CHAPTER - III

LITERATURE REVIEW

3.1 Governance

The term ‘governance’ means different things to different people. Governance can be defined as ‘the ways in which a society organizes itself to make and implement policies’. Governance is defined by United Nations Development Programme as the exercise of political, economic and administrative authority to manage a society’s affairs. Governance is steering and guiding the country in its course by right policies, decisions and actions. Governance in a democracy is an exercise having two wings with the political rung controlling the policy and decision-making apparatus while the administrative rung handling the decision and action execution apparatus of the governance. Thus governance is the process by which public institutions conducts public affairs, manages public resources and ensures realization of the aspiration of the people. Good governance achieves this in a manner essentially free of abuse and corruption, and with due regard for the rule of law. Mintzberg (1996) said that people relate to their government in four ways, customer, client, citizen and subject. People are clients as government offers then professional services like education, as citizen, they are provided with highways, social security, economic policy and infrastructure. While dealing with law and order, certain rights are curtails as subjects. They do act as customers while getting services for public business organizations. The trade of among conflicting interests in citizen activities and the necessary use of authority in subject activities mandate a clear role for the state.
3.2 Good Governance

Drucker (1995) has claimed that the mega state that this century built is bankrupt, morally as well as financially. It has not delivered. But its successor cannot be ‘small government’. There are far too many tasks, domestically and internationally. We need effective government and that is what the voters in all developed countries are actually demurring for. He further criticizes that basic approach of down sizing is wrong. He recommends the introduction of continuous improvement and ‘bench making’. It will require a clear statement of objectives regarding performance and quality.

Camdessus, (1997) IMF Managing Director, while addressing UN Economic and Social Council on July 2, 1997 opined that good governance is important for countries at all stages of development. Our approach is to concentrate on those aspects of good governance that are most closely related to our surveillance over macroeconomic policies — namely the transparency of government accounts, the effectiveness of public resources management, and the regulatory environment for private sector activity. IMF’s interim committee adopted resolution on its meeting held on 29 September, 1996 in Washington declaring “Partnership for sustainable Global Growth” identified “promoting good governance in all its aspects, including ensuring the rule of law, improving the efficiency and accountability of the public sector and tackling corruption” as an essential element of a framework within which economies can prosper. In the guidance and guidelines issued by IMF for its involvement responsibility for good governance lies first and foremost with the national authorities. The contribution that the IMF can make to good governance (including the avoidance of corrupt practices) through its policy advice and where relevant, technical assistance, arises principally in the spheres:
Improving the management of public resources through reforms covering public sector institutions (e.g., the treasury, central bank, public enterprises, civil services, and the official statistics function), including administrative procedures (e.g., expenditure control, budget management, and revenue collection); and supporting the development and maintenance of a transparent, economic and regulating environment conducive to efficient private sector activities (e.g. price systems, exchange and trade regimes and banking systems and their related regulations).

U.S. Congress passed the International Anti corruption and Good Governance Act of 2000 (IAGGA) (Public law 106-309) on October 5, 2000. The purpose of this legislation is to ensure that United States assistance programs promote good governance by assisting other countries to improve transparency and accountability at all levels of government and through out the private sector. Annual report of progress made in the field of good governance is prepared every year by U.S. Department of State. United Nations Economic and social commission for Asia and pacific has listed many actors, both formal and non-formal in the area of governance, which also differ for areas. Normally decisions are implemented through formal governing structures, but these decisions are also influenced by informal groups like organized crime syndicates, mafia etc. In urban areas or locally powerful families in rural areas these often result in corrupt practices.

The various elements of the good governance, which can also be called indicators of good governance like decentralization, transparency, rule of law, participation and responsiveness have been dealt with in details in all the previous studies. Decentralization and corruption have been given social emphasis, but accountability, which is at the center of all these elements have not been adequately dealt with and
requires further probing. Like decentralization will be automatically achieved if we fix accountability and held someone accountable. If power and work is not decentralized, accountability cannot be achieved. Similarly, corruption exists when we have vague procedures, faulty discretions, and no accountability for action or no-action. If an official is trusted with work and held responsible for a particular task as per laid down procedures, chances of corruption reduces. So who, why, to whom and how of accountability needs to be explored further. The system of governance is good when all the stakeholders – the government, bureaucracy, business enterprises and the civil society at large – collaborate on certain economic and social goals. The challenges lie in creating capacities that provide opportunities to the diverse groups of stakeholders to come to terms with such goals and participate in system of governance.

The concept of good governance has been clarified by the work of the U.N. Commission on Human rights (2001) in its resolution 2006/64. The commission identified the key attributes of good governance as:

- Transparency
- Responsibility
- Accountability
- Participation
- Responsiveness (to the needs of the people)

Resolution 2000/64 linked good governance to an enabling environment conducive to the enjoyment of human rights and ‘prompting growth and sustainable human development’. Thus resolution links good governance to sustainable human development and emphasis on accountability, participation and the enjoyment of human rights. UNESCAP (United
Nations Economic and Social Commission for Asia and the Pacific) has identified that Good Governance has 8 major characteristics. It is participatory, consensus oriented, transparent, responsive, effective and efficient, equitable and inclusive, follows the rule of law and ensures accountability.

In his millennium report, the UN Secretary-General emphasized that “better governance means greater participation, coupled with accountability”. Therefore, the international public domain - including the United Nations - must be opened up further to the participation of the many actors whose contributions are essential to managing the path of globalization. For the United Nations, success in meeting the challenges of globalization ultimately comes down to meeting the needs of peoples. It is in their name that the Charter was written, realizing their aspirations remains our vision for the twenty-first century.” In the Millennium Declaration, adopted by consensus, the States Members of the United Nations resolved to create an environment at the national and global levels alike - that is conducive to development and the elimination of poverty. They stated that meeting this objective “depends, inter-alia, on good governance within each country. It also depends on good governance at the international level and on transparency in the financial, monetary and trading systems.”

Vithal [2001], the Chief Vigilance Commissioner raised an issue “can the failure of government to deliver good governance be made good by the civil society”. He cited Dr. Jay Prakash Narain, a doctor who left IAS to lead an NGO “Lok Satta”, who raised queries about the governance and institutional problems as he concluded that our real problem is not lack of innovation, but our incapacity to replicate success on a mass scale even when many pioneers have created islands of excellence.
Burthwal (2003) concluded that the challenge of good governance would certainly require government to be re-invented, bureaucracy to be re-positioned, and non-government business sectors to be re-invigorated with a social notice. Government has to function in a more missionary, egalitarian and energized manner.

3.3 Urban Environments and Good Governance

Rio Declaration, 1992 stressed that: “human beings are at the center of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature”. Although a lot of efforts have been made along this line, today, achieving this entitlement remains a serious challenge. With the rapid increase in urban populations over the last 20 years, the Rapid urbanization number of people not served by safe water supplies and adequate sanitation has increased. Is expected to continue and expand even faster. Projections show that over half of the rural and urban world’s population will live in urban areas by the year 2005 (United Nations Development Programme, 1995). Situation in the Countries of the Asia-Pacific region will be even more complex, especially in view of their very high population growth rates. Nine out of the world’s thirteen mega-cities, with populations exceeding 10 million, are in Asia (Asian Development Bank, 1999). These urbanization trends and the concentration of urban population in the big cities in developing countries is not only associated with the problem of resource limitations, but add new problems associated with urbanization as well. Traditional environmental risks such as high poverty incidence, malnutrition, dysentery, skin and eye infections, and other water-sanitation- related diseases are exacerbated by modern environmental risks such as exposure to hazardous and toxic
substances, industrial water pollution, air pollution from industries and vehicles, noise, and stress due to lack of space and lifestyle.

Malhotra, (1997) of Public Policy Division of United Nations Development Programme country office has identified 4 major weaknesses of Governance in India.

i) Over Staffing – Surplus staff of 20-25%

ii) Absence of statutory code of ethics and deteriorating discipline and work ethics.

iii) Declining standards of personnel and cadre management, diluted accountability, law motivation and morals, excessive political interference and the torments of transfer industry.

iv) Poor training facilities and programs.

He has further proposed an Action plan, which consists of.

a) Accountable and citizen friendly government.

b) Transparency and right to information.

c) Improving the performance and integrity of the public services.

In the National Action Plan for Good Urban Governance 7 key issues have been identified. These are a) Decentralization b) Municipal Finance c) Urban Environment d) Deprivation of poor and marginalized. e) Transparency and Civil Engagements.

f) Municipal Management and capacity building. Accordingly action areas, are identified as

- Decentralization

- Financial innovations and commercialization

- Sustainable environment

- Integration of poor and marginalized.
Transparency with accountability and integrity, and role of civil society organization.

Capacity building at all levels and partnership of all stakeholders.

The Total Urban Governance Initiative (TUGI) is an endeavor of the United Nations Development Programme (UNDP), building upon its earlier investment and insights from the Urban Management Programme for Asia and the Pacific (UMPAP) and Asia Pacific 2000 (Asian Development Bank, 2000). TUGI is directed to assist local governments in making cities in the Asia-Pacific region more livable through strengthening capacities, promoting good governance principles, and enhancing the quality of governance tools available to urban administrators and decision makers. The initiative is open to all cities from the developing countries in the Asia-Pacific Region. A selected number of them will serve as nodes for demonstration of good governance. The improvement of governance is perhaps the greatest challenge for many countries of the region in that the root causes of problems as well as the capacity to initiate, implement and expand on solutions are dependent on it. The goal is good governance as described by participation; rule of law; transparency; responsiveness; consensus orientation; equity; effectiveness and efficiency; accountability; and transparency. Many countries and city governments of the region will have to work hard to meet the criteria of good governance. Despite optimism generated by some success in some model cities, more effective governance has not succeeded in many areas because of a lack of decentralization of power, a weak bureaucracy, and a weak commitment to public involvement. Dealing effectively with these constraints will require more participative political processes. There is thus a need to make full use of the growing public awareness of environmental issues, popularization of environmental management, and democratization trends. The participation element of good governance
is important in that it enables integrated approaches to solving environmental problems to be initiated locally. Local and community-based efforts have the advantage of more affordable resource requirements, simpler management structures, and greater flexibility in institutional arrangements and decision-making. The challenge is how to initiate local efforts and yet be able to place these efforts within a larger context of an integrated strategy where each local effort complements the other. A related challenge is how to speed up decentralization of power (involving autonomy of local bodies and legislative changes in decision-making) while at the same time speeding up capacity building in managing new responsibilities. Meeting this challenge is critical, as inter-sector cooperation has been found to be easier to initiate and sustain at the local levels. Strengthening local governance and a shift from purely regulatory roles to enabling roles is necessary to encourage the participation of other key stakeholders in environmental management. Public-private partnerships in urban environmental services, for example, succeed only where local governments have the requisite capacity for good governance. From experience in developing countries of private sector involvement in solid waste management, it has been observed that there should be transparency and accountability in the system. Local governments have to have competent, professional staff and the autonomy to enter into multi-year agreements that capture economies-of-scale as well as efficiencies.

A broad understanding of urban governance enables to begin to trace the roles of the private sector, civil society and various governmental institutions. Globalization, decentralization and democratization have all had significant impacts on city governance, although much also remains unchanged. Social exclusion, the vulnerability of the poor
and their lack of voice remains, and in some cases has become mere servers. (Devas, 2004).

3.4 Good Governance and Accountability

Al Gore (1994) opined that it is now possible for a president whether of a company or of a country, to decentralize yet at the same time keep field operators fully informed and accountable for results. The role of a federal executive is to involve all employees in developing a clear vision and shared sense of mission; cross-organizational team may be created to have a more integrated organization; employee may be empowered; customer may be put first; communication may be directed at all levels, red tape may be cut as subordinates suggest ways to improve their performance; and accountability may be established taking into not just inputs but clear results.

For Asian Development Bank (2000) accountability is imperative to make public officials I) answerable for their performance and behavior ii) subject to the institution from which they drive their authority.. This has been addressed through project that aim to

(1) Improve budget and expenditure management by focusing on agreed outputs and their consequences, better performance management.

(2) Make delivery of public service more responsive to customers (reforms at the local Government level have focused on bench marking and related performance indicators to customer satisfaction); and

(3) Strengthen the capacity of supreme audit institutions and encourage prompt action by the executive branch of the Government on audit findings and recommendations by supreme audit institutions; the next stage is to extend this work to the review bodies (e.g. Public Accounts Committees, as is envisaged in Sri Lanka) to help them review
individual agency responsibility. Asian Development Bank had some success in improving formats, such as budget process. Using the budget as a performance management tool however has been less successful. A major constraint is often the quality of accounting staff and their capacity to relate and explain; the link between expenditure and output. Audit improvements have tended to be in conformity with compliance and not in effectiveness.

Kumar, (2002) has explained that Accountability gives sanctity to power and makes it more meaningful and relevant in the scheme of governance. Power is a raw energy. Accountability gives it satisfaction and purpose. Governance sans accountability has the tendency of hijacking the country to the pit of evils that power breeds. Checks and counterchecks serve the purpose of good governance by rendering itself to the litmus test of accountability ipso facto bringing in the elements of responsibility to the field of governance. In the ambience of civil servants functioning in the shadow of the political leadership, the former mastered the art of evading accountability and responsibility. The success made them bold in doing things of larger dimension. The recent US-64 debacle is a point, India can ill-afford repeat performances of that dimension and must save itself from such disasters in future through accountability that alone can dawn an era of responsible governance in the country.

Nayyar (2000) concluded that most of the failures of the state came about because of poor implementation, which is a result of weak or non-existent institutions. Therefore, implementation needs to be improved. Hence while the state still has an important role to play, it does not mean that the implementation has to be through the existing institutions. Implementation of development programmes in education, health, rural infrastructure and
even anti-poverty programme must take place at the level of panchayats. They in turn would be accountable to the Gram Sabha comprising of all the adult members of the village. Villagers are more likely to effectively implement these programs as opposed to politicians or bureaucrats sitting far away in the state capital or the national capital. There are a number of examples, which illustrate the ability of panchayats and villagers to lift their communities from poverty. There is a need to introduce greater accountability along with decentralization of power at each level in the Govt. The role of Comptroller and Auditor should be made prominent. Accountability can be enhanced if at each level people are empowered to check all expenditure and plans. Accountability will increase with the use of Right to information law.

Sorabjee (2001) while delivering a lecture during inaugural conference of the Asian Center for Democratic Governance observed that the core problem of an orderly government and good governance was perceptively discovered by James Madison two centuries ago when he slated “in training a government which is to be administrated by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself”. Over the years, this great difficulty greatly increased. Experience has unfortunately demonstrated that governments are not obliging and do not control themselves. A Government that is either uncontrolled or uncontrollable is incompatible with a genuine democracy. Accountability is the sine qua non of any democracy. The basic rationale of democracy is that elected representatives of the people and public functionaries are entrusted with power, which is a trust reposed in them by the people. That trust has been discharged for the benefit of the nation and the people. The list of effective functioning of a democracy is the degree
and extent of accountability of the holders and wielders of power to the people. This accountability is to be enforced not merely at the time of elections but during the life of the government or administration. The question is how we use ensure and enforce accountability by insisting on transparency and openness in the conduct of public affairs and public transactions. We have the fundamental right to know, even in the absence of freedom of information legislation.

Liberator (2004) observed that accountability is a term that requires many specifications, namely whose accountability to whom and how. Elected representatives are accountable to the citizens is the first answer; such representatives can be sanctioned by the electors by non-renewal of mandate. And Governments, of course, are accountable to parliaments and citizens who, again are supposed to be able to sanction them. All this assumes that citizens are indeed interested, actively participating and are granted access to clear procedures for making politicians stick to their promise but normally the situation is not so ideal.

3.5 Assessment of Good Governance as perceived by Stakeholders

The expectations of citizens are growing and more transparency in governance is demanded. More accountability and greater transparency in decision making would require open government and people’s participation in decision making in governing India’s urban areas. (Mukhopadhyay, 1999). The concept of good governance has to be understood especially in view of people’s expectations.

As per the public perception survey conducted by Govt. of NCT of Delhi in 2005 it has been reported that citizens have identified 4 major issues related to physical quality of life: inadequate access to safe drinking water, poor sanitation, ineffective garbage
disposal and insufficient water supply. High levels of crime and insecurity have been perceived as a disturbing factor as well (Delhi Human Development Report 2006).

3.6 Social Auditing

Conversely, scientists and managers must understand and consider the values and needs of the people, rather than concluding what is good or bad for society from their own, often technical perspectives. (Kessler et al. 1992). Social audit is an exercise developed in response to this need and requirement.

For democratic transformation and sustainable development, community empowerment is a very important tool for structural adjustment. It has been observed that participation increases the efficiency of formal development programmes (Mayo & Craig 1995). Stakeholders are the best persons who can evaluate and assess the type of indicators and characteristics, which should be selected to indicate the extent of success of any developmental exercise. Participation involves stakeholders who influence and share control over development, decisions and resources, which affect them (Nelson & Wright, 1995). Social Auditing is a process that enables an organization to assess and demonstrate its social, economic, and environmental benefits and limitation. It is a way of measuring the extent to which an organization lives up to the shared values and objectives it has committed itself to. So in a way it is an assessment of the objectives, which are laid down by any organization for itself. Effort is then focused on understanding the inter-relationship in developing planning, which leads to improved understanding of the dynamics of change, rather than quantitatively measuring parts of the economy or environment at particular points in time and making predictions about future states (Meppem & Gill, 1998).
Once the need for social audit has been justified, the procedure and method for conducting such audit becomes important. Since areas of social audit and its indicators are not well defined, so a fixed procedure cannot be designed which is good for all situations and all circumstances. Efforts have been made by different organizations/agencies to fix up certain basic principles and guidelines, which can be adopted to provide some common parameters and grounds for assessing the performance of an organization by society. The principal difficulty is the non-existence of appropriate Social accountability and reporting systems (Parthasarthy, 1988).

Over the past 20 years, a wide range of organizations, with different agendas, have started involving local people in their own development, (Mohan & Stokke, 2000). The idea is to have the views of those people whose life is to be affected by any initiative or activity. They are the people who can really evaluate and assess the true need or requirement and can also fix priority. So the organizations, private as well as governmental are involving local public for furtherance of the goals of the organization as they can have realistic assessment of the situation. Focus is on participation of local population which permits a plurality of developmental goals to be realized as well as allows communities the self-determination they need (Mohan & Stokke 2000).

Aruna Roy et al (2001) who have been in search of grass root accountability through its NGO Mazdoor Kisan Shakti Sangathan (MKSS) having a watch phrase Hamara paisa, Hamara hisab opines that the public hearings on development expenditure at the panchayat level have led to the crystallization of issue and given a tangible quality to the abstract notion of transparency and the right to information. Social Auditing assesses the social impact and ethical behavior of an organization in relation to its aims and those of
its stakeholders (those people or groups who are either affected by or can affect the activities of an organization). Social auditing is distinct in that it is an internally generated process where the organization itself shapes its social audit process according to its stated objectives.

The process of good governance has been going on after 80’s in the developing nations as the concept of working with traditional bureaucratic system gave way to ‘New Public Management’. Clinton administration worked with an idea of ‘Reinvesting government’.

Similarly, in U.K. labour government introduced the ‘Best Value’ concept which reflects the ‘Voices’ of diverse stakeholders interested in local government e.g. Central Government departments, national political parties, consumer pressure group, as well as the network of local government bodies representing councilors, professional and trade unions. The best value related to the need for delivery of services meeting standards in cost and quality by the most effective, economic and efficient means available. (Speller, 2001).

A number of indicators have been developed to make an assessment about the initiatives taken towards sustainable development and the list of such indicators is only growing larger, mainly these are not found to be adequate and relevant at all the places and at all times. Indicators appeal to a mindset for measurement yet they do not appeal to the popular imagination and this must limit their appeal to real people-the global community that is the target for the sustainability project. It is evident that a new way is needed, a new path forward, a way out of the box of our own understanding (Bell & Morse, 2003).

The guiding principles for local development are sustainability, a participatory approach, gender equity, good governance, decentralization and human rights (Jain & Polman,
The Institute of Social and Ethical Accountability (ISEA) has developed a social accountability process standard (AA1000). The principles of this standard are set out in the table.

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<tr>
<th><strong>PRINCIPLES RELATING TO THE SCOPE OF THE SOCIAL AUDIT PROCESS</strong></th>
<th><strong>KEY PRINCIPLES</strong></th>
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<tbody>
<tr>
<td>Completeness</td>
<td>Accountability</td>
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<tr>
<td>Materiality</td>
<td>Inclusivity</td>
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<tr>
<td>Regularity and timeliness</td>
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<td>Quality assurance</td>
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<td>Accessibility</td>
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<tr>
<th><strong>PRINCIPLES RELATING TO MANAGEMENT OF THE PROCESS</strong></th>
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<tr>
<td>Embeddedness</td>
<td>Comparability</td>
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<td>Continuous improvement</td>
<td>Reliability</td>
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All these principles are process guidelines for conducting any relevant and reliable social audit. These also help in guiding the right course of action/activities so that social audit does not deviate from its objective. What really sets social auditing apart from other management tools is the fact that performance and impact are monitored and evaluated,
in consultation with, and from the point of view of stakeholders. Key stakeholders include customers, clients or users staff (and their families), suppliers (of goods and services), shareholders, the community where the organization is located in and part of, and the environment. Social auditing requires dialogue and trust building with stakeholders. Thus, it provides a formal means for organizations to incorporate into their practice the reality that the long-term viability of any organization depends upon the quality of the relationships with, and the perceptions of their stakeholders.

Social Auditing assesses the social impact and ethical behavior of an organization in relation to its aims and those of its stakeholders (those people or groups who are either affected by or can affect the activities of an organization. Social auditing is distinct in that it is an internally generated process where the organization itself shapes its social audit process according to its stated objectives.

Social auditing provides an assessment of the impact of an organization’s non financial objectives through systematically and regularly monitoring its performance and the views of its stakeholders. So to know the views of the stakeholders is very essential as true performance can be gauged by the stakeholders or immediate beneficiaries. Developed by New Economic Foundation the social auditing method seeks to support, guide and define a process by which an organization identifies measures, assesses and reports on its social performance. Since social audit is not mandatory, there are many reasons/ objectives for which an organization is interested in getting the exercise of social audit and accountability done. In public organizations and domains, social audit is an indicator of social performance of that organization. Actually, social performance refers to the effect, which an organization has on the lives of the stakeholders. Such performance is required
to be assessed to know the actual impact and thus organizations use social audit as a parameter of assessment. Governments have been slow in getting the social audit done, but the corporate sector recognized very early that social audit, by focusing on what matters to their closest stakeholders and by meaning more than just their financial performance, can better predict their own future success. Social auditing is a process that enables an organization to assess and demonstrate its social, economic and environmental benefits and limitations. It is a way of measuring the extent to which an organization lives up to shared values and objectives it has committed itself to (Boyd, 2005).

It is true that public audits do not have any legal sanction and the findings of a public audit are not acceptable as evidence under any law. However, public audit creates a lot of public pressure on the political establishment to take corrective steps. The findings of a public audit could be presented and discussed widely in a public meeting before the entire community and stakeholders. Such public meetings have been called in the public hearings or jansunwais. Public audits and Jansunwais together are a big leap on the road to participatory democracy. In their present form, these were first started by Mazdoor Kisan Shakti Sangthan (MKSS) of Rajasthan. MKSS has conducted several jansunwais in different parts of Rajasthan till now. In August 2002, “Parivartan” obtained copies of all the civil works done by Municipal Corporation of Delhi in Sundernagari and New Seemapuri in the previous two financial years using Delhi Right to Information Act. In the next few months, Parivartan workers went to each block, collected people at street corners by singing songs and held meetings. In these street corner meetings, the people were told about the details of works claimed to have been done by Municipal Corporation of Delhi in their block and amounts spent on each of them. A good response from citizens
was received and facts came into light. Government of Andhra Pradesh has also initiated a scheme of social audit to evaluate the implementation of Job Schemes. Around 600 villages are covered in the survey and problems in implementation are assessed. Representatives from 13 districts participated in the survey and findings were read out in a public meeting. About 1500 social auditors and activists of nongovernmental organizations embarked on Padayatras and conducted social audit of Nehru Rural Employment Guarantee Scheme (NREGS) in 600 villages in 40 mandals.

Similarly, trying to make an independent assessment of quality of learning in schools, Pratham- a non-government organization took up largest ever social audit of elementary education by covering over 500 districts across the country, including all the 32 districts in Rajasthan. The initiative launched with the support of a large number of citizens and institutions, was aimed at monitoring the state of primary education by mobilizing grass-root activists and professionals. An Annual Status of Education Report (ASER) 2005 would be prepared on the basis of the social audit. The process will continue till 2010 by when the Central Government has promised to universalize quality education in the country.

As per the World Development Report, 2004 all these social audit exercises and increasing influence of these has demonstrated that social audit or social accountability exercises will be in demand. The main objective behind these, as mentioned earlier, creates an atmosphere of trust and acceptability of the performance and work done within the society. Thus it is essential to understand the views and attitudes of the citizens regarding the perceived benefits of such kind of audit. The procedure adopted for measuring and conducting social audit can be meaningful only if perceived role of such
audit is understood in the right perspective. What will be the role or benefit of the social audit as is perceived by the stakeholder is very important aspect. Will it be able to improve transparency and information flow for the stakeholders? Will it ultimately result in improved efficiency, effectiveness and productivity? Will it enhance the government's reliability and improve citizen's confidence in the government? Will the report and data obtained be able to list areas of non-compliance and identify weak links? Most important is that whether social audit will be able to map the key social issues and identify priorities for the stakeholders. The answer to these questions is not easy. It was considered appropriate that stakeholders can provide answers to these questions. Thus a tool is developed for assessing the role of social audit so that the relevance and benefits of social audit are clearer. Following the same constitution, laws, and intergovernmental finance system, and subject to the same election cycle – Kerala and Uttar Pradesh are worlds apart in human development. Their different worlds mean dramatic differences in the quality of life for millions – Uttar Pradesh, with 175 million people, is larger than all but six countries in the world (Kerala has 32 million people). This is a story of achievement and failure, the power of public action, and the burden of official inertia.

In India, different organizations and government have taken initiatives to conduct social audit. The procedure and methods adopted by each differs and these may not confirm to the ISEA developed accountability process standard (AA1000) but basic principles adopted are the same. Government of Delhi is probably the first state in India which has taken initiative to get social audit done. The government of NCT of Delhi carried out a social audit of critical public units. Social audit was implemented by Public Affairs Foundation (Public Affairs Foundation, 2006), Bangalore. It was based on user feedback
and the field survey was conducted by AC Nielson ORG MARG. The social audit covered 14165 respondents in Delhi on experiences across nine public services i.e. provision of drinking water through water tankers, in-patient services provided by public hospitals run by Municipal Corporation of Delhi and State Government, out-patient services provided by public hospitals run by Municipal Corporation of Delhi and State government, Public bus transport services provided by Delhi Transport Corporation, School education provided by Municipal Corporation of Delhi Primary Schools, Government Primary Schools, Sarvodya Primary Schools and Government Secondary Schools, Services provided by Ration Shops and Kerosene Depots, Services provided by Motor Licensing Offices, Services provided by Sub Divisional Magistrate’s Offices and Services provided by the Sub Registrar’s Offices. This social audit has clearly brought into sharp focus wide panoply of issues that citizens face while using critical public services. The major findings of this survey are as under:

1. Citizen’s satisfaction with services varies. Overall satisfaction with services shows a mixed trend with without services and school education coming out quite positively.

2. Commendable targeting of pro poor services. Feedback on both qualitative and quantitative indicators show that pro-poor services like provision of drinking water, food grain and kerosene are better targeted towards the poorer sections of society.

3. Spatial variability within a service is a matter of concern. In addition to service quality issues, equity in service delivery is also a matter of major concern.

4. Need for comprehensive reforms. While, increasing adaptations of technology in operations have clearly streamlined processes, the continuing existence of middlemen
and widespread reliance on the same show that more systemic changes are needed to make service delivery more transparent and accessible.

5. *Low awareness of service standards.* Though Citizens Charters have been created for most services, knowledge about the same is quite limited.

6. *Limited problem solving capacity.* The social audit also highlights the fact that very few instances of effective grievance redress whenever users complained about a problem.

### 3.7 Good Governance in an Era of Globalization

Human development approach has been named as supportive approach in organizational behavior studies as it was considered superior to contingency, productivity and system approaches in management. Here the main role of manager changes from control of employees to active support of their growth and performance. It is concerned with the growth and development of people towards higher levels of competency, creativity and efficiency. Under this approach, people are central and are to be considered first. By building a better climate for people, organizations can realize their creative potential to help solve major social problems. In this way organizational behavior may contribute to social improvements that stretch far beyond the confines of any one organization (Davis & Newstrom, 1989).

The current shifts in the public service towards business norms such as competition, efficiency, entrepreneurship, managerialism and customer’s choice, began in advanced capitalist nations, such as Australia, Canada, France, New Zealand, the U.K., and the US. There was a paradigm shift in values and ethical features of public service known as “New Public Management.” This is a shift from the idea of citizen’s entitlement to idea of
customer's satisfaction and customer's choice. This resulted in better service delivery expectations and administrative transparency. The rise of such business oriented administrative norms represents a considerable ethical challenge to its established values and the reorientation of its employees toward market norms (Brewer et al. 1997). Whatever happens inside the organizations will influence the society and similarly, whatever happens outside the organizations, does effect the organization. The shift from a closed system having materialistic orientations, centralized power and authoritative management to open system having human orientations, distributed power, dispersed leadership and team support management indicates the need for a change in the overall attitude and working of an organization. While the ingredients of these approaches may appear to be the familiar ones, namely, reforms touching upon the laws, the structure, the human resources and the bureaucracy's equations with civil society, the paradigm shift in the approach to administrative reforms may be generated through reactions and their resolutions. This will result in the acquisition of relevant knowledge for confidently moving towards a sound, non-stereo typed, future oriented systems and structures of governance and will form the basis for initiating the programmes and policies for administrative reforms in governance. Policies towards human resource development will ultimately suggest a sustained implementation of programme to recruit, train, motivate and develop a local work force to become more efficient, dedicated and effective member of the public service (Mehta, 1998)

Social self-governance, a global market economy, facilitative government defines the theme of today's international and domestic theories and practices of governance (Newland, 1999).
The future shape of public sector will be influenced by the complimentary role played by the private sector. This places greater pressures on those who have to manage public services with the objective of providing value for money. At the same time, it offers opportunities to seek private sector solutions in a mixed economy model of public-private partnerships. While such partnerships may provide macro-solution, they will undoubtedly create micro-organizational problems that will provide significant challenges for public sector managers who will be required to control new boundaries and interfaces between the public and private sector (Jackson, 2003).

Today, in countries around the world, governments are moving away from the regulatory compliance – centered personnel system towards a deregulated and management – centered human resources approach. This reinvention is occurring in response to political pressures for reform, public dissatisfaction with government performance, and a demand for new role for public managers that stresses on flexibility, accountability and results. (Soni, 2004). It has been argued that public sector Human Resource Management today functions more or less globally in a facilitative state. It is distinguished from the Administrative State of the late 19th and early 20th century in which the field was actually developed. However, in the decade of 1990s, a framework of theories and practices of facilitative state emerged globally and governance became a preferred theme.

However fears have also been raised against such a shift as well. Due to the emerging businesslike image or identity of public agencies, the citizens may loose their trust in the claim that such agencies truly represent the needs and expectations of all citizens. The image of the public service, which is already tarnished due to the bureaucratic-bashing by market friendly political leaders, may worsen further as a result of its new profit oriented
commercial image (Haque, 2004). In India Right to Information Act, Consumers Protection Act and other similar legislations have revitalized the service delivery system and created empowerment. This has helped in setting standards in the system as transparency and awareness for the rights has increased. This has created a need for training of staff for facing new challenges. These challenges have been necessitated due to market-driven policies and reforms, especially divestment, joint ventures and Business process outsourcing.

People are the main building blocks and ‘Timber’ of new India and thus human resource improvement is vital and crucial. If India has to survive meaningfully and realize her potential to the full, she has to improve substantially and simultaneously the ‘timber’ of the boat, the ‘timber’ of its passengers; and the ‘timber’ of its captain. In other words, we have to upgrade appreciably the quality of the state and its institutions, quality of the people’s character and caliber and quality of the leadership and its underlying motivation (Jagmohan, 2005).