This chapter presents a summary of the study particularly the conclusions emerging from it as well as a few policy recommendations. The conclusions were drawn on the basis of the findings from the employees survey, institutional survey and interviews with high ranking officials and key informants. Kerala is one of the first states to contemplate administrative reforms as evidenced by the number of committees that it had set up and the progressive nature of the reforms suggested, particularly by the first and third administrative reform committees. The Kerala model of development as well as decentralization of powers to local bodies has elicited wide appreciation as models to follow. Its features of decentralization such as ombudsman, citizen’s charters and early introduction of right to information have also been widely appreciated. The introduction of participatory planning since 1997, the incorporation of a Women’s Component Plan and the enhancement of reservation for women to 50% in the local bodies in all three tiers have made the state stand out as a forward looking one. The self-help groups organized under the Kudumbasree mission and e-governance initiatives like Akshaya and Friends acclaimed the world over can be considered as Kerala’s style of introduction of agencification.

From the employees survey, it was found that the NPM elements like change in personnel policies, Performance management, decentralization, and agency model, were very well accepted by the employees in Kerala if their individual preferences are to be believed. Cost cutting and downsizing as well as customer orientation was also moderately accepted. But introduction of market type mechanisms received very little acceptance by the employees in Kerala. The separation of policy making and operational functions is a new concept for the Kerala public sector and received least acceptance level from the employees. So, overall, the climate is suitable for the introduction of NPM
style reforms in Kerala. Out of the eight elements of NPM model, five of them are fairly accepted in Kerala by the employees in public sector on an individual level. However, there is a rider. The acceptability is contingent on endorsement of these values by the union leaders.

The Public Private Partnership model (PPP model), which is increasingly being used for infrastructure development in the state, is an example of the application of NPM principles in the state. The annual performance audits, annual performance plan etc can be quoted as examples for the acceptance of performance management practices in the state.

However, the employees fear that changes in polices in the government sector through downsizing and cost cutting will affect their job security and future opportunities for public sector jobs. Since there are not many industrial units in the private sector, the government has become the major provider of jobs, and government jobs are considered as highly prized.

The MGP was not a whole system effort. Only a few institutions could be brought under its purview. There was not much coordination among the execution ministries either at the ministerial level or at the level of the bureaucracy. Often there was lack of cooperation and coordination among the heads of various departments at the district and state levels. The man in charge of the MGP could not make things move in other departments headed by his peers. The coordination and active involvement of the stakeholders in the program is another important point to be considered while implementing any reform program. In MGP, there was separate high level secretariat- the MGP secretariat, which had a separate secretary. This office had very limited coordination with other departments and the communication was mainly top down. The employee-political party nexus also stood in the way of reforms. Many department heads had very little control over the employees and the union leaders often dictated terms to them.
The results support the theoretical proposition that all NPM elements are interrelated to each other.

The relationship between the moderating factors like bureaucratic environment and political system on the application NPM was explored. The study proved that there is a relationship between the bureaucratic and political system with the NPM elements. The study confirmed that the bureaucratic system and political system is weak in Kerala. Bureaucratic variables like financial management, transparency, decentralization and accountability were found to be weak in Kerala. The methods adopted for controlling corruption as well as motivation and ethics among the public servants were found to be good.

In the case of political system, support of political parties for reforms, the political interference in the operations, quality of the services and political commitment towards MGP were found to be weak in Kerala. The efficiency of government, confidence in government and the support of the political leaders for reforms were opined as fairly good.

Since the moderating variables like political system and bureaucratic environment influence the NPM type reforms, we can conclude that the success of the NPM type reforms is dependent on the socio-economic, bureaucratic and political environment of the state. In other words, in order to implement NPM type reforms in Kerala, the bureaucratic and political environment needs considerable changes in the positive direction.

As far as the Modernising Government program was considered, it was not successful in bringing out the desired level of change in the State. The ADB evaluation found the program as relevant to the state, but the outcomes were never achieved and the political environment was pointed out as the main weakness behind the ineffectiveness of the program. From the study we can conclude that, in addition, the effect of poor bureaucratic system was a factor for the ineffectiveness of the program in the state.
The MGP program created considerable amount of facilities. Some institutions like anganwadis were the direct beneficiaries of MGP assistance. Modernisation of the District collectorate, use of DC suite office software and layout change to make it more people friendly are some of the achievements. MGP provided a fillip to computerisation, citizen charters and the setting up of enquiry offices in several institutions. But often computerisation was not preceded by creation of the necessary back up structures. Performance-based management system, one of the goals of the MGP, could not be implemented in Kerala.

Many allocations made under MGP at the ground level were not meant for developmental purposes, but for clearing arrears arising from non-plan commitments. The facilities created also needed additional funds for maintenance for which no provision was made, making many of these facilities unusable after a period. Most of the procurement was made centrally. Equipment were often provided to offices on a centralised basis without ascertaining whether such equipment could at all be installed in the offices successfully. The MGP had no impact on change of mindset of the bureaucracy. They continued to rely on old practices and not build on the training that they had received.

The context of implementation sent wrong signals. The white paper on the state’s finances, ban on employment and the introduction of other cost cutting measures had already created misgivings in the minds of the employees. The MGP only helped to reinforce them. The project was not subjected to wide discussion. No effort was made to retain the MGP trained staff in MGP institutions. Instead, staff were transferred at random, thereby making the MGP institutions to lose their identity after being staffed by people unused to the MGP ways. The staff hired as programme support executives were raw MBA graduates who were not very familiar with government procedures.
Unlike the private sector, public sector is too large and complex to effect changes. With political power at the state level passing from the ruling front to the opposition every five years for the last three decades, radical reforms with a long-term vision are unthinkable. The opposition party had actively opposed the reforms with the opposition leader even threatening to dishonor the agreements reached with the donor if his party returns to power. Even within the same party, there was not much consensus. For example the enthusiasm of A K Antony, the then Chief Minister was not shared by his fellow congressman and successor Oommen Chandy. In such a situation, political continuity could not be ensured. Hence there was lack of political ownership and political will to get the project complete its logical course successfully. Coalition politics in Kerala also had its impact on MGP performance in a state where individual ministers belonging to different parties function without much coordination, particularly when the congress-led United Democratic Front is in power. The MGP soon came to be owned up by none and had to complete its course purely on the basis of its own imperatives with which the government also had to concur.

MGP got mired in the controversy surrounding the ADB loan to finance the project. Although the Chief Minister did make the papers on MGP available in the Legislative Assembly, the project was still shrouded in mystery and the financial details were often not available in a disaggregated form. The way the criticism evolved tended to suggest that people were more opposed to the ADB loan than the MGP per se. The adverse media reports and the mobilization of civil society against the project also were additional reasons for its failure to make a lasting impact. The media was eager to prove that the project was unsuccessful even before it had really taken off. The MGP case was one of poor media management and information communication.

The training given to the employees under the MGP also did not yield good results. The content of training, the trainers identified and the employees selected for training all had several problems. Training was never taken seriously
by the staff. Many of those selected were relatively elderly persons for whom the break from the normal routine and the travel and dearness allowances that they would be entitled during training were the points of attraction rather than any learning that would emerge from the training. The trainers selected had little experience of how public offices function and the employees could not relate themselves to the management oriented training that they received.

The very criterion of efficiency was defeated when the government decided to go for purchases from its sick industrial units at prices higher than the local market. The programme could not get into the next stage of bringing more institutions in its purview. Hence it was an incomplete project. No proper evaluation was done by the government of the scheme. The MGP website was discontinued and no documents were available, making transparency a casualty. No financial statement of a consolidated nature also has been issued on the MGP.

The MGP did not take into account the political context of Kerala. It was largely a technical project that had not factored in the complexities of reform in Kerala characterized by high degree of political polarization along party lines with very little space for any consensual action. Ego clashes among bureaucratic peers, contest between the generalists and the specialists and failure to acknowledge the central role of the first MGP secretary also affected the rhythm of the project considerably.

What can be concluded from the findings is that majority of the NPM elements are acceptable and can be applied to those countries which are experiencing similar challenges like Kerala. Secondly, since the bureaucratic system is very rigid in its approach, it can affect the application of NPM type reforms in Kerala. Therefore, reforms in Kerala will have to address the potential of both bureaucratic disruption and crass political partisanship.

In MGP there was only a final completion report from ADB. The procurement service provider prepared quarterly reports on the progress of
the work awarded. There was no effective concurrent evaluation enabling midway correction. This should have been incorporated in the design stage itself.

Many of the elements of NPM such as cost cutting and downsizing could not be effected in Kerala. The creation of a Kerala Civil Service could not be achieved. No space for incentives to motivate service providers to improve delivery could be found nor measures to improve the accountability of service providers, nor an effective system to monitor and evaluate service delivery, nor clear economic and social criteria to prioritize service delivery projects, nor timely transfer of financial resources to local bodies.

On the basis of a range of physical and human development indicators, Kerala provides a congenial atmosphere for administrative reforms to flourish. Some of these reforms particularly those under the e-governance mode have already been well established in the state as they were seen as technology-driven rather than spearheaded by devoted political leadership. Any reform undertaken in an incremental manner will invite lesser resistance from the employees. For example, the decision to introduce contributory pension elicited relatively weak form of resistance. At the same time, no resistance was found to the World Bank assisted Local Government Service Delivery Project launched in 2011. This suggests that one has to adopt a strategic approach when pushing for reforms and bring in enough space to discuss issues. Unlike the MGP, the local government service delivery project is confined to one single department. It has however a number of performance-linked features, which are yet to impress upon the Panchayat leaderships in the state who are prone to see the funds as extensions of the plan funds. While it is true that the Kerala Local Government Service Delivery project is not mired in controversy, the same factors that have worked against MGP are likely to raise their head in this case also. With already two years passed, the World Bank aided project is expected to wind up in 2015, and although performance-based assistance is promised from the third year onwards, the Panchayats are unlikely to fall in line to meet the performance criteria if the past record is any indication.
8.1 Recommendations for reform programs in future

1. There should be a strong positive political environment including cross-party support for the implementation of the NPM type reforms. In addition, an equally positive support from the bureaucracy is necessary for future reforms programs to succeed. In case of MGP project the political will and strong leadership was found to be lacking. Lack of political continuity and the disruptive role of coalition politics in Kerala is also found to be a major impediment in implementing the NPM type reforms. These issues need to be addressed in some ways before reforms can proceed smoothly in Kerala.

2. There was a strong opposition among the political and community leaders and employees to MGP on the ground that it is a conditionality of the ADB loan, and therefore amounts to a foreign import as well as for its implications for enhancing the debt burden of the state. Future reforms also will have to confront such resistance and strategies to limit opposition through greater transparency, and accountability may be necessary.

3. The MGP was only implemented for a short period in an ad hoc manner without envisioning a longer plan. There was no sign of continuation of the program. It had stopped with the end of the term of Congress government. Many of the procedures and practices established and physical facilities created had natural death without continued support or alternative provisions for sustaining them. Hence sustainability of all reform efforts should receive high priority in all future reform programs.

4. Any reform effort should be implemented in a incremental way. The incremental form of implementing any change will create inbuilt
mechanisms to withstand the psychological and cultural barriers of change. In MGP program, the government was in a hurry to implement the reforms in the government. The training component, the institutional planning, etc were done in hurry without having proper homework and sufficient professional thought. Any reform, to be successful, has to be implemented in piecemeal way.

5. Media management is another important aspect that needs to be considered while implementing changes to the existing system. In a situation like Kerala, where media is very strong, such public policies and programs for change should be communicated to the public in a professional way, enabling them to gain a rounded understanding of them.

6. The coordination and active involvement of the stakeholders in the program is another important point to be considered while implementing any reform program. In MGP, there was a separate high level secretariat-an MGP secretariat, which had a separate secretary. This office had a limited coordination with other departments. If reforms have to be implemented across a number of departments, they have to be coordinated in such a way as to instill some kind of collective responsibility by developing appropriate organizational arrangements. Frequent changes in the key personnel implementing the reforms also should be discouraged for the sake of ensuring continuity.

7. Lastly evaluation of the reform programs must be done periodically and corrective measures should be undertaken. Ideally concurrent evaluation is needed for all such programs.

8.2 Areas for future research

Further research may be conducted in other Indian states on NPM type reforms implemented in them so that a comparison of different experiences
could be made. Future research could focus on the impact of globalization on administrative reforms in individual states, changing attitudes among public sector employees to reforms, the pathways to sustainable reforms in Kerala and the strategies for dovetailing of reforms with fiscal consolidation.

Reforms in Kerala will continue with or without such projects assisted by foreign donors. This is because the reform process was initiated by internal processes and they will remain as a residue even if the donor-assisted projects wind up.