

State of Panchayati Raj (2007 – 08)

Social Audits

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Over the years, there has been a proliferation of 'autonomous' institutions. This resulted in the distribution of social and economic trust between them. Audits 'negotiate and represent' trust and control between these institutions (Power, 1997). Audits were initially utilised for checking the verity of transactions; but due to growing scale and proliferation, the focus shifted to measuring systemic strength. These were rooted in the value of deterrence, where checks were meant to ascertain discrepancies and errors. Increasingly, audits have transcended the financial sector and are now being used as a means of improving organisational performance and governance transformation (ibid).

Within the institutions of governance, three shifts have been noticed; (1) shift in regulatory style from deterrence to compliance, (2) increasing initiatives in quality management; and (3) the application of private principles for public reform. Under the New Public Management, there has been a gradual 'receding' of the state in service delivery. This resulted in the separation of the institutions of governance and service provision. In such a case, the strategic control between the governing and delivering agencies was established through the policy levers of auditing, evaluation and inspection (Neave, 1988). Thus, the bureaucracy was replaced with the managerial tools of auditing and accounting (Self, 1993). The fact that auditing and accounting were perceived as diffused and politically neutral (Hood, 1991) helped it gain popular acceptance currency.

Audits are thus currently being used to ensure (1) compliance across sectors, including those within the governing institutions, (2) monitor and regulate relationships, (3) rating performances and user satisfactions; and (4) measures for initiating reform, such as those in health and education delivery. There has also been growing demand for diagnostics in auditing. This is the concern towards identifying the 'whys' (Friedman, 1991). However, audits are criticised for being the 'dead ends in the chain of accountability' (Day and Klein, 1987). They are not meant to provoke or invite dialogue (Power, op. cit.). Day and Klein (1987) argue in favour of the need to "...engage more in civic dialogue to recreate at least something of the high visibility and directness of the face to face accountability."

Besides those mentioned above; Social Audits have been introduced to initiate public dialogue and scrutiny. They can help ascertain the relevance of purpose and the processes involved in it. Especially in a local context, Social Audits help ascertain the relevance and benefits of expenditure. Their potential to ascertain the 'whys' and devise local solutions cannot be underemphasised.² It can serve to invite public dialogue, in mobilisation for civic engagement, devising micro-solutions or as checks and balances measure at the local level. The insights from Social Audit in diverse local contexts can contribute towards larger changes in effecting larger changes through revision in guidelines or formulation at the policy level. Social Audits are primarily intended to make the delivery of public programmes effective (Aakella and Kidambi, 2007). Social Audits can, thus, simultaneously serve the purpose of an Audit, as a measure of accountability and service and governance reform, without necessarily 'colonising' the system as a 'fatal remedy' (Sieber, 1981) or the establishment of surveillance in an 'age of inspection' (Day and Klein, 1990). Apart from their direct effects, Social Audits can work to further collective political action at the local level through building and strengthening social networks (Bates, 1994) and contribute towards the "convergence of preferences" (North, 1990). However, there is a need for translating the conceptual clarity into practice, especially that relating to the 'social' component of the Audit, else they stand to digress into orchestrated exercises, without really contributing to serving to further democratic objectives.

Social Audits: Policy Levers and Legislative Provisions

In recognition of the need for promoting civic participation, accountability and transparency at the Gram Panchayat level, Social Audits have been legislated in seven states of Assam, Gujarat, Jammu and Kashmir, Karnataka, Kerala,

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² For more information on the effects of Social Audit as means of promoting accountability, see Datta, Saikat (2008): 'Slush Filter Does its Job' in *Outlook*, February 25, 2008, pp 16 – 18; 'Social Audit Reveals Large Scale Fraud' in *The Hindu*, February 12, 2008 (Delhi edition); 'Social Auditors have their Way' in *The Hindu*, February 6, 2008 (Delhi edition); 'Janta ko chahiye paise ka hisaab' in the *Rajasthan Patrika*, December 13, 2007 (Jaipur edition) and so forth.

Rajasthan and Sikkim; and in Daman and Diu. These seven states have issued detailed guidelines for conducting them (Ministry of Panchayati Raj, Government of India 2006 – 07). In addition to conducting Social Audits, Assam, Jammu and Kashmir, Karnataka and Punjab, provisions have been made to review the progress by the Gram Sabha (village assemblies). While those of Andhra Pradesh, Arunachal Pradesh and Uttarakhand make no mention of Social Audits but have provisions to review progress by the Gram Sabhas. Only six states, including those of Chattisgarh, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Orissa and Sikkim have made explicit provisions in the legislation to enable the participation of women, those from the Scheduled Castes and Tribes and the land-less labourers.

It may be mentioned that Gram Sabhas are recognised as the foundation stone around which decentralised governance in the rural areas is organised in the country. These were institutional spaces of 'direct democracy' (Jai Prakash Narain, cited in Dr. Mahi Pal, Press Information Bureau – 37), intended to serve functions that states, by legislation may provide. Gram Sabhas, are therefore the forums in which democracy is practiced at the local level. Organised at least twice a year, Gram Sabhas plan for the development, identify beneficiaries and facilitate implementation, as well provide the legislative space where questions are asked by the citizens and clarifications sought. According to the State of Panchayati Raj, 2006 – 07 (Ministry of Panchayati Raj, Government of India), all the states in the country have legislated Gram Sabhas to select beneficiaries and approve plans for socio-economic development in the Gram Panchayat (village council).

Social Audits gained popular foothold in the country, with the National Rural Employment Guarantee Scheme, where the disbursal of wages, work planning and work sites facilities were meant to be formulated and implemented at the local level on a nation-wide scale, with the Gram Panchayat as the principal authority (Ministry of Rural Development, Government of India, 2005 and UNDP, 2006). According to the Ministry of Rural Development, Government of India (2006), Social Audits and the Right to Information were expected to serve as instruments of ensuring transparency and accountability at the local level, through the Gram Sabha, as means of continuous public vigilance (National Rural Employment Guarantee Act, Government of India, 2005). Social Audits were thus, meant to promote transparency, participation, consultation and consent, accountability and redressal in public matters. Detailed guidelines have been issued under the NREGS to this effect, for the (a) publicity and preparation, (b) organisational and procedural aspects; and (c) mandatory agenda.

Approaches in Social Auditing

The diversity in experiences of Social Audits has resulted in pluralistic discourse on the role of Social Audits as instruments for reform and its effectiveness. Power (1997) raises the question if audits are meant to produce comfort or are they essentially adversarial. In the presence of multiple agencies, Social Audits take diverse forms, ranging from those producing comfort to adversarial. However, analysis of Social Audit practices provides three distinct approaches, even though each approach may not be neatly distinguishable or mutually exclusive.

Disclosing Proactively

The first approach focuses on the need for self-regulation through pro-active disclosure. To this end, the government has been working at various hierarchical levels, right from the incorporation in policy statements to deputation of village level functionaries. The Social Audits are conducted for diverse sectors like from primary education, supply of drinking water and healthcare to appointments and attendance and performance of functionaries. The various instruments of proactive Gram Panchayat disclosure include- the release of the periodic information bulletin at the work sites to provide necessary information, reading out the expenditure, beneficiary list etc. in the proceedings of the Gram Sabha; and displaying information at the Gram Panchayat office. Kerala is the first state to initiate disclosure through bulletin boards. Currently almost all states are practising this.

Collaborative Action

The second approach is based on the mode of collaboration, rooted in the values of deliberation, consensus building and promoting accountability through civic action. The civic agencies at the local level mostly work through consultation with local leadership, coupled with community mobilisation and scrutinisation, finally through to facilitation of the Social Audit. The approach is centred round creating spaces for dialogue through capacity building and enabling provisions in the immediate policy and local environment as instruments. This model relies on facilitating information access and Social Audit. However, this approach is currently in its nascent stage, given the prevailing 'mistrust' between the agencies of the government, including those elected and the civil society agencies. The mode is being practised by the states covered under the NREGS. The civil society organisations in many states, though limited in coverage have been conducting report cards (user satisfaction of services) on schemes like the public distribution system, Mid-Day Meals, Anganwadis (childcare

centre) etc in collaboration with the Gram Panchayats. The NGOs facilitating this process believe that once scrutiny of basic services are done in a non-threatening manner, the community members slowly gain confidence to demand accountability.

Challenging the Corruption

The third relates to the confrontational approach that encapsulates Social Audits as instruments of challenging power within the institution of the state. The critical distinguishing characterisation of this approach is the absence of agencies of the state. It utilises testimonies, records and scrutiny experiences to hold the Panchayats accountable at the local level. The approach relies on the use of the Right to Information to access public records. The primary forum, in this case is the Jan Sunvaai (public hearing), which is used as the space and instrument for community mobilisation for civic action. Equipped with the necessary information, it is believed that Social Audits shall restore power to the community. Responding to the adversarial construct of Social Audits, Power (1997) suggests that it results in destabilisation and has adverse political implications for the regulatory strategic control of the state. In evidence, such an approach is followed by numerous instances of backlash and resistance, both from the elected representation at the local and state level and the administration.³

Multiple Voices in Social Audits

A survey of the experiences of Social Audit in forty-one Gram Panchayats from eight blocks in seven states of the country⁴ suggests wide variations in incidence, focus, agenda, procedural detail, agency involvement and capacity to facilitate.

Echoes from the State

Most of the responses at the district and block level has centred round the NREGS, except for Rajasthan, which has made explicit provisions in the legislations for Social Audits and grass root civic action remains prominent; and Madhya Pradesh to a lesser extent. While Rajasthan has explicit legislative provisions for Social Audits, in other states the Government Orders remains the key instrument driver in initiating a Social Audit. While guidelines for the NREGS have been made available, Rajasthan remains the sole exception where the Manual includes construction works of the Gram Panchayat, social security programmes, healthcare and primary education, agriculture extension programmes, the public distribution system and drinking water service. Rajasthan has created a Social Audit Forum for the specific purpose of auditing above works. Training programmes have been organised extensively in Rajasthan, Gujarat and Madhya Pradesh, which also indicate involvement of civic agencies.

Elected Representatives: The Key Facilitators

The Elected Representatives in the survey highlighted functioning of Gram Panchayat as one of the key items on the agenda. They also emphasise that the agenda for the Social Audit/Gram Sabha, as the case maybe, is prepared by the Gram Panchayat. Of the forty one Sarpanches (village head) interviewed in seven states, only three Sarpanches responded that objections were raised in Social Audits. This clearly indicates the level of community empowerment to raise questions. Most Social Audits are characterised by the strong presence of

³ For more information on the stiff resistance from various quarters, see newspaper reports from The Hindu: 'Rajasthan Social Audit Hits a Roadblock', December 11, 2007 (Delhi edition); 'RTI Activists Stage Dharna on Social Audit', December 13, 2007 (Delhi edition); 'Vasundhara Raje Government Backs out of Banswara Social Audit', December 26, 2007; and Rajasthan Patrika : 'Sarkaar ne uthaaye NGO ki bhumika par sawaal', December 12, 2007 (Jaipur edition).

⁴ A survey was conducted with the help of SAMARTHAN (Madhya Pradesh), SAHAYI (Kerala), UNNATI (Rajasthan and Gujarat), Sahbhagi Shikshan Kendra (Uttar Pradesh) and PRIA (Rajasthan, Haryana and Orissa). The respondents of the survey included Elected Representatives, Citizen Leaders, representatives of local civic agencies, the Block Development Officer, concerned official at the district level. A total of one hundred thirty two (132) responses were received, including forty one (41) from Elected Representatives, including 21 women (of which seven and three were from the Scheduled Castes and Tribes respectively) and 20 men (of which six and four were from the Scheduled Castes and Tribes respectively); seventy (70) from Citizen Leaders, including 35 from women (of which sixteen and four respondents were from the Scheduled Castes and Tribes respectively) and 35 from men (of which twelve and nine were from the Scheduled Castes and Tribes respectively); six (6) from local civic agencies; and fifteen (15) from government officials at the block and district level. The surveys were conducted in Mahendragarh (Haryana), Jodhpur and Karauli (Rajasthan), Bolangir (Orissa), Kasargod (Kerala), Sitapur (Uttar Pradesh), Sihore (Madhya Pradesh) and Sabarkantha (Gujarat).

the government officials of the concerned department. In all cases, the Elected Representatives view their role restricted to mobilisation of the community, through public announcement; and making public records available for scrutiny. It is heartening to note that Social Audits enable Sarpanches from SC/ST/Minority communities to discuss the future programme in detail and plan with community consensus.

Civic Agencies: Serving as the Link between Information and the Community

Civic agencies have been working to facilitate access to information, community mobilisation and public scrutiny of records; though they continue to face difficulties in accessing public records. There are limited instances recorded of immediate action based on the findings of the Social Audit. The six respondents from various civic agencies expressed that their intervention has enabled the dalit community to access information and scrutinise it. The responses indicate a strong collaborative mode between the Elected Representatives at the local level and the civic agency to facilitate the Social Audit, though government officials often resist the Social Audit.

Voices from the Community: Democracy's Litmus

Social Audits are not popular amongst the citizens and community leaders as most of them have not participated in Social Audits. The participation of Citizen Leaders are enabled by the local civil society organisations. The instance of objections raised and recorded remains uneven and poor. The interventions of the Community Leaders though limited, has led to responses from the Panchayat to improve Social Audit process in the future. No community leader has provided any concrete instance of immediate corrections in the Panchayat functioning.

As is evident from the responses, the experience remains uneven across respondent groups. In the case of Kerala, for example, though the civic agency has conducted Social Audits, these are not recorded by respondents from the government departments, Elected Representatives and even Citizen Leaders from the area. The Right to Information though mandated to dovetail the Social Audits under the NREGS, records limited utility for the same. The responses from the Citizen Leaders, however, emphasises the politics embedded at the local level, highlighting the efficacy of legislative provisions, facilitative Government Orders and capacity building manuals; and in civic agency involvement.

Emerging Issues

Methodological Inadequacy:

Social Audits are being conducted through myriad instruments like performance audits, user-end satisfaction surveys and participatory monitoring and evaluation under the paradigm of efficiency measurement of public services. There is a need for developing greater clarity in distinction. Social Audits are distinct from other forms as it entails (1) involvement of multiplicity of agencies- governmental departments, elected representatives and the community; (2) fund utilisation and mobilisation; (3) relevance of fund use with regard to the community benefit based on the principles of social justice and equity. Hence, Social Audits are different from progress review or report card. Social Audit is a longer, more complex and intensive process as it involves preparation of the community to assess the appropriateness of beneficiary selection (beneficiary exclusion), benefits accruing to the community or lacunae therein, presentation of information in the public domain in popular format, facilitation of Gram Sabha (public meetings) to examine the data and processes and creating an empowering environment to question and seek clarifications.

Many a times civil society organisations conduct household level research to identify lacunae in a particular public programme or service and present it in a Jan Sunvaai, without necessarily accessing public records. Even though this serves a greater purpose of empowering the community to hold governing institutions accountable, it cannot be termed as Social Audit. These forms are specific to civil society initiative and have limited replicability and remains devoid of governmental legitimacy. Other forms like Social Audits through the Social Audit Forums with the Sarpanch, as the chair has issues relating to its neutrality; as the position of the Sarpanch itself is under scrutiny. The Social Audit Forum also raises questions with regard to the participation of women and the marginal section, appropriate timing of the Social Audit Forum. In other words, current forms of Social Audit whether initiated by the civil society or by the Panchayats through the Social Audit Forum are not independent and autonomous instrumentalities to conduct a Social Audit. It however, remains most popular amongst the agencies of the state.⁵ In the guidelines issued by the Ministry of Rural Development, Government

⁵ This is evident from the Social Audit Manual of the Government of Rajasthan, which makes no mention of the prior process and favours representation as against direct participation, simplifying the vested interest of agency to partisan political neutrality.

of India for the NREGS, provision has been made for an effective Social Audit Forum. However, careful attention needs to be paid for the preparation, setting inclusive procedures and arbitration to make Social Audits more relevant.

Inclusive Participation:

Social Audits, by its nature are more inclusive, involving multiple agencies with plural, and sometimes, conflicting interests. Knowing this, many times, the facilitating agency screens participation of agencies and people, with conflicting interest, and attempts to manufacture a consensus. In such situations, Social Audits tend to be devoid of their real purpose. Hence, to conduct Social Audit, in its true form, the community needs to make demands for it. For example- in the NREGS, instead of a civil society agency or a Social Audit Forum convening the Social Audit, if the workers themselves come together in the form of an association or an interest group, it will bring greater participation and rigour to the process. In Jhalawar of Rajasthan, if social activists who have been conducting Social Audits, are beaten up and thrown out of the village, this is a signal that the dominant group continues to control the processes, services and institutions. In such a case, a Social Audit by the Panchayat will never bring out the lacunae, particularly lack of benefit to the poor and the disadvantaged. Hence, instead of putting efforts in preparing manuals and training the Social Audit forums and Sarpanches, greater effort needs to be put in educating and organising the primary stakeholders.

The second critical issue relates to chairing the Social Audit Forum. In most cases, the responsible agency, in this case the Sarpanch, chairs the Social Audit Forum. The guidelines of the NREGS clearly emphasise the need for selecting an individual who is not a part of the Panchayat or any other implementing agency. The chair not only facilitates, but has adequate space to control, overlook and suppress disagreement, dissent and resistance. The Sarpanches in Banswara district of Rajasthan decided to boycott Social Audits in their Gram Panchayat (See newspaper reporting from The Hindu on 'Rajasthan Social Audit hits a roadblock' with the byline "Violent Protests from Elected Representatives of the Panchayati Raj Institutions" on December 11, 2007 (Delhi edition)) on grounds of quick social audits by 'outsiders,' who found quick support from the government at the state capital. However, in case of minority/marginal section led Gram Panchayat, the same space and mechanism has been used effectively and tellingly against them.

The third and most critical of these, relates to the presence and participation of the community. While legislative and policy measures have been used to create such spaces, guaranteeing equal and easy access for the marginal and minority sections within the community, the capacity to secure such access remains marginal. In the case of Social Audit Forums, the community, and within it the marginal and minority sections face considerable difficulty in benefiting from such audits. The deprived groups are not able to marshal their collective strength because of social fragmentation; and their dependence on the dominant groups, which do not lead to a coherent social capital within the community to question. In such a case, Social Audits afflicted by the politics of control and agency involvement; result in reduced effectiveness in building future links within the community. To promote overall accountability, it is critical to design institutional mechanisms that curtail corruption and work as checks and balances measures. Practices such as the use of cashless transfers under the NREGS in Andhra Pradesh and Gujarat help check leakages.

Because of the lacunae in the translation of a construct into practice, the concept cannot be dismissed. Clearly, Social Audit has tremendous potential in working to strengthen social networks at the local level. It creates opportunities for mobilisation, spaces for deliberation and mechanisms to ensure accountability and transparency; thereby promoting social justice and strengthening democracy at the local level. There is, however an urgent need for working to strengthen Social Audits. Legislative provisions and policy guidelines need to progress beyond symbolic measures. While there is a critical need for building the capacities of the concerned agencies, at all levels and across domains; urgency must also be displayed in strengthening the community spaces. Global experiences with the Freedom of Information suggest that civic agencies have a critical role to play in filing and follow up action (Roberts, 2006). Such civic groups operate as the agents of the people. However, it is imperative that direct civic action be strengthened to create systemic responses for accountability. Action from civic groups, in the form citizens associations, self-help groups, user management groups, pressures groups and lobbying agencies must be promoted at all levels- from the roots to policy formulation.