PERCEIVED EFFECT OF E-GOVERNMENT ON PROMOTION OF FOREIGN DIRECT INVESTMENT IN KENYA

ISABEL ITUNGWA MAITHYA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCE, UNIVERSITY OF NAIROBI

2021

DECLARATION

I declare that this research project is my original work and has not been submitted for an award at any university or institution of higher learning.

Signed: ……………….... Date: …01-12-2021…………………

ISABEL ITUNGWA MAITHYA

D61/67850/2013

This research project has been submitted for presentation with my approval as the University supervisor.

Signed: … Date: **01st December, 2021**

DR. KENNEDY OGOLLAH

Senior Lecturer

Department of Business Administration

University of Nairobi

DEDICATION

I dedicate this Project to my friends and family.

ACKNOWLEDGEMENT

I am grateful to my supervisor Dr. Kennedy Ogollah for his guidance and wise counsel while undertaking the research project.

TABLE OF CONTENT

LIST OF TABLES

ABBREVIATIONS AND ACRONYMS

CBK	-	Central Bank of Kenya
FDI	-	Foreign Direct Investment
ICT	-	Information Communication Technology
JV	-	Joint Venture
MNE	-	Multinational Enterprises
TOE	-	Technology-Organization-Environment theory
UN	-	United Nations
UNCTAD	-	United Nations Conference on Trade and Development

ABSTRACT

Foreign direct Investment commonly referred to as FDI is the investment by one party in a business in another country. This study's paramount objective is the perceived effect of E-government in the promotion of foreign direct investment in Kenya. The specific objectives for this research were to evaluate the role of information accessibility and reduced uncertainty, time efficiency, cost reduction and effective governance in the promotion of foreign direct investment in Kenya. The research adopted a descriptive research design where the target population was the 327 staff who are in Job groups L-N, P-R and the policy makers holding job groups S and above and working at three organizations that are engaged with the handling of foreign direct investment in Kenya, namely;) KenInvest, the Export Promotion Council, and the Ministry of Foreign Affairs. The study employed a multi-stage sampling technique in the selection of the respondents in the study where 87 samples were selected and 79.3% response rate achieved. Data was analyzed using descriptive measures of mean and standard deviation, and inferential statistics while presentation was done using tables. The results from the study reveal that there is a strong positive correlation that exists between e-government and the level foreign direct investment (r=0.477) and that the four e-government dimensions studied explains 22.8% of the attractiveness of foreign investors to a country. The regression coefficient variables suggest that time efficiency, cost reduction and governance had a significant effect on Kenya's FDI with their respective p-values of 0.000 and 0.010 and 0.015 being less than study significant value of 0.05. However, information accessibility and reduced uncertainty were found to be insignificant in affecting the level of foreign direct investment in Kenya recording a p value of 0.312. Due to the positive relationship recorded between e-government and foreign direct investment, the researcher recommends that the government should enhance the efficiency of its e-government platform and make it more user-friendly and offer options in terms of language accessibility. Because the findings suggest that information accessibility and reduced uncertainty characteristics of e-government platform were not significant factors to the level of FDI, it is recommended that the government improves its e-governing structure with a view to attracting FDI

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In the recent past, the world economy has faced a lot of growth due to globalization that has seen a lot of individual countries' economies become interconnected. A major contributor to the globalization effect of the world economy is Foreign Direct Investment (FDI) (Shakar & Aslam, 2015) and has been identified as a key ingredient to increased employment, productivity improvements, technological progress and ultimately the acceleration and sustenance of long-term economic growth in the host country. In addition, FDI plays an important role of filling the development gap, tax revenue, foreign exchange and investment, in developing countries (Shakar & Aslam, 2015). It therefore becomes important that a country identifies both local and regional factors that might affect the inflow of FDI into that country. However, as highlighted by Seyoum, Wu and Lin (2015) the growth of the economy in a country and largely globalization of the world economy, is due to the influence of the country's government that comes up with the appropriate policies. Investment Promotion Agencies (IPA's) have been used by many nations to reach out to investors by making information available on internet with regard to market orientation.

The main theories that helped shape the study are the Diffusion of innovation (Rogers, 1995), the Technology-Organization-Environment theory commonly referred as the T-O-E theory (Tornatsky & Fleischer, 1990) and the Dunning's theory. In his work on the DIT, (Rodgers, 1995) attempted to establish the rate at which new ideas and the adoption of new technologies spread while using different social platforms. He looked at how a new product or idea gained momentum. He also emphasized that in this theory, the final outcome is that the people in a social system adopted the use of a new product or idea. In the same breath, the diffusion of innovation theory in this study established the use of social platforms.

The Technology-Organization-Environment theory identifies three aspects of the government that influence the adoption of a proposed technology, the environment, the organization, and technology. The technical factor encompasses both external and internal technology applicable to the Organization (Zhu, Kraemer & Xu, 2002). The organizational context encompasses support from the top management, innovation, organizational culture, human resource quality and size of the institution (Awa et al., 2012), while the environmental context encompasses the factors surrounding the institution and these mainly refer to the key stakeholders such as directors, competitive pressure and the society. Dunning's eclectic framework (1988) suggests a universal approach to explain firm ownership and the market entry mode of many foreign corporations. The theory suggest that multinational firms choose the most appropriate form of foreign market entry by factoring in the firm ownership advantage, and the location advantage while entering a foreign market (Anderson & Sutherland, 2015).

The motivation of this study was drawn from the need of the Kenyan government to attract direct foreign investment as a source of employment and also for the country's economic growth. Due to the associated benefits resulting from the FDI in the country, it is important that appropriate strategies are developed which will help enhance the level of foreign investment in Kenya. One of these measures that have been taken by the government is to adopt e-government system with a view enhancing access to information by investors. The Kenyan government has implemented the e-government system in the last 12 years, consuming in the process billions of shillings to procure as well as to maintain e-government infrastructure and it is appropriate then assess whether indeed the investment in e-government has resulted in change in the level of foreign direct investment. This research will therefore seek to determine the perceived effect of e-government on the level of direct foreign investment in Kenya.

1.1.1 Concept of E-Government

The concept of Electronic government (E-government) has attracted led to a lot of attention as one of the government initiatives that is aimed at improving their service delivery as well as from researchers who attempt to link the e-government to various outcomes. In the same way, in various literature by earlier scholars, e-government has earned various definitions where many scholars consider e-government to be an application of ICT such as Internet, mobile devices, and the World Wide Web to efficiently and successfully services delivery to the public (Ojha, Malvia & Gupta, 2008; Abu-Shanab, 2013), and thus enhancing the effectiveness and efficiency of government services.

There is a claim by the world Bank that the use of ICT to increase the delivery of services through increased usability, transparency and productivity is termed as e-government. Korteland and Bekkers' (2010) in his definition of what is e-government is based on the view, as they established the dissemination of e-government innovation in Netherlands' public sector, that e-government applies IT which is an evolution from faxes to wireless Palm piloting machinery to allow successful day-to-day government management and thereby boost citizens' access to government services.

In contrast to the conventional bureaucratic model dominated by lateral flows, Warkentin, et al. (2012) argue that modern technology is connected internally by government to internal networks and, thus, that government information services are connected externally to digitalized networks. As a result of this automatic linking of citizens, investors and government, e-government facilitates increase of information accessibility, improving government performance and efficiency and reduction of costs. Further, Carter and Belanger (2015) added that the use of e-government services is associated with enhancement of a government level of competitiveness through the resultant transparency and visibility of its services. Similarly, e-government results in boosting e-commerce activities and e-skill in the public sector. In the present study, the associated e-government dimension that have been measured include: information accessibility and reduced uncertainty, time efficiency, cost reduction and governance.

1.1.2 Foreign Direct Investment

As mentioned earlier, Foreign Direct Investment (FDI) refers to resource transfer between countries. The Economist describes FDI as the contribution made either by acquiring an entity in that country or increasing business activities abroad by non-resident investors in other countries (Mwega, 2010). In describing FDIs, the UN World Investments Report follows the same line that it is long-term relationship or reflection of a long-term involvement and influence of a local business in an economy other than the one of a resident firm. Regarding the factors that influence the level of FDI in a country, Djankov (2010) identify a host of these factors which include the tax regime in a country, political risk and stability, human capital, exchange rates and spatial considerations. Similarly, Blonigen and Piger (2011) intimated that the level of FDI in a country is determined by the duration it takes to register property, legalize contracts, resolve insolvency and start a business.

The level of FDI in a country has been identified to have enormous benefits. Wang and Wang (2015) while establishing the benefits of foreign ownership in the case of FDI in China established that the huge external financing can generate income from capital inflows and also improves level of service delivery and existing process in a host country. Correspondingly, Alvarado, Iniguez and Ponce (2017) highlighted that Foreign direct investment incorporates emerging technology and new business capabilities, offers functional capabilities, strengthens management, and creates opportunities for jobs. Similarly, implementation of the e-government strategies in a country reflects the government's ongoing commitment to enhance ties between foreigners and the public sector by improving resource availability, information access and expertise in an efficient and cost-effective manner. Thus, existence of the e-government is expected to influence the inflow of FDI due to its capacity to affect the ease of doing business.

1.1.3 Foreign Direct Investment in Kenya

In Kenya, like many other African nations, there is a dependence on foreign direct investment for capital and jobs, to constitute the economic leaders in sub-Sahara Africa. Transfers are Kenya's only international investment route and are only done by foreign direct investment. Kenya is the Eastern African base of many foreign businesses, including Huawei, Google, Standard Chartered Bank, Ogilvy and Mather, Citibank, General Motors, Proctor and Gamble are examples of multinational companies working in Kenya as the product of FDI. In Kenya, a third of commercial banks have foreign ownership and control 51% of the total assets in the banking sector in the country (CBK, 2017). Kenya has been attracting increased interest from foreign investors and that according to the World report (2019) on the investment outlook in Africa, Kenya attracted 628 million USD of FDI in 2018 and the same is expected to increase in the coming years because of the favorable condition of doing business. In the recent world Bank report for 2020, Kenya has improved its position as a destination of doing business from number 136 globally in 2015 to position 56 in 2019.

The level of FDI according to a study by Mwega (2010) using panel data from 43 countries, is determined by rates of inflation, the ratio of foreign indebtedness, terms of trade shocks and institutional efficiency. Similarly, UNCTAD (2015) argues that Kenya's failure to gain substantial FDI performance is attributed to inadequate governance, economic and institutional policy contradictions, degradation in the public service and low infrastructure. Accordingly, the introduction of the e-government service will alleviate much of these ills and thus draw more FDI in the future. In addition, adoption of e-business is expected to reduce bureaucracy that has been associated with government services in the past since it limits the face-to-face interaction and also the visits to many offices (Wambua, 2011).

1.2 Research Problem

The country has always been primarily been concerned with the potential to seek foreign direct investments, especially in developed countries, with the objective of improving their local industries as the influx of FDI is expected to boost their technical efficiency in their economies, while domestic firms will benefit from technological spills from foreign entrants (Seyoum, Wu, & Lin, 2015). It is clear that FDI plays an important role in enhancing jobs and expansion of infrastructure, domestic savings and integrate the world economy in developing and developed countries. However, for a country to attract FDI, it needs to put in place appropriate measures that that will lure foreign entities to the country without facing a risk of losing their investment or having difficulty getting necessary information such as taxation regime, political environment, licensing requirement and profit repatriation information (Inekw, 2013). As a result, it is expected that adoption of e-government system by a country will have an effect on the foreign investors' willingness to invest in a country.

Abu Shanab (2014) addressed the role of e-government as a tool to attract foreign investment citing that online availability of market information attracts the interest of foreign investors to a country, where foreign investors may find useful information with regard to specific market opportunities and communicate in a timely and efficient manner with the host country government. Although the study suggests that there exists an increased effect of E-government on attraction of investors, the economic environment between Jordan and Kenya is different and thus the research findings can't be assumed to apply in Kenya with different regulatory and business opportunities. On the other hand, Senatore (2010) conducted a study in South Africa to establish factors that affect diffusion of internet in the country which consequently the affect the application of e-government. The study has also established that availability of technological infrastructure particularly in the government departments enhances diffusion of internet and eventually facilitate e-government strategy implementation citing further that it attracts more investors given that market information is available online as a result of e-government. The study was inclined to local and foreign investors and thus the study findings did not single out the impact of electronic government practices on FDI in the country. From the Kenyan perspective, Wasseja and Mwenda (2015) while considering the determinants of FDI in Kenya energy sector for the period 2014 and 2018 identifies the state of infrastructure, technology transfer, technology diffusion, trade facilitation, economic growth and knowledge management as the main determinants of FDI in the sector. However, the technological infrastructure considered in this study did not necessarily mean that the government has laid down effective infrastructure to foster electronic government operations.

On the basis of the above studies that reveal the limited number of studies that have been undertaken with regard to the role of e-government on a country's foreign direct investment and also in cognizance that the adoption of platform in Kenya has been in operation for slightly over a decade now, there is need to determine what effect it has had on Kenya's level of foreign direct investment. Consequently, this research will seek to fill in the existing knowledge gap by addressing the following research question; what is the effect of e-government on foreign direct investment in Kenya?

1.3 Research Objective

The main objective that the study aimed to address was the perceived effect of E-government in the promotion of FDI in Kenya.

1.4 Value of the Study

Articulating of the concept of e-government and how it is able to influence Kenya's' foreign direct investment is of benefit to the government and also the government departments engaged with attracting FDI into the country. From the study, the ability to establish the link between the two variables is able to guide the government planners to come up with appropriate strategies concerning implementation of the e-government.

Expenditure on the same system will also be justified and explain why the government should automate its processes. In addition, investors would be able to identify areas in the e-government system that does not capture their needs and therefore explain any changes to be made.

Government managers concerned with attracting foreign investors in the country would derive benefit from the study by developing more steps that make Kenya attractive as a destination of businesses. In addition, filing of returns and seeking of registration, if made online will improve the business environment in Kenya. Other areas that are not currently captured in the existing e-government has been identified and thus introduced as per the study recommendations. The study is also of benefit to the existing theoretical practice on FDI and improvement of government businesses, especially from a developing country perspective.

The study would help future scholars who have intention of conducting a study in the same area as it lays down the foundation for academicians, scholars and other stakeholders to use the findings as a guideline, while also allowing future scholars to further explore the relationship of e-government and FDI in the context of growing economies , such as Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The section was centered on literature inclined towards the current research topic. The main areas of consideration under this chapter comprise of theoretical framework, e-government and FDI, the dimensions of e-government. The research included the literature review as well as the research gap that the study aimed to establish.

2.2 Theoretical Review

A theory refers to a collection of very well-articulated concepts and ideologies that are well thought out with the intention of clarifying a phenomenon of study (Davidson,2008). It's a series of interrelated concepts focused on hypotheses. This research was anchored on three theories, namely; Diffusion of innovation (Rogers, 1995), the Technology-Organization-Environment theory (Tornatsky & Fleischer, 1990) and the Dunning's theory.

2.2.1 Diffusion of Innovation Theory

The theory, commonly referred to as DOI theory was first proposed by E.M Rodgers in the year 1962 and later advanced in 1965. The theory sought to shed insight on the innovation and adoption of a new product or idea. According to Rodgers, the end result was that a person adopts a new idea, product or behavior amongst a targeted population. The key to this theory is an individual must look at the product or idea as new and innovative (Rodgers, 2003). The theory also emphasizes the fact that the adoption of a new product or idea is a process that takes place amongst a population and is not automatic. In relation to the topic of study, E-government enables the Kenyan government to be able to provide its citizens with easier, faster and better access to information through various modernized including personal computers, mobile phones and laptops.

The theory also sheds some lights on the adoption of innovation as it delves deeper into analyzing the different kinds of individuals when it comes to the implementation of a new product or idea. The theory is relevant in the aspect that different individuals have different characteristics that generally influence their decision in the adoption of a product. The theory also highlights the different factors that affect the diffusion process. Important to note is that most individuals will tend to do a cost benefit analysis, they will assess their needs as well as the motivation on taking up a new product or idea (Hager, 2006). In the diffusion process, individuals will tend to implement a new innovation when it resonates with them. The cost of accepting the new innovations will be based on the perceived benefits that the individuals will gain on implementing the innovation. The needs of individuals also play a key role in ensuring implementation. Motivation is also a key factor to note. Excellent government policies and processes are very crucial at driving implementation of innovation.

The diffusion of innovation theory is applicable to the study as it looks at the importance of diffusion amongst a population. A major notable importance of the E-government is that it has time efficiency as it enables the citizens access faster services at their comfort. Cost reduction is another perceived benefit from implementation of e-government (Greenhalgh, 2004). It is clear that if all factors affecting the adoption of these issues then the technology will support improvement in Foreign direct investment in the country.

2.2.2 Technology-Organization-Environment Theory

This theory was initially developed by Tornatzky and Fleischer (1990) discusses the three main contexts of government that have an effect on technical adoption: the environmental, the operational and the technical context. The technical factor encompasses both external and internal innovative strategies applicable to the organization (Zhu, Kraemer&Xu, 2002). According to Namisiko, et al. (2014) for the Government of Kenya, the technical background involves cost considerations and technological competence. Technology framework available internally in government departments indicate technological expertise, and these include, for Kenya, ICT technology infrastructure, employees with ICT skills, internet and bandwidth. The Technical competence of an institution is considered a powerful enabler for the implementation of technological information. This is mainly because it forms the basis on which innovation is based (Gibbs & Kraemer, 2004).

The organizational structure involves the creativity of an organization, top-level managerial support, corporate culture, human resources efficiency and scale (Awa et al., 2012). The culture of the country is related to the sense of identity of the nation, its basic beliefs, their key operating methods and a variety of general assumptions (Scott, 2007). The government culture comprises the vision, strategies, standards and principles that government departmental employees share (Tearle, 2003). Scott (2007) indicated that the Government's preparation for innovation depends on the technological capabilities of the institutions and, as a result, strong IT personnel with high technical skills and interpersonal skills would make for productive relationships between IT and other IT-dependent roles of these institutions. The environmental background, on the other hand, comprise of considerations related to organizations, including partners such as donors, the population and competitive pressure. These will help the government interpret its innovative needs, its capacity to access creative tools and its capabilities to deploy them successfully (Angeles, 2013).

The laid down government rules may ensure that resources are allocated for compliance. Regarding competitiveness pressure, it is possible that the government is under pressure to go online and embrace e-government while other countries have adopted it. As competition among countries for better delivery of FDI-promoting services, governments usually feel the need to implement more comprehensive e-government technologies to promote service delivery in the light of foreign direct investment (Kashorda et al., 2007).

2.2.3 Dunning's Theory

Dunning's eclectic theory (1988) suggests a universal approach that explains firm ownership and market entry mode of multinational corporations. The theory suggest that multinational firms choose the most appropriate form of foreign market entry by factoring in the firm ownership advantage, internationalization advantage and the location advantage while entering a foreign market (Anderson & Sutherland, 2015). The company's ownership benefit is those which are definite to a certain business and allow it to use investments abroad. The advantages for locations are the ones that are particular to a nation for instance e-government which determines the selection of a site of production, while the benefits of internationalization define whether production in foreign countries is organized via licensing or hierarchy (FDI) markets. Thus, the market potential of a target country, as determined by level of growth and size, as well as the competition level fall into the its location advantage.

The eclectic approach adopted by Dunning indicates that foreign investors with a greater degree of international advantage, ownership and locational benefits prefer integrated means of determining foreign market entrance consisting of joint venture (JV) and wholly owned subsidiary (WOS). The main location benefits identified by Western MNEs are, Tatoglu and Glaister (1998) during their survey of the Foreign Direct Investment (FDI) of western MNEs in Turkey, government policy, market size and reportability of profits. Thus, this theory is significant in the study because with a good government technological framework and policy with respect to ability of a foreign firm to repatriate profits back to their home country, large potential market for the firm and the ownership advantages of the firm, these factors might explain why the Chinese firms will wish to invest in Kenya.

Brouther (2002) argues that Dunning's eclectic approach is not utilized for entry modes, despite numerous studies on ownership of foreign investors and position factors determining the company's entry mode. The transition to foreign direct investment from the general theoretical perspective does not therefore have a direct effect because the theoretical perspective of Duning's eclectic theory exactly matches the actual market situation. Similarly, the five steps that Duning theory proposes might not uniformly apply in the case of markets in the developing as well as developed countries (Erdilek, 2008).

2.3 Empirical Review

E-government according to Abu-Shanab (2014, March) comprises of information accessibility and greatly reduced costs, corruption cases, time efficiency, uncertainty, time efficiency, cost and efficient “bureaucratic” procedures. The current study therefore has adopted these dimensions and it is believed that with proper consideration, these constructs will promote FDI in the country. Various empirical evidence on the correlation between E-government and FDI were discussed.

The retrieval of information using internet-enabled strategies facilitates convenient flow of investments in a foreign country and is considered as an essential service for foreign investors. Governments have gradually used e-government with the aim to reduce both costs and the cost of accessing information regarding entry for international investors (Kachwamba, 2011). A comparative research on XBRL implementation of e-government carried out by Chen (2012) found that there are two explanations why countries are gradually adopting e-government: the ability to enhance knowledge sharing and performance. First of all, e-government is used to draw FDIs as their administrative reform effort; secondly, as an answer to high FDI competition among nations. The Internet, in particular ICT, is an effective and reliable means of transmitting government information, increasing transparency and reducing uncertainty and thereby reducing search costs and mitigating international liability (Adeyemo, 2011). For example, in a given region, the amount of accessible information affects pre-entry costs; the more information available to the public, the lower the cost that a firm may incur in research about the host country.

While analyzing the effective introduction of electronic government between developing and developed countries, (Nawafleh, Obiedat and Harfoushi,2012) believe that most foreign investors pursue information in the pre-investment process about the activity of businesses in the host country, including information such as permit requirements, business procedures and business licenses and regulations on employment. Electronic information can allow companies to obtain such information during the internationalization process by encouraging successful knowledge flows and thereby reducing asymmetric information as a result of market failure. In its promotional job, government agencies such as IPAs make use of Internet marketing to provide consumers with this knowledge (Ferro & Sorrentino, 2010). Investment Promotion Organizations availing revised, comprehensive and precise information from their websites will improve their countries' chances of being included on a short list for investment options. The availability of correct and credible Internet information about the economic atmosphere of the developing country can also be expected to reduce the volatility felt by investors (Chen, 2012).

In this way, the key function of transactional e-government systems is simplifying administrative processes for governance. Drew (2011) suggests that the internal efficiency of the public sector by e-administration is another important function in e-government. Regulation of entry into foreign market is precisely determined by factors such as ensuring that the correct processes have been followed, proper permits have been obtained and the duration of a specific official transaction and the costs involved. Timely, effective in specific regulatory and policy objectives, open and accountable should be the standard of the regulatory system (Nawafleh, Obiedat & Harfoushi, 2012).

Many countries have unnecessary regulatory processes that impose burdens on businesses in securing business permits and licenses. Since investors have time to take advantage of agility tactics, including business and innovation first-mover advantages, over-administrative procedures may deter investments. There have been claims that the location activity of MNEs is adversely affected by wasteful administrative practice and the associated direct costs and incentive such as delays in time (Chen (2012).

In a study that looked at the implementation of e-government based on the notion that it attracts more foreign investment in the country, Abu-Shanab (2014) argued that e-government necessitate information flow between the government and potential investors from foreign countries thus facilitate timely feedback of investment inquiries made by investors since information is delivered online with convenience. Senatore (2010) undertook an analysis to determine crucial factors affecting the adoption of internet in South Africa and their effect on e-government service roll-outs. In this regard, companies will apply and send formulations and requests for permits that adhere to the rules and policy of the country through utilization of the internet and e-services. This also decreases the service costs and the underlying ambiguity (Ferro & Sorrentino, 2010) in addition to being time-efficient.

Kachwamba (2011) contributed greatly on the correlation that exits between e-government and FDI inflow transaction costs. The author claims that countries that have extensively implemented e-government strategies are designed across bureaucratic grounds that reduce transaction costs because of favorable structural market conditions and thereby draw more investors. As a result of his study, e-government has the potential to minimize transaction costs in five separate areas, including: enabling access to market information, streamlining and simplifying reporting standards, reducing number of documentations, facilitating transactions (fees payable, etc.) and helping corporations to understand and comply with national regulations. The author has addressed how e-government reduces FDI hurdles in the host country, reducing the degree of global confusion and liability (Odat & Khazaaleh, 2012).

In addition to information centered on the internet, e-government provides users many other opportunities. Agility nowadays has become the popular vocabulary for modern competitive enterprise. Potential investors would incur losses on capital invested in a country in which market entry processes require an unreasonable amount of time and would be able to find investment in another country (Chen, 2012). Similarly, governmental agencies that are involved in corrupt activities, such as bribery, are raising the cost of starting up an international company. Online transactions, such as business permit applications, licenses, and tax registration, which minimize costs of accessing transactions, are provided by e-government. The overall result is a reduction in prices (Adeyemo 2011) caused by the drop in printing and paper rates; a reduction in time during regular government office visits and avoidance of procedural activities. Online transactional resources such as the costs associated with the bureaucratic processes such as abuse and bribery are minimized as a result of Internet technologies replacing the role of the bureaucratic agents (Kachwamba, 2011). In addition, on-line transactions can minimize transportation and coordination expense during contract negotiation and structured paperwork submission because Internet-enabled coordination shrinks geographical distance problems.

The promotion of FDI, which involves effective governance, effective control, low corruption and accountability in the government (Abou-Shanab, 2014) has been regarded as a significant factor in good governance. Open access to public records on websites and e-services through e-government is a symbol of openness including strong regulatory structures and low corruption (Angeles, 2013). This would potentially result in less confusion and less cost of information during their start-up phase for international investors. Many countries have also been gradually strategizing on e-government implementation and rollout leading to reducing administrative challenges for investments and thus building a supportive atmosphere for investment to draw FDI (Chun et al. 2012).

Similarly, the Internet improves access to information technology which is important for transparency and efficiency and thereby decreases the expense of international market, number of transactions and fraudulent activities (DiRienzo et al., 2007). The unsound market climate and poor governance system have historically been as a result of corrupt activities and poor governance (Shapiro & Globerman , 1999) and (Pajunen, 2008). As a consequence, corruption continues to increasingly present hurdles in promoting international business in a country therefore, low FDI inflows have been related to rampant corruption in industries in developed countries (Dupasquier & Osakwe 2006). In past research, a negative association has been noted between host country governance strategies and FDI inflows.

2.4 Summary of Literature and Research Gap

From the research, and specifically the literature review, it is clear that studies have shown that in developed countries, e-government has shown a positive impact in promotion of FDI (Angeles (2013); Kachwamba (2011); Adeyemo (2011)). In this regard, e-government is believed to enhance information access, reduce transaction costs, reduce time spent while traveling looking for appropriate market locations since market information is conveniently available in the host countries' online platforms. In addition, previous studies have shown that appropriate implementation of e-government strategies reduces corruption and related activities given that all transaction with regard to citizenship, licenses and entry requirements are processed online. However, the literature is still inadequate in developing countries such as Kenya. The studies conducted in third world countries have not singled out precisely the impact of e-government on FDI while some studies are still in infancy stage. Therefore, the present study has considered this as a gap and seeks to provide findings that will answer questions regarding the impact of e-government on performance of FDI.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter has broken down the study method used with the view of establishing findings on the intended objective. Key areas of consideration include the research design adopted, study population as well as procedures involved in data collection. This section also gives detailed insights on the data analysis method and the procedure for statistical analysis of data.

3.2 Research Design

The study design provided information about the type of methodology that the research conducted in order to achieve its intended goals and objectives. It is known to be a blue print, a master plan detailing strategy, processes and the relevant procedures that have been used to gather and interpret the information required. In other words, it is the detailed structure or action plan that is used for the study with the aim of establishing findings for the topic of study (Collis & Hussey, 2017).

In this study, a case study was used with descriptive research design. The reason behind the acceptance of this study design is that the descriptive study as a design is primarily concerned with the univariate problem in which study is involved in establishing the role of e-government in the promotion of foreign direct investment in Kenya. In addition, this approach helped in the process of creating a legitimate personal understanding of added value as a result of the implementation of the E-Government Strategy.

3.3 Target Population

Study population, according to Hancock and Algozzine, (2016), is a collection of study elements which can be living or non-living things that a researcher has developed interest of establishing over a given hypothesis. These elements of study, the target population, are determined based on various factors including the geographical boundaries, the scope of the study, availability and time bound. Therefore, a population of the study need to represent the totality of those conforming to a set of specifications with knowledge on a subject matter that is being studied.

The population targeted in the study is mainly the policy makers who are officials in job group S, senior management that comprises of officials who are in job groups P and R and finally the middle level managers who are mainly the officials working in Job group L to N. All the officials sampled are workers at the EPC, Kenya Investment Authority (KenInvest) and the Ministry of Foreign Affairs. According to information from the respective organizations HR departments, there were 372 employees in these positions and therefore formed the population of the study. These organizations are involved in the process attracting foreign direct investment into Kenya and are therefore deemed to be versed with how the e-government platform has affected the level of FDI inflows. The organization policy makers and senior management were deemed to be knowledgeable on matters relating to FDI since they are engaged with the strategy on their day-to-day basis. The research was a census. Table 3.1 illustrates the target population to the study.

Table 3.1: Target Population

Organization	Policy Makers (Job Group S and above)	Senior Management (Job group P and R)	Middle–Level Management (Job Group L-N)
Export Promotion Council	3	7	42
Kenya Investment Authority	5	8	48
Ministry of Foreign Affairs	13	18	282
Totals	21	33	372

Source: Respective organization Human Resource Department

3.4 Sample Size

In an attempt to establish findings on the question of study, the researcher employed a multi- stage sampling technique. Firstly, the researcher undertook a census of all the three organizations after which the grading structure for the staff according to their job level was adopted as a stratum which provided the basis for selecting the respondents. The researcher decided on the Stratification mainly because the population of study is heterogeneous in nature which therefore created the need to consider each of the stratum's characteristics. The next step entailed the use of simple random sampling to select a sample of 20% from each stratum. As advanced by Kothari (2008), for a sample to be considered as a representative of the entire population, it should be at least 10% of the entire study population. The sampling frame is as illustrated in the Table 3.2.

Table 3.2: Sample Size

Firm	Policy Makers (Job Group S and Above	Senior Management (Job Group P and R)	Middle – Level Management (Job Group L to N)	Population	Percentage %
Export Promotion Council	1	2	8	11	12.6
Kenya Investment Authority	1	2	10	13	14.9
Ministry of Foreign Affairs	3	4	56	63	72.5
Total	**8**	**27**	**53**	**87**	**100**

3.5 Data Collection

This survey used primary data that was obtained using semi-structured questionnaires. This is mainly because the semi structured questionnaires consist of both the open and closed questions. This was to enable the respondents to delve deeper in the topic of study and not limit them to single responses seeing as open-ended question in the questionnaire was to allow ample flexibility when replying without limitations of the respondents' own judgment, while the closed-ended questions will encourage prompt responses. Section A entailed the demographic details of respondents and target groups, while Section B aimed to establish the E-Government Policies and practices implemented by the Government of Kenya. Section C sought and assess the influence of e-government on FDI in Kenya. Mugenda (2008) states that the use of the questionnaire maintains anonymity, saves time and is easy in administering.

The researcher adopted a combination of the "drop and pick" later strategy and also the email to the targeted respondents. From the list of staff provided by the respective organizations HR department, the researcher selected the respondents mainly through a simple random sampling technique and the respondents were requested to fill in the questionnaire after which they are to be collected back after seven days. The respondents are their responses in a five-point Likert scale.

3.6 Data Analysis

Upon receipt of the responses, data cleaning was undertaken by the researcher to eliminate missing values that may negatively affect the findings of the study. After the cleaning of data process, data entry was done after coding the filled questionnaire for ease of identity in case of errors. Coding the string data to numerical forms facilitates statistical analysis process and enhances generalization of data findings since the unit of measure was numerical. Descriptive statistics; measures of dispersion and central tendencies was established using SPSS in order to summarize the study findings and establish distribution of respondents according to the variables included in the questionnaire. Presentation of data findings was through tables and to in order to establish if there is association between the dependent and predictor variables a regression analysis equation was carried out as follows;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \boldsymbol{\varepsilon}$$

Where Y = Foreign direct Investment

X_1 = Information accessibility

X_2 = Time efficiency

X_3 = Cost reduction

X_4 = Governance

$\boldsymbol{\varepsilon}$ = Error term

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

The aim of this research was to determine the effect of E-government in the promotion of FDI in Kenya. The results from the data collected towards the realization of the objective will be discussed in this chapter. Primary data was collected from policy makers in Job group S as well as top management (Job Group P and R) and middle-level management (Job Group L and M) in the Kenya Investment Authority (KenInvest), Export Promotion Council (EPC), and the Ministry of Foreign Affairs.

4.2 Response Rate

Collis and Hussey (2017) argue that a rate of response is used to determine the statistical power of a test with a higher response rate implying a higher statistical power. The researcher sampled the respondents and came out with a representative sample comprising of 87 individuals from Export Promotion Council (EPC), Kenya Investment Authority (KenInvest) and the Ministry of Foreign Affairs, whom were issued with one questionnaire each. The result is as depicted in the Table 4.1

Table 4. 1: Response rate

Questionnaires	Number	Percentage
Total submitted	69	79.3
Non-responded	18	20.7
Total	87	100

Source: Research Data (2020)

Mugenda & Mugenda (2003) argues that a 50% response is considered to be sufficient while any rate above 70% is the most ideal. Bailey (2000) also contends that a rate of response that is 50% is considered to be sufficient, whereas one that records a response rate that is greater than 70% is ideal. Taking these assertions into consideration, the response rate recorded by this study was 79.3% and was considered sufficient for making representative conclusion from.

4.3 Demographic Information

The demographic data that was analyzed included the job designation of the respondents, length of service in the respective organization and also the highest educational level. The individual results are discussed in the following sections.

4.3.1 Management Level

In any given organization, decision making involves procedural collection of views from the subordinates to the top management. However, the final decision making is normally the responsibility of the management team. In the present study, decision making has been inclined to matters e-government and therefore the researcher aimed to establish what the respondents' designation was in their respective places of work. The outcome is as shown in Table 4.2.

Table 4. 2: Designation

		Frequency	Percent	Cumulative Percent
Valid	Top management	27	39.1	39.1
	Middle management	37	53.6	92.8
	Supervisory	5	7.2	100.0
	Total	69	100.0	

Source: Research Data (2020)

From Table 4.2 findings, the respondents from top management cadre formed 39.1% while the largest number of respondents came from the mid-level management who formed 53.6% while respondents from the supervisory level consisted formed 7.2% of those who participated in the research. Cumulatively, over 90% of the respondents held middle and top management level of management and ceteris paribus, there will be considered to be well informed and in a better position to understand and answer the questions appropriately.

4.3.2 Length of Service

The time that respondents have worked in a company will determine the level of information richness that an individual has regarding the subject of the study. It is believed that employees who have stayed for a longer time frame have vast information that a researcher is looking for thus implying that the best group of respondents are the ones with longer period of service in the organization. The findings in regard to the time served by the respondents is as shown in Table 4.3.

Table 4. 3: Length of Service

		Frequency	Percent	CP
Valid	Less than 5 years	7	10.1	10.1
	5 to 10 years	25	36.2	46.4
	11-15 years	28	40.6	87.0
	More than 15 years	9	13.0	100.0
	Total	69	100.0	

Source: Research 2020

From Table 4.3, two-thirds of the respondents (40.6%) indicated a length of service of between 11 -15 years while slightly over one-third (36.2%) of the respondents had worked in the respective organization for between 5-10 years while slightly over a tenth had an experience of over 15 years working in the same organization. Generally, over

90% participants had worked for over five years in the organizations – a period that is considered adequate to understand how e-government acts as an enabler to the foreign direct investment.

4.3.3 Highest Level of Education

Holding all factors constant, the respondents' level of education determines the understandability of the research instrument and the capacity of a respondent to relate the organizational working environment and the external environment through the knowledge gained while studying. The findings are outlined in Table 4.4.

Table 4.4: Highest Level of Education

		Frequency	%	Cumulative Percent
Valid	University-Undergraduate	15	21.7	21.7
	University-postgraduate	54	78.3	100.0
	Total	69	100.0	

Source: Research Data (2020)

From the Table 4.4, all the respondents had attained a minimum of bachelor's degree, with over three-quarters of them having post-graduate educational level while slightly over two-fifths (21.7%) having attained their first university degree. Therefore, with significant qualification up the academic ladder and the working experience, it can be concluded that the respondents had the requisite knowledge to understand and answer appropriately the research instrument.

4.4 E-Government Dimensions

E-government consists of various technological constructs that are aimed to enhance service delivery and convenience in operation. The present study investigated four e-government constructs, namely; information accessibility, efficiency, cost reduction, and governance. These dimensions were considered to be the main factors that will measure the extent of e-government implementation in Kenya, with an aim of enhancing FDI. To measure the implementation and effectiveness of the dimensions, the researcher prepared statements in relation to the four constructs which the respondents being asked to rate answers to the questions asked in a five-point Linkert scale from 1-strongly disagree to 5-strongly agree. The responses were analyzed statistically to obtain the descriptive statistics in a tabular form. The descriptive statistics measures obtained; the mean and standards deviation with their interpretations being that the means less than three were associated with disagreement while the means greater than three implied that the respondents concur with what the statements implied regarding each of the four independent variables. On the other hand, the low standard deviation, that is below one, implied that there was a small variance in responses in each statement and vice versa.

4.4.1 Information Accessibility and Reduced Uncertainty

The capacity to retrieve information is a key concern that foreign investors take into consideration before they launch operations in a foreign country. Consequently, how a country packages its investment information will be critical to attracting FDI into the country.

The results opine that in its pursuit to improve information accessibility, the Kenyan e-government platform contains information on all required permits for a foreign investor both at the local and county government levels (M=4.14) including investment climate information prevailing in the country which is updated periodically (M=4.22). Similarly, the respondents, to a large extent agree that labour relations in the country is well stipulated in the e-government platform (M=3.6) and that business licenses procedures required in Kenya is provided (M=4.09) and therefore providing information pertaining cost of doing business at a particular period (M=3.99). This therefore implies that as far as e-government is concerned, there is significant availability of information that helps in reducing uncertainty regarding investment requirements by foreign investors. The low standard deviation (< 1.0) in all the responses implies that there was agreement among the respondents.

Table 4. 5: Information Accessibility and Reduced Uncertainty

Descriptive Statistics

	N	Mean	Std. Deviation
The e-government platform contains information on all required permits	69	4.14	.845
Business licenses procedures required in Kenya is provided	69	4.09	.658
Labour relations in the country is well stipulated in the platform	69	3.65	.744
Investment climate information prevailing in the country is well updated	69	4.22	.783
Cost of doing business information at a particular period is provided	69	3.99	.866
The organization can easily update available information anytime	69	3.42	.793
Minimum conflicting information is provided in the e-government platform	69	4.12	.916
Valid N (listwise)	69		

Source: Research Data (2020)

4.4.2 Time Efficiency

Time efficiency is concerned with the ability of a foreign investor to lodge an application and get back appropriate feedback through the e-government system.

Investors should be able to submit forms that comply with the laws and regulations of the country and at the same time be able to get back feedbacks with a reasonable period. The results on this construct are showed in the Table 4.6.

Table 4. 6: Time Efficiency

	N	Mean	Std. Deviation
The e-government lowers the cost of seeking investment information in the country	69	3.75	.881
An investor can apply online to be considered for investment in Kenya	69	3.74	.869
Feedback to the application by an investor is provided within the shortest time possible	69	3.68	.915
The application forms can be submitted online	69	3.16	1.080
The e-government platform lowers the administrative costs since many administrative costs are eliminated	69	3.45	.993
The level of transparency and accountability is improved by the e-government platform	69	3.70	.810
Valid N (listwise)	69		

Source: Research Data (2020)

Time is a resource and therefore entrepreneurs value time as one of the resource factors in setting up investment plan and therefore enhance time efficiency as a construct of e-government could mean a positive impact on FDI and as the findings suggests, to a large extent, e-government has lowered the time and cost of seeking investment information in the country (M=3.75) since investors can apply online to be considered for investment in Kenya (M=3.74) and receive feedback in a shortest time possible (M=3.68). In addition, the respondents agreed that e-government platform lowers the administrative costs since many administrative costs are eliminated (M=3.45) and that instances of corruption is significantly reduced since the level of transparency and accountability has improved greatly (M=3.70). Similarly, the low sd on the measures suggests concurrence between the respondents.

4.4.3 Cost Reduction

Bureaucratic actions by a country increases the cost of doing business and steps such as automation of process will help to reduce the physical contact of persons. The results on how e-government system helps in cost reduction are as showed in the Table 4.7.

Table 4. 7: Cost Reduction

	N	Mean	Std. Deviation
E-government reduces the time spend on researching information	69	3.77	.860
It makes transactions, such as paying fees, easier	69	3.49	1.038
It simplifies and streamlines reporting requirements	69	3.62	.941
It minimizes the number of forms	69	4.25	.976
It helps businesses to understand country's regulations and how to comply with them	69	3.83	1.028
E-government provides easy-to access location information	69	3.35	1.027
Valid N (listwise)	69		

Source: Research Data (2020)

The Table 4.7 suggests that, to a large extent, e-government has helped to reduce the time spend on frequent visits to government offices to another looking for information (M=3.77) and also making transactions, such as paying fees, easier (M=3.49), simplifies and streamlines reporting requirements (M=3.77). Similarly, there was an agreement among the respondents that e-government has helped in minimizing the number of forms (M=4.25). To a moderate extent and low consensus among the respondents, e-government was found to help businesses to understand the regulations within a country and compliance mechanisms (M=3.83, SD=1.028) and provides easy-to access location information (M=3.35, SD=1.027). The overall mean of 3.72 suggest that to a large extent, there was an agreement that e-government platform resulted in cost reduction on foreign investors in Kenya.

4.4.4 Governance

A crucial factor that is thought to impact the FDI within a country is good governance. The results on how e-government affects investors in Kenya are presented in the table below, Table 4.8: Governance.

Table 4.8: Governance

	N	Mean	Std. Deviation
Incidences of corruption and bribes are minimized because of automation and elimination of agents	69	3.77	1.002
It improves efficiency of public administration	69	3.01	1.036
It reduces level of interaction with host country	69	3.12	1.037
It lowers bureaucratic procedures	69	3.00	1.057
There is open access to public information	69	2.93	.990
There has been reduced administrative barriers to investors	69	2.87	.922
Valid N (listwise)	69		

Source: Research 2020

From the study findings in relation to governance as a dimension of e-governance, it was established that, to a large extent, e-government has reduced incidences of corruption (M=3.77) as well as improved efficiency of public administration (M=3.01). Further, the results reveal that e-government has helped in the reduction of interactions between the agents of a host country and foreign investors (M=3.12) as well as reduced bureaucratic procedures (M=3.00). However, recording a high standard deviation suggests a deviation among the respondents on the answers provided.

4.5 Effect of E-government on Foreign Direct Investment

The effect of e-government was evaluated using several statements depicted in Table 4.9.

Table 4. 9: Effect of E-government on Foreign Direct Investment

Statements	N	Mean	Std. Deviation
The value of investment in Billions of Kenya shillings has improved	69	3.14	.944
The government initiatives to attract FDI has improved	69	3.07	.990
The investor satisfaction with available with regard to investment opportunities in Kenya has increased	69	2.97	1.111
There has been an increase in number of enquiries about the country's investment opportunities	69	2.74	1.221
The investment in different sectors in the country has improved	69	2.71	.644
The marketing of Kenya as an investment destination has improved	69	2.58	.946
The level of foreign exchange level from the investments have improved	69	2.58	.793
Overall mean	**69**	**2.83**	

Source: Research Data (2020).

The Table 4.9 suggest that e-government has led to increased value of investment in Billions of Kenya shillings into the country (M=2.97) which is attributed to improvement of government initiatives to attract FDI (M=3.07). Similarly, to a moderate extent, as a result of the adoption of FDI, there has been an increase in number of enquiries about the countries investment opportunities (M=3.14) thus indicating that marketing of Kenya as an investment destination has improved due to e-government (M=2.58). The findings imply that e-government has improved FDI in country significantly and that more effective implementation of e-government strategies enhances further the number of foreign investors into the country.

4.6 Regression Analysis

Regression analysis helps determine the linear equation that relates the independent and dependent variables that are being studied. This further helps to predict the value of the dependent variable, when the coefficients of one or more independent variables are assigned a given value.

In this particular study, linear regression analysis was carried out to test the existing relationship between E-government and FDI in Kenya. The tools used to analyze the gathered data was SPSS V 20.0. The coefficient of determination that was recorded from the analysis was used to assess to what degree variations in the dependent variable could be explained by altering the independent variable where in this case is the foreign direct investment in Kenya that is interpreted by constructs of e-government.

4.6.1 Information Accessibility and Reduced uncertainty and Foreign Direct Investment

The table 4.10 shows the coefficients of the extent to which Information accessibility and reduced uncertainty affects foreign direct investment.

From the table 4.10, the results indicate that the relationship between information accessibility and reduced uncertainty was not significant ($p = 0.108 > 0.05$). This is interpreted to mean that information accessibility and reduced uncertainty has no significant influence on foreign direct investment. The findings are in line with those of Abu-Shanab (2014) who found that in as much as e-government enabled foreign investors to be access information which reduced uncertainty and information asymmetry, accessibility to information as a factor is not enough to encourage FDI but rather, there are other factors that can either strengthen or weaken the position of a country as a hub for FDI aside form availability of information.

Table 4.10: Regression Results on the Relationship Between Information Accessibility and Reduced Uncertainty and Foreign Direct Investment

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.137	.429		4.983	.000
	Information accessibility and reduced uncertainty	.175	.107	.195	1.629	.108

a. Dependent Variable: Foreign Direct Investment

Source: Research Data (2020).

4.6.2 Time efficiency and Foreign Direct Investment

The table 4.11 shows the coefficients of the extent to which time efficiency affects foreign direct investment.

Table 4.11 Regression Results on the Association Between Time efficiency and FDI

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.929	.309		6.245	.000
	Time efficiency	.251	.085	.341	2.969	.004

a. Dependent Variable: Foreign Direct Investment

Source: Research Data (2020).

The Table 4.11show that the relationship between time efficiency and FDI is significant ($p = 0.04 < 0.05$). This is interpreted to mean that time efficiency has a significant influence on FDI. The findings are supported by Wekesa, Wawire and Kosimbei (2016) who found out in their study that infrastructure development resulted in improved openness in a country and thus led to the attraction of more foreign investment.

4.6.3 Cost reduction and Foreign Direct Investment

The table 4.12 illustrates the coefficients of the extent to which cost reduction affects foreign direct investment.

Table 4.12: Regression Results on the Relationship Between Cost Reduction and FDI

		B	Std. Error	Beta		
1	(Constant)	2.494	.320		7.782	.000
	Cost reduction	.090	.084	.129	1.066	.029

a. Dependent Variable: Foreign Direct Investment

Source: Research Data (2020)

Table 4.12 demonstrated the association between cost reduction and foreign direct investment is significant (p = 0.029 <0.05). This is construed to mean that cost reduction has a significant influence on foreign direct investment. These findings are in line with those by Kachwamba (2011) who found that governments gradually use e-government as an approach to controlling both costs of setting up and running businesses as well as the cost of accessing information regarding entry for international investors

4.6.4 Governance and Foreign Direct Investment

The table 4.13 shows the coefficients of the extent to which governance affects foreign direct investment.

Table 4.13: Regression Results on the Relationship Between governance and FDI

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.723	.265		10.273	.000
	governance	.034	.082	.050	.409	.044

a. Dependent Variable: Foreign Direct Investment
Source: Research Data (2020).

From the table 4.12, the results indicate that the relationship between governance and foreign direct investment is significant ($p = 0.044 < 0.05$). This is interpreted to mean that governance has a significant impact on FDI. This finding was found to support that of Abu-Shanab (2014) who found that e-government resulted in good bureaucratic institutions and thus reduced incidences of corruption.

4.6.5 Summary Model

Table 4.14 illustrates the model summary of regression results .

Table 4. 14: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.477[a]	.228	.179	.48601

a. Predictors: (Constant), governance, Information accessibility and reduced uncertainty, Time efficiency, Cost reduction

The results illustrated in Table 4.14 shows that the e-government – as represented by effective governance, information accessibility, cost reduction, time efficiency has a positive and strong relationship with foreign direct investment (r=0.477). The coefficient of determination (R^2) 0.228 measures the degree to which e-government platform affects the level of FDI. From the data findings, 22.8% of the level foreign direct investment in the Kenya is influenced by the e-government adoption. The remaining 77.2% is influenced by other components not addressed in the model.

4.6.2 Analysis of Variance

Table 4.15 presents the statistical output of the ANOVA which explains the fitness of the model to statistically test the relationship between the dependent and independent variables.

Table 4.15: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.457	4	1.114	4.717	.002[b]
	Residual	15.117	64	.236		
	Total	19.575	68			

a. Dependent Variable: FDI

b. Predictors: (Constant), governance, Information accessibility and reduced uncertainty, Time efficiency, Cost reduction

Source: Research Data (2020).

Based on the output illustrated in Table 4.15, the results show that the F statistic is 4.717m, and the significance level was found to be 0.002 (expressed in 3 decimal places) which is <0.05. This alludes that the model is statistically fit as an estimator of the level of foreign direct investment.

4.6.3 Coefficients of Regression Analysis

Table 4. 16: Coefficients of regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.907	.431		4.426	.000
	Information accessibility and reduced uncertainty	.213	.209	.238	1.019	.312
	Time efficiency	.607	.156	.824	3.879	.000

Cost reduction	-.516	.195	-.741	-2.641	.010
Governance	-.056	.086	-.083	-.655	.015

a. Dependent Variable: Foreign Direct Investment

Source: Research 2020

From the results in the Table 4.15, it is evident that time efficiency (p-0.000) and cost reduction (p=0.010) and governance (p-0.015) are the significant variables since their p<0.05. On the other information accessibility and reduced uncertainty (p-0.312) was found not to be significant factors to the foreign direct investment level in Kenya since the respective p-values are greater than the level of significance. Consequently, the resultant regression equation will be represented as;

$$Y = 1.213 + 0.213X_1 + 0.607X_2 + -0.516X_3 + -0.056X_4 + \varepsilon$$

The study findings thus imply that the uptake of E-government has an effect on level of FDI in the country. A unit increase in information accessibility contained in the e-government platform increases the level of foreign direct investment by 0.213 while a unit increase time efficiency causes a change in the level of FDI by 0.607 units. Similarly cost reduction and governance have an inverse relationship where a unit increase in cost reduction will lead to a change in foreign direct investment by 0.516 while a unit change in governance will trigger a change in FDI by 0.056.

4.7 Discussion of the Findings

The focus of this research was on establishing the impact of e-government on FDI promotion. The e-government dimensions that the study focused in included improved information accessibility, time efficiency, cost reduction and governance. In regard to the ability of e-government platform to improve information accessibility for foreign investors in Kenya, the findings suggest that the e-government platform contains majority of the information about local investment opportunities as well as investment climate in the country.

In general, the capacity of the e-government to enhance information availability is considered to be a key factor in influencing FDI in Kenya. However, the study's results show that the association between information accessibility and FDI was found to be insignificant. This can be explained by the fact that despite the information being availed to potential investors, there are other factors that determine whether or not the investors will actually choose to invest in the country. These factors include the cost of setting up and running the business, governance and time efficiency. The findings resonate well with that of Abu-Shanab (2014) who reveals that implementation of e-government enables foreign investors to know various related regulations, processes, procedures and obligations required for any foreign investor and this step reduces uncertainty and information asymmetry existing to a foreigner. The study further points out that accessibility to information as a factor is not enough to encourage FDI but rather, there are other factors that can either strengthen or weaken the position of a country as a hub for FDI aside form availability of information. In any earlier study, Adeyemo (2011) articulated that e-government platform has the potential to improve a country's available information, increasing transparency and reducing uncertainty and thereby reducing search costs and mitigating international liability. This linked with other critical factors such as cost of doing business and governance, was found to result in enhanced interest by foreign investors in a country.

The research findings also reveal that e-government is able to minimize time spent in searching about investment opportunities in a country at a lower cost and thus leading to reduced cost of information. Similarly, e-government improves the speed of feedback to the investors a position that was supported by Wekesa, Wawire and Kosimbei (2016) who argued that infrastructure development results in improved openness in a country and thus attracting more foreign investment. The transaction cost was minimized out of the uptake of e-government and in turn lessening the transaction cost and the level of uncertainty that might be present in a country.

Cost reduction, also as a dimension of e-government enhances promotion of FDI in the country. The study established that the e-government platform lowers the cost of seeking investment information in the country and in the long run, positively influences foreign direct investment. This finding concurs with that of Kachwamba (2011) that governments have gradually used e-government as a way of ameliorating both costs and the cost of accessing information regarding entry for international investors. Similarly, Ang (2012) highlighted that implementation of e-government simplifies reporting requirements, minimizes physical forms to be filled and also helps investors know how to comply with local regulations. Similarly, the finding that e-government systems cost reduction advantage supports the Dunning theory that asserts that one of the enablers to FDI is the ease of doing business through low cost of sourcing for information. As a result, if a foreign investor is able to access information cheaply, then the same will act as a catalyst to attracting foreign investors in a country.

The study suggests that governance as an attribute of e-government is a significant factor which affects the level of a country's FDI. This was because the adoption of e-government reduced incidences of corruption which improved the public administration of foreign investments outside the registration and information search. This finding was found to support the findings by Abu-Shanab (2014) who found e-government results in good bureaucratic institutions and thus reducing incidences of corruption. A similar position was found by Ojha, Palvia and Gupta 2008) who opined that e-government helps reduce bribes in public administration.

This study suggests that time efficiency, cost reduction and governance all have significant effect on the level of foreign direct investment. This is in congruence with the study by Bailey (2018) who investigated the factors that enhance foreign direct investment and found attributes acquired as a result of technological factors appealed to FDI. These findings also support the tenets of the technology-Organization-Theory which postulates that the values upheld in a country directly impacts on the level of FDI – in that a state with low corruption index will attract more local and foreign investment and vice-versa.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section provide a summary of the research findings and consequently derives the study's conclusions thereof. In addition, the chapter discusses the recommendations resulting from the research findings. The chapter also gives the limitations encountered during the study and suggests areas for further study.

5.2 Summary

The objective of the investigation was to explore the perceived impact of e-government on FDI in Kenya. The study established four dimensions of e-government; information accessibility and reduced uncertainty, time efficiency, cost reduction and good governance. The researcher regressed the four independent variables; information accessibility and reduced uncertainty, time efficiency, cost reduction and good governance against the dependent variable; foreign direct investment promotion. From the findings, with a view to increasing information accessibility, the e-government platform in Kenya provides information relating to permits requirement, both at the National and County government level as well as labour relations in the country. The importance of information accessibility characteristic of e-government was further manifested by its positive influence it has on the level of FDI in Kenya with a unit increase in information accessibility resulting in an increase in FDI by 0.213 units. Similarly, the information accessibility characteristic of e-government had a significant effect on FDI in Kenya ($p< 0.05$).

The other variable of e-government that was found to have a positive effect on the level of foreign direct investment in Kenya was its ability to be time efficient since to a great extent, it was found that e-government resulted lowering of cost of seeking investment information in the country as well as facilitating investors to apply online to be considered for investment in Kenya. In addition, the results suggest that e-government has improved foreign direct investment in Kenya because of its ability to facilitate online application and thus reducing paper work, as well as facilitating faster feedback from the government officials. The time efficiency variable was found to positively affect the level of direct foreign investment in Kenya ($\beta=0.607$ units) but the factor was insignificant ($p>0.05$)

In relation to cost reduction dimension, the study established that e-government lowers the cost of seeking investment information in the country since more information is availed online e-government platform and also facilitate faster completion of transactions- including payment of fees and streamlines reporting requirements of the application process. The results also reveal that cost reduction arising from the adoption of e-government platforms had a significant positive effect on the level of FDI in the country (($\beta=0.487$, $p=0.000$). Indeed, the cost reduction variable resulted in the highest incremental effect in attracting FDI.

The other variable under study was the effect of e-government in enhancement of governance in the host country FDI management. The findings reveal the e-government had led to reduction in incidence of corruption and bribes because the transactions involved are done online which facilitates transparency and accountability. This therefore promotes efficiency of public administration and in the long run enhances economic stability which in turn attracts investment from foreign investors.

The results to the research reveal that the introduction of e-government platform, as evidence by the regression, has had a positive effect on the level of FDI in Kenya since it was found that the value of investment –measured in billions of Kenya shillings had increased over the last decade. Similarly, the investor satisfaction – as per the survey conducted, had improved due to the availability of investment information. This is manifested by the increase in the registered foreign inquiries about investment opportunities in the country. From the model summary, the level of FDI in Kenya was found to be explained to the extent of 78.9% by the four e-government constructs considered. Generally, the research support earlier studies that have advocated the adoption of the one-stop e-government system in which all information about local investment can be found.

5.3 Conclusion

From the findings, it can be resolved that e-government has had a positive effect in attracting direct foreign investment in Kenya. Consequently, in the globalized market environment that we currently operate in, it becomes imperative that governments both at the national and county government need to automate its informational materials about available investment opportunities and the same can be accessed worldwide with minimal physical interaction. It is important that available information is segregated sector by sector with a view to making it more detailed and easier for an investor to pick appropriate section of interest. The findings also brought into the forefront the important role that ICT plays in enhancing national development and therefore justifies the need for the government to invest more in ICT.

As evidenced from other studies and the current research, there is need for the country policy to adopt e-marketing in its strategy to source for foreign investors due to the low cost and large reach as opposed to the physical forms. Further, the perceived improvement in governance resulting from e-government system was found not to be a significant factor in attracting foreign investors and therefore justifying the management of other licensing and investment implementation steps where unethical actions is further witnessed. Both levels of the government need to be trained further to implement effectively the e-government system and this can best be addressed if there exist an e-government policy paper to act as a guide.

5.4 Recommendations of the Study

Drawing from the conclusion-relating to the important role that e-government plays in the attracting FDI into the country, it is recommended that continuous improvement in the e-services is carried out with a view to introducing other features such as intelligence capabilities which will facilitate easy of maneuverability. In addition, the government funding for the e-government project should be sustained and better training to the staff facilitated with the goal to enhance the features of the current e-government platform. To firm up the benefits achieved this far on e-government, efforts should be directed at making e-government an important pillar of attracting foreign direct investment in Kenya. This will ensure that subsequent governments do not change its status and also have an existing framework which can be built on.

5.5 Limitations of the Study

The limitation of this scrutiny includes scope and the methodology adopted. The research was undertaken within government institutions and their views might be biased with a view to increasing the positive side of e-government platform. Similarly, the study concentrated on the four dimensions of e-government and yet there could be more attributes that define the platform. In addition, this study used the descriptive research design and this limits the generalization of its findings in other countries. However, despite the limitations, the research forms an important base of looking at the influence of foreign direct investment in Kenya and other developing countries in general.

5.6 Suggestion for Further Research

From the limitations of the study above identifies a lack of an empirical evidence to buttress the findings made and it is therefore recommended that a study be undertaken using empirical means to validate the findings. In addition, further research is required to establish the role of e-government from the investors – foreign and local, point of view. Similarly, it is recommended that future research can examine how other dimensions of e-government, which were not considered in the current study, affect FDI promotion while using a larger sample size and maybe government regulations as intervening variable.

REFERENCES

Abu-Shanab, E. (2013). *Electronic Government: a tool for good governance and better service*, 3rd Edition. Prentice Hall, New York.

Abu-Shanab, E. (2014, March). E-government: The gate for attracting foreign investments. In *2014 6th International Conference on Computer Science and Information Technology (CSIT)* (pp. 161-165). IEEE.

Adeyemo, A. B. (2011). E-government implementation in Nigeria: An assessment of Nigeria's global e-gov ranking. *Journal of Internet and Information Systems*, *2*(1), 11-19.

Algozzine, B., & Hancock, D. (2016). *Doing case study research: A practical guide for beginning researchers*. Teachers College Press.

Alvarado, R., Iniguez, M., & Ponce, P. (2017). Foreign direct investment and economic growth in Latin America. *Economic Analysis and Policy*, 56, 176-187.

Anderson, J., & Sutherland, D. (2015). Entry mode and emerging market MNEs: An analysis of Chinese greenfield and acquisition FDI in the United States. *Research in International Business and Finance*, *35*, 88-103.

Ang, J.B. (2012). Determinants of Foreign Direct Investment in China, *Journal of Policy Modeling*, 30(3): 185–89

Angeles, R. (2013). Using the Technology-Organization-Environment Framework and Zuboff's Concepts for Understanding Environmental Sustainability and RFID: Two Case Studies. *International Journal of Social, Education, Economics and Management Engineering*, *7* (11), 1599-1608.

Anyanwu, J. C., &Yaméogo, N. D. (2018). Regional comparison of foreign direct investment to Africa: Empirical analysis. *African Development Review*, 27(4), 345-363.

Awa, H. O., Ukoha, O., &Emecheta, B. C. (2012). Integrating TAM and TOE Frameworks and Expanding their Characteristic Constructs for E-Commerce Adoption by SMEs. *Informing Science & IT Education Conference (InSITE).* Informing Science Institute.

Blonigen, B.A., & J. Piger (2011). Determinants of Foreign Direct Investment. NBER Working Paper w16704

Brouthers, K.D. (2002): Institutional, cultural and transaction cost influences on entry mode choice and performance, *Journal of International Business Studies*, 33 (2), 203-221.

Carter, L., & Belanger, F. (2015). The Utilization of E-Government Services: Citizen Trust, Chen, Y. C. (2012). A comparative study of e-government XBRL implementations: The potential of improving information transparency and efficiency. *Government information quarterly*, *29*(4), 553-563.

Chun, S. A., Luna-Reyes, L. F., Sandoval-Almazán, R., Bertot, J. C., Jaeger, P. T., & Grimes, J. M. (2012). Promoting transparency and accountability through ICTs, social media, and collaborative e-government. *Transforming government: people, process and policy*.

Collis, J., & Hussey, R. (2013). *Business research: A practical guide for undergraduate and postgraduate students*. Macmillan International Higher Education.

Collis, J., & Hussey, R. (2013). *Business research: A practical guide for undergraduate and postgraduate students*. Macmillan International Higher Education.

Djankov, S., T. Ganser, C. McLiesh, R. Ramalho, & Shleifer, A. (2010). The Effect of Corporate Taxes on Investment and Entrepreneurship. American Economic Journal: Macroeconomics 2(3), 31–64

Drew, M. A. S. J. (2011). E-government principles: implementation, advantages and challenges. *International Journal of Electronic Business*, *9*(3), 255-270.

Dunning, J.H. (1988). The eclectic paradigm of international production, in: *Journal ofInternational Business Studies*, 19(1), 1-31.

Erdilek, A. (2008): Internationalization of Turkish MNEs, *Journal of Management* Development, 27(7), 744 -760.

Ferro, E., & Sorrentino, M. (2010). Can intermunicipal collaboration help the diffusion of E-Government in peripheral areas? Evidence from Italy. *Government Information Quarterly*, *27*(1), 17-25.

Gibbs, J. L., & Kraemer, K. L. (2004). A Cross-Country Investigation of the Determinants of Scope of E-commerce Use: An Institutional Approach. *Electronic Markets , 14* (2).

Greenhalgh, B., Munir, R, & Blount, Y. (2004). Association between Performance Measurement Systems and Organizational Effectiveness. *International Journal of Operations & Production Management*, 34(7), 2-2

Hager, R. M. (2006). An empirical evaluation of innovation types and organizational and environmental characteristics: Towards a configuration framework, *Journal of Public Administration Research and Theory*, 18 (4), 591-615.

Harding, T., &Javorcik, S. (2014). Developing Economies and International Investors: Do Investment Promotion Agencies Bring Them Together? World Bank Policy Research Working Paper. No. 4339

Horst, M., Kuttschreuter, M., &Gutteling, J. (2014). Perceived Usefulness, Personal Experiences, Innovation and Acceptance. *Information Systems Journal*, 15, 5-25.

Kachwamba, M. (2011). Impact of E-Government on transaction cost and fdi inflows: A proposed conceptual framework.

Kashorda, M., Waema, T., Omosa, M., &Kyalo, V. (2007). *E-Readiness Survey Of Higher Education Institutions In Kenya. Nairobi: Kenya Education Network (KENET).*

Kebande, V. R., Sigar, K. O., & Odongo, G. Y. (2013). Meta-Modeling Cloud Computing Architecture in Distance Learning. *International Journal of Computer Science Issues , 10* (3), 66-72.

Korteland, E., &Bekkers, V. (2010). Diffusion of E-government Innovations in the Dutch Public Sector: The Case of Digital Community Policing. *Information Polity* 12(3), 139-150.

Laisheng, X., &Zhengxia, W. (2011). Cloud Computing: A New Business Paradigm for E-learning. *Third International Conference on Measuring Technology and Mechatronics Automation*, (pp. 716-719).

Lau, T. Y., Aboulhoson, M., Lin, C., & Atkin, D. J. (2016). Adoption of E-Government in ThreeLatin American Countries: Argentina, Brazil and Mexico. Telecommunications Policy 32, 88-100.

Li, H., &Atuagene-Gima, K. (2011). Product innovation strategy and the performance of new technology ventures in China. *Academy of Management Journal*, 44(6), 1123-1134

Mistry, J. J., & Jalal, A. (2012). An empirical analysis of the relationship between e-government and corruption. *International Journal of Digital Accounting Research*, *12*.

Mohama, R., &Ismaild, N. A. (2014). Electronic Commerce Adoption in SME: The Trend of PriorStudies. *Journal of Internet Banking and Commerce*, 14(2)

Mtebe, J. S. (2013). Exploring the Potential of Clouds to Facilitate the Adoption of Blended Learning in Tanzania. *International Journal of Education and Research , 1* (8)

Mugenda, A. G. (2008). Social science research: Theory and principles. *Nairobi: Applied*.

Mugenda, A. G. (2008). Social science research: Theory and principles. *Nairobi: Applied*

Mwega, F. (2010). Global Financial Crisis, Discussion Series Paper. London, UK: Overseas Development Institute.

Namisiko, P., Munialo, C., &Nyongesa, S. (2014). Towards an Optimization Framework for E-Learning in Developing Countries: A Case of Private Universities in Kenya. *Journal of Computer Science and Information Technology , 2* (2), 131-148.

Nawafleh, S., Obiedat, R., &Harfoushi, O. (2012). E-government between developed and developing countries. *International journal of advanced corporate learning (iJAC)*, *5*(1), 8-13.

Njuguna, W. K. (2016). The Relationship Between Exchange Rates And Foreign Direct Investments In Kenya (Masters dissertation, University of Nairobi).

Odat, A., &Khazaaleh, M. (2012). E-government challenges and opportunities: a case study of Jordan. *International Journal Of Computer Science Issues (IJCSI)*, *9*(5), 361.

Ojha,A., Palvia, S & Gupta , M. (2008). A model for impact of e-government on corruption: Exploring theoretical foundations, Critical thinking in e-governance, 160-170

Risk Perception and Trust as Determinants of Adoption of E-Government Services in the Netherlands.*Computers in Human Behavior*, 23, 1838-1852.

Scott, J. E. (2007). An e-Transformation Study Using the Technology–Organization–Environment Framework. *20th Bled eConferenceeMergence:Merging and Emerging Technologies, Processes, and Institutions.* Bled, Slovenia.

Senatore, L. (2010). *A Critical Analysis of Factors Influencing Internet Diffusion in South Africa and its Implications on the Rollout of e-Government Services* (Doctoral dissertation, Universityof the Witwatersrand).

Seyoum, M., Wu, R., & Lin, J. (2015). Foreign Direct Investment and Economic Growth:The Case of Developing African Economies. *Social Indicators Research*, 122(1), 45-64.

Silverman, D. (2015). *Interpreting qualitative data*. Sage.

Silverman, D. (2015). *Interpreting qualitative data*. Sage.

Tatoglu, E./Glaister, K.W. (1998). Determinants of foreign direct investment in Turkey, *Thunderbird International Business Review*, 40, 3, 279-314.

Tearle, P. (2003). ICT implementation: What makes the difference? *British Journal of Educational Technology , 34*, 567–83.

Tornatzky, L. G., & Fleischer, M. (1990). *The processes of technological innovation.* Lexington, MA: Lexington Books.

Zhao, X., & Xu, H. D. (2015). E-government and corruption: A longitudinal analysis of countries. *International Journal of Public Administration*, *38*(6), 410-421.

Zhu, K., Kraemer, K. L., & Xu, S. (2002). A Cross-Country Study of Electronic Business Adoption Using the Technology-Organization-Environment Framework. *Twenty-Third International Conference on Information Systems*, (pp. 337-348).

APPENDIX

Appendix 1: Letter of Introduction

September 2021

The Human Resource Manager

Kenya Investment Authority

P.O Box 55704-00200

Nairobi.

Dear Sir/Madam

REF: MBA RESEARCH PROJECT

I am currently a Masters student at UON perusing a Master of business Administration Degree.

I am undertaking a thesis to determine the perceived effect of E-Government on Promotion of Foreign Direct Investment in Kenya and this will involve interviewing staff in your organization.

I Kindly seek your authority to conduct the research at your premises. I hereby enclose a letter of introduction from The University of Nairobi.

Your assistance to complete the research is highly valued. Thank you in advance.

Yours Sincerely.

Isabel Itungwa Maithya.

Appendix II: Questionnaire

Section A: Background Information

1. Name of the organization (Optional)……………………………………….

2. What management level are you?

a) Top Level ( ) b) Middle level ( )

c) Supervisory Level ( ) d) Others (Specify) ( )

3. For how long have you worked in the organization?

a) Less than 5 years ( ) b) 6 -10 years ( )

c) 11 – 15 years ( ) d) More than 15 years ( )

4. Highest Education Level?

a) College ( )
b) Undergraduate ( )
c) Post graduate and above ( )

Section B: E-Government Dimensions

5. Below are different dimensions measuring the characteristics of E-Government platform operated in your organization. Please complete this part by ticking (√) the appropriate;

Key;

5) Strongly agree; 4) Agree; 3) Neutral; 2) Disagree; 1) Strongly disagree;

a. Information Accessibility and Reduced Uncertainty

Statement	5	4	3	2	1
The e-government platform contains information on all required permits					
Business licenses procedures required in Kenya is provided					
Labour relations in the country is well stipulated in the platform					
Investment climate information prevailing in the country is well updated					
Cost of doing business information at a particular period is					

provided					
Minimum conflicting information is provided in the e-government platform					
The organization can easily update available information anytime					

How else does the e-government adopted improve information accessibility and reduce uncertain of information ……………………………………………………………………….

…………………………………………………………………………………………………….

b. Time Efficiency

Statement	5	4	3	2	1
An investor can apply online to be considered for investment in Kenya					
The application forms can be submitted online					
The e-government lowers the cost of seeking investment information in the country					
The level of transparency and accountability is improved by the e-government platform					
The e-government platform lowers the administrative costs since many administrative costs are eliminated					
Feedback to the application by an investor is provided within the shortest time possible					

How else does the time efficiency resulting from e-government help in improved FDI? ………………………………………………………………………………

c. Cost Reduction

Statement	5	4	3	2	1
E-government provides easy-to access location information					
It simplifies and streamlines reporting requirements					
It minimizes the number of forms					
It makes transactions, such as paying fees, easier					
It helps businesses to understand country’s regulations and how to comply with them					

E-government reduces the time spend on frequent visits to government offices moving from one counter to another looking for information					

How else does the e-government facilitated cost reduction? ……………………………………………………………………………… ………………………………………………………………………………………… ………………………………………………………………………………………… ……………………………

D. Governance

Statement	5	4	3	2	1
It reduces level of interaction with host country					
It improves efficiency of public administration					
There is open access to public information					
It lowers bureaucratic procedures					
There has been reduced administrative barriers to investors					

How else does the e-government facilitated improved governance?..............................
 ………………………………………………………………………………… …….

SECTION C : Effect of E-government on Foreign Direct Investment

1. How would you rate the contributions of e-government on foreign direct investment in Kenya?

Using the following rating; 5 = to a very large extent, 4 = Large extent, 3 = Moderate extent, 2 = Small extent, 1 = Very small extent

Statement	5	4	3	2	1

There has been an increase in number of enquiries about the countries investment opportunities					
The value of investment in Billions of Kenya shillings has improved					
The investment in different sectors in the country has improved					
The government initiatives to attract FDI has improved					
The investor satisfaction with available with regard to investment opportunities in Kenya has increased					
The marketing of Kenya as an investment destination has improved					
The level of foreign exchange level from the investments have improved					