to make the process of community control of public programme effective and sustainable. He recognises both the role of NGOs, activists and the civil society in meeting the primary challenge of the smooth conduct of audits at the village level with a bottom-up push, and cooperation from the government machinery in timely release of information, action taken against erring officials and dissemination of information with a top-down pressure.

D Rajshekhar, S Lakha and R Manjula (2013) analysed the primary data collected from five Gram Panchayats in Chitradurga district (Karnataka). They found that although social audit is conducted, it does not fulfill the main objective of engaging the beneficiaries of the scheme and making it effective. They found that the social audit process is compromised by the influences wielded by the village elite which resulted in the exclusion of poor labourers for whom the scheme is primarily meant.

Ghonkrokta and Lather (2007) undertook the construction of a Standardised Likert Scale Questionnaire to assess the role of social audit as perceived by stakeholders. They assert that social audit creates confidence in society regarding government initiatives, promotes transparency and efficiency, improves social, ethical and environmental performance, enhances inclusion, facilitates monitoring and ensures accountability.

Rajshekhar, Lakha and Manjula (2017) studied the role of decentralisation in Karnataka on MGNREGA implementation and concluded that the implementation of MGNREGA under decentralised governance had produced lackluster results and uneven benefits. They further found that the accountability framework and social audit was far from satisfactory and averred that joint monitoring through social audit would require improving the literacy level of the villagers and imparting basic auditing skills to the beneficiaries of the scheme. They further stated that to attain accountability, it is necessary to introduce either independent auditors who are not under the control of local bureaucrats or facilitate genuine social audits where the villagers jointly monitor and audit the scheme with external actors from Civil Society Organisations (CSOs).

From the above brief review of literature on 'Social audit of MGNREGA' it is evident that this subject has attracted a very wide range of academic and research interest with both qualitative and quantitative studies; discursive, conceptual and institutional analysis of its relevance in the context of democratic decentralisation; good governance, transparency and accountability; participation, voice and empowerment; collective action, and effective monitoring; curbing corruption and leakages; countering elite capture; capacity building and enforcement mechanism; bottom-up civil society actions and top-down government institutional commitment; independence of SAU and government's intimate responsibility; actors and accountability; learning and routinisation; shadow state, caste and gender interplay; and resource and capacity issues etc. But in spite of such a vivid and eclectic catena of research, our understanding of the social audit subject, process, outcomes and relevance is far from complete and more research and studies are required to draw lessons for the way forward. The brief review of literature makes it amply clear that most of the studies largely rely on secondary data from the MIS of MGNREGA or from ethnographic case studies of small samples or NSSO data or interviews and focused group discussions with the stakeholders; hence it validates the objectives of my study set out in the introduction earlier.

Methodology, Database and Tools for the Study

MGNREGA is being implemented in Karnataka since 2005 and social audit of MGNREGA is in practice since 2013-14. This study used both quantitative as well as qualitative data at both micro level and macro level. At macro level, secondary data for the study is collected since the inception of the social audit scheme and practice from the MGNREGS website, the state level MGNREGS Directorate, Director of social audit, District Programme Officers, Block Programme Officers and Gram Panchayath Officers. The micro level data is collected through primary survey of households who are beneficiaries of MGNREGS and also some of those who are not beneficiaries. Implementing stakeholders and others are also interviewed with structured questionnaire and through focused group discussions. Household survey is done in the four districts of Mysore, Ramnagaram, Raichur and Belagavi in Karnataka state.

1. Sampling Design

In order to understand the worker's perspective on social audit in MGNREGA in Karnataka, with the purpose of ensuring adequate representation, the study followed a multistage sampling procedure. In the first stage, districts were chosen to represent the four administrative divisions in Karnataka. The choice of the districts was based on the past performance in MGNREGA work. The second stage of sampling involved the choice of taluks and two taluks were chosen from each district based on the past performance – one taluk showing good performance and one showing not-so-good performance, thus a total of 8 taluks were chosen. The third stage was the choice of Gram Panchayats and two GPs were chosen randomly from each taluk totalling 16 GPs. The final stage involved the selection of households. A stratified random procedure was applied to choose 20 beneficiaries and 10 non-beneficiaries from each GP. In total, 320 beneficiaries and 160 non-beneficiaries constituted our sample. Women and SC/ST were given due representation in these samples. Structured questionnaires were canvassed with the head of those households.

Table 1: Districts, Taluks and Gram Panchayats Chosen for the Primary Survey

Sl. No.	Division	District	Taluk	Gram Panchayat	
1	Bengaluru	Ramnagaram	Kanakapura	Kallahalli (1)	
			Magadi	Uyamballi (2)	Kalya (2) Kalari Kaval (2)
2	Mysore	Mysore	HD Kote	Padukote Kaval (3)	Hampapura (3)
			Nanjanagud	Kempasidhanahalli (3)	Sindhuvalli (3)
3	Kalaburagi	Raichur	Devadurga	HosuraSiddapura (3)	Mundargi (3)
			Manvi	Vatagal (3)	Gorkal (2)
4	Belagavi	Belagavi	Khanapura	Manturga (3)	Itagi (3)
			Chikodi	Ingali (3)	Shamanevadi (3)

Note: Figures in brackets denotenumber of social audit reports in respective GPs.

Source: Authors' purposive selection as per sampling requirements.

From the chosen 16 GPs, 42 social audit reports were collected and analysed. Social auditors working at state, district, taluk and GP level were interviewed with structured questionnaire. Focused Group discussions of other stakeholders were done to understand their take on the practice and efficacy of social audit in Karnataka. Annual reports of the Department of Rural Development and Panchayath Raj were analysed. Proceedings of State MGNREGA Council and all the Act, rules, Society bylaws of Social Audit Organisation in Karnataka, guidelines instructions and training manuals were perused. Key functionaries at state and national level were interviewed.

Social Audit of MGNREGA in Karnataka

Institutional Arrangement

Based on the MGNREGA Audit of Scheme Rules, 2011 in Karnataka State MGNREGS Social Audit Society was registered in 2012 to form a Social Audit Unit (SAU) as an independent autonomous organisation to facilitate social audit of MGNREGA in the State. From the financial year 2013-14, social audit activities started in the state.

Table 2: Manpower Position in Social Audit Units

Requirement under the Rule	Manpower availability at the time of inception	Manpower availability as on 31 st March 2014	Manpower availability as on 31 st March 2015	Manpower availability as on 31 st March 2016	Manpower availability as on 31 st March 2017	Manpower availability as on 31 st March 2018	Manpower availability 2019 6 months
State Level							
Director of SAU will be assisted by one Joint Director and four State	Director	Yes Incharge	Yes Regular IAS (Rt.)	Yes Regular	Yes Incharge	Yes Incharge 3	Regular IFS (Rt.)
	Jt Director	Yes	Yes	Yes	Yes	Yes	Yes
	State Resource	1	1	3	3	3	3
District Level							
32 Resource Persons (One for each District)		27	26	24	28	28	28
Taluk Level							
One Resource Person for One Taluk (176 Taluks)		156	151	149	166	165	165
Gram Panchayat Level							
2 to 5 Resource Persons for each GP depending on number of works.		2500	2410	2230	1536	1305	1305

Source: Authors' calculations based on data provided by RDPR, Karnataka.

SAU as a society has Principal AG, PS-RDPR, Director SAU, and some CSO and Academic Research Organisation representatives and is headed by PS-RDPR. Guidelines required an independent person as chairperson of the Governing Body as there will be conflict of interest if PS-RDPR chairs the same as his prime objective will be maximising quantitative utilisation of funds rather than quality

improvement and accountability. SAU as audit unit has to be at an arm's length distance from the executing agency. PS-RDPR chairing SAU has further contributed to perfunctory compliance and compromised the compliance mechanism of the institution. Selected CSOs and Academic/Research institution representation also have not been the professionally best suited persons capable of pursuing accountability but rather persons with friendly inclination are co-opted who generally go with the system, flowing with the current and contribute to maintain the status quo and are not insisting on strict action against the defaulters.

Finances for Social Audit

Table 3: Social Audit Directorate: Receipts and Expenditure of SAU (Rs. in Lakhs)

Social Audit Directorate: Receipts and Expenditure of SAU (Rs. in Lakhs)										
Sl. No.	Year	MGNREGA Total Expenditure (Previous Year)	MGNREGA Releases to SAU	% Releases to SAU to Total MGNREGA Expenditure	OB	Other Receipts	Total Funds available	% of Available Total Funds to MGNREGA expenditure (Previous Year)	Expenditure during the year	% Expenditure to MGNREGA Total Expenditure
1	2	3	4	5	6	7	8	9	10	11
1	2013-14	147648.54	325.00	0.22	13.79	59.87	398.66	0.27	310.01	0.21
2	2014-15	208442.00	865.00	0.41	88.65	79.88	1033.53	0.50	950.96	0.46
3	2015-16	166080.00	928.80	0.56	82.58	64.06	1075.44	0.65	974.48	0.59
4	2016-17	184687.00	904.31	0.49	100.96	164.21	1169.48	0.63	907.40	0.49
5	2017-18	309233.00	1537.00	0.50	262.08	114.04	1913.12	0.62	146.15	0.05
Grand Total		1016090.54	4560.11	0.45	548.06	482.06	5590.23	0.55	3288.99	0.32

Source: Authors' calculations based on Secondary data from RDPR, Karnataka.

As per norms of MGNREGA the MORD, GOI policy enunciates that social audit cost will fully be borne by the central government. Initially, it was prescribed that 1% of the MGNREGA total expenditure could be spent on social audit, but in 2016-17, the same was reduced to 0.5% of the total expenditure. Ostensibly, the reduction in the amount earmarked was done with a premise that the SAU will also be facilitating social audit of other programmes like Finance Commission Grant, Housing, Swachch Bharat Abhiyan, Drinking Water etc... and receive funds from those programmes. But 50% reduction in grants from MGNREGA to SAU is not offset proportionately by other programmes, as the total financial outlay for those programmes is not of the same order. Pro-rata percentage allocation of funds for such a critical accountability tool as social audit is clearly adverse to poorer states that have generally limited capacity for utilisation of MGNREGA funds and so have limited resources to develop capacities of social audit. Moreover, the percentage allocation distorts the priority of the social audit as tight and effective audit depresses programme expenditure, and perfunctory audit fuels expenditure. Karnataka is finding a fund crunch for social audit since 2016-17 and it is a fact that often there is a delay in fund release and

the social auditors at various levels are not paid their dues for several months which has a bearing on their morale and motivation, which ultimately are reflected in the quality of social audit. It is evident that due to the change and reduction in financial outlay in 2016, the numbers of VRPs were reduced sharply and it was justified based on quality improvement goals instead of quality churn out. The number of social audits were reduced to 8885 in 2016-17 from 11262 in the year 2015-16 (See Table 4).

Personnel

SAU in Karnataka is headed by a Director. In the last 6 years, 5 Directors have held charge: Out of them three were in charge and two were regular appointees. From 2014 to 2016, a retired IAS officer and since December 2018 a retired IFS (Forest) officer had been Director. The Director is supported in his work by one Joint Director and three state resource persons. At district level, a district resource person is there and at present, out of 30 districts, 28 persons are working. At taluk level each, one taluk resource person supports their function, and at present, 165 out of 176 resource persons are working. At village level initially in 2013-14, about 2500 VRPs were functioning, but with time, their number has been reduced to 1305. For each Panchayat, two rounds of social audit in a year are conducted, and for one social audit, two to four VRPs go together to the village for 4 to 6 days. Invariably, the VRPs going to a village are not from the same village. Earlier with 2500 VRPs, it was taking 2 months to complete one round of social audit of all 6028 Gram Panchayats, so VRPs were occupied with this work for 4 months in a year for two rounds. It is said that rest of the time of the year, VRPs were working as mates or ordinary workers of MGNREGA. From 2015-16, the number of VRPs was reduced to 1536 which was further reduced to 1305 in 2016-17. The official explanation given for this reduction was to give them double the quantity of workdays on social audit and to improve the quality of SA by retaining better performing VRPs. After the reduction of number of VRPs, it takes 4 months to complete one round of social audit in the state and hence they would take 8 months to complete 2 rounds of social audit. But this reduction coincides with MORD policy shift for quality, instead of quantity in social audit, based on an All India Compliance Audit of 'Audit of Scheme Rules, 2011 (social audit) by the C & AG. But from qualitative examination of social audit reports of the 16 sample GPs, it is evident that there is no quality improvement in the social audit reports after the above changes. Furthermore, administrative and political expediency has ensured that not the best performing VRPs were retained and many of the better ones were dispensed with. A total of 36.39% of VRPs are women, 29.29% are SC and 9.11% are ST, showing satisfactory social and gender representation.

Senior officers and TRPs get monthly honorarium and travelling allowance but the VRPs are working on daily pro-rata honorarium. In Karnataka, the honorarium of resource persons has been revised upward thrice in the last 6 years and at present is higher than the MORD suggested rates (2017-18).

Capacity Building

State, district, taluk and village resource persons were given some training initially in SIRD with the help of NIRD. TISS has developed a social audit training manual for MORD (2017). The objective of the said manual was to invigorate the process of social audit and build capacities of the village resource persons to make social audit effective. It is prescribed that all resource persons should undergo a 30 days' certificate course (30 DCC) on Social Accountability and social audit. In Karnataka, everyone up to TRPs have been trained, but the VRPs, the cutting-edge foot soldiers, have not undergone this training. From the structured interview of resource persons, it is evident that their knowledge and understanding of MGNREGA is limited even at the state and district levels, showing the poor quality of their training, which finally reflects in the quality of social audit.

Action Taken Report (ATR) on Social Audit Reports and Compliance Mechanisms

In Karnataka, there is no clear time-bound accountability based compliance mechanism in place. The production of voluminous Social Audit Reports (SAR) is without concomitant quality improvement or has plugged leakages. In every Social Audit Gram Sabha (SAGS), the ATR of the last report is recorded without meaningful discussion and earlier than the last report are not even mentioned. No regular mechanism is in place at taluk, district or state level to follow up and bring these social audit findings to their logical conclusion. Since the inception of MGNREGA, eight times the state council meetings were held, but without the social audit subject being meaningfully discussed due to the low priority attached to it. The social audit report as prescribed in the Audit of Scheme Rule, 2011 (Social Audit) is never ever placed for discussion in the legislature.

Planning & Monitoring Mechanism

From the record, it is evident that in Karnataka, SAU has been effectively planning the schedule of social audit throughout the state and are able to timely conduct the social audit in substantial numbers. Their own monitoring mechanism is effective in ensuring timely audits in most of the GPs. They have produced voluminous SA records year after year. Every year for almost all the GPs in the state, they have been able to do two rounds of social audit.

Support of Government

As far as production and availability of record is concerned, GPs have been cooperating well, but SAU is facing problems in obtaining MGNREGA records from the line departments implementing MGNREGA. For the District Programme Officers of MGNREGA, accountability and quality concerns are of lower priority than fund utilisation and asset creation, which finally gets reflected in the quality of social audit and its compliance.

Convergence with the Civil Society Organisation (CSO)

In Karnataka, social audit-model, CSOs are not given any role. Some of them are members at the State Level Committee but no CSOs with participatory field presence and domain expertise have been involved at the decentralised level either for the conduct or compliance of social audit.

Voice and Empowerment of Beneficiaries

In the social audit programme design, the MORD guidelines are ambivalent on how the beneficiaries will be empowered and their voice strengthened for effective social audit. MGNREGA implementing officers and SAU officials also do not distinguish between awareness generation of beneficiaries and their sustained capacity building for effective and active participation in social audit and its compliance. Lack of a clear capacity building strategy has resulted in poor beneficiaries' participation; consequently, the process lacks pressure from below. It is presumed that with repeated cycles of social audit, all the stakeholders, particularly the beneficiaries, will learn. This wishful thinking is self-defeating as lack of training dis-empowers the most important stakeholders, the beneficiaries, and increases asymmetry of information and skill between beneficiaries and implementing stakeholders including elected representatives of PRI which further increases the latter's capacity to manipulate MGNREGA implementation in their favour.

Data Analysis and Appraisal of MGNREGA Social Audit in Karnataka

Secondary Data Analysis

From the secondary data made available by the department and partly available on the MGNREGA portal, it is clear that at macro level, year after year, very large number of social audit reports have been produced as shown in Table 4. In 2016-17, as the MORD instructions came for quality improvement, the second round of social audit was not taken up. In 2013-14, 10,134 social audits were conducted which rose to 11,262 in 2015-16 and reduced to 8,885 in 2016-17 and again increased to 11,837 in 2017-18.

Social audits raised considerable objection amount like Rs. 23.04 Cr. in 2013-14 which rose to Rs. 359.01Cr. in 2016-17 and it was Rs. 381.84 Cr. in 2017-18. Generally objection is raised where the records produced are incomplete or there was a financial deviation or some process violation (improper procurement). It is clear that default on this count has increased more than tenfold since 2016-17. This unusual increase may be due to ineffective action taken, inadequate monitoring and complacent enforcement, which emboldens others to default. If this trend is not abated by effective monitoring and action taken, it will emasculate the social audit process and make it completely ineffectual.

Recovery is suggested in cases where payments are made without execution of work on the ground; or the check measurement shows shortages; or dead, or government employees are shown as worker; or there is double payment for the same work; or payment for a work is made under two different schemes etc. and there was a conclusive case for recovery. From the record it is evident that in 2013-14 about Rs. 6.09 Crore was suggested for recovery which increased to Rs. 10.99 Crore in 2014-15, Rs. 4.01 Cr. in 2015-16, Rs. 45.20 Cr. in 2016-17 and Rs. 35.42 Cr. in 2017-18. Although

these amounts may appear low compared to total expenditure under MGNREGA but cumulatively they are quite substantial at Rs. 101.72 Cr. for five years. Meticulously sieving through a plethora of records, inspecting sites and making household visits, auditors brought substantial amount of objection and recovery proposals which show their grit and skill in finding such irregularity in spite of all hostilities from the implementing stakeholders, including elected representatives.

Table 4: MGNREGA Social Audit Report Compliance Monitoring 2013-14 to 2018-19 (Rupees in Lakhs)

Items/Year		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	District Total/Average
No. of Gram Panchayats		5728	5728	5728	6024	6024	6024	
	Grama Sabhas Target (GS=2*GPs)	11456	11456	11456	12048	12048	12048	70512
As per social audit Report	No. of social audits Conducted	10164	10829	11262	8885	11837	11856	64833
	Percentage of social audits conducted	88.72	94.53	98.31	73.75	98.25	98.41	91.95
	Total Expenditure under MGNREGA	208442	166080	182193	330791	299940	360490	2E+06
	Objection Amount	2304.6	5206.4	3948.2	35901	38184	48824	134368
	Percentage of Objection Amount	1.11	3.13	2.17	10.85	12.73	13.54	8.68
	Recovery suggested during social audit	609.1	1099.2	401.1	4520.6	3542	7228.3	17400
	Percentage of Recovery Amount	0.29	0.66	0.22	1.37	1.18	2.01	1.12
Action Taken report (As per DPSC's reports)	Amount recovered	36.43	66.38	72.06	31.93	38.22	0	245.02
	Percentage of Amount recovered to recovery suggested	5.98	6.04	17.97	0.71	1.08	0	1.41
	Outsourced staff removed	2	3	0	0	0	0	5
	Govt staff proceeded against	4	3	0	0	0	0	7
	Criminal Action Taken	1	5	0	0	0	0	6

Source: Authors' calculations based on secondary data provided by RDPR, Karnataka.

Recovery based on social audit is extremely poor and unsatisfactory. It ranges between Rs. 36.43 Lakhs (5.9%) in 2013-14, Rs. 66.38 (6.0%) in 2014-15 to 17.96% (2015-16), 0.7% (2016-17), 1.07% (2017-18) and cumulatively 2.40% only for the 5 years for which the data was analysed. Disciplinary action against outsourced and government staff is negligible. Except for 2013-14 and 2014-15 when strict officers were at the helm of affairs some disciplinary action were taken up against 5 outsourced staff and 7 government employees, and criminal action were launched against 6 others. From the cumulative state wide figures of actual recovery and disciplinary action and criminal prosecutions launched against defaulters, it is very evident, that the whole government machinery is callous and indifferent in taking any meaningful action on the basis of social audit reports. There is no clear monitoring mechanism and a time-bound plan to ensure every objection raised are properly investigated and the recovery suggested are made good and defaulting implementing officers and

elected representatives are proceeded against and brought to book, and the matter is taken to its logical conclusion.

It is evident that there is no effective compliance mechanism for taking action on the social audit report. In a routine and cavalier manner nil Action Taken Report is submitted in the subsequent Gram Sabha year after year. Never any social audit report is discussed at the taluk, district or state level stakeholders Sabha. MGNREGA state council has met a few times and has not taken up social audit compliance seriously. The annual report on social audit is never placed before the legislature and discussed openly as envisaged in the rules. Officers entrusted with implementation, monitoring and enforcement of MGNREGA have completely failed in utilising social audit outputs for improving the quality of MGNREGA implementation and making the corrupt stakeholders and defaulters accountable. This state of affairs is indicative of systemic malaise, where no bottom-up or top-down pressure exists.

Data Analysis of the 42 Social Audit Reports from the Sample 16 GPs

To examine the quality and efficacy of the social audit process and reports at micro level, a sample of 42 social audit reports from the 16 selected Sample Gram Panchayats were analysed. For a few Gram Panchayats, social audit reports for several years were analysed. The social audit reports of years earlier than 2017-18 are very variable in their qualitative contents but are similar in quantitative contents. There is great effort put to collect information about MGNREGA expenditure on wages and material and details of work executed and households who worked during the period of audit. The auditors have visited almost all the work sites and the households to verify if they worked and received the wage amount properly. They have further verified records and works and interviewed workers and arrived at financial misappropriation, financial violations, process violations etc. and quantified the loss and proposed recovery. They have also apprised the Gram Sabha about the summary of action taken on the immediate previous year's audit report. Since 2017-18, the social audit reports are in standardised proforma and give very clearly all quantitative and qualitative details. The standardisation of the social audit report is the contribution of MORD's social audit Training Manual developed by TISS.

Post 2017-18, Social Audit reports (SAR) have many qualitative details, particularly the 27 items under six broad categories of job cards, work and wages, MGNREGA administration, transparency and accountability, worksite facilities, personnel and training. These give us broad insight into the functioning of MGNREGA processes, and many of them are critical in terms of validating effective implementation of the rights-based job scheme. These new developments reconfirm the quality of skill and motivation of social auditors.

Table 5: MGNREGA – Social Audit of Gram Panchayat Works and Expenditure

	District	Ramnagaram	Mysore	Raichur	Belagavi	Grand Total	Percentage /Average
Social Audit Verification Works	Number of Social Audits Conducted	7	12	11	12	42	
	Total Number of Works	4628	2674	2678	3183	13163	
	Number of Works Verified	2561	1386	952	2006	6905	52.46
	Total Households Worked	6991	3123	8418	6336	24868	
	Total Households Verified	4829	2094	6712	5418	19053	76.62
Social Audit Verification Expenditure	Wage Expenditure (Unskilled + Skilled) (Rs.)	66743999.60	12404555.00	50877272.52	30345036.08	160370863.10	
	Wage Records Given by Implementing Agency (Rs.)	54599874.00	310094.00	15303328.00	30370300.00	100583596.00	62.72
	Material Expenditure (Rs.)	58951788.47	7564323.30	7922896.57	24689186.46	99128194.84	
	Material Records Given by Implementing Agency (Rs.)	52875687.36	44600.00	3987709.00	23424879.00	80332875.36	81.04
	Total Expenditure (Rs.)	125695788.10	19968878.00	57405169.09	55034222.54	258104057.90	
	Total Records Given by Implementing Agency (Rs.)	107475561.40	314796.00	19291038.00	53795225.00	180876620.40	70.08
Number of People Participated in Gram Sabha Social Audit	567	638	651	1281	3137	74.69	
Total Expenses	75950	52250	42300	79200	249700	5945.24	
Number of MGNREGA Workers Organised into Trade Union	1500	730	100500	28700	131430		

Source: Authors' calculations based on data provided by 16 GPs.

From Table 5, it is clear that in these 42 sample SARs, the auditors have verified 52.46% works on the spot and verified with 76.62% households regarding their participation and receipt of MGNREGA wages. A total 62.72% of the wage records and 81.04% material records were made available by the implementing agencies. In these 42 sample SARs, on an average, 74 persons participated in the Gram Sabha whereas for the sample records examined for the earlier period, the average participation in Gram Sabha was 58.

Gram Sabhas for MGNREGA are conducted as per the norms set by the Karnataka Panchayat Raj Act. As per the norms for a Gram Sabha, 10% of the adult population of the Gram Panchayat or 100 members, whichever is lower, will be the quorum. In the sample data provided by the RDPR Department on an average, 15.93% women, 7.19% elected representatives and 4.75% VRPs and 4.5% officials participate in the Gram Sabha. On an average, 58 persons participate in the Gram Sabha, and if we discount the implementing stakeholders, the participation reduces to 43 only, hence very few Gram Sabhas have adequate representation of people. Women's representation is too low when compared to their participation in MGNREGA work. As data for SC/ST and minority participation is not captured, we cannot ascertain their participation percentage.

In these sample reports, 0.30% (percentage to total expenditure) and 0.43% (percentage to records made available) is identified as financial misappropriation in 69 cases, and suggested for recovery. Financial deviation and process violation together in 62 identified cases, constitute 6.67% of the total expenditure and 9.54% of the records made available and is kept under objection. These irregularities and misappropriations identified are from all the categories like payment without work, short measurement, dead and ineligible worker, double payment etc. Unfortunately, in spite of so much effort put to identify such irregularities, there has been inadequate response from the authorities in terms of recoveries and in taking these observations to their logical conclusion. Summary of Action Taken on the Previous Audit Report is hopelessly wanting, as there is nil recovery against Rs. 6.56 lakh financial misappropriation and Rs. 124.87 lakh financial deviations. In these cases, no employee is suspended or terminated. No criminal cases are registered by filing FIR (See Table 6).

The average cost of each social audit is Rs. 5,945. This cost includes remuneration of VRPs and stationary and report generation cost etc. (See Table 5)

Table 6: MGNREGA - Social Audit of Gram Panchayats 2017-18 Issues Reported and Action Taken (Abstract of 42 social audits in 16 GPs)

(Amount Rs. in Lakh)

Summary of Action Taken on the Previous Audit Report					
FM Amount	2.70	1.46	1.96	0.44	6.56
FM Amount Recovered	0	0	0	0	0
FD Amount	8.74	72.92	0	43.20	124.86
Amount of Fine/Penalty Paid	0	0	0	0	0
Number of FIRs Filed	0	0	0	0	0
Number of Employees Suspended	0	0	0	0	0
Number of Employees Terminated	0	0	0	0	0

District	Ramanagara	Mysore	Raichur	Belagavi	Grand Total
Total Expenditure under MGNREGA	1256.96	199.69	574.05	550.34	2581.04
Total Records Given by Implementing Agency	1074.75	3.14	192.91	537.95	1808.76
Financial Misappropriation and Other Violations found during the Audit					
Financial Misappropriation (FM) Amount	2.76 (0.22%)*	1.68 (0.84%)*	2.23 (0.30%)*	1.13 (0.21%)*	7.80 (0.30%)* (0.43%)**
FM Issues	14	10	14	31	69
Financial Deviation (FD) Amount	14.4 (1.15%)*	72.92* (36.52%)	0	5.49 (1.00%)*	92.81 (3.59%)* (6.13%)**
FD Issues	8	16	0	8	32
Process Violation Amount	14.35 (1.14%)*	49.57* (24.82%)	0	15.83* (2.88%)	79.75 (3.08%)* (4.41%)**
Process Violation Issues	14	13	0	3	30
Grievance Amount	2.05 (0.16%)*	0	0	0	2.05 (0.08%)*
Grievance Issues	1	1	0	0	2

* % of total expenditure

** % to records made available

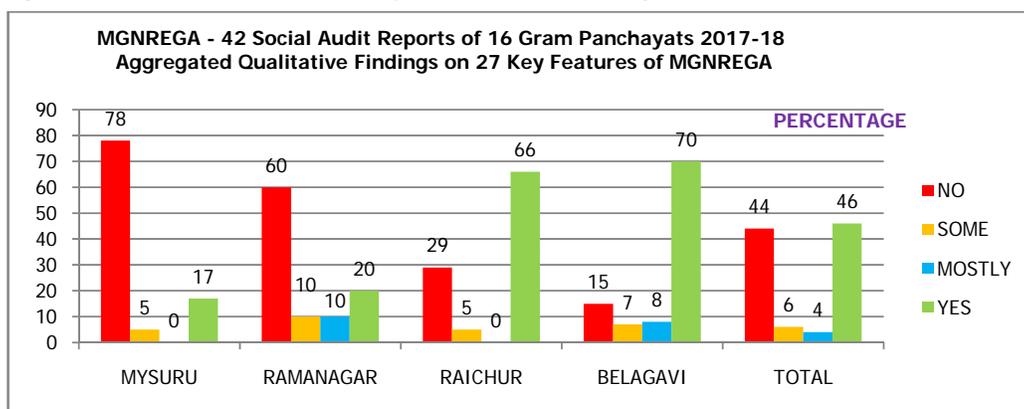
Source: Authors' calculations based on data provided by 16 GPs.

Qualitative data collected on various aspects of MGNREGA are quite interesting. It is a matter of concern that in 36% of GPs, job cards are not with the people and only in 38% GPs job cards are with the people and in others, only some cards are with the people. Similarly in 38% GPs, job cards are not updated and in 52% GPs, job cards have not been renewed. In 69% GPs, the finding notes that there is no process to register demand and give receipt, and only in four out of 42 SAR, such a process exists. This is a very serious deviation and irregularity, hitting at the root of the Right to Work assured by MGNREGA Act. In the absence of such a process to register demand, one cannot exercise any of the rights conferred by the Act. One can neither enforce work within time and near their homes, nor can they claim the unemployment allowance in the absence of such records for the denial of work. These reports show that in 45% GPs, there is a demand of work that is not met and only in 48% GPs there is no demand for work. These findings in the reports are incongruous as in the absence of a credible process to register demand and give receipts, it would not be possible to assess the demand for wage labour or unmet demand thereof. In 50% of the GPs, labourers have problems getting wages from the payment agencies.

In 43% GPs only, muster rolls were maintained at the worksite. In 60% GPs, wage slips were not given to people. In 60% GPs, Rojgar Divas was not held every month. In 45% GPs, 7-registers were not being maintained at the GP level. In 48% GPs, only citizen information boards had been erected for community works. Only for 29% GPs, citizen information boards had been erected satisfactorily for individual and household works. Only in 60% GPs, wall writings had been done in Panchayats.

In 52% GPs, there was no grievance redressal process. In 19% GPs, record maintenance was unsatisfactory. In 90% GPs, the Gram Sabha had approved a prioritised list of projects to be taken up under MGNREGA and in 50% GPs, only the works were taken up as per the priority.

Figure 1: MGNREGA-42 Social Audit Reports of 16 Gram Panchayats 2017-18



Source: Authors' calculations based on data provided by 16 GPs.

Only in 50% GPs, drinking water was provided at the work site, and in 64% GPs, neither shade nor first-aid kit were provided at the work site. In 71% GPs, women workers had not been appointed in place with more than 5 children. In 38% GPs, there were no mates and in only 33% GPs, mates had been selected through Gram Sabha. 55% mates had not been trained.

In 60% GPs, there was adequate manpower to implement MGNREGA at Panchayath Level. In 71% GPs, the person in charge of MGNREGA at the Panchayath Level had not been trained. In 26% GPs, adequate technical support personnel were not there.

In spite of the availability of such a vast and useful data in social audit reports, there was no clear mechanism and institutional will to utilise such findings to improve the process or outcomes of the MGNREGA scheme. Authorities had not tried to harness the potential of this cure-all panacea to enforce accountability and transparency. No credible step had been taken by the state or the central government to cleanse the system of corruption, irregularity and aberrations. This micro level dataset corroborated the findings of the macro level picture analysed earlier. There was clearly extreme reluctance on the part of authorities in utilising the findings of the social audit to make MGNREGA a potent poverty alleviation tool to purge the leakages.

Analysis of Primary Survey Data

For the purpose of understanding the secondary data from the vast output of social audit reports and claims of participation in the Gram Sabhas, a primary survey of 320 beneficiaries and 160 non-beneficiaries was done through structured questionnaire in the 16 selected GPs. The results are tabulated and analysed.

Table 7: Awareness about the Social Audit

	Beneficiary	Non-Beneficiary	Total
Ramanagara	26.3	0	26.3
Mysore	5.4	0	2.5
Raichur	17.3	9.5	14.6
Belagavi	42.2	12.5	32.5
Total	24.3	6.3	18.5

Source: Authors' calculations based on primary survey data.

Table 8: Awareness about Social Audit across Social Group

	SC	ST	OBC	Others	Total
Ramanagara	4.5	25	35.2	0	26.3
Mysore	0	5.9	0	2.5	2.5
Raichur	10	12	18.2	23.5	14.6
Belagavi	19	0	40	30	32.5
Total	9	9.8	29.1	16.1	18.5

Source: Authors' calculations based on primary survey data.

Table 7 reflects the level of awareness about social audit between scheme beneficiaries and non-beneficiaries. Among beneficiaries, at an aggregate level, only 24% of them are aware while it is merely 6% among non-beneficiaries. Belagavi tops the list (32.5%) followed by Ramanagara (26.3%), Raichur (14.6%) with Mysore (2.5%) being the least aware of the social audit. At the sub-aggregate level, as a whole, Belagavi has the highest 32.5% of the population aware of social audit with 42.2%

beneficiaries and 12.5% non-beneficiaries. Belagavi is followed by Ramanagara with 26.3% of beneficiaries being aware followed by Raichur (14.6%). Mysore fares badly as the level of awareness is merely 5.4% among beneficiaries.

MGNREGA as a demand-based scheme is largely opted for by marginalised sections. Table 8 reflects the social stratification of the state and the corresponding level of awareness. The table shows the level of awareness across social groups about the social audit. It is revealed that as a whole at the state level, OBC community (29.1%) are largely aware of the social audit followed by others (15.1%), ST (9.8%) and SC (9%). In addition, among SC (18.5%), OBC (40%), and Others (30%), Belagavi is largely aware compared to other divisions. Further, at the sub-aggregate level, in Ramanagara 35.2% OBC are largely aware followed by ST (25%) and 4.5% among SC with Others being nil. In Mysore, the region is least aware of the process with ST of about 5.9% of the beneficiaries being aware followed by 2.5% among others. The other communities are not at all aware of the audit. In Raichur, Others with 23.5% are largely aware followed by 18.2% among OBC, 11.6% among ST and 10% among SC. In Belagavi, OBC is largely aware with 40% of the beneficiaries followed by Others (30%), SC (18.5%) and nil among ST.

Table 9: Participation in Social Audit

	SC	ST	OBC	Others	Total
Ramanagara	0	33.3	33.3	0	24.7
Mysore	0	6.1	0	2.5	2.6
Raichur	6.7	9.3	18.2	23.5	13
Belagavi	14.8	0	30.8	26.7	26
Total	6.2	8.8	25	14.9	15.8

Source: Authors' calculations based on primary survey data.

Table 10: Is Social Audit Helpful

	SC	ST	OBC	Others	Total
Very Helpful	0	0	30.2	15.4	21.7
Helpful	66.7	57.1	58.1	69.2	60.9
Cannot Say	16.7	14.3	0	0	2.9
Not Helpful	16.7	28.6	11.6	15.4	14.5
Total	100	100	100	100	100

Source: Authors' calculations based on primary survey data.

Table 9 reflects the level of participation in social audit across social groups. At the aggregate level, the participation in social audit is merely 15.8% and it is the highest with 26% in Belagavi, followed by 24.7% in Ramanagara, 13% in Raichur and 2.6% in Mysore. At the level of social groups, among SC, Belagavi is at the top (14.8%), followed by Raichur (6.7%) and nil in Mysore and Ramanagara whereas in ST, Ramanagara tops (33.3%) followed by Raichur with only 9.3%, 6.1% in Mysore and nil in Belagavi. It is interesting to note here that both the level of awareness and level of participation among ST is nil in Belagavi and the same situation exists among others in Ramanagara

that requires intervention. Further, among OBC, Ramanagara is largely aware (33.3%) followed by Belagavi (30.8%), Raichur (18.2%) and nil in Mysore. Among Others, Belagavi is largely aware (26.7%) followed by 23.5% in Raichur, 2.5% in Mysore and nil in Ramanagara. Particularly, in Ramanagara, ST and OBC equally are seen to participate in social audit (33.3%) with the proportion being nil among ST and Others. In Mysore, ST largely participates though insignificant (6.1%) followed by 2.5% among others. Further, in Raichur, Others participate largely in social audit (23.5%) followed by OBC (18.2%), ST (9.3%) and SC (6.7%). In Belagavi, OBC are largely aware (30.8%) followed by others (26.7%), SC (14.8%) and nil among ST.

Table 10 reflects the level of satisfaction among participants of the social audit. Around 60.9% of the people believe that the social audit is helpful while 21.7% say it is very helpful and 14.5% say it is not helpful. Among social groups, within others, 69.2% say it is helpful and they constitute the larger proportion of those who say it is helpful followed by SC, with 66.7% who say it is helpful, OBC with 58.1% and 57.1% among ST. OBC (30.2%) and others (15.4%) alone say it is very helpful. But 28.6% of ST, 16.7% of SC, 15.4% of others and 11.6% of OBC opine that the social audit is not helpful. The reasons for the same need to be probed further to understand them better.

Table 11: Did Social Audit Discuss and Resolve NREGA concerns?

	SC	ST	OBC	Others	Total
Ramanagara	0.0	100.0	93.3	0.0	93.8
Mysore	0.0	0.0	0.0	0.0	0.0
Raichur	0.0	0.0	6.1	0.0	1.6
Belagavi	0.0	0.0	13.8	20.0	12.2
Total	0.0	1.3	18.4	6.9	8.4

Source: Authors calculations based on Primary Survey data.

Table 11 reflects on whether social audit helped in resolving NREGA concerns. In Ramanagara, an extreme case, an outlier, around 93.8% opine that social audit did resolve NREGA concerns with ST (100%) and 93.3% of OBC believing it to be so, while others and SC stand at nil. In Belagavi, only 12.2% opine that social audit resolved NREGA concerns with 20% of Others and 13.8% of OBC have said so while it is nil among ST and SC. In Raichur, only 6.1% of OBC opine that audit resolved certain NREGA concerns. Mysore as a whole opined nil.

These primary data about knowledge, attitude and participation (KAP) of stakeholders, particularly beneficiaries, indicate inadequate awareness and limited participation of vulnerable groups in the social audit process, making the humongous effort ineffective. Lack of institutionalised capacity building of beneficiaries and inadequate awareness generation, coupled with non-involvement of civil society organisations at the decentralised levels, and compounded by PRI's indifference, social audit is reduced to a decorative tool or mere placebo. The timing of the social audit taking place during working hours makes it difficult for daily wage earners to forgo their wage for participation.

Analysis of Survey Questionnaire of Social Auditors

A brief knowledge, attitude and practice (KAP) Survey through a structured questionnaire was done for social auditors to evaluate their understanding, competence and preparedness for an effective social audit. In all, 29 officers from state, district, taluk and village levels were interviewed and on critical issues focused group discussion was organised. Some of the questions were simple quantitative or qualitative questions, and others were using specially designed Likert scale to understand the subject from the perspective of the social auditors. We are unable to include here all the findings of their survey due to limitation of space and have taken very few parameters pertinent to the discussion at hand. Rest of the findings we will take up in another paper.

Social auditors are organised into an association and 75.86% of them are members. 27.3% of them believe that association helps them in improving their compensation and working conditions, 18.2% believe that it helps in demanding their rights, 13.6% believe that it helps in improving the social audit process and getting new ideas, and 40.9% did not respond.

Table 12: Five Suggestions for Making Better Use of SA Report

Sl. No.	Suggestions for making better use of SA report		
1	Timely action of SA report (15 days - 2 months)	22	75.9
2	Discussion of the report on a monthly basis in the presence of higher authority (CEO, DC etc..) at district/taluk/state level (choose one of the three levels)	19	65.5
3	Immediate punitive actions to be taken	19	65.5
4	Separate mechanism to handle SA report	9	31
5	Gram Sabha to be attended by all line department officers	4	13.8

Source: Authors' calculations based on Primary Survey data.

As per Table 12 among the suggestions, 75.9% opine that there needs to be timely action on SA report (15 days- 2months) followed by 65.5% saying that there is a requirement of a discussion of the report on a monthly basis in the presence of higher authority (CEO, DC etc..) at district/taluk/state level, followed by the same proportion of auditors opining that there is a need of immediate punitive actions (65.5%). Interestingly, around 31% opine that there is a need for a separate mechanism to handle the SA report.

Table 13: Should Job Card Holders have Control over SA Process

Sl. No.	Should Job Card Holders have control over SA Process	Frequency	Percent
YES			
1	Being a real stakeholder	25	86.2
2	Ensures transparency and builds trust	22	75.9
3	Reduces political interference (role of contractors/ village heads/politicians etc.)	7	24.1
4	Even social auditor is answerable	5	17.2
5	Use of public money	2	6.9
6	Constitutional right	1	3.4
NO			
7	Possibility of misusing for personal benefits	3	10.3
8	Lack of knowledge about SA	2	6.9
	Total	67	

Source: Authors' calculations based on Primary Survey data.

In Table 13, the social auditors mostly opine that job card holders must have control over the social audit process. 86.2% believe that they must have control as job card holders are the real and main stakeholders in the MGNREGA scheme and social audit. 75.9% say that the control is necessary as it ensures transparency and builds trust. Around 24% opine that the control would reduce political interference (role of contractors/village heads/politicians etc.). There were a few who also opined that the control of job card holders on social audit is not necessary as 10.3% opine that there is a possibility of misuse for personal benefits and around 6.9% think that job card holders might lack the requisite knowledge about social audit.

On the question if job card holders should be organised, 86.2% social auditors opined in the affirmative and only 10.3% said no, but only 82.8% of them felt that promotion of a trade union (TU) of jobcard holder's help in MGNREGA implementation. Only 13.8% believe that promotion of TU does not help. While 62% of social auditors feel that TU of job card holders will have a negative impact on economy and 24.1% felt otherwise and 13.8% did not respond.

In Table 13, social auditors who opined that job card holders must have control over the social audit process were asked the means or medium through which they can exercise that control.

Table 14: How can they have Control (Institutional Mechanism)

Sl. No.	Job Card Holders having control over SA process	Yes	No
1	Through union formation	41.4	58.6
2	Through SHGs	13.8	86.2
3	Through village monitoring committee	24.1	75.9
4	Workers should have power at all levels of programme implementation	62.1	37.9
5	Monitoring and certifying of works by job card holders	48.3	51.7

Source: Authors' calculations based on Primary Survey data.

In Table 15, 41.4% say that control must be exercised through union formations while 58.6% disagree with this medium. While 13.8% say the control should be through self-help groups while 86.2% do not believe so. However, 62.1% say that workers should have power at all levels of programme implementation with 48.3% opining that they should have control through monitoring and certifying of works.

Table 15: How it would have impact (Reasons)

Sl. No.	Trade Union Impact on MGNREGA Quality of Implementation	Frequency	Percent
YES			
1	Formalise trade union of job card holders	19	65.5
2	Provision of jobs to all job card holders	11	37.9
3	Help in knowing their rights and entitlements	9	31
4	Proper training to trade union on their rights and responsibilities	8	27.6
5	Can avoid intermediaries and contractors	6	20.7
NO			
6	If Contractors are card holders, affects true beneficiaries	4	13.8
7	Hampers transparency	3	10.3
8	Acts as another implementing agency	3	10.3
9	Takes control over supply of workers	1	3.4
	Total	64	

Source: Authors' calculations based on Primary Survey data.

Table 16: Reasons Job Card Holders TU Will have Negative Impact on Economy

Sl. No.	Trade union having negative impact on economy	Frequency	Percent
YES			
1	Demand for high wages without increase in productivity	3	42.9
2	Control over SA process	2	28.6
3	TU affects labour supply to agriculture	3	42.9
	Total	8	
NO			
4	No impact as they demand work during lean season (Demand based work)	15	83.3
5	Provision of individual works will positively affect the economy	11	61.1
	Total	26	

Source: Authors' calculations based on Primary Survey data.

As shown in Table 15, all social auditors were further probed to answer the impact of the trade union on quality of implementation of the scheme. Around 65.5% believe that it formalises the union of job card holders while 37.9% think that trade union formation would help provide jobs to all job card holders. 31% of the social auditors opine that union would help job card holders know their rights and entitlements with 20.7% saying that it can help avoid intermediaries and contractors. Those who believe that job card holders shouldn't be organised substantiate their opinion by reasoning that formations would not help avoid intermediaries when contractors are card holders (13.8%) while 10.3%

opine that it hampers transparency and act as another implementing agency. Only 3.4% are of the opinion that union would take control over supply of workers.

In Table 16, those who believe that trade union can have a negative impact on the economy reason out that there would be demand for high wages without increase in productivity and also a union affects the labour supply to agriculture by having control over it (42.9%), followed by 28.6% opining that the trade union would have control over the SA process. Further, those who think that it wouldn't impact negatively opine it's because MGNREGA is demanded during lean season (83.3%) and also around 61.1% believe that provision of individual works under MGNREGA will in fact positively affect the economy.

Discussions and Conclusions

From the foregoing discussions, one can get vivid and comprehensive insights into the status and effectivity of social audit in Karnataka. From the timely and quantitative outputs of social audits and quality of findings about misappropriation, financial deviations and other key 27 parameters of MGNREGA implementation, it may appear that a competent and capable SAU exists in the state of Karnataka. This is further buttressed by the general qualification, understanding and capacity of social auditors as is substantiated by their survey questionnaire.

But we cannot say the same about the independence of SAU. Principal Secretary, RDPR chairs the SAU against the norm set by the MORD and contrary to the suggestions of Aakella and Kidambi (2007) on creation of a mechanism spaced at an optimum distance. From the records and other discussions, it is clear that the state level involvement in the MGNREGA implementation is too frail, remote and insignificant. Cooption of friendly NGOs and academics further blunts the effectivity of the state level actions, and decimates the top-down pressure for energising social audit. MGNREGA State Council has seldom met, and in their few meetings they have hardly paid attention to social audit. Annual reports on social audit are never placed before the legislature and taken up for discussion.

Adequacy of human resources for social audit is satisfactory but quality of training may need improvement. Primacy of MGNREGA workers in the social audit framework is not understood and appreciated by the social auditors. social auditors are themselves keen to be part of an association to negotiate and improve their compensation and working condition, but are not so generous to the needs of MGNREGA workers to organise themselves to assert their rights. Although they say that job card holders must have control over the social audit process and 82.8% of them say that a trade union of workers may be a possible solution but are apprehensive of organising them as they think it may result in demand of high wages without commensurate increase in productivity (42.9%), or affect labour supply to agriculture (42.9%), and may start controlling the social audit process (28.6%). These widespread beliefs among them show their own 'elite capture' as mentioned by Lakha, Rajshekhar and Manjula (2015). Although at the village level they are supposed to be largely selected out of mates and are working themselves as MGNREGA workers whenever they are not busy in social audit work, they show the least empathy for the predicament of the MGNREGA workers. social auditors are not satisfied with their compensation and do not like their own lack of social security and are highly concerned about their contractual jobs.

Non-enforcement and inadequate action taken by the authorities on audit findings affects their morale. They have considerable threats from certain stakeholders and feel unsafe working in areas with relatively more irregularity. Threats are clearly proportionate to the quality and consequences of their social audit findings, and this confirms the ubiquitous existence and operation of Harris – White's (2003) 'Shadow State' who exert an all pervasive influence on the social audit personnel and processes.

Financial availability for social audit under the MGNREGA has reduced since 2016-17 to 0.5% of the total expenditure under the scheme. This principle of allocation proportionate to the total expenditure under the scheme largely distorts the priority of the social audit, as strict and effective audit tends to reduce programme expenditure, and a perfunctory audit or lack of audit enhances expenditure. It is a fact that 50% reduction in grant for social audit under MGNREGA is not matched by proportionate enhancement of resources from other schemes as envisaged. Furthermore pro-rata percentage allocation to total expenditure is adverse to a state with limited capacity to utilise MGNREGA fund. It is also stated that there is often delay in fund release, and social auditors at various levels are not paid their dues in time, which has a clear bearing on their morale and motivation. The policy and pattern of allocation of finances for social audit is far from satisfactory. Hence, although in Karnataka we have a fairly competent and capable SAU with adequate human resources; their independence, finances and capacity building initiatives are not satisfactory. Year after year, voluminous social audit reports are produced, but the SAU which is devoid of a credible institutional mechanism has no capacity to sustain its effective compliance to fulfill the aspirations of effective social audit.

SAU has a capacity of timely planning, executing and monitoring of the required number of social audits year after year. By and large they are prompt and complete a targeted social audit in the prescribed time frame. In 2017-18, for 6028 GPs, they completed 11837 (92.2%) social audits, as two audits per GP per year is targeted. But these cumulative figures conceal local variations, as for 2017-18, out of the 16 selected sample GPs in four districts, in 11 GPs three SA each, in 4 GPs two SA each and in one GP no SA reports were prepared. This shows delay in 11 GPs, where one SA each of earlier period were conducted in 2017-18. Hence four out of sixteen GPs (25%) the social audit has happened in time and in the desired number. Furthermore in these samples, 42 SARs only 62.72% wage records and 81.04% material record were made available by the implementing agency. This shows an inadequate support mechanism for making available records.

Social audit reports are generated and placed before the Gram Sabha and sent to the higher authorities and in due course uploaded on the MGNREGA portal, but not in 48 hours as in the rules. Social audit reports are produced in the local language and displayed on the GP notice board. Provisions of SAU filing a written grievance to the Programme Officer and the Ombudsman regarding identified violation of the rights of workers are not in practice. In cases of financial irregularity found during a social audit, neither SAU files a written complaint to the District Programme Coordinator (DPC) nor is any FIR registered by the DPC. Hence there is no automatic credible follow-up mechanism for any SAR. The practice of placing Action Taken Report of the immediate previous social audit findings are reduced to perfunctorily placing them before the Gram Sabha with a mention of nil action. All the unresolved earlier reports remain unexplained, and after a new cycle of social audit, even the most serious findings of earlier audits are swept under the carpet.

Standardisation of the social audit process and reports by the TISS developed training manual and training programme have certainly improved the quality of social audit reports since 2017-18. Whereas in earlier years the SARs were very variable and focused mostly on misappropriation and financial irregularity, after standardisation in 2017-18, they are more or less uniform. In addition to focusing on traditional issues, they take up a large number of qualitative issues critical to the effective implementation of a rights-based scheme. Social audits conducted during last few years were numerically adequate but far from effective due to negligible support from MGNREGA authorities, and the state government. Panchayat Raj institutions are clearly hostile to the social audit process.

Members of the PRI, particularly GP members and president, are seen as the most corrupt stakeholders operating through a 'Shadow State' like the contractors and the Earth Moving Machine (EMM) owners etc. followed by GP level officials and TP elected representatives and officials. The PRIs' elected member wield the maximum influence on the social audit process. In social audit Gram Sabhas on an average 7.19% GP elected representatives are present, followed by 4.5% GP officials. These implementing stakeholders exert disproportionate pressure on the social audit, distorting priorities and making the process perfunctory and ineffective, reconfirming the findings of Raabe and others (2010) regarding the local power structure and informal bureaucratic processes. It reconfirms the findings of Rodan and Hughes (2012) regarding social audit being dominated by the local elite who stifle voices from below and hence working of social accountability cannot be decoupled from social structures and hierarchical power relations. It further confirms the findings of Rajshekhar *et al* (2017) that the implementation of MGNREGA under decentralised governance has produced lacklustre results and uneven benefits or findings that local elites have stifled the voices from below or showing elite capture (Lakha, Rajshekhar and Manjula, 2015).

An oversight mechanism from the state is largely a distant dream in MGNREGA. Although there is a very credible and reliable management information system, it is hardly being used at any level. A vast repertoire of findings are available from various social audits, and are promptly uploaded on the web portal, but are seldom put to use. Mechanism of oversight by the State Employment Guarantee Council or the legislature is completely dysfunctional. Aiyar, Mehta and Samji's (2009) suggestion of effective follow-up and grievance redressal as key design principles for effective social audit is clearly lacking in Karnataka.

Social audit is a great opportunity for awareness building on rights, entitlements and processes and to create a healthy platform for dialogue among various stakeholders, but this is completely restricted due to thin participation of beneficiaries the prime stakeholders. On an average, 58 persons participated in the Gram Sabha, and on discounting implementing stakeholders, the number reduces to 43, hence seldom Social Audit Gram Sabhas have adequate beneficiary representation. Women's representation is just 15.93% which is far less than their actual participation claimed in MGNREGA work. SC/STs participation data is not collected, so none of the implementing stakeholders pay any attention and care to enlist their participation. There is no institutional mechanism for the capacity building of beneficiaries. There are efforts for their awareness generation, but it is all very general and ineffective. Awareness about social audit is extremely poor in all the four districts, with Belagavi showing 42.2% and Mysore 5.4%. But awareness here is a mere euphemism for casual acquaintance. Among the social

groups, OBC (29.1%) had the highest awareness followed by others (16.1%), SC (9.8%) and ST (9%). It was very uneven across districts and across social groups. Similarly, overall participation in social audit is mere 15.8% of the sample households interviewed, with OBC participation (25%), others (14.9%), SC (6.2%) and ST (8.8%). Generally Social Audit Gram Sabha is conducted at 11 AM when most of the wage earners would have gone for work. Participation in social audit required foregoing one day's wages, which is a prohibitive cost for a poor MGNREGA worker. In most of the Social Audit Gram Sabhas, genuine beneficiaries do not turn up. Better off people with leisure participate in Gram Sabhas and comparatively serious issues are generally glossed over.

It is said that initially, beneficiaries with genuine complaints attended Gram Sabhas and registered their grievances, but with time, they were disappointed to learn the inefficacy of the process. Wherever District Officers have taken the initiative to monitor and enforce social audit recovery and compliance of paras the process is effective, otherwise it is reduced to a self-contained ornamental ritual. Social audit reports have become an end in itself instead of becoming an effective means to address corruption, enhance transparency and accountability or resolve grievances of the poor.

Beneficiary learning from audit participation is largely negative, and the impacts of repeated audit in deterring irregularities are mostly absent, which is substantiated by a tenfold increase in detected irregularities since 2016-17. There are no clearly laid-out responsibilities for follow-up and credible enforcement of social audit findings where transgressors were punished as suggested by Afridi and Iversen (2013).

There is complete absence of specific progressive gender-sensitive design features which supports and promotes women's participation in social audit as suggested by Holmes, Sadana and Rath (2010). There is a need for quotas for women's participation, flexible meeting timings, awareness raising and strengthening of existing monitoring and evaluation of gender-oriented data collection and analysis. The same is true of the participation of weaker sections i.e., SC/STs, who in the absence of any clear monitoring mechanism, enhanced awareness generation and confidence-building measures, and lack of social group oriented data collection and analysis remain marginalised in the social audit process and Gram Sabhas.

In the absence of participation of a grassroots Civil Society Organisation (CSO) in the social audit process, voices of the poor, marginalised social groups and women have become feeble and unarticulated. Lakha (2011) had flagged the crucial role of the state to make accountability viable and effective and suggested that backing of government and state for social audit cannot be taken for granted, hence the involvement of Civil Society Organisations is critical to the success of social audit as they promote bottom-up accountability through beneficiaries and also top-down accountability of the state actors by nudge. In Karnataka, by design CSOs are not part of the decentralised social audit processes. CSOs bring their own strength in terms of organising the poor, weak and marginalised and strive to build their capacity. Their consistent hand holding and mobilisation of the poor and weak ensured empowerment of beneficiaries to articulate their voices and building bottom-up pressure from below as we are told in Rajasthan as found by Afridi (2008). CSOs bridge the divide between the government, PRIs and the beneficiaries, and help improve cooperation of the authorities in timely release of information and action taken against erring officials. CSOs neutralise some of the distortion

brought in by the 'shadow state' and counterbalance some of the PRI actors transgressing their limits. Social audit largely remains a lost opportunity in terms of being a potent tool for awareness building on rights, entitlement and processes, creating space and platform for dialogue among various stakeholders for timely grievance redressal, strengthening democratic decentralisation and building people's pressure from below for the better implementation of programme and social accountability.

By design, the 'Karnataka social audit model' has no provision for empowering and organising beneficiaries for enhanced participation and better outcomes, including enhanced transparency and accountability. Limited awareness generation is envisaged for the social audit job card holders and workers, and no formal and sustained capacity building ever happens for them. Only 'Mates', who are supposed to be the organisers of workers for consolidating demand to facilitate indent of work, and who are selected out of MGNREGA workers, are given some formal training on social audit. Some of the better informed and capable 'Mates' are selected as village social auditors, but on becoming leader or as an auditor they have rarely taken the initiative to empower and organise beneficiaries.

Social audit, although by design institutionalised in MGNREGA, is hardly mainstreamed, as its findings have rarely been acted upon to bring about qualitative improvements with accountability and transparency. Right to 100 days work and other rights conferred by the MGNREGA Act would have been best protected and enforced if the workers were organised and their capacities built to mobilise bottom-up pressure for accountability and transparency through social audit. Table 7 raises concern because in spite of critical findings in various social audit reports and the existence of practices contrary to that prescribed by the Act, no credible action is forthcoming from the authorities. One of the most critical findings in 69% of the sample social audit reports is that there was no process to register demand and give receipt, and this hits at the root of the rights-based programme. If work demand is not registered and no receipt is given, then there is no way a beneficiary can enforce his right to 100 days work or to get work in 15 days, or to get unemployment allowance if not given work in time etc. In the absence of such facility, we cannot say that MGNREGA is a demand driven rights-based programme. The rationale of social audit as an integral feature of MGNREGA was basically to complement the rights-based aspects of the scheme in line with the suggestion of John Ackerman (2004) about 'Co-governance' to tap into the energy of society through inviting social actors to participate in the core activities of the state. From Figure 1 it is pertinent to note that on 27 selected qualitative aspects of MGNREGA scheme, cumulatively in all the 4 selected districts, it is 'No' in 44% and 'some' in 6% of the parameters; indicating complete compromise of key features of MGNREGA at the level of implementation. And, although those are pointed out by the audit, they have not been acted upon. Mysore district fares worse with (78%) 'Nos' followed by Ramnagara (60%), Raichur (29%) and Belagavi (15%). This indicates extremely perfunctory institutional mainstreaming of social audit for MGNREGA and it is in no way aiding and buttressing the statute and rights-based programme.

In Karnataka in addition to MGNREGA, the government has entrusted to the SAU social audit of National Rural Drinking Water Programme in 176 blocks, Swachh Bharat Mission in 2902 GPs, Mid Day Meal in 40 schools, PDS in 704 shops and 14th Finance Commission programmes, considering social audit to be a panacea for empowerment, participation, effective monitoring and quality programme implementation. From the above discussions on social audit in the flagship programme of MGNREGA, it

is clearly revealed that this potential tool has not been put to use by the authorities. SAU and their team have put their heart and soul and brought out meaningful reports with very pertinent and critical findings about misappropriation, financial deviation or non-compliance of important statutory and non-negotiable features of the MGNREG Scheme, but they have not been acted upon. The state has remained a silent spectator to the operation of 'Shadow State' and consequent leakages and programme distortion. In the absence of credible enforcement and follow-up mechanism, and lack of exercise of 'will' of the establishment, the vast repertoire of pertinent findings of social audit reports have remained decorative festoons hanging on the MGNREGA web portal. Clearly, this potentially versatile tool, capable of being a panacea, has remained a placebo. The process is repeated to show the world, particularly the critics, that we have this magic wand, and we have generated reams and reams of reports, that we have discussed in the Gram Sabha after Gram Sabha and have mobilised and enabled community and beneficiaries to participate in governance.

Policy Implications, Suggestions and Ways Forward

Social audit is definitely a low cost solution. In Karnataka, it can transform from placebo to panacea with little effort as it is a low hanging fruit. Following are some of the key suggestions:

Introduction of Credible Compliance Mechanism

Audits, to be effective, require credible follow-up, a strong monitoring mechanism, effective oversight and compliance protocol. Every financial misappropriation and deviation identified needs prompt recovery, disciplinary or criminal action. It is easier said than done, as it entails keeping in check the operators of the 'shadow state' and devious implementing stakeholders. This may require the following non-negotiables:

Independence of SAU: To restore the independence of SAU, it may be kept at a distance from the implementing agency and the Principal Secretary, RDPR should not chair it. Attaching it to the Principal AG may be a good idea. It should be made mandatory that they regularly review the action taken in terms of recoveries, setting right financial irregularities, disciplinary actions and filing of criminal cases etc. In case there is slackness on action taken, particularly on recovery proposed, even the senior officers at the district and state level should be taken to task. Independent, strong and motivated academics and civil society organisation representatives should be co-opted to the committee.

A special mandatory meeting of the State MGNREGA Council should be called every quarter to discuss the follow-up of the social audit findings, and such meetings should not have any other agenda. It should be made compulsory to discuss the findings of social audit in the meeting of the legislature committee specially constituted for the purpose on a regular basis, as MGNREGA is the most promising and by far the largest rights-based, potentially empowering poverty elimination programme. A similar monitoring and oversight mechanism may be institutionalised at the central government level. At Gram Panchayat, taluk and district level, Oversight Vigilance Committees with CSO, academics, and workers' representatives may be constituted, who should mandatorily review the enforcement of social audit findings and give wide publicity to inaction. At taluk and district level, public hearings on social audit

may mandatorily be organised every quarter to disseminate information and build public opinion. A clear responsibility matrix with a reliable monitoring and evaluation system with a time frame for each activity may be put in place. All the key findings should be monitored at every level till they are complied with and adequate corrective measures are taken by the competent authorities. The practice of leaving older than the immediate previous audit observations should be eschewed.

Capacity Augmentation of Beneficiaries

Capacity building of the beneficiaries should be institutionalised. Beneficiaries alone can sustain pressure from below and energise the accountability chain. Mere awareness generation is not sufficient. They have to be fully abreast with the social audit process along with enforcement and oversight mechanism. A right based program required more precise knowledge of remedies and mere acquaintance with program details may not help.

Organising Beneficiaries

Organising beneficiaries in a trade union will be the best possible institutional mechanism to augment their capacity and prepare them for collective social dialogue and action. Empowerment of a marginalised group can never be so effective by any external agent as by resources within, like a trade union. There is enough evidence to suggest that unionisation of labour like in Raichur district improves the quality of MGNREGA implementation. Further, it may not affect agriculture or the availability of labour for other works. Fear regarding trade unions is essentially out of a feudal mindset, and it is an expression of our own mental 'elite capture'. Such a large right to work scheme with almost 0.4% of GDP being invested should have an element of organising labour. 'Mate' system and 'village social auditors' can come through the trade union processes so that they are truly accountable to the workers. The workers' organisation will bring bottom-up pressure to energise the audit enforcement process in a sustainable manner, assuring it to be for the workers, of the workers and by the workers. (see Table 5).

Handholding CSO

Participation of civil society organisations and trade unions shall be institutionalised in the programme and financial resource may be earmarked to strengthen their participation and to build pressure from below.

Voice of Weaker Sections and Women

Special mechanism has to be internalised for the participation of women and marginalised groups and consequent capacity building programmes, data needs and monitorable parameters put in place.

Convergence with Ombudsman

Social audit recovery cases should compulsorily be placed before an Ombudsman which can be a fast track 'Jury bench', hearing and taking them to their logical conclusion.

Strengthening SAU and Capacity building of Social Auditors

Training of social auditors and other stakeholders should be strengthened. Financial allocation formula for the SAU may be a mix of pro-rata to total scheme expenditure and lump sum proportionate to the number of poor in a state. Participation of senior officers, CSO representatives and other independent observers in Social Audit Gram Sabhas should be strictly adhered to and closely monitored.

Quality Improvement by Optimising Number of Social Audits

Randomly selected test audits coupled with a vigorous follow-up and effective consequent actions will be a better deterrent through demonstration effect, rather than doing a large number of audits without enforcing and taking them to their logical consequences. Economy of numbers will clear the space for better quality auditors and better quality audits and follow-ups.

Among the foregoing suggestions, only the ones related to the formal capacity building of the beneficiaries, organising them into trade unions and a legislature committee focused on MGNREGA are entirely new. The remaining suggestions are modifications of the already existing MGNREGA guidelines. As these guidelines are not being followed in practice, it may appear that social audit by design is an ornamental contrivance to remain a placebo rather than a panacea.

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