Chapter - 5

MODERNISING GOVERNMENT PROGRAMME
AND FISCAL REFORMS (MGP), KERALA

Introduction

Kerala is known for a very low rate of capital formation and there is heavy reliance on borrowings for financing the state’s plan outlay of which the non-plan component is on the increase and the plan component is coming down. The debt burden is quite heavy with roughly one fourth of the income of the state going for debt servicing. At the beginning of the last decade, government finances in Kerala were in doldrums.

The ‘White Paper’ brought out by the state government in June 2001 immediately after assuming power made clear in no uncertain terms that “…the Government is unable to fulfill its sovereign commitments to the people. It is unable to pay cash on cheques issued or make payments on items already included in the budget document.” (GOK, 2001:1). Further, “Courts are time and again ordering attachment of government property, vehicles and furniture for failure to pay liabilities in time. There have been instances of contractors not being able to receive the payments for works undertaken by them…the Government has duly sanctioned those works and they, on their part, have executed the contracts. But, yet they are not being paid what is due to them. In quite a few cases, the Hon’ble High Court has had to intervene and order clearance of the dues.” (ibid, 2001:4). Added to it was the loss suffered by many public sector undertakings such as Kerala State Electricity Board and Kerala State Road Transport Corporation year after year.

Further, this was no transient cash-flow problem – it was clearly a structural problem that was building up over a long period of time. The unsustainable policy adopted by the state was considered by some researchers for this adverse financial situation in the state. (for example, George, 1999; Tharamangalam, 1998). The ‘Kerala model’ of investing heavily in social infrastructure ignored physical infrastructure and industrial growth (Sen, 2012).
While this policy yielded rich dividends in terms of human development for which Kerala has often been praised, the financial returns to such investment for the state government, if any, were meagre leading to an unsustainable financial scenario.

Kerala had adopted a participatory planning programme at the level of the local bodies from the ninth plan onwards after announcing that 35 to 40 percent of the plan funds of the state would be spent through the local bodies (Chathukulam & John, 2002; Thomas Isaac & Franke, 2002). This was a long-term commitment made by the government from which it could not withdraw. Further, the state had set up an administrative reforms commission to suggest governance reforms that facilitate participatory planning and citizen-centric governance. It was in this situation that negotiations started with the Asian Development Bank to tone up the state’s finances and administration especially the service delivery component. This is the context in which the Modernising Government Programme and fiscal reforms (MGP) was initiated. The MGP is in line with the NPM reforms carried out in different parts of the world in the wake of neoliberal policies to make administration lean, efficient and participatory. Although negotiations on the loan started during the time of the Left government, the deal was finalized and implemented under the Congress-led government. During 2001-02, as part of the austerity measures to overcome the financial squeeze, there was a reduction in plan size. Given the fact that Kerala was not seen as an investor-friendly state, a Global Investors Meet was organized in 2001.

When the state decided to take the Asian Development Bank loan to spruce up its finances and tone up its administration, it was widely interpreted as a neoliberal measure and considerable resistance to it was organized by different groups. The capital city, especially the premises of the state secretariat witnessed several episodes of protests some of which lasted as long as six months. Many of the agitators called for the exit of ADB from Kerala.

The areas of focus of MGP included public finance, state-level public enterprises, power sector, road sector, decentralized planning, administrative reforms and municipal corporations. It was claimed that the “MGP aims to make government transparent and accountable” (ADB, 2002) and it was sought to be implemented through 90 institutions in Kerala on a pilot basis. The MGP
was implemented without any discussion in the state assembly or among the political parties. The MGP came under the broad framework of NPM reforms although some such reforms had already been in place as a part of decentralized planning, expansion of e-governance and so on. According to earlier MGP Secretary “The Modernising Government Programme has been drawn up as part of the strategy of Government to overhaul and improve its services to the people of the State. The thrust in Modernising Government Programme is to facilitate public servants and elected officials to serve the people of Kerala more effectively, efficiently and equitably with greater accountability. This transformation will facilitate the achievement of the human development and poverty reduction targets envisaged in the Tenth Five Year Plan”( Abraham, 2004 : 28).

The state has been long acclaimed as a welfare state providing basic services free of cost in the major areas of health, education, rural development etc. This has resulted in high literacy rate of 90% and health indicators comparable with international standards. Kerala, on the other side, provide large subsidies in agriculture, rural development, housing, social welfare and allied sectors. These practices have also resulted in a distortion in the work culture and mind set of the people and a state of high dependency in this most literate state. Kerala is seeking to achieve a breakthrough in poverty reduction through decentralization generally and the Kudumbasree Poverty Eradication Mission specifically. In most of the sectors relating to poverty reduction, there have been viable models evolved by individual local governments. A major challenge would be to upscale and replicate them.

The modernization program is targeted at ensuring adequate access to quality basic services for the BPL segment of the society, both urban and rural. The access to the basic services is almost 100%, but the quality of the service provided is far from satisfactory. The above situation is due to poor inconsistency of service, inadequate equipment and drugs, poor physical assets, unavailability of doctors or teachers and other related problems. The protected water access rate is 59% in urban areas and 14% in rural areas. It is estimated that there are over 8 lakh families without access to sanitary facilities.

The effect of the situation has led to generally low perception regarding the quality of public service delivery and the poor are either forced to avail of
service at private institutions or at distant government service outlets at premium
cost or their requirements remain unaddressed.

The story of MGP begins in 1996 December when the then Chief Minister of Kerala along with Sivadasa Menon the then Finance Minister met A B Vajpayee and Yaswant Sinha (central ministers) seeking ADB assistance for the augmentation of resource mobilisation of the state and improving allocation and efficiency of the government sector as well as promote private sector involvement in commercial and infrastructural sectors (Government of Kerala, Concept paper submitted to GOI, Document No. 1 of 8, 15 October 1998). In August 1998, a high level team from ADB visited the state and discussions were held with the GOK in 1999. The ADB team also held discussions with the ruling party and opposition at that time and formed a consensus among them in a number of areas. The Third Administrative Reforms committee of the state chaired by E K Nayanar, in its 4th report submitted in May 1999 observed: “Over the years there is a perceived decline in the quality of public service leading to cynicism and distrust among the common public. This distancing of people does not augur well for governance. .. there is widespread inefficiency, waste, rent seeking, aggrandizement and arrogance of power. In this context to restore the faith of the common man in the state, drastic reforms are required. The citizens have to be convinced that public servants are capable of providing the best value in public service”.

The ARC report was seminal in the identification of several MGP programmes later. The thrust of the MGP was to improve efficiency, effectiveness, accountability and equity. It was hoped that this would pave the way for achieving human development and poverty reduction targets set for the 10th five year plan of the state. In January 2002, when the UDF government was in power, the government appointed a steering committee for overseeing MGP with the Chief secretary as Chairman and secretaries of ten departments in addition to the Director of IMG (Institute of Management in Government) serving as members. Various task teams were created under it in different thematic areas. The task teams engaged in drafting the first version of MGP during Jan-March 2002. In April 2002 a workshop was held to discuss different thematic papers. The strategy papers developed through consultation by each thematic group were circulated for wide discussions. It was also disseminated
through internet. The MGP was started as a five year program in 2002 after the expiry of which it was granted extension for a year. The MGP was launched after undertaking a number of base line studies in the form of institutional surveys by different organizations to generate base line data for the service delivery project which yielded a number of recommendations for intervention. The baseline study of service delivery project generated 21 reports corresponding to 21 types of institutions. Data collected include secondary data available, and qualitative data through in-depth interviews and focus group discussions.

The loan was $200-million (Rs. 960 crores) with co-financing the Programme with a $50-million grant (Rs. 240 crores) by Netherlands, to be administered by the ADB. The interest on the loan, to be routed through the Central Government, would be 11.5 per cent (in rupees), which will come down to 8.05 per cent after the grant component provided by the centre is reckoned which is 30% of the total. The exchange rate risk would be borne by the Central Government (The Hindu, Dec. 17, 2002).

The major initiatives proposed under MGP include formation of State Civil Services, merit-based promotions in Government service, minimum needs programme covering health and other sectors, restructuring of subsidies, measures to improve educational standards and formulation of a unified water resources policy (Businessline, June 21, 2003). These apart, public enterprises reforms, removal of labour market rigidities, strengthening of infrastructure and mechanism for guarantee of investment in infrastructure, are some of the other proposals under MGP.

On the 1st of May 2004, a few of the democratic groups and socially concerned scholars of Kerala launched a massive campaign demanding that the ADB quit Kerala. The anti-ADB protests were not against MGP per se, but against the ADB loan, which the critics saw as not serving the interests of the common man given its neoliberal conditionalities. With the state already steeped in debt, any further loan, they said, would only put the State in greater jeopardy. A day before the ADB Quit Kerala Campaign was launched, a few radical youth, calling themselves, ‘Porattam’ ‘the Fight’, stormed the ADB state office in the capital city of Thiruvanthapuram, damaging office files and equipment. The campaign was widened with new groups like
feminists, environmentalists, and scholars joining and often choosing choose novel ways to register their protest. A ‘sathyagraha chain’ ‘fast’, in place of the ritualistic relay fast was organised. Anyone was free to join the chain, which was maintained for several days. When the protests gained momentum, the state cracked down on the protestors, even dismantling their shelter. The most novel protest probably came from the feminist groups of Kerala. Breaking all norms, they claimed the night as their own, painting and dancing all night long to express their anger and discontent at the ADB’s violation of democracy. The proposed corporatisation of the power sector by setting up separate companies for the generation, transmission and distribution of electricity and the formation of an autonomous organization intended to privatize the public sector giant was also challenged. It was alleged that the government would lose its decision making freedom on financial matters. The State was even severely restricted to enter into bilateral negotiations with other financial agencies/countries (Ravi Raman, 2008).

Who stood to gain most from the ADB-driven reforms? With the massive allocations of funds for capacity building, training, and computerisation, it was unrealistic to expect these to percolate down to the lowest strata of society. The ADB was very particular that all procurement & engineering technologies for civil works, software and hardware, goods and related services - should be through ‘normal commercial practices’. This meant that ADB contracts would be awarded through internationally advertised competitive bidding, although bidding was confined to the powerful donor countries of the ADB. The past performance of ADB-tied procurements showed that most of the procurement went to the world’s biggest corporations in the donor countries.

Some critics felt that the ADB deal was inhuman when the initial, paltry allocation of four percent of the MGP for poverty eradication would dwindle even further in the final programme implementation stage. The same critic also felt that there was an effort to reduce the percentage of the BPL through this fresh effort to identify the poor (Ravi Raman, 2008).

LDF Members of the legislative assembly engaged in a sit in and demanded a session to discuss the Asian Development Bank (ADB) loan to Kerala, with the opposition leader V.S. Achuthanandan saying that if LDF
returned to power in the next elections, it would not repay the loan. In this case, the borrower is the Government of India, which will determine the lending conditions to the Kerala Government. The executing agencies for the MGP are the State Government’s Office of the Chief Secretary and the Finance Department. The ADB on its part was also aware of the politically charged nature of the resistance. In its President’s report to the Board of Directors it was said: “Some interest groups are opposed to fiscal and structural reform and they do not understand the costs to the State economy of continuing with status quo policies even though the various measures have evolved through extensive discussions and analysis within Kerala. The cost of not implementing reforms, and the potential risks to present and future livelihoods will be well understood in a State that has high literacy.” (Businessline, Dec 23, 2002)

The State Government had prepared a communications strategy to improve awareness and understanding of its reform plan. They included a series of articles in all major Malayalam and English newspapers in the state followed by comments and opinions by leading academics and social scientists regarding the programme. Radio, television, seminars and meetings were the other avenues of getting the message across to the citizens. (Businessline, Dec 23, 2002).

The Kerala NGO Union (KGNU) State president V.M. Pavithran and general secretary C.H. Asokan saw the MGP as the agenda of the Asian Development Bank alleging that the guidelines prescribed by the MGP for various schemes such as identification of people living below the poverty line were aimed at protecting the vested interests of some segments which can harm the civil service and society and urged the Left government to drop the programme (The Hindu, June 7, 2007). It may be noted that most of the criticisms other than the one from the employees was focussed on the ADB loan than the MGP programme. The question was more on whether such loans from external agencies like ADB should be availed.

The communication strategy of the MGP was also a big failure. It could not dispel the doubts the major stakeholders and the general public had about the programme.

5.1 Emergence of Modernising Government programme

The MGP strategy document (G.O (Rt) No.4170/03/GAD dated 20/06/2003) conceptualised a development approach for Kerala around five important pillars which are:
1. Ensuring assured level of basic public services to the poor and the marginalised;
2. Building an enabling environment for growth;
3. Fiscal sustainability (both State and Local Self-Governments);
4. Enhancing effectiveness and efficacy of core government functions;
5. Building on decentralization for efficient, effective and accessible local government.

**Figure 5.1 Development approach of Kerala on five important pillars**

By focusing on the way the reforms have been implemented in one sub program of the MGP Kerala, i.e. Service Delivery Project, the researcher was able to understand the reform process, especially whether they belong to the NPM paradigm, whether they are really effective and whether the implementation actually follows the prescriptions of the government’s reform agencies and policies. The researcher has not attempted to cover all the aspects of the program in the case study, but has focused on the Service delivery project because it is considered as the major reform of the Kerala public sector, and is claimed by the government as being related to the NPM.

A case study is used in this section for analysing the MGP program in Kerala. One of the definitions of a case study method is provided by Creswell(2003) who notes that a case study is an exploration of a bound system or a case over time through in-depth data collection involving multiple sources of information rich in context. In this study the implementation of the Service Delivery Project under Modernising Government Program-Kerala is treated
as a particular case. The Service Delivery Project under MGP will facilitate analytic generalisations concerning the relationship between stated intentions and empirical reality in the Kerala public sector.

While conducting the field work at the selected institutions the researcher spent considerable time working and observing the institutional environment. The observation method provided a good opportunity for the researcher to interact with many officials who had first hand experience of or had knowledge about the NPM and the public sector management reform.

Institutions belonging to eight departments were selected for the implementation of the Service Delivery Project. (G.O.(MS)No.345/03/GAD dated 26/11/2003) They are(1) Health Department, (2)Revenue Department, (3)Registration Department, (4) General Education Department (5) LSG Department (6) Food and Civil Supplies Department (7) Social Welfare Department and (8) Home Department. The SDP was a short term fast track project for implementation of Service Delivery Policy.

Out of the above list the following departments were selected in the Ernakulam district of Kerala, for the case study. They are Revenue, Health, LSG and Social Welfare. These departments were selected because of their publicness, the more public services they rendered compared to other departments selected under the project.

Main data collection method in this stage was personal observation and discussion with the institutional Heads. The data thus captured from the field is verified in order to identify the achievements and short falls of the Service Delivery Project in the institutions under these departments.

5.2 Modernising Government Program (MGP-Kerala)

In Kerala, a modernizing governance program cabinet subcommittee, chaired by the Chief Minister was established to advise and oversee reform implementation. An executive-level modernizing governance program steering committee, chaired by the chief secretary, was responsible for overall coordination, implementation, and monitoring of the Program. A government department, the General Administration Modernizing Governance Program Department, was created in October 2002 to act as a secretariat to coordinate and monitor this component of the program. The program had two executing agencies, the Office of the Chief Secretary and the Finance Department.
Government issued an order GO (RT) no 4170/03/GAD dated 20.06.2003, which contained an overview of initiatives under each theme as detailed:

The themes identified were

1. Minimum Needs program
2. Enabling Environment for economic Growth and Employment generation.
3. Fiscal suitability
4. Core Government functions
5. Effective, Efficient and accessible Local self-Government.

a. Minimum Needs Program

The theme was focused on poverty eradication, standardisation of health services, upgradation of educational schemes, management of water and sanitation sectors and hygienic environment. Poverty index was to be developed which shall serve as basis for several poverty reduction programs. Creation of a corpus fund outside the formal banking system, for refinancing Micro Finance Institutions, consolidation of Self Help Groups, exploring market potential for traditional occupation based enterprises, agro industries, tourism, etc. were some of the initiatives under this theme. Accreditation systems like ‘Kalari’ for educational institutions for quality improvement, onsite sanitation community management activities, quality surveys for drinking water, contamination levels, characteristics like pH, etc. were some of the other initiatives under the above theme.


It was of late recognised that public investment alone cannot sustain the development goal of the State. There should be a favourable environment created enabling public investment. Militancy of labour was ranked as the most critical factor deterring investment in the state. The problems like wage disputes, indiscipline, multiplicity of trade unions, a tendency to go on strike even for minor disputes and demands for rigid definition of work tasks were the main issues in labour sector in the state. The licensing and regulatory framework, high taxation, inadequate infrastructure, shortage of power (electricity), limitation on land were other challenges faced by the investor in Kerala. Change the mind-set of entrepreneurs – labour market and general
public, de-regulation and tax reforms, strengthen infrastructure in the state, develop policies to address the issues of unfavourable environment, removal of the labour management rigidities, state level public enterprises reforms, creating an entrepreneurial culture and simplifying regulatory and administrative procedures some of the areas focused in this theme. Estimation of demand - supply gap, safety awareness for public, entrepreneurship development at school/college level, fostering quality consciousness among producers and customers, simplification of procedures setting up of business, promotion/guidance cells were some of initiatives planned under this theme.

c.Fiscal suitability

The theme under this area were focused on maintaining deficits to sustainable level, regularity of budget cycle, efficient fund and project management by LSG and better accountability. Achieve a system of balance budget, expenditure reduction, increase tax collection, efficient and effective dispersion of subsidies for weaker sections and poor families were main focus of the initiatives under this theme. There were also system reengineering for the budgets to pass before 31st March of every year and also to include the liability management system in the budget allocation process.

d.Core Government functions

Under this theme, there were four sub themes and 17 initiatives. The initiatives like design and implementation of result based planning system, implementation of policy on long pending infrastructure projects and simplification of rules for faster implementation of decisions were some of them. ‘Service Delivery’ was a sub theme with special attention towards service delivery of selected departments. MGP believed that certain initiatives like citizen charter, social audit and assets renewal system has a direct influence in improving the services of the government.

e.Effective, Efficient and Accessible Local self-Government.

Some of the limitations faced by LSG poor management, low ‘participation’ in decision making which is limited to the poorer sections and mostly benefit oriented. Planning in the areas of employment generation is low, identifying the target group and also to prioritise different vulnerable
groups was a problem in effective service delivery. The quality of services is affected by the lack of proper perspective and accountability. The support services for preparing good quality plans were absent or weak. The fiscal crisis is a major bottleneck to sustain the progress. The financial management by local governments has traditionally been weak and auditing was to be made more effective. The accountability systems are also not very strong. Corruption is part and parcel of the traditional system. State Finance Commission needs to be strengthened using IT and the experience of Ombudsman is not satisfactory. State development council has not been functioning as envisaged. The Kerala Urban Development Finance Corporation has not been fully effective in channelizing credit to local governments. The District planning committees have not shown the capacity to plan in an integrated manner for the overall development of the district. There was lack of clarity between the tiers of local government, absences of a proactive stand from most of the Heads of departments in support of local government were some of the problems faced in local bodies. Based on the above realities, improving the planning for local development, delivery of services, financial management, management of institutions, capacity building & policy making were the major areas for reforms recommended under this theme.

The total number of initiatives under each of the above theme is given below. These initiatives forms the basic structure for MGP.

**Figure 5.2: Strategic Implementation Plans (SIP) under MGP**

<table>
<thead>
<tr>
<th>Theme</th>
<th>No of initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme 1 Minimum Needs Program</td>
<td>28</td>
</tr>
<tr>
<td>Theme 2 Enabling environment for economic growth and employment</td>
<td>15</td>
</tr>
<tr>
<td>Theme 3 Fiscal sustainability</td>
<td>07</td>
</tr>
<tr>
<td>Theme 4 Core Government functions</td>
<td>17</td>
</tr>
<tr>
<td>Theme 5 Effective, Efficient and accessible Local Self Government</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>
5.3 Awareness creation on MGP

As an initial step in awareness creation on MGP, two regional workshops were organised exclusively for media personnel in 2004. The steering committee also recommended a Service Delivery Project as a fast track project of MGP. The SDP is grounded mostly in the general initiatives under MGP that pertain directly to service delivery issues.

5.4 Procurement Service provider and Technical support for MGP

Many of the MGP themes required specialized support, both in formulation and implementation. The Netherlands Government agreed to provide technical support through grant-in-aid. The Netherlands government hired own service providers and named them as Procurement Service Provider (PSP). The PSP would be required to procure services from national and international consultancy firms, institutions and individuals. The Government of Netherlands had agreed to provide 6.5 million Euro in support of the technical assistance, of which 5 million Euro has been earmarked for procuring technical assistance services in support of MGP. The technical support can be classified into three areas as follows:

(a) Administrative back up for MGP. It includes institutional and individual consultancies.
(b) Technical Assistance for specific initiatives,
(c) Training Support.

5.5 Institutional consultancies

Administrative Staff College of India (ASCI) Hyderabad

ASCI was selected as institutional advisor to MGP for the implementation of the service delivery policy and service delivery project. ASCI made available with two senior faculty from ASCI Hyderabad to be stationed in Trivandrum assisted by a team of 7 retired senior officers, 2 government officers on deputation and one professional. The contract for the conduct of the certificate programme was also awarded to Administrative Staff College of India.
Keltron

Keltron was awarded the contract for the maintenance and system administration support for MGP, to provide technical support and maintenance for the software for a fixed period, to conduct periodic upgradation of the functionalities of the software, including training all the department staff in the application of the software (Programme Performance and Monitoring software-PPMS software).

Tata Consultancy Services (TCS)

TCS has been commissioned to assist MGP in providing programme support and technical support for the effective management of all initiatives under MGP. TCS developed PPM (Program Performance Monitoring) software for monitoring the implementation of the general initiatives and service delivery project. TCS assisted MGP mission in overall progress monitoring and in periodical reporting to assist in project planning, budgeting, execution, monitoring and reporting in concerned departments.

TCS was also been awarded the contract to conceptualise, design and develop suitable automated planning tool and to train the officials of the State planning board and departments. They were also given the contract for the Sevana Mudra initiative.

Quality Circle Forum of India (QCFI)

The QCFI was awarded the technical assistance program for designing, developing and conducting training on effective quality undertaking and improvement program. QCFI emphasizes the importance of evolutionary change including small improvement ‘Kaizen’ and to introduce ideas and tools that are necessary for quality undertaking and improvement process (five S). To provide the foundation for the required human resources dynamics in constitution and functioning of quality circles. The staff of the selected QCFI institutions were given training on the above issues.

5.6 Other Technical service providers

These are some of the major service providers associated with MGP.

KITCO: To source program support team for Service Delivery Project and initiatives.
CDIT: To provide communication package for MGP

A.F Ferguson Consultantices: To conduct the normative estimation of man power for the proposed modernisation to take place in the near future and concomitant needs.

CSES: To conduct the baseline and citizen survey.

INTAN: To provide an overview of Malaysia’s approach to results based management in government, in general and in public service provision.

ICICI KINFRA: To manage engineering procurement contract for health Institutions, prepare procurement manual and supervise of construction work.

TCGI: To select and formulate learning material and to modify curricular objectives. To complete best practice in community contracting, propagation of holistic waste management system with emphasis on incentive mechanisms.

Samaj–Vikas: To conceptualise and develop a project scheme to set up state-of-art HRD centre in the Higher Secondary Schools.

Centre for Water resources Development and Management: Assessing risk to groundwater from on site sanitation.

Institute of Social Sciences: To support the process of development and application of entitlement index, to arrive at a framework to monitor poverty levels.

New Concept Information Systems Ltd: To support community led quality monitoring in government and aided schools with built in accreditation systems to reflect quality of education.

Infrastructure Professional Enterprises: To liquidate companies and to clear audit arrears in SLPEs.

RIAB: To implement SLPE reforms.
CRISIL: To conduct stakeholder consultation to evolve specific social safety net schemes.

Centre for Management Development: To conduct training programmes on essential knowledge and skills on corporate governance, workshops of service delivery mechanism and citizens charter and design systems for social audit.

COINPAR: To prepare draft rules on consumer protection.

Pricewaterhouse Coopers: To study and review the existing dispute resolution mechanism and also to structure a viable business model for Akshaya.


ORG: To design an index and benchmark for local government performance, systems for monitoring of implementation of decentralization plan programmes.

All India Women’s Conference: To assess the social welfare homes.

Ernst and Young: Developing indices for performance assessment.

Planet Kerala: To formulate stakeholder needs.

Institute of Management in Government: Event management for the conduct of Service Delivery workshop.

5.7 Individual consultancies

Under the individual consultancies there were two groups, one group consisted of programme support executives and the other group of communication consultants.

a. Programme Executives

Sixty five young professionals were hired by PSP and positioned at four locations and in the MGP office. They served as the primary interface between MGP and eight service delivery departments at the district level. Besides they provided the support in the coordination of MGP and SDP.
b. Communication consultants

Two communication consultants have been hired by PSP to assist MGP in capturing data and in documenting success stories on SDP, Sevana Mudra, quality circle etc.

5.8 Technical Assistance for Specific Initiatives

In order to get the best national expertise available in respect of certain general initiatives under MGP, technical assistance was sought. This was provided mostly by expert institutions/consulting agencies that were selected by the procurement service provider in consultation with MGP and the departments concerned.

5.9 Training support
a. Training of trainers under the training certificate programme

This is basically to create a pool of resource persons from among departmental experts as well as faculty members of the government training institutions. A pool of 117 resource persons has been developed at the end of the programme.

b. Training on Service Delivery

This is the single largest item of technical support. The objective is to train about 45000 employees from 2587 institutions identified under the service delivery project on the theme of improving public service delivery. The three day training was organised in all 14 districts across the State. Institute of Management in Government (IMG) coordinated the training. In case of village panchayats, municipalities and corporations, Kerala Institute of Local Administration (KILA) would be performing the training. Fourteen young professional were hired by PSP. Audit and Accounts managers and two office assistants were hired by PSP for maintaining proper accounts and financial management. A senior IAS officer was also hired for assisting IMG and MGP in doing a training needs analysis and in preparing the training modules.

c. Training on Results Based Management (RBM)

The Government of India introduced output based budgets after implementing Results-Based Management (RBM) project. In order to equip
the departmental officers in the state for preparing Results-Based Budgets, a massive training programme was conducted with the assistance of Tata Consultancy Service. Every single officer of the State Planning Board had been trained. In addition, senior officers from selected departments were also trained.

5.10 MGP Administrative Set-up

The Government of Kerala had constituted a Steering –cum- Empowered Committee for overseeing MGP, chaired by the Chief Secretary to the government. The MGP steering committee comprises key secretaries of various Departments including those participating in MGP. The MGP steering committee reports to a subcommittee of the council of Ministers headed by the Chief Minister. The Government of Kerala had established an MGP secretariat headed by the MGP Secretary. A MGP mission office was also opened in Trivandrum.

Figure. 5.3 : MGP Organisation Chart

![MGP Organisation Chart](image)

The above chart shows the organisation structure for MGP. All policy decisions under MGP are taken by the council of Minister. To assist the Ministers a sub-committee of the council (SC of Council) is formed. The sub-committee will discuss the plans and programs before presenting the same to the council of Ministers. Steering Committee (ST Com) of MGP was headed by Chief Secretary, reporting to the Council of Ministers and day to day coordination’s for MGP was done by the above Steering Committee. Steering Committee had around 27 members including the secretaries in various departments. For the operational convenience the group of secretaries is divided into five sub groups that correspond to the five themes under MGP.

The first group on Minimum Needs Program (MNP) was chaired by Principal Secretary (Water Resources) and consists of secretaries of all departments that have a major role to play in this theme. The second group on Economic Growth and Employment Generation(EEG) was chaired by Principal Secretary (Industries), and consists of secretaries of labour, information technology and tourism departments. The third group on Fiscal Sustainability (FS) was chaired by the Principal Secretary (Finance), and consists of secretaries of tax, revenue, registration, planning, local self-government departments. The fourth group on Core Government (CG) functions was chaired by Principal Secretary (Personnel and Administrative Department) and consists of secretaries of general administration department, registration, revenue, IMG, expenditure, IT & forest departments. The Principal Secretary to the Chief Minister was also a member of this committee. The fifth group on Local Self Government (LSG) was also chaired by Principal Secretary (Finance), and consists of secretaries of rural development, planning and LSG and SC/ST departments.

Attached to these sub groups were task teams (TF). These task teams consisted of dedicated motivated officers chosen for their commitment to change and improvement from various spheres. An Empowered Committee (EC) chaired by Chief Secretary was constituted for enabling faster decision making and implementation. The MGP Secretary was the governor of the committee. The committee had the powers for plan implementation and could approve schemes upto Rs. 100 lakhs. The MGP mission was formed in government on 26th October, 2002. MGP was a unit of GAD under the Chief Minister.
5.11 General initiatives under MGP

According to the Government order G.O.(Rt) No. 4170/03/GAD dated 20/06/2003 (Annexure 2) Government approved the schematic outlines of the detailed implementation plan for 93 initiatives under MGP in principle and decided to circulate the papers for public and expert discussions. After this through another government order G.O.(Rt) No. 7002/2003/Fin dated 27/08/2003 schematic plans of 7 more initiatives was also approved. Thus outlines of a total of 100 initiatives were published for public discussions. The Council of Ministers discussed the detailed implementation plans and service delivery project and as per GO (MS) No.345/03/GAD dated 26.11.2003 (Annexure 3) the detailed Implementation plans were approved for implementation. Only forty nine initiatives were implemented. The important MGP general initiatives introduced in various departments are given below.

In the Personnel and Administrative Reforms Department, tasks such as simplification of rules, codes and manuals in government such as Kerala Service Rules (part I & II), Kerala State Subordinate Services Rules, KSC-CCA Rules, Manual of Office Procedure, District Office Manual, Kerala Secretariat Office Manual, Manual of Disciplinary Proceedings, Kerala Treasury Code and Kerala Financial Code. These were to be undertaken in two phases with 27 departments to be covered in the first phase and 17 in the second. In addition a service delivery policy for secretariat and eight selected departments such as local self government, education, food & civil supplies, home, health & social welfare, revenue and registration was envisaged. Follow up of selected Administrative Reforms Committee recommendations that impact service delivery and efficiency in government was another initiative. After reviewing eleven government orders stemming from the ARC report, the MGP suggested that punctuality, delegation of powers, creation of citizen charters and the setting up of enquiry counters/public grievances redressal system should be focused.

Creation of a performance based system in civil service that would adequately respond to the needs of people was another objective. The performance management initiative, however, was limited to education and
revenue department. Personnel reforms were contemplated in respect of recruitment, placement, discipline, working environment & facilities, capacity building, performance appraisal, cadre issues, retirement and institutional changes and legal reforms.

Another issue taken up was a comprehensive training programme for civil servants to improve the efficiency of public service. Under this initiative a comprehensive training policy and a training plan were prepared. The assessment of existing capacities of training institutions has been completed. Action has also been taken for strengthening the infrastructure of IMG including its regional centres.

Functional review was another initiative covered under MGP. The objective of this initiative was to rearrange the organisational structures in the government in order to make optimal utilisation of available human resources possible and also to identify gaps, duplication and overheads in human resource management in government. The design of functional review was approved, 11658 posts were identified as surplus of which 4578 staff have been redeployed to LSG’s. The functional review of the secretariat was approved and notified by the state, but it has not been fully carried out.

The focus in the information technology department was on IT based information exchange through Akshaya centres towards building a knowledge society in the state. The LSGs were also encouraged to include Akshaya centres in their annual plans. Efforts were made for creating a Knowledge-Based Decision Support System for transparent e-governance in Kerala by quickly making field level data available to the senior administrator.

Most of the government orders are available on the web as a result of implementation of the Kbase project. However, the level of usage by the staff is very minimal in spite of the training given to them. Provision for uninterrupted power supply was also envisaged. In order to implement Integrated Decision Support System (IDSS) in all departments, it was decided to conduct the piloting of components like implementation of MESSAGE and Kbase in all departments. An amount of Rs.260 lakhs was allocated for the same in the 2006-07 budget. The program was not fully implemented.

An IT enabled comprehensive and logically centralised Government Employee Information System and payroll were also envisaged as part of implementing
MGP general initiative and has been successfully launched in the secretariat. Permanent Employee number has been given to all employees of GAD and Finance Department. This helped in coordinating all service matters, salary, income tax and account matters. The centralised database will help in quick decision making and applying rules and regulations uniformly to all employees. By the end of 2007, secretariat and the departments like GAD, and Finance were regularly using the above system. The other departments that implemented the system are Police, Public works, Revenue, Commercial Taxes, Vocational Higher Secondary, Technical Education and General Education.

In the sphere of local government there was an initiative to prepare a draft bill on town and country planning for Kerala State as a whole incorporating the best practices in spatial planning adapted to the needs of the rural and urban areas of the state, which has not been completed. An incentive-based holistic waste management was sought to be propagated under the aegis of MGP, though not with much success.

Other welfare-oriented initiatives included an elaborate data base on the disability pattern among people at the level of each local government and plans for their rehabilitation by the LSGs with the support of the Non-government organisations. Attempts were also made to prepare manuals for institutions transferred to local Governments as well as for procurement, public works, accounting and budget in LSGs. The LSGs also were expected to adopt strategies to raise their revenues through rationalization of assessment methods, improving efficiency in collection of revenue through simplification, building capacity of personnel in assessment and collection, and designing an incentive system for revenue mobilization to be carried out with the help of KILA. Another initiative was to assess the training needs of elected functionaries and officials of LSGs, again to be done through KILA. The same organisation was also entrusted with the task to document success stories in local development and to disseminate information on projects of excellence and best practices to institutionalise micro models and enable their replication. Creation of detailed database on the poor, validated by the Grama Sabha and maintained by the poor themselves through the Community development societies (CDS) system, and the institution of a community based monitoring of the implementation of anti-poverty sub plan was done through Kudumbasree,
a state-sponsored mission of a federation of SHGs affiliated to the mission and the local bodies. As many as 81,012 volunteers and 1000 master trainers were given training as part of the initiative.

In the area of labour, creation of a labour environment that would facilitate public and private investment in Kerala, reduce labour unrest, strengthen dispute resolution mechanisms, update industrial relations legislation etc; were proposed to be undertaken. After analysis of the situation by the Labour Department, it was decided that concrete action could be taken on labour law amendments and dispute resolution mechanisms.

Speedy completion of on-going or abandoned projects or their termination when found unproductive was also envisaged. Eleven projects were identified under the initiative. Additional fund was provided for fast track completion. Qualitative improvement in planning ensuring feasibility and optimum utilization of resources was also focused and it was to be realised through capacity building in project formulation, appraisal and evaluation enabling the departments to formulate better schemes/projects to ensure that there is a clear reduction of infructuous expenditure.

Road safety initiatives also came under the MGP framework. Setting up of road safety authority, inclusion of safety-related elements as part of civics, road safety clubs in schools, conduct of quiz, essay competition and slogan preparation etc were envisaged.

Drinking water wells in local communities were to be monitored to reduce contamination of drinking water sources. Rainwater harvesting was also to be popularised in the state drawing on the previous experience in the state, particularly efforts made by NGOs. Training in Ferro cement Technology for Roof water harvesting was given in all districts as well as to 225 government engineers from four Districts and as many as 465 demo units of 10,000 litres capacity were constructed throughout the state in public buildings. Cost estimation and determination of user charges for water supply schemes was one of the initiatives, which was later cancelled.

New procurement procedures in government, based on trust and transparency, focused on eliminating delays in procurement to ensure greater quality by bringing in the purchaser (Department), provider(Supplier) into a long term association linked to the estimated life of the product, to increase
accountability in procurement through public expenditure tracking surveys also were envisaged. Other initiatives included simplified procedures for private investment in the state, creation of an enabling regulatory framework and measures to reduce transaction costs when dealing with government. Effective support system to new investors was also to be instituted. Proposals for restructuring of 44 SLPEs were put forward of which recommendations on 2 SLPEs have been approved by the Government. 3099 personnel in 25 SLPEs were offered VRS. A positive attitude was sought to be promoted among students and youths regarding entrepreneurs and entrepreneurship.

Right to information and making the government transparent was another objective of MGP. To prepare and publish citizen charter and make administration more people friendly was also a part of this. According to the provision of the act (freedom of information act, 2002) the government constituted a state information commission with a chief information commissioner and 4 commissioners. All departments have public information officers to make information available to the public.

In the health sector, setting of standards of care and costing of key services in health institutions under all the three systems of medicine was also envisaged. The department was advised to collect the data regarding the infrastructure in the health institutions through medical officers. But it has not been started. A referral protocol for different levels of care was proposed to be developed, but no progress has been made in this direction. In order to reduce exploitation of patients by some doctors in collusion with the pharmaceutical industry, a treatment protocol incorporating a list of drugs and the costs of each was contemplated as one of the objectives. However, no progress has been made in this direction. Using the SHGs for conveying health messages was another initiative.

Strengthening vocational education for children and thereby helping to tackle the problem of unemployment in the state and reduce the rush in professional colleges by offering alternate streams for students with the aptitude and interest for vocational education was also part of the objective. In the area of general education, some kind of a community led education monitoring in government and aided schools under the leadership of LSGs
and to introduce a simple accreditation system on the basis of social audit conducted by the community as a means of quality assurance were also other goals. In the higher secondary sector some measures to prepare students for higher education were also suggested and allocations made. In the area of welfare, considerable allocations were made for addressing the problems of the destitute and the disabled. A technical committee was constituted to prepare the draft rules for use in consumer courts and consumer awareness to ensure quality of food and other products. Reforms suggested in the finance wing include the rescheduling of budget preparation cycle so as to pass the budget before 31 March, which was implemented from the year 2005-06 onwards.

5.12 Service Delivery Project (SDP)

Service Delivery Project is one of the five projects under MGP for improving the quality of services delivered by Government to the people of Kerala particularly the poor. The project sought to improve the standard of services in selected classes of institutions. The secretariat and collectorates were given priority under MGP. Institutions would be chosen in selected departments, and made models in terms of service delivery. The aim of the service delivery project of the MGP program was to create 2587 model institutions in 22 categories of service providers from 8 departments (Food, Civil supplies and Consumer affairs, general education, Health and social welfare, home, land revenue, local self government, registration and social welfare).

5.13 Principles of Service Delivery

Equity or equitability: This connotes the importance of ensuring that the service provided by government institutions do not discriminate any one in an arbitrary manner in terms of the quantity or quality of service delivered. Secondly, there will be inclusiveness, which means no section will be excluded from the services provided by a government institution. Thirdly, the services will be so organised as to make it accessible to all citizens in terms of the location of the service point and citizen friendliness. The fourth is transparency.
The fifth principle is accountability, not just towards the superiors of the service provider, but to the citizens as well through measures such as social auditing. Another principle is participation which means that the user groups need to participate effectively in the decision-making processes associated with the delivery of a service rather than being top-driven. Finally, any plan or project to improve the services provided should be sustainable.

5.14 Selection of the Institutions
The norms for the selection of institutions under service delivery project were

a) Department of Health and Family Welfare
   Backwardness in terms of health and demographic features, SC/ST population, low health indicators etc.

b) Department of General Education
   Schools having largest SC/ST enrolment in a district and the schools having largest number of students enrolled in a district.

c) Local Self Government Department
   Panchayats based on largest ST population, backwardness, total population etc; all Municipal Corporation offices, Municipalities at district Head Quarters based on backwardness etc.

d) Social Welfare
   All old age homes, all other welfare institutions, anganwadis based on largest ST/SC population, from each panchayat, municipality, municipal cooperation etc.

e) Revenue Department
   All district Collectorates, all Taluk Offices and all villages under the jurisdiction of selected Sub Registrar’s Offices

f) Registration Department
   Sub-Registrar offices having largest number of transactions in a Taluk.
g) Home department:
Police stations serving areas with largest SC/ST population, women population and having registered largest number of traffic offences etc.

h) Food & Civil Supplies Department:
All Taluks and City rationing offices.

5.15 Institutional Plan for Service Delivery Project
The ASCI was entrusted with the organisation of planning for improvement in service delivery in the chosen institutions. The process had the following components.

a. An introductory workshop targeted at eight departments to introduce the concept of service delivery and planning, as well as to validate the services and processes selected for the same by the ASCI. One of the important points that emerged was that whatever may be the changes in the service either proposed (new) or modified, the decision has to be taken by the state government or departmental headquarters. The input required was classified into three categories: infrastructure, human resource, and administrative support. Action level was divided into four: Institutions, Higher level, district and state. Over a period of two days participants fine tuned the SDA’s and SDI’s and listed in detail what actions needed to be taken and by whom.

b. Based on the validation, master trainers were to be trained as facilitators for institutional planning and provided with a handbook of planning. An instruction manual was prepared to guide master trainers step by step on how to create an institutional plan.

c. The master trainers will provide planning for the small group of representatives selected from the institution at the district level who will in turn prepare the institutional plan.

The planning materials at district level workshops consisted of (a) Background material (background paper); (b) Status paper (on each selected department); Standard reference material; Institutional Plan work book from which choices would be made and blank costing formats that would be filled in by the institutional planners at the workshop.
The four components or modules of institutional plan were

a. Infrastructure: The plan will identify what improvements are planned. This includes construction of facilities, procurement of hardware etc.

b. Human resource: Under this head, plan will indicate requirement, if any, of additional of resources. But more importantly these will indicate what kind of training needs to be imparted to the staff in the areas of knowledge and skill acquisition, behavioural orientation, managerial skills, technical skills etc.

c. Systems: There are many areas where the institutions require change in the current systems or procedures to be followed. Based on the degree of change also the current laws, rules, regulations, changes etc will be decided at different levels (Institution, Higher level, District level or State level).

d. Consumables and recurring expenditure: The plans will detail under this head what amount of money will be utilised for purchase of consumables, on recurring expenses including preventive and breakdown maintenance etc.

e. Social Audit: The plan will detail the composition of the social audit team and suggest mechanisms whereby the social audit teams would be facilitated to carry out their evaluation studies.

All institutions had completed their draft service delivery plans by 21st October 2004. Draft institutional plans were prepared for all the 2587 institutions, all plans were reworked in consultation with the higher levels like District level committee, Departmental committees and were finalised by the MGP steering committee. The final institutional plans thus finalised was entered into the PPMS software (programme performance management system) developed through M/s. Keltron using the technical assistance of Tata Consultancy. PPMS I has been designed to monitor and record the general initiatives under MGP whereas PPMS II is developed exclusively for Service Delivery project to facilitate the allocation of budgets and monitoring of progress.
5.16 Fund Flow Manual

In the G.O (P) No 276/04/CAD dated 24/09/2004 (Annexure 21), the government have approved a manual for project approval and allotment of funds for programmes/projects under the general initiatives and service delivery projects of MGP. Subsequently, a separate simplified version of the fund flow manual was approved and issued for the service delivery project as per the government order G.O (P) No 94/05/GAD dated 31.03.2005. As per the suggestions and requests from the implementing officers as well as from the line Departments for the successful implementation of the programme as a fast track project, the fund flow manual was modified three times and finalised.

5.17 DC Suite for District E- Governance

As a part of the SDP, District collectors suite has been successfully implemented in Ernakulam, Malappuram, Kannur and Trissur Districts. The programme is aimed at making all services more accessible to the citizens. DC*Suite is based on an integrated solution architecture covering all functional areas and activities in the Collectorate. Twenty-one functional areas were identified including Workflow based File Management System, Public Grievances Monitoring System, and Revenue Recovery Management etc. In addition, there are add—on optional modules for Knowledge Management, District Portals etc. Public Access, Transparent Administration and Service Delivery were the key features of the project. The applications which are of public interest are given access through INTERNET, IVRS and Touch Screens-based Kiosks using standard software and web interfaces. Information are also made available through multichannel service delivery access points like inter-active voice response system, SMS, service counters, e-mail and Internet kiosks. Agencies such as FRIENDS, Akshaya Centres and Kudumbasree units will also become service delivery points.

5.18 Workshops and Reviews

Workshop on fund flow manual was conducted on a regional basis at Trivandrum, Ernakulam and Calicut. The workshop on state level issues was conducted on 24th May 2005 at MGP Mission office. State level issues in SDP implementation such as permission to disseminate rules, regulations eligibility
criteria and conditions, data and information, sanction to modify a few basic procedures such as standardised application forms, acknowledgement slips/cards, devolution of administrative power to purchase consumables, devolution of financial powers such as increasing the ceiling laid down for many levels etc were discussed in the workshop. The meeting for the Home department was conducted on 15th and 16th June 2004 at Institute of Management in Government (IMG), Trivandrum, preceded by a meeting of the Commissioners /Superintendents of Police in the Police Academy, Thrissur on 7th June 2004. Workshop for District collectors was organised on 28th July 2003 at Mascot Hotel Trivandrum. Proposals like affirming the availability of health service to all citizens in Kerala, publishing citizen charters in respect of health institutions, giving health cards to all citizens who are under BPL category etc were discussed. Work shop of district panchayat presidents was organised on 08th May 2004 at MGP Mission office. Plan review meeting by the principal secretary and Directors in respective Districts was conducted from 21st October 2005 to 18th November 2005. As per the government order GO(P) No.248/05/ GAD (Annexure 23) government had approved the constitution of District Level Review Committee in every district in order to give suitable role to MLAs in monitoring the implementation of the service delivery project to ensure that the project is implemented properly in time. The chairman of the committee is the minister in charge of the District. The following were the members of the

District level review committee.
The minister in charge of the District
All MPs of the District
All MLAs of the District
District panchayat president
District Collector - convener
District officers of all the eight departments
Representative of the Director (Vocational Higher secondary)
Representative of Director (Higher secondary)
District Information officer

15.19 The International Work Shop

The government also organised an international workshop to elicit inputs from countries that had already undertaken this change and use modern systems
and processes so that the Government of Kerala officials and other relevant stakeholders could learn from their experiences. It was in this context that Government of Kerala with support of Administrative Staff College, Hyderabad, (ASCI) conducted an international seminar/workshop at the Mascot hotel on 7th & 8th of September 2004. The workshop acted as a resource bank to assist with wider dissemination, adaptation and implementation of learning. It was at the international workshop that a number of comments and suggestions were made by the participants for consideration and the service delivery policy was finalised and implemented.

5.20 Support Initiatives
Charter mark is the Government’s award scheme, which recognizes and encourages excellence in public service. Charter mark institutions will be subjected to fast track treatment with respect to their fund requirement for the improvement of the level of service. Charter mark is more about achieving a change of culture and the change and improvement must be ongoing and irreversible. Complaints and suggestions from the customers form the basis for such improvement. Charter Mark exercise three main issues:

1. To develop a framework for Charter Mark with reference to the Government Service Delivery organisations in Kerala;
2. To develop an operating manual for Charter Mark;
3. To assist selected institutions to improve their service delivery efficiency and to make them “Charter Mark Ready”.

5.21 Framework of Sevana Mudra
Government of Kerala had committed itself to revamping its service delivery to improve its effectiveness. GoK had decided to institute an award system to recognise well performing institutions focusing on the tenets of their service delivery policy.

Central to the framework were two sets referred to as interventions and impact. Interventions can be best described as such acts necessary to put organisations/institutions in the path of better performance. Similarly, impact is the effect of such acts on the stakeholders of organisations/institutions. The critical interventions proposed are empowering clients, which enables the
institutions to assume greater responsibilities and authority through training, trust and emotional support. Enriching employees can be done through providing necessary knowledge, enhancing skills, realigning attitudes, increasing motivation levels through proper redressal system, fostering team work, creating access to information amongst the employees, and finally, managing the processes. Some processes directly impact the services rendered by the institution while some support the direct processes in achieving their objectives.

The framework for the new initiative to reward and recognise well performing government institutions was developed by TATA Consultancy Services and it was put for discussion with various level officers and PSEs. The “Sevana Mudra” (SM) was selected among the names for the new initiative. The criteria for evaluating the institutions were spontaneity of response, employee morale, infrastructure, client participation, size manageability, only one institution in the area and support from elected representatives.

5.22 Some of the achievements after the initiation of the Sevana Mudra project are
- Increase in enrolment rate in schools
- Nutritious food included in the mid-day meals in anganwadis, schools and care homes
- Improvements in teaching methodology
- Hygienic environment in schools and hospitals
- Increased community ownership
- Increased awareness among the clients to demand for rights
- Improved infrastructure for better service delivery
- Improved documentation

The pilot launch of the newly introduced concept of Sevana Mudra to reward and recognize good public service through MGP created a reverberation among the government institutions for change in service delivery. The initiative boosted the motivation level of the employees and to improve the level of service rendered through them with transparency and helped accountability. The feeling of motivation and satisfaction among the service providers and
the service receivers results in portraying these institutions as replicable models in better service delivery even though the project was not completed as per the implementation manual of SM initiative.

5.23 Quality circle

Under this initiative, 43 selected SDP institutions of the state were selected under an action project of the Quality Circle Forum of India (QCFI) for implementation of quality circle initiatives. The technical assistance programme being done by QCFI emphasizes the importance of evolutionary change including Kaizen and 5S and provides a background of the human resource dynamics in the constitution and functioning of quality circles.

Quality circle is a small group in which people who work in the first line work place continually improve and maintain the quality of products and services, job and so on. This small group promotes the activity in such a way as to autonomously administer it, utilize the QC concepts and techniques and other creative means to make self-development and mutual development possible. 5s is a series of steps taken for ensuring organisation neatness, cleaning, standardization and discipline in institution’s housekeeping and work place management practices. Kaizen is continuous improvement in order to progress and advance as opposed to status quo and stagnancy.

Significant improvements have been brought about in these institutions viz; cleanliness and order in office, reduced waiting time for citizens, improved quality of service delivery, speedy disposal of petitions and improvement in the work culture. It is desirable that these positive changes are sustained and institutionalized.

In order to sustain these institutions, necessary steps are being initiated from the Government to consider these institutions as model institutions in service delivery.

5.24 Certification programme by ASCI and INTAN

A certification training programme in service delivery was conducted by MGP in collaboration with ASCI Hyderabad and INTAN Malaysia to create a cadre of government officers equipped with necessary management skills and techniques that will enable them to function as resource persons for developing and sustaining development strategies and systems that are geared to service delivery improvement.
The resource persons trained under this programme would be given certificates from ASCI Hyderabad, and INTAN, Malaysia. After training and certification, these resource persons would be involved in educating and training the staff engaged in planning and delivery of different services across the range of institutions of the Department.

5.25 Training of trainers on result based management planning

Government of Kerala (GoK) desires to introduce the concept of result based planning in its planning process. As a pilot initiative, they took up agriculture, fisheries, animal husbandry and social welfare departments for implementing the concept of RBM approach to develop their annual plans for the fiscal year 2004-05.

The Modernising Government Programme desired to propagate the knowledge on RBM to officials in the planning and other departments who participated in the annual budgeting and planning exercise. In order to strengthen the planning process of service delivery, it was decided to include the officers from the selected institutions of the service delivery stream. Tata Consultancy Services (TCS) in consultation with MGP had developed a training plan to expose the targeted officials in the RBM approach to planning. The consultants have recommended a Training of Trainers (ToT) approach taking into consideration the number of participants to be trained.

As part of the training plan, a programme for training the first batch of trainers was conducted between 18th Jan 2006 and 20th Jan 2006 to develop a team of state level resource persons. These trained resource persons were involved in various cascades of training as part of the ToT plan. The training was completed for nine batches.

5.26 Training of trainers workshop by IMG

Training of Trainers workshop by IMG was conducted to develop a pool of resource persons in the area of service delivery, human resource management, citizen charters and Quality Circle. A series of workshops have been organised from July 2005 to December 2005. The officers (Retired/In Service) of the participating departments and programme support executives were trained in the workshops.
Training for two days on effective quality undertaking in improvement process (EQUIP) was done at Institute of Tadbiran Awam Negara (National Institute of Public Administration (INTAN) Malaysia. As per the direction of the MGP steering committee, the procurement service provider for Government of Kerala arranged the training programme for MGP delegates. The main aim was to expose them to the changes brought about in the Malaysian Public Services system through the effective use of modern management practices and technology. The programme was held from 23/05/2005 to 28/05/2005 at INTAN main campus in Kuala Lumpur. The team consisted of five officials of the MGP mission in-charge of the Service Delivery Project, the Programme Support Executives engaged through PSP to facilitate implementation of SDP and two members of the Institutional Advisor Team (ASCI).

5.27 Newsletters

Newsletters were to be published every month from MGP mission office. The newsletters were distributed in the District offices and in all the institutions selected under MGP in every District.

“SUTHARYA KERALAM”

This was an initiative of government of Kerala G.O.(Rt) No.4377/2005/GAD dated 2/6/2005 aimed to bridge the gap between the public and the government and thereby ensure transparency and efficiency in the functions of the Government. This project was part of the Kerala Fast Forward Programme. The major objectives of the project are the automation of the Chief Minister’s grievance redressal cell and convergence of all the available forms of communication so as to guarantee people’s right to information.

A call centre and online public interface to collect the petitions and an interactive video programme were the initial attractions of the project.

5.28 MGP website

As part of government commitment to dissemination of information in respects of MGP, a devoted website for MGP: (www.keralamgp.org) was launched in March 2003. This site was well maintained and regularly updated when the project was on. But presently it is a totally inactive website without any proper updating.
5.29 ADB’s Evaluation of MGP

The ADB evaluation of all the Indian programmes made in 2007 states that “The Kerala government’s concern to prioritize governance reforms resulted in service delivery initiatives, with local governments dominating the revenue and expenditure reform aspects of the program.” (ADB, 2007 p. iii). Only the Kerala and Madhya Pradesh programs had an explicit poverty reduction impact or outcome. As the projected fiscal space was not created, social sector allocations in these states did not increase, and the outcomes were not achieved. (ibid : iv). The Kerala and Assam programs were also policy-based loans but followed a cluster loan modality of two subprograms totalling $300 million for Kerala over 3 years, and $225 million for Assam over 5 years. The design of the second subprogram was contingent upon the successful performance of the first. Kerala’s first subprogram of $200 million was for 2 years with two tranches, with the first tranche being released on loan effectiveness. However, Kerala’s second subprogram was not designed, as the state was considered “fiscally stressed” and unable to meet the Government of India’s requirements to borrow from multilateral agencies. (ibid : 1).

Kerala government’s Fiscal Responsibility Act (2003) ambitiously mandated elimination of its revenue deficit by FY2006. However, as a result of the Kerala government approving the eighth state pay commission’s recommended pay increases to civil servants, the revenue deficit was expected to be 6% in FY2006, and the fiscal deficit 4.3%, virtually remained unchanged from FY2001, 2 years prior to the program’s approval. (ibid : 4). The Kerala program focused on improving local government financial management capacity rather than improving revenues. (ibid : 6). As the Kerala government was reluctant to levy user charges for public services, the program focused on improving the financial health of the state’s electricity board without specifically identifying tariff increases. (ibid). The Kerala program emphasized the need to ensure that the annual budget was integrated with investment plans, included forward estimates for 2 years, and was passed by the state assembly before the beginning of the fiscal year. (ibid : 7). In both Kerala and Madhya Pradesh, the conditions to control expenditure on salaries by imposing a civil service hiring freeze etc. were challenged in the courts and was discontinued (ibid).

The Kerala program was alone in planning to build local government financial management capacity (ibid : 8). Of the four programs, the Kerala
program was atypical, as its outcome was to modernize governance through simultaneously implementing fiscal consolidation measures and improvements to state and local governments’ public service delivery. The program’s support to pro-poor planning and poverty monitoring, including social audits to improve the targeting and quality of poverty reduction programs, was not sustained. Although a number of service delivery projects were implemented, reforming local government offices responsible for rural development and their asset management systems had mixed success. Even if the government had a strong commitment to implement necessary fiscal reform measures, which proved not to be the case, the public service delivery reforms were premature, as a sound financial base had not been created. (ibid:9). However, in Kerala the Office of the Chief Secretary was also an executing agency.

In Kerala, the implementation arrangements reflected the program design with two distinct programs (fiscal reforms and modernizing governance) grafted together, but not integrated, under one “program.” A new government department was established as a secretariat to coordinate and monitor the modernizing governance component of the program, with the fiscal reforms managed out of the Finance Department. Establishing a government department is a complex process, and by adding recurrent budget costs it is working against an expenditure compression objective. On completion of the ADB loan, and with the state government’s deteriorating fiscal condition, the staff of this department returned to their original departments. Without widespread support for modernizing governance reforms, the new department proved unsustainable. Reforms cut across almost all government departments, but only the chief secretary has the power to direct and coordinate department heads. The ability of a newly created department to give direction and coordinate other departments was severely circumscribed by bureaucratic procedures and unlikely to be effective. (ibid: 11).

However, the ownership of service delivery reforms was not as broad based as perhaps assumed, and the Kerala government was unable to sustain many of the fiscal reform actions in the face of public or bureaucratic pressure. The program design was overly ambitious and out of sequence, as there was insufficient time to put in place the fiscal reforms necessary to support modernizing governance reforms. (ibid:14)

The Kerala program’s modernising governance focus emphasized improving service delivery at the local level through a range of policy and
investment interventions. However, effectiveness was limited by the following: (i) incentives to motivate service providers to improve delivery were not addressed, (ii) measures to improve the accountability of service providers were missing, (iii) an effective system to monitor and evaluate service delivery was not in place, (iv) clear economic and social criteria to prioritize service delivery projects were missing, and (v) decentralizing power to local governments were not accompanied by a timely transfer of financial resources and responsibilities. (ibid: 15).

In Kerala, where there was apparently cross-party support for modernizing governance reforms, a lack of serious political commitment to control expenditure and increase revenue undermined fiscal consolidation and the sustainability of both sets of reforms. (ibid: 16); A single senior-level bureaucratic champion in charge of the MGP was unable to generate a sufficiently broad base to sustain reforms, and sequencing was inappropriate. (ibid: 18).

The Kerala program design identified the most significant external risk as public action against reforms and included a communication strategy as a mitigation measure. Irrespective of whether this measure was sufficient to mitigate the risk, the strategy was not implemented, despite the risk coming to fruition and pressure put on the government to wind back some measures in the reform program. (ibid: 18).

5.30 Discussion

MGP was considered by many as an administrative reform package that fitted in with the recommendation of ARC. Most of the individual employees wanted a change in the way in which the business is conducted in the Government as long as their job security and workload concerns were addressed. There was also widespread public fear that government was withdrawing from its responsibilities to the poor in the name of reforms. The neoliberal tenor of MGP made many people as well as the government employees critical about its implementation. The ‘white paper on finance’ which suggested a number of reforms like cost cutting measures made the employees to think that the reforms would have negative implications for the job security that they were enjoying (Parvathy, 2012).
The MGP was not introduced after achieving political consensus. The civil society in Kerala also did not support the reforms. The process and system in the government proved to be a barrier to the effective implementation of the good quality service delivery and good governance. The reforms were not linked up with follow up measures or intensified with additional funding. How the selected institutions where MGP interventions took place were to be nurtured was never given a thought. This led to the return of those institutions to the same stage as they were before the introduction of the MGP. The only exceptions are the District Collectorates.

There was no proper monitoring and evaluation of the programme. The noticeable changes after MGP are seen only in infrastructure development. The work culture and the behaviour of the public servant has not changed in spite of the MGP intervention. The training programmes were not rigorously organised. The lack of psychological training in behaviour modification, the inefficiency of many trainers etc were common complaints raised by the participants. MGP was considered as a programme for improving the infrastructure and for the purchase of consumables. Public officials never took the program seriously. The training given was considered as time passing exercise, a break from their routine job. The social audit which was the highlight of the SDP programme, never came in its true spirit.

The performance based management system which was sought to be introduced by the MGP for efficiency and effectiveness of the Government system is yet to take off. Words like performance management are still anathema among the employees who are used to a routine bureaucratic style with promotions based purely on seniority. Even though MGP was implemented partially as a programme to overcome the financial crisis faced by government of Kerala, the sustainability of maintaining such situation is under doubt among many of the employees. The debt of the KSEB has been repaid using the fund from the MGP. But measures taken in the name of MGP would not be of any help to prevent the occurrence of such a situation in the future.

The ‘Right to Information act’ which was aimed at more transparency in government operations is not utilised in the right sense. In many cases, the act is used for personnel revenge, thereby making the system out of sync with the stated objectives. In the interviews, it was found that most of the cases were pertaining to service records, political rivalries etc which resulted in
unnecessary work for the public servants. But the act has helped to improve accountability and transparency in the government and to a small extent reduced corruption in the government system because of the fear that someday someone will question the operations by filing an RTI complaint.

The MGP funds were used for the payment of outstanding bills such as overdue telephone bills, electricity charge. There was no much public support for the programme. Even through MGP was focusing improving the efficiency and effectiveness of the government operations, the procedures and systems adopted in the MGP implementation were in the traditional mode. The red tapeism and the delay in attaining the objectives and the implementation in the stipulated time schedule were also major factors accounting for the failure of MGP. The extension of the program by one year was a good example of such delays.

The citizen charter implementation was another major activity envisaged in the SDP programme. Most of the institutions visited were not having any such display in the institutions. This shows that most of the activities still lie on the paper or are kept as mere procedure in the back office. The public officials even do not know the rationale of citizen charter and how it is going to help in improving the services offered to citizens.

The MGP administrative set up has its own problems. It is noticed from the field that the MGP planning and implementation was a top down approach where a certain core group of bureaucracy and domain experts were involved, and others, especially the lower level institution’s representatives were kept unaware of the programme till it was implemented in the field. This created a lot of confusion and lack of motivation in the end user institution members. In the top level also due to the concentration of decisions in the so called “elite group”, led to lot of mis-coordination, politics and ego clashes which invariably resulted in the failure of many activities, without proper support from different departments. Hence most of the public officials looked at MGP with suspicion.

For any program for public reforms to succeed, active political support is an important factor. In the Kerala political scenario, the coalition governments as well as the strong opposition (which come to rule in every five years) has a definite impact on the success of the MGP program. The LDF led opposition saw MGP as a foreign import to the Kerala administration and its ideology of
socialist government. The neo-liberal policies were also considered as a threat to the goals of a socialist society. There was no active support from the political functionaries of the panchayats where the opposition parties were ruling. In some case the selected institutions failed to get the benefit of the project due to lack of proper coordination of the political representatives with the political bosses in the capital. In the case of Anganwadis some funds were not utilised due to political rivalries though the funds were acutely needed.

The coalition parties in the UDF also had a big role in safeguarding their parochial interests. Mr. A.K. Antony the then Chief Minister, was active in implementing reforms such as restricting government expenditure, redeploying excess staff, banning PSC recruitments etc, But his successor and fellow congressman Oommen Chandy (from UDF) was more active in supporting the employees union and watering down some of the reforms taken by the earlier Chief Minister. This shows that the main ruling party itself had no clear ideology about the reforms and complete political will was lacking throughout the program. This was the reason why the MGP started in a big way and ended in a small way.

The media management during the programme by the government was quite inefficient. Unnecessary criticism was spread across the media about the program.

Whatever training was given was limited to a section of the staff. These staff were transferred to non-MGP implemented institutions and new staff who had no idea about the program were brought in to replace them. This created a gap between what was attempted and what was actually achieved. Furniture and equipment like computer, photostat machine, water coolers, vehicles, etc were given, but no additional trained staff were provided and also there was no fund to maintain the equipment. Hence, in most cases, the machines/equipment were kept idle and finally became unusable.

The MGP was closed in 30th September 2008 after an extension of one year. The lack of coordination between different departments was one of the causes for the failure of the program. The reforms were stopped once the program was over and the systems returned to the old ways. When we visited the institutions many of them were not even aware of such a program and they had to search old files to share the information on activities and happenings during that period.
5.31 From MGP to World Bank- assisted Local Government Service Delivery Project

The Kerala Local Government Service Delivery Project for Gram Panchayats and municipalities was launched in 2011 with assistance from the World Bank. It is in many ways a continuation of the NPM idea in the MGP tradition. It will provide GPs and Municipalities with additional discretionary, untied funds for expanded local investment. The overall goal of the grant is to improve GP and municipal performance in local governance and public service delivery. The GPs and Municipalities have to pass a resolution to participate in this project in order to be eligible for the funding under this component.

The total performance grant will amount to Rs 1097.56 crore for four years. Of this, Rs 821.56 crore will be IDA fund and Rs 276 crore will be State share. State share will be provided from second year onwards. The allocation of funds to individual Grama Panchayats and Municipalities will be based on the same criteria now being adopted in the case of State Finance Commission grants to PRIs. However, the performance grant will be fully additional to the annual SFC allocation for which the institutions are otherwise eligible. Performance Grant funds will not lapse at the end of the corresponding financial year and can be carried over and used in subsequent years. However, from the third year onwards (Phase II), eligibility for Performance Grant will be based on an annual performance assessment of LSGs (www.klgsdp.org).

After a year of operation, the project is alleged to be becoming ineffective in the absence of an efficient mechanism to monitor and guide spending of funds with some of the civic bodies spending a major share of the funds on road development rather than on solid-waste and natural-resource management, sewerage, e-governance, property-tax mapping and such important areas mandated by the project. About 58 per cent of the funds provided in 2011-12, was utilised for the development and maintenance of roads. Of the 7,713 projects taken up, 4,500 were road development schemes. The project managers have not yet created awareness among the civic representatives of the need for utilising the funds in a meaningful manner in line with the project conditions. Funds for the World Bank-funded project are being released on the basis of the expenditure incurred by the civic bodies. The performance grant of Rs. 140
croc was provided to the civic bodies during the launch year in 2011 and it was expected to be utilised by March 31, 2012. But they could spend only Rs. 94 crore, 67 per cent of the total allocation. The project is expected to end in 2015, and if the current state of affairs continues, many suspect that the project will have more or less the same plight as MGP (Nair, The Hindu, March 1, 2013).

Conclusion

What MGP did in Kerala was to create a number of facilities. It has been found that these facilities were particularly useful to institutions like the anganwadis where such facilities were grossly inadequate. But there were also several cases of misplaced procurement. Since procurement was done centrally at the district level, equipment procured could not be installed and made operational due to the absence of other facilities like water and electricity. There was no behavioural change at all. The training was organised in a haphazard manner and the employees who went for training did not take it seriously, but treated it as a period of leisure and diversion. No discussion was held with the unions to enlist their support. It was therefore natural that the employees put up resistance to the reforms. Many staff who received training were later transferred to institutions that did not come under the MGP framework and people without such training substituted them, leading to the return of the old systems of functioning. There was lack of coordination at the ministry level. The official in charge of the MGP was seen as a power centre and inter-bureaucratic rivalries also played a role in slowing down the MGP.

Towards the end of Congress led ministry in 2006, the Left front parties which were preparing to return to power had changed their attitude to ADB loan, and had welcomed the move including the Express Highway proposal. This turnabout, however, could not be translated into policy because of stiff resistance from the Chief Minister, V S Achuthanandan, known for his vehement opposition to ADB, coming to power in 2006. This actually led to the end of the MGP.

The original goals like formation of State Civil Services, merit-based promotions in Government service, minimum needs programme, restructuring
of subsidies, measures to improve educational standards, formulation of a unified water resources policy, public enterprises reforms, removal of labour market rigidities, strengthening of infrastructure and mechanism for guaranteeing of investment in infrastructure remained only in paper. The planning and implementation of the modernising government Programme and the Service delivery project faced several challenges.

Because of the stiff resistance the MGP had to confine itself to spheres that were less controversial. It had absolutely no impact on changing the work culture of Kerala, nor did directly have any impact on policies. But many elements of MGP like punching etc are emerging in an incremental way. Most of the measures introduced in Kerala such as the introduction of punching, and expansion of ICT and so on have come independent of the MGP experience. The next chapter covers a survey on the acceptability of the NPM principles which will provide us some clues as to how the employees respond to reforms.

Note:

1 Protest against ADB loan came from pro-naxalite groups, civil society groups and left aligned political parties and their feeder organizations. Some attacks on the ADB office, blocking of the ADB officials and so on was common. The civil society groups organized themselves into the ADB Quit Kerala Samithi which organized a relay satyagraha in front of the state secretariat for 6 months. A state-wide 12 hour hartal was also organized as part of the resistance. The Left front had organized bundhs, hartals, gheraos, siege of government offices and blockade of ADB officials in protest against the Government’s decision to go for the loan.

2 This and subsequent sections on MGP have been prepared accessing all MGP documents including the quarterly reports from Procurement service provider (http://www.psp-kerala.org/), unpublished documents such as hand outs, workshop manuals, consultancy reports, various government orders. They include (1) operational manual for the project, (2) training module on Service Delivery Project,(3) paper on introductory workshop on Government program of April-May 2004 prepared by ASCI, (4) paper on strategic work planning workshop for five thematic areas held in guest house Kollam 21-23 April2002, (5) baseline study reports on the institutions(8 institutions) by CSES Kochi,(6) summary of TAs, by MGP Department,(7) final report on the implementation of the program by ASCI to ADB (8) normative estimation of manpower in select categories of institutions by A. F. Ferguson & Co (Jan,2006), (9) social safety net programme for SLPEs in Kerala, (10) single window act for industries & infrastructure by CRISIL Nov,2005,(11) interim report on review of State and central acts and dispute resolution mechanisms,(12) viable Business model for Akshaya Price water house cooperers, June 2005,(13) final report on liquidation of companies and clearing audit arrears in SLPEs by Infrastructure Professionals Enterprise limited Dec,2004, (14), draft on consumer protection rules (2004) by Coimpar (15) stakeholders’ needs assessment by Planet Kerala, (16) report on roles and responsibilities of the officers in LSG by Ernst & young,2005,(17) strengthening Accountability: Social Audit-Design & Implementation, by Centre for good Governance,2006,(18) report on community contracting for strengthening LSG by TCG India, Chennai, (19) Kerala panchayath rules (draft) prepared by InFARC, Thiruvananthapuram, (20) performance management frame work for various departments, by ICRA management consulting services and(21) SDP implementation report prepared by PSP field Executive for Ernakulum District (2006).The details have been collected from various government orders about MGP and from discussion with experts in the field.

3 Major areas covered in DC*Suite are given below: • File Management, • License Information, • Natural Calamity Management, • Public Grievances, • Revenue Recovery Management, • Pay roll & Personnel Management, • Land Management, • Inventory Management, • Financial Management, • Certificates, • Pension Schemes, • Court Case Management, • Housing, • Assets Management, • Natural Resource Management, • Elections and Electoral Analysis, • Law and Order, • National Security, • Development works • Public Information Portals and District Portals DC*Suite Architecture.