

## **Governance Class 09**

26th February, 2024 at 9:00 AM

**THE CLASS STARTED (IN CONTINUATION) AT: (09:04 AM):**

**SOCIAL AUDIT: (09:05 PM):**

- The Social Audit has come to overcome the weaknesses of an audit performed by the CAG.
- **Steps involved in the Social Audit:**
- a) Once the district administration receives information about the money to be spent on a particular scheme, they will inform the same to the social audit committee.
- b) Social audit committees are formed at the lowest level consisting of beneficiaries, local NGOs, local media, district-level judiciary, people from the private sector, and prominent citizens from the locality.
- The district administration in consultation with the local social audit committees will formulate the citizen charters.
- c) District administration takes up the responsibility for implementing those citizen charters.
- d) As and when the implementation takes place, social audit committees will evaluate the performance of the bureaucracy by conducting concurrent audits.
- It means performance evaluation is done as and when the money is spent on a real-time basis.
- It can help reduce the scope for corruption and make the bureaucracy accountable.
- e) After the completion of the works the social audit committees evaluate the performance of bureaucracy in terms of four E's:
  - i) Economy (expenditure).
  - ii) Efficiency (output).
  - iii) Effectiveness (outcomes).
  - iv) Equity (quality of outcomes).
- Auditing done by the CAG is only restricted to Economy and Efficiency.
- f) Social Audit committees will submit their reports to the State Governments based on performance evaluation.
- State governments are expected to take action against bureaucracy based on the reports submitted by the Social Audit Committees.
- This can help in transforming the moral responsibility of bureaucracy into legal accountability.

### **PROBLEMS IN THE IMPLEMENTATION OF THE SOCIAL AUDIT: (09:50 AM):**

- **Problems:**
- a) Lack of Awareness.
- b) Reluctance of the bureaucracy in the implementation of the audit.
- c) Colonial attitude of the bureaucracy.
- **(The problems w.r.t Social Audit are the same as the problems dictated in the Citizen Charter).**

### **SELF HELP GROUPS (SHGs): (10:25 AM):**

- **Why SHGs:**
- Since the independence neither the State nor the society has shown any interest in helping and empowering women.
- Patriarchal societies and highly discriminatory traditions and customs meant that women were always treated as secondary-grade citizens in society.
- Women are also not a powerful pressure group who could influence the electoral outcomes, the State has not shown any commitment to empower women as they do not influence the electoral outcomes.
- Since neither the State nor Society has shown any real commitment to empowering women, women have no option but to come together voluntarily to help themselves, resulting in the emergence of the Self Help Groups (SHGs).
- **History of the SHGs:**
- The SHGs had their origin in Bangladesh and it was Mohammed Yunus the then chairman of Bangladesh Grameen Bank in the 1970s and 1980s had come out with the innovative idea of empowering rural women through SHGs.

### **DEFINITION OF SHGS: (11:02 AM):**

- SHGs are formed when a group of rural women come together voluntarily to benefit themselves.
- **Features:**
  - a) SHGs are restricted to rural areas.
  - b) the maximum strength of the SHGs is 20 members.
  - c) They consist of women only.
  - They are from economically and socially backward sections in rural areas.
  - They collect their small savings and use the money to produce goods that are mostly used for consumption in rural areas.
  - They sell their products in rural markets and share the profits equally among themselves.
- **Major Problem in the SHGs:**
  - a) 70% of the SHGs in our country are concentrated only in 5 South Indian States.
  - b) Historical and sociological factors are responsible for the uneven spread of the SHGs in the country.
  - In South Indian states SHGs become successful because of very well-developed rural societies.
  - They have provided opportunities for women to empower themselves through SHGs.
  - The Second ARC has suggested the model adopted by the Andhra Pradesh state govt. to ensure the success of the SHG movement in the other parts of the country, which includes:
    - a) Safety and security for women when they go out for work and education.
    - b) Andhra Pradesh govt. has used media, NGOs, and the bureaucracy to generate awareness among rural women about the benefits of the SHGs.
  - It had come out with a slogan that, Every Member of the SHG can earn up to one lakh rupees per annum. This has motivated rural women to be part of the SHGs.
  - The Central govt. currently promoting the same idea as part of the 'Lakhpati Didi' scheme.
- **Finances:**
  - a) Savings of the SHGs are so low that it becomes almost implausible for the SHGs to run any productive businesses.
  - b) Andhra Pradesh govt. has come out with solutions to the problems of finances:
    - b. i) They have provided matching grants to the savings of SHGs.
    - b. ii) They have also encouraged the SHG Bank Linkage: SHGs have encouraged them to open bank accounts so that they can get subsidized loans from banks.
    - b. iii) The State govts also provided loans to the SHGs at a very nominal rate of interest initially it was a .25% rate of interest and later they were given interest-free loans, to overcome the problems of finances.

**TOPICS OF THE NEXT CLASS:** Continuation of Problem and Solutions of the SHGs, E-Governance, etc.