## THE EXPECTED ECONOMIC IMPACT OF DEVOLUTION OF RESOURCES TO THE COUNTIES: CASE STUDY OF TURKANA COUNTY IN KENYA

# BY ARIKO JOHN NAMOIT D61/63375/2010

OF THE REQUIREMENTS OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION, UNIVERSITY OF NAIROBI

OCTOBER, 2012

#### **DECLARATION**

I declare this research project is my original work and has not been presented for any academic award in any university.

Signed ....

Date 0/11/2012

ARIKO JOHN NAMOIT

REG. NO.: D61/63375/2010

This project has been submitted for examination with my approval as the university supervisor.

Date 12/11/12

NAME: MR. JOSEPH BARASA

LECTURER

Department of Accounting and Finance,

School of Business, University of Nairobi

#### **ACKNOWLEDGEMENTS**

I would like to thank the Almighty God for the gift of life and strength in accomplishing this project. I give special tribute to my family, relatives and friends for their support and encouragement.

I salute my supervisor Mr. Joseph Barasa for his dedication, support and professional guidance he has accorded me during the period of undertaking this project. I also thank the entire University of Nairobi fraternity for all imparting me with sound knowledge and skills.

It is my sincere thanks to acknowledge the respondents who took their time and effort to answer the questionnaires and provide me with information that made this project a success.

May the God Almighty bless you.

## **DEDICATION**

This project is dedicated to my dear Wife Nancy Nangorombi Ajele for her constant support and encouragement, Sons Brian John, Johnny Carson and Daughter Laura John for enduring my absence during the entire period.

#### **ABSTRACT**

At independence in 1963 the Majimbo Constitution Kenya adopted provided for devolution of government to regional assemblies in the context of a bicameral, Westminster-type parliament with a Senate and National Assembly - the Lower and Upper Houses, respectively. These constitutional provisions were premised on the need to secure the rights of ethnic minorities grouped in the Kenya African Democratic Union (KADU) party, against domination by the 'big tribes' grouped in the Kenya African National Union (KANU) party. Kenya's new Constitution establishes forty seven new county governments, each with an elected Assembly, a Governor and an Executive Committee. Both the Executive Committee and the Governor are from outside the Assembly, meaning that there will be full separation between the legislature and executive at county level, just as there is at national level. The researcher sought to determine the expected impact of devolution of resources on the economic development of the Turkana County. The specific objectives of the study were to evaluate the potential role and capacity of the proposed county governments to enhance economic development in the county and also to ascertain financial management capabilities by the administrators of the devolved funds. The researcher used a case study as research design where the target population was members of Turkana County with an estimate of 1M. The targeted population was 72 respondents where 12 people in every six districts. The researcher used systematic random sampling method of business leaders, government officials and opinion leaders in the district. Data was collected using questionnaires that were both open ended and closed ended and were admitted through drop and pick method. It was then analyzed using descriptive statistics and content analysis with the help SPSS data analysis tool. The final results was then presented inform of tables and charts for easy understanding and interpretation. The researcher found that the people of Turkana were undecided on whether the previous devolution is better than the proposed one. However, the study found out that the Turkana people wanted locals to be given mandate to manage their own affairs since they belief they have leaders with adequate qualification and experience to manage their own resources. Finally, the researcher concludes by recommending that the government should engage the locals in preparation of devolution bills and in the management of the affairs of the county government.

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#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Background of the Study

Since the 1980s, many Sub-Saharan African countries have been undergoing structural reforms with a view to promoting efficient service delivery and economic development to lower levels. Decentralization, defined as the transfer of authority from central to local governments to perform certain duties, is seen as one of the public sector reform strategies to increase service delivery (Muriisa, 2008). In August 27<sup>th</sup>, 2010, Kenya promulgated a new constitution which ended more than 20 years quest for a new Constitution. The new constitution created 47 county governments across the country which is the next and only level of devolved government. However, the county governments will only become operational after the 2012 elections (Section 2(2), Article 262 of the Kenya Constitution). The devolved government structure aims at enhancing national unity through recognition of diversity among other objectives (Article 174 of the constitution).

Decentralization is the transfer of administrative, political powers and fiscal resources from central to regional or sub-national governments. Decentralization is a longtime practice in Africa. However, it became more pronounced in the 1980s and 1990s when it featured as one of the World Bank's structural reforms. Decentralization programs or reforms in Africa followed the recommendations of the World Bank for developing countries to devolve political and administrative powers to local and autonomous levels. The reason for this focus is that most of

the social services such as health, education, water and sanitation that are a responsibility of government are systematically failing (World Bank, 2003). The adjustment programme has therefore improved and enabled more efficient distribution of goods and services as its prime target. In addition, the recommendation was made on the basis that decentralization would quicken decision-making processes and increase participation by the local people. This would result in decisions better tailored to people's needs and reduced corruption and clientelism, which went along with centralized government. In the Kenyan context, the term devolution is favored when discussing decentralization as it is the term used in the new constitution and was consistently used in the entire review process. While devolution is the political catchphrase in Kenya, there is no precise and uniform agreement as to the meaning. This is best evidenced by its variation in theory and practice across states and time (Juma, 2008). However, there are common elements which build the concept and generally give an indication of whether a government structure can be indeed termed as devolved.

The motivation for decentralization varies from country to country and from region to region. In Eastern Europe and the former Soviet Union for example, it was part of political transformation from centralized government where few participated in decision-making to a decentralized system where many could participate in the decision-making process (Muriisa, 2008). In Sri Lanka and South Africa it was a response to ethnic and regional conflicts. It is argued that decentralization provides an institutional mechanism for bringing divided groups into a formal, rule-bound bargaining process (Treismann, 1998). Decentralization thus serves as a path to national unity. In Uganda, Chile and Cote D'Ivoire, it was carried out for improving service delivery (Shah and Theresa 2004). In Uganda, the Local Government Act (1997), a central part

of the decentralization policy, stipulates that most central government powers and responsibilities for public services planning and delivery should be devolved to local governments (Muriisa, 2008).

Although reduction of presidential powers and checks on the executive has always been the major driver of constitutional reform in Kenya (Wanjala & Kibwana, 1997), the elections violence which engulfed the country in 2007 made national unity and ethnic harmony an equally major force behind comprehensive constitutional reforms in Kenya (Agenda 4). Centralized systems of governments that were preferred at newly independent states began to be associated with state failure in Africa and the developing world, thus, in Kenya (Article 174) like in many other countries, devolution of powers is touted as a means of enhancing participatory governance, accountability, good governance and equitable development (Oloo, 1999). There was a wide support for devolution of powers through the entire constitutional review process in Kenya. However, the devolution structure remains a highly contested area, especially in Kenya (Juma, 2008). The devolved government structure in the new constitution is a product of highly emotive debates and several attempts at building consensus during the review process (Mwangi 2010).

Since independence, Kenya has been faced by episodes of political instability. These instances have led to interruption of the performance of the economy of Kenya and the social cohesion. An example is the post election violence of 2007/2008. This led to failures like corruption, economic stagnation, inequalities and poverty. These failures are linked to the concept of Quality of Governance (Kimenyi and Meagher, 2004). Quality of Governance is fully reliable on the

various institutions that are in the system of leadership. As Kimenyi and Maeghar (2004) note, the main differences are seen through the rules, organization capabilities, social and political principles that are undertaken by an institution. Devolution focuses on one such governance concept.

Devolution has been recommended as the major remedy for the failures in political governance, such include conflicts, inequalities, rent seeking, economic stagnation, corruption and insufficient use of public resources. Devolution is generally defined as a process of transfer of political power, administrative and fiscal management powers between central governments and lower levels of government, primarily operating at city and region levels (Potter, 2001). Devolution can also be defined as the practice or form of decentralization through which the authority to make and implement decisions in selected areas of public policy is conferred to elected sub-national levels of government by law (Juma 2008). Muriisa (2008) defined Devolution as the substantial transfer of powers and authority and functions from higher or central government to local units, upon which the local units or governments subsequently acquire significant and autonomous financial and legal powers to function without reference to central government.

Devolution is expected to impact positively on service delivery. According to Potter (2001), devolution marks a decisive departure from the previous arrangements that became associated with persistent failures in service delivery. Various studies carried out by several scholars reaffirms the government's view that devolution offers the best prospect for improved service delivery and access by the poor to public entitlements, including not just health, drilling water and education, but much needed improvements in policing and local justice. While it is too soon

for the proponent's of devolution to point to an overall improvement in service delivery, various studies reveal significant achievements. Citizens undoubtedly appreciate the improved access they have to their political representatives. Local leaders, both directly and through new dispute resolution arrangements at local level, are now seen to be responding to people's needs and concerns. This change suggests that devolution may deliver on its larger political objectives to create a better match between what governments do and the public's ability to hold them accountable for performance.

### 1.1.1 Brief Overview of Devolution in Kenya

The turbulence in Kenya's economy coincides with implementing the constitutional blueprint for a new political and administrative architecture; arguably the most momentous and far-reaching reforms in Kenya's post independence history. At the heart of this transformation is the devolution of power to county governments and the design of arrangements that will turn the constitutional vision into a reality. Kenyans bring to this process a tremendous enthusiasm and energy, but the devil lies in the detail. The design of fiscal, accountability, public service and transition arrangements will determine whether Kenya can weather the economic storm in a way that enhances social equity, service delivery, citizen engagement, and so deliver on Kenyans' expectations of constitutional transformation (Mutakha, K. 2011)

Political structures; Kenya's new Constitution establishes forty seven new county governments, each with an elected Assembly, a Governor and an Executive Committee. Both the Executive Committee and the Governor are from outside the Assembly, meaning that there will be full separation between the legislature and executive at county level, just as there is at national level.

Counties (although not county governments) will also have a voice in the national Parliament through the new upper house, the Senate, which mainly comprises forty seven directly elected county representatives.

Functions and powers; County governments are responsible for a range of service delivery functions, including health, agriculture, transport and water. In many of these areas, the national government also has responsibilities. In general, the national government is responsible for policy and oversight, while counties are responsible for implementation, but the national government retains some important service delivery functions, including the provision of education and social welfare services. The Constitution also provides for counties to take over urban functions that were previously the responsibility of local authorities established under the Local Government Act.

Local government; The Constitution envisages changes to the way urban areas are governed, but does not specify them. The recently enacted Urban Areas and Cities Act provides for urban areas with over 250,000 inhabitants to have corporate bodies to manage urban services. Today, five urban areas in Kenya meet this threshold. In other urban areas with a population under 250,000, the executive responsibilities of local authorities will pass to county governments, although a town committee will advise the county government. In both cases county governments will be responsible for financing urban service delivery.

Staffing of each county government will require its own public service and which will appoint its own public servants, within a "framework of uniform national standards" prescribed by an act

of Parliament (Article 235 of the Constitution). Significant numbers of staff that are currently performing devolved functions, in sectors like health, agriculture and urban service delivery, are expected to move across from national to county governments.

Changes to local governance and service delivery; The forty seven county governments will take over both functions and revenue raising powers from the one hundred and seventy five local authorities that are currently responsible for urban service delivery and a limited range of other functions. It is expected that the staff of local authorities will be absorbed into the county governments. County Governments will also take over the service delivery responsibilities currently performed by the staff of many dececentralized line ministries in the counties (including health, agriculture, livestock and others) and also some of the functions of provincial and district administrations (including liquor licensing and control of drugs).

Financing of county governments' resources will come from four main sources: a) own source revenues, b) equitable share transfers, c) equalization fund transfers and d) other conditional or unconditional grants from the national government.

#### 1.2 Research Problem

There is no research that has been undertaken in the University of Nairobi on the impact of the devolved funds in the various counties of Kenya. Kenya lacks experience in devolution as previous attempts have failed to work. An example is the 'Majimbo' system of 1963 that did not last long, and was replaced by the Provincial Administration and the local government. However this did not last long as the concept of devolution was later accepted during the constitutional conference in 2003, and it was advocated as a way of reducing the overly centralized power of

the Executive. Kenya has just adopted a new constitution which ends more than 20 years of quest for a new Constitution. The new constitution creates 47 county governments across the country which will be the next and only level of devolved government. However, the county governments will only become operational after the 2012 elections.

In East Africa region, few studies regarding devolution have been reviewed, Muriisa (2008) studied decentralization in Uganda on Prospects for Improved Service Delivery where he established that in Uganda, political decentralization developed along with financial decentralization. He further noted that the goal of political decentralization was to promote people's participation in the democratic process which took the form of Administrative Units which included Resistance Councils (RC) running from the village to district levels. Mugoya (2010) looked at devolution and conflict resolution by assessing the potential role and capacity of county governments in enhancing local peace in Kenya. Mugoya (2008) evaluated the potential role and capacity of the proposed county governments to enhance local peace in Kenya. He sought to assess the potential and capacity of county governments to address local conflict in Kenya. He argues that county governments can only effectively resolve local conflict in Kenya if they address its root causes. Resolution of the root causes in turn depends on if county governments will incorporate principles of accommodation of diversity, democracy, human rights and rule of law, equitable development and good governance. He concludes that devolution will only be meaningful in terms of addressing the Kenyan conflict if these principles are injected into and nurtured within county governments.

To the best of the researcher's knowledge, there exists no literature on the expected impact of devolution on economic development. Therefore this study aims at filling this research gap by shading light on the expected impact of devolution of resources (Fiscal Devolution) on the political and economic development of the created two tier structure of governance a case study of Turkana County in the Kenyan context.

#### 1.3 Research Objective

#### 1.3.1 Main objective

The objective of this study was to establish the expected impact of devolution of resources on the economic development of the Turkana County.

#### 1.3.2 Specific Objectives

The study was guided by the following specific research objectives

- i. To establish the potential role and capacity of the proposed county governments to enhance economic development in the county.
- ii. To ascertain financial management capabilities by the administrators of the devolved funds

#### 1.4 Value of the Study

To the policy makers, the findings of this study will be important in the formulation of policies governing the distribution and sharing of resources between the Central government and County government. The policy makers will also use it to assess the capacity of county governments in managing revenues allocated and generated from the counties to stir economic growth and development.

To the practitioners, the findings will be important in understanding the role of devolution in wealth distribution, the expectations of residents concerned and how the resources would be allocated based on the needs and desires of the residents and ensure equitable distribution of resources.

To theory, the findings will be useful since it will contribute to knowledge on the role of devolution and its final effects to the general expectation of the public. It will also form a basis for discussions on resource distribution and the benefits and draw backs that will come with the change of the governance system in Kenya.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter discusses the literature of other scholars related to the topic of devolution of resources. The chapter discusses the concept of devolution and theories related to perception and expectations. This will provide the conceptual framework that will guide the study.

#### 2.2 Theoretical Literature Review

The theoretical literature review starts by discussing the various theories that tend to shape the thinking of the societies towards particular needs, events in the near future. The theories involved or embodied in this particular subject are the theory of perception and expectation theory.

#### 2.2.1 Perception

Assail (2004) defines perception as the process by which consumers select, organize and interpret stimuli to make sense of them. Stimuli are more likely to be perceived when they conform to consumers past experiences, conform to consumers current beliefs about a brand, are not too complex, are believable, relate to a set of current needs and do not produce excessive fears and anxiety.

Perception is therefore a process made up of several inter related activities which results in the individual giving meaning to the environment from experience and varies from one person to another since different individuals see the same thing in different ways (Harold, 1978). The

quality customers perceive will typically differ, depending on what strategy a firm uses. According to a model of total perceived quality developed within the Nordic School of Services (Gronroos, 1982, Lehtinen, 1986, Gumeson, 1993) the customer perceived quality is basically a function of the customer perceptions of two dimensions; the impact of the customer or the technical solution (what the customer receives), and an additional impact based on the customers perception of the various interactions with the firm (how the so called "moments of truth" [Normann, 1984] are perceived). The former quality dimension is sometimes called technical quality of the outcome or solution, whereas the latter dimension is called the functionality of the interaction process (Gronroos, 1982). Top- down and bottom-up theories of perception. Psychologists often distinguish between top down and bottom up approaches to information processing. In top down approaches, knowledge or expectations are used to guide processing.

Attribution theory of perception refers to where individuals observe behavior; they attempt to determine whether it is internally or externally caused. Individuals make observations of events interpret and attribute it to a given cause. Individual behavior may be distinctive, have consensus and consistent that is asking questions such as does this person behaves in this manner in other situations or does other person behave in the same manner or does this person behave in this same manner at other times. The final conclusions of a person perception on an issue may be influenced by internal and external factors or attributions surrounding him or her.

The community or the residents of a county will always have their perception and expectations towards the new era of devolution brought about by the new constitution. People may have short cuts or may come to quick conclusions on how they look at things. These ways are as follows;

Selective Perception: People selectively interpret what they see on the basis of their interests, background, experience and attitudes.

Halo Effect: Drawing a general impressions about an individual on the basis of a single characteristics.

Contrast Effect: Evaluation of a person's characteristics that are affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.

Projection: Attributing one's own characteristics to other people.

Stereotyping: Judging someone on the basis of one's perception of the group to which that person belongs.

#### 2.2.2 Expectation

The expectation theory is build on the premise that the public is in need of getting results of a particular endeavor which are yet to be realized. The expectation is as a result of various unfulfilled promises (gaps as a result of actual results and expectations). Signifying the difference between what the public expects from an audit and what the auditing profession prefers what the audit objective to be, has been a recurring issue in the auditing literature (Chandler & Edwards, 1996).

The role theory: When faced with any situation, people have to enact a role in order to manage the situation. Chell (1985) called this "the situation-act model". This model according to him indicates that, the person must act within situations, those situations are rule governed and how a person behaves is often prescribed by those socially acquired roles. The person thus adopts a situation role in order to perform effectively within the situation. At work, the term role

according to Michael (2001) describes the part to be played by individuals in fulfilling their requirements. Role therefore indicates the specific forms of behavior required to carry out a particular task or group of tasks contained in a position or job. Work role primarily define the requirements in terms of the way tasks are carried out rather than the tasks themselves. Therefore, a distinction exists between the job description and role profile, which is more concern with the behavioral aspects of the work and the outcomes the individual in the role is expected to achieve Michael (2001).

The concept of a role emphasizes the fact that people at work are, in a sense, always acting a part; they are not simply reciting the lines but interpreting them in terms of their own perception of how they should behave in relation to the context in which they work, especially with regard to their interactions with other people that may be affected by their performance. The role individuals occupy at work and elsewhere therefore exist in relation to other people their role set. These people (made up of the directors, management and the society) have expectations about the individual's role and if they live up to these expectations they will have successfully performed the role (Michael, 2001).

Performance of a role is a product of the situation individuals are in (the organizational context and the direction or influence exercised from above or elsewhere in the organization) and their own skills, competence attitude and personally. Situational factors are important, but the role individuals perform can both shape and reflect their personalities and values. Roles incompatibility is the main issue between the internal auditor and the public's expectations. When the expectation of the public clash or differs from the assumed functions of the role model,

then there will be crisis and confusion which in turn will lead to poor performance. The internal auditor does not believe the prevention of financial misappropriation is his duty, while the management and owners of productive resources expectations is for the auditor to prevent, detect and report fraud. This expectation gap if not closed by satisfying the reasonable expectations of the public, the auditor as the role model will perform poorly. Taking footing from the role theory, the role model is the internal auditor, while the role set is the environment that provides the auditors job, the providers and owners of the economic resources. The role set have expectations about the role model and if the role model perform up to the expectations of the set, perform will be rated good otherwise there will be role incompatibility and poor performance.

The Expectancy Theory of Motivation explains the behavioral process of why individuals choose one behavioral option over another. It also explains how they make decisions to achieve the end they value. Vroom introduces three variables within the expectancy theory which are valence (V), expectancy (E) and instrumentality (I). The three elements are important behind choosing one element over another because they are clearly defined. Victor Vroom's expectancy theory is one such management theory focused on motivation. According to Holdford and Lovelace-Elmore (2001, p. 8), Vroom asserts, "Intensity of work effort depends on the perception that an individual's effort will result in a desired outcome". Vroom suggests that "for a person to be motivated, effort, performance and motivation must be linked" (Droar, 2006, p. 2). Three factors direct the intensity of effort put forth by an individual, according to Vroom; expectancy, instrumentality, and preferences (Holdford and Lovelace-Elmore, 2001).

In order to enhance the performance-outcome tie, managers should use systems that tie rewards very closely to performance. Managers also need to ensure that the rewards provided are

deserved and wanted by the recipients. In order to improve the effort-performance tie, managers should engage in training to improve their capabilities and improve their belief that added effort will in fact lead to better performance.

#### 2.2.3 Public Finance Expenditure

Marginal Utility Theory

This is one of the important theories developed in the 1920s which suggested an economic approach to determine the composition of expenditure and budgeting. According to this theory, the government spends its limited income on alternative services in such a way that the marginal benefit is the same on all items. Just as an individual, in order to satisfy his/her wants, spends in a manner to achieve a certain balance among different types of expenditure which would ensure, some marginal return of satisfaction from all of these. According to Pigou, "Expenditure should be so distributed between battleships and poor relief in such wise that the last shilling devoted to each of them yields the same real return." The same principle has been restated by Dalton thus "Public expenditure should be carried just so far that the marginal social advantages of expenditure in all directions are equal and just balance the marginal social disadvantages of all methods of raising additional public income" (Mukherjee, 2007).

Though the principle of maximum social advantage is quite attractive in theory, there are practical problems in making it operational. Firstly, it is not easy to quantitatively measure the benefits flowing from diverse. Items of public expenditure for instance, expenditure incurred on defense and social security. Secondly, this theory cannot be subjected to a test. Evaluation of activities of the government is difficult due to the vast array of services and goals of the

government and absence of an acceptable measure. Thirdly, it is not only the level of present satisfactions of the 'Community' that a government will be concerned with. The future interests of the community are also important. Fourthly, what the community can afford also depends on how the money is raised and how it is spent. Expenditure on unnecessary wars or departments of the government may result in social disadvantages. Expenditure on sustaining loss-making public enterprises with social service content may, on the other hand, be easily justified. This principle is thus, at best, applicable to the use or distribution of a fixed sum rather than as a standard for determining the total size of public expenditure.

#### Public Goods Theory

Public goods are those for which no private mechanism exists for providing them and which are consumed in equal amounts by all. People who have not paid for them cannot be excluded from their enjoyment, e.g. public parks or security. Public goods usually correspond to all goods and services provided by government and include a wide variety of goods and services. The demand for such public goods becomes an important element in the determination of public expenditure. (Samuelson, 1954).

#### Public Choice or theory

The recognition of the importance of the political processes in revealing public preferences has, in due course, contributed to the growth of "public choice" theories. Anthony Downs offered useful analysis of these political processes. Downs' theory, which was based primarily on the US systems, provided a general framework for explanation of public expenditure. In democratic societies, it is held; governments determine revenues and expenditure to maximize their chances

for winning the election. The budgeted expenditure is determined not with reference to overall spending and taxation but through a series of separate policy decisions based on estimates of gains and losses of votes. According to Downs, government will provide what voters want and not necessarily what is beneficial. Thus the central reality for governments is the citizen's vote and not his welfare. In order to fulfill voters' demands, promises made at election time, their aspirations for projects or services, the expenditure has to expand making for larger government, larger bureaucracies, bigger budgets and more problems in trying to find resources for financing the budgeted expenditure.

#### 2.3 Empirical Literature Review

Devolution is generally defined as a process of transfer of political power, administrative and fiscal management powers between central governments and lower levels of government, primarily operating at city and region levels (Potter, 2001). Resources can be defined as the total means available for economic and political development, such as mineral wealth, and labor force. Devolution will bring all resources closer to the people and customize the services delivered to them to address their specific problems directly. These resources will involve financial resources, human resources and administrative resources. For instance, in human resource devolution, the main objective is to improve the overall efficiency of the management of human resource capital and enhance service delivery by minimizing bureaucracy.

Devolution will quicken and enhance the process of filling vacancies, managing grievances and providing career development needs through trainings to build the capacity of the local employees. The basic needs of each public servant will be fulfilled in a timely manner. Manager's best understand the need of their particular department/ministry/county and

devolution creates the environment for them to develop ways to fulfill those needs. By minimizing delays, managers are provided greater influence to directly manage their human resource capital, by having the authority to appoint the best candidate in the right position; managing and developing the careers of public servants through training programs. Through Devolution, the application process for potential public servants will be streamlined. The recruitment, selection and hiring will be done directly at the Departments/Ministries/counties. The potential public servant will receive notice if he/she received the appointment in a timelier manner. Devolution can be described as "the evolution of human resources management." Its implementation means that public sector reform continues. The Government is moving in a more modern and efficient way of conducting business and providing resources to the public as a whole

#### 2.3.1 Global Studies on Devolution

The global trend towards devolution and decentralization is based on sub-national legitimacy and implies greater transfers of authority and resources from the centre to the states. In most cases, and as in previous decentralization waves, regional legitimacy has historic, linguistic, religious, and/or cultural roots. Regions and states with their own ethnic, historical, cultural, or linguistic identity have paved the way for decentralization. That has been the case of Catalonia and the Basque Country in Spain, Scotland in the UK, Brittany or Corsica in France, or even Chiapas in Mexico or Tibet and Xinjiang in China, which have brandished the ethnic, cultural, or historical argument as the source of their demands for greater autonomy. Economic arguments are also increasingly becoming a source of sub-national legitimacy (Keating, 1998).

Uneven regional economic development, alongside the achievement of greater economic efficiency through decentralization, are coming to the fore and gradually starting to occupy the bulk of the regionalist discourse in favor of decentralization. The Northern Italian Leagues were the first to heavily base their devolutionary claims on economic demands, after their relative failure to gain visibility by using traditional ethnic or linguistic arguments. Nationalist and regionalist parties in Spain have increasingly resorted to similar arguments, as indeed have the Zapatistas in Chiapas. Additional factors also contribute to boost the legitimacy of decentralizing claims. In some circumstances, decentralization goes hand in hand with democracy and therefore will promote equal distribution of resources among the people of Kenya.

The economic and political justifications and the impact of devolving the provision of social services have been widely debated in the literature (De Vita, 1998; Kettle, 2000). Scholars and politicians justify this method of delivery of social services by arguing that it increases competition and efficiency and that it allows the government to respond more rapidly to social needs. Devolving responsibilities to local organizations alleviates, it is argued, the political and administrative constraints government agencies face when initiating new programs in terms of hiring new staff and locating facilities for new programs. Furthermore, it improves the reputation of the government by allowing more institutional pluralism, thus addressing issues of distrust and dislike of extensive government involvement. Devolution has often failed to provide the expected results because of, among other things, the absence of meaningful competition among providers and effective measures of performance.

#### 2.3.2 Local Studies on Devolution

Professor Yash Pal Ghai, (2007) in his review noted that there is no standard formula for devolution—it has to reflect a country's circumstances, experience and aspirations and outlined reasons for demand of devolution in Kenya. It is in part a response to the highly centralized nature of the state. The combination of an executive president with enormous powers and a unitary system has led to the lack of accountability, patronage politics, arbitrariness and the ethnitization of the state. The powers of the president have been exercised ever since independence for the benefit of the cronies of the president and for favors to certain members of his ethnic community. The exclusion of many regions and communities from access to state resources under successive presidential regimes makes the presidency a prize objective of politics.

Ghai, (2007) further argued that devolution, which is a way to disperse state powers throughout the country, is a way to break out of this vicious circle. Not all political competition will be focused on one office, which is inherently unhealthy. There will still be sites of power for parties or communities which are excluded from the presidency. This will not only empower communities and regions and give them important powers of self-government. It will also balance the enormous powers which the current constitution vests in the president and which are often exercised under the advice of his cronies, drawn from the president's community Nor is the present system suitable for the development of practice and habits of democracy. Elections to the presidency in Kenya are not particularly edifying; they are accompanied by abuses and violence, they do not educate people in values of democracy, they do not offer Kenyans choices between policies; they are based on distortions of facts as well as of the manifestoes of opponents. The

only trace of democracy is the vote, every five years, in these faulty elections. In between elections, people who have little opportunity to participate in public affairs nor can they expect much accountability from the government. Professor Pal Yash Ghai explains that "the CKRC heard numerous complaints from Kenyans as we travelled through the country that their MPs never visit them once they are elected". Most MPs do not discharge their duties in parliament either. It is not only in the far flung parts of the country that people have no possibility of demanding accountability from either the government or their MPs.

This may not all change with the introduction of devolution, but devolution will certainly open up opportunities for public participation in state affairs. There will be more debates about the purposes for which power should be exercised at the local level. People in rural and urban areas will be able to decide for themselves (or influence decisions) on numerous matters of local concern and to participate in greater number of debates and elections. Governments and officials at closer proximity to them will probably become more responsive and be compelled to be more accountable. Only in this way can we inculcate the practices and habits of democracy and participation (Ghai, 2008)

According to Mutakha (2011), Article 10 of the constitution, sets out the values and principles of governance, and devolution of power is identified as one such value and principle that should guide our governance system. This means that the Kenyan people have settled for a multi-dimensional approach to the organization and management of governance and state power by choosing a devolved system of government. Mutakha (2011) refers to Article 6(2) of the constitution which describes the governments at the two tier levels as being distinct and interdependent and which should conduct their mutual relations on the basis of consultation and

cooperation. He describes the Kenyan case as a devolution not based on the principle of absolute autonomy but instead, on that of inter-dependence and cooperation. Mutakha (2011) further explains the form of the devolved Kenya government as a system that combines a certain measure of autonomy and inter-dependence. The end result of this combination is what may be called a cooperative system of devolved government. Cooperative devolved government will require that Kenyans move away from our usual adversarial approach to issues and embrace a system of consultation, negotiation and consensus building in the running of the affairs of government through the counties.

About the concept and theory of devolution Mutakha (2011) noted that a devolved system of government follows the multi-dimensional approach to the organization and management of governance and state power. Devolution seeks to organize governance and manage state power both vertically and horizontally. He also argues that devolution seeks to define, distribute and constrain the use of state both vertically and horizontally. It is a system that combines self governance and shared governance, self governance at the local level and shared governance at the national level. Under this system, one creates two or more levels of government that are coordinate and not subordinate to each other. None of the levels of government is a mere agent of the other. Each is created and protected by the constitution. The functions each performs are set out and defined by the constitution. The resources each uses to discharge these functions are also provided for in accordance with constitutional provisions (Mutakha, 2011).

#### 2.4 Contextual Literature Review

| IMPUTS                              | FACTOR     | OUTPUT                         |
|-------------------------------------|------------|--------------------------------|
|                                     | Devolution |                                |
| National Laws- the constitution of  | Resources, | > Infrasctural development     |
| Kenya, the Central Government       | Services   | > Community empowerment        |
| Policies, the National Assembly and |            | ➤ Improved living standards    |
| the Senate Assembly Laws            |            | ➤ In build county policies and |
|                                     |            | county laws                    |

The major conceptual thread running through the study is that decentralization is a process that provides a structural arrangement for democratic and peaceful development to be planned and implemented at local community level with the participation of the local people. It is an arrangement which can facilitate such activities only when it is appropriately designed and implemented and under the appropriate conditions, such as, political leadership will, bureaucratic commitment, and popular craving for empowerment. Decentralization succeeds best in situations where there is a strong central government (strong in terms of legitimacy and capacity) as well as an empowered population at local community level. Otherwise it contains no intrinsic value for being a natural promoter of peaceful development and democracy. The whole issue is also contingent on the environment and situation in question. Sometimes decentralization will mitigate conflict by allowing sufficient shared exercise of power among competing groups. At other times, centralization may mitigate violence by strengthening central government and enabling it to sustain a stable strong State.

#### 2.5 Summary of Literature Review

Expected advantages of Devolution of resources

First, a smaller democratic and financial base should result in a managerial reform that would lead to a heightened degree of accountability, bolstered by the reduced administrative distance between the electorate and the politicians. Second, the lack of diluting influences brought about by responsibilities for alternative, diverse regions, tends to allow county governments the flexibility to respond to the preferences of their 'customers' or electorates.

Thirdly, the county nature of governance implies a greater chance of county politicians with the specialist knowledge necessary to detect and react to the wishes of the electorate and defend their interests at higher levels, as well as the capacity to implement policy innovations that would have been more difficult to pursue at the central or federal level (Bennett, 1990; Donahue, 1997). The basic conceptual argument of devolutionists therefore acknowledges these three factors as acting to both ensure and allow local governments to be more representative of and responsive to the interests of a given locality or region. Thus, public policy in general is brought closer into line with the diverse preference sets of a nation and welfare efficiency increases. Moreover, for those whose interests are not represented in their original location, there is in theory an increasing opportunity to choose and move between both regional and local governmental systems as devolution progresses and the diversity of public systems available to a nation as a whole increases.

## **CHAPTER THREE**

## RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter sets out various stages and phases that were used in the study. It gives full and detailed explanation of how the study will be implemented. In this stage, most decisions about how research was executed and how respondents were approached, as well as when, where and how the research was conducted. The following are the specific subsections which includes; research design, target population, sample design, data collection methods and procedures and finally data analysis.

#### 3.2 Research Design

This study adopted a case study since the unit of analysis was based on one county, that is, Turkana County. It will be aimed at collecting information from respondents (Turkana county residents) on their expectations, perceptions and opinions in relation to how the fiscal devolved system of governance will have impact on the economic development and the level of resource distribution in the county. How close will the resources have come to them compared to the previous system of governance (a centralized government). A case study was a useful method of collecting information from one or few unit of analysis by either interviewing or administering a questionnaire to a sample of key individuals (Orodho, 2003). It can be used when collecting information about peoples' attitudes, opinions, habits or any of the variety of education or social issues (Orodho & Kombo, 2002).

#### 3.3 Target Population

According to Mugenda & Mugenda (2011), a population was defined as a set of people, services, elements and events, group of things or households that were being investigated. The population of this study focused on a sample of residents of Turkana County. The population of Turkana County was estimated at about one million (Census, 2009). The sample population for this study was 72 respondents, 12 per six districts in the county. The sample was chosen through a systematic random sampling technique of leading business leaders, government employees and opinion leaders. The target population is believed to have followed and partly participated in making suggestions or giving inputs to the contents of the Kenya,2010 Constituition. Like in other counties, devolution of resources will inspire urban-rural migration as more people will be seeking employment in the counties.

#### 3.4 Data Collection Method

The main instruments of data collection were a semi-structured questionnaire (Appendix II), accompanied by a self-introductory letter (Appendix I). This was because a questionnaire enabled easy and effective collection of information from a large literate sample in a short span of time and at a reduced cost than other methods. The questionnaire had both closed and opened ended questions. This was because closed ended questions ensured that the respondents were restricted to certain categories in their responses.

The potential respondents were heads of departments, opinion leaders and business community because they had broad base of knowledge of the area and influential in their own capacities.

These sub-groups were considered representative of Turkana County residents on their views,

opinions and expectations on the impact of devolution of resources. The respondents were expected to come from the six district head quarters of Turkana County.

The questionnaire was administered through a 'drop and pick' later method. The questionnaires were delivered personally and/or with the help of four assistants who were trained on how to use it. Follow-ups were conducted through visits and telephone calls to increase the response rate. The questionnaires were designed on a 5-point Likert scale because of its easiness to develop, use and filling. The Likert scale is a useful tool of gauging expectations and perceptions of the respondents (Cooper & Schindler, 2011).

#### 3.5 Data Analysis

The data obtained were analyzed using percentages, content analysis and application of certain statistical analysis such as mean scores and standard deviation. The data collected were first coded, edited and cleaned to enhance its completeness and accuracy. According to Marshall & Rossman (1999), data analysis was a process of bringing order, structure and interpretation of mass collected data which was systematically organized in a manner that facilitated analysis. The results of this research were displayed in form of bar charts, pie charts and frequency tables. Presentation of data in form of tables and charts was useful in explaining answers to the stated research questions under study (Saunders, Lewis, & Thornhill, 2007).

#### **CHAPTER FOUR**

## DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter constitutes the data analysis, results and discussion of the findings. The results were then presented inform of charts and tables. The data was first checked for completeness, accuracy and coded appropriately for analysis using computer Excel package. The missing system in the table indicated the number of respondents that did not respond to the question under review.

#### 4.1.1: Response Rate

Figure 4.1 gives the response rate of the target population based on the collected data from the field.

uncollected data 21% collected data 79%

Figure 4.1: Response Rate

Source: Author (2012)

The results in figure 4.1 indicate that the researcher was able to collect data from 79% of the respondents out of 72 sample population. 79% is over 75% recommended by Mugenda (2003) hence the findings gave a good representation of the entire population.

The response rate highly indicates or is an indicator of awareness of the issues raised by the researcher by the respondents. The respondents are always ready to respond to what is in their minds.

## 4.2: Data Analysis, Results and Discussion

#### 4.2.1: Age

Table 4.1 gives the age of the respondents who participated in the study. It gives the age in terms of age group of the respondents as per the collected data in the questionnaire.

Table 4.1: Age Distribution of Respondents

|       |          | Frequency | Percent |
|-------|----------|-----------|---------|
| Valid | under 20 | 1         | 1.8     |
|       | 20-29    | 26        | 45.6    |
|       | 30-39    | 21        | 36.8    |
|       | 40-49    | 6         | 10.5    |
|       | above 50 | 3         | 5.3     |
|       | Total    | 57        | 100.0   |

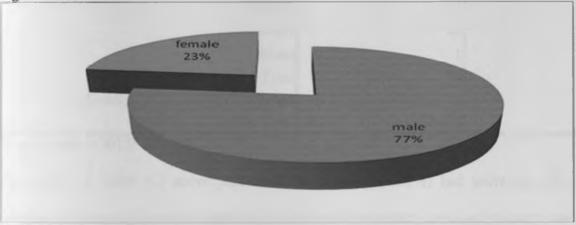
Source: Author (2012)

The study results shown in Table 4.1 indicated that majority (45.6%) of the respondents fell under the age group 20-29 then followed (36.8%) by 30-39 then 40-49 (10.5%) while those of fewer than 20 were the least (1.8%). The age rate of respondents indicates the percentage of the respondents who have participated in filling the questionnaires raised by the researcher. The Age rate also will show the most active class of the respondents to the researcher's questionnaires.

#### 4.2.2: Gender

Figure 4.2 indicated the gender of the respondents based on the results of the study findings. It gives the gender structure of the respondents who participated in the study.

Figure 4.2: Gender



Source: Author (2012)

The results of the study in figure 4.2 indicated that there were more male (77%) respondents than female respondents (23%). This implies that the Male Gender dominates decision making as compared to the Female gender. It may also signal the fact that the girl child in the community of Turkana County is left behind in terms of education which is a perquisite tool in matters of development and decision making in the county of Turkana.

#### 4.2.3 Level of Education

Table 4.2: Level of Education

|         |            | Frequency | Percent |
|---------|------------|-----------|---------|
| Valid   | Primary    | 3         | 5.3     |
|         | Secondary  | 3         | 5.3     |
|         | Tertiary   | 24        | 42.1    |
|         | University | 25        | 43.9    |
|         | None       | 1         | 1.8     |
|         | Total      | 56        | 98.2    |
| Missing | System     | 1         | 1.8     |
|         | Total      | 57        | 100.0   |

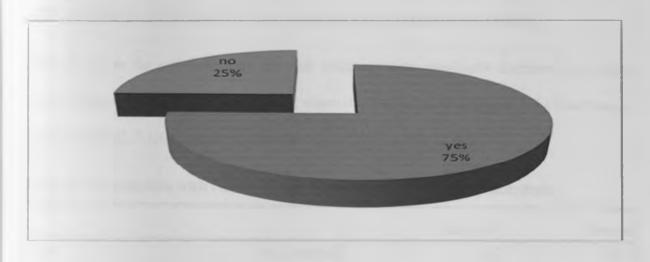
Source: Author (2012)

The results in Table 4.2 above indicated that majority (43.9%) had university education, followed by those with tertiary education (42.1%) while secondary level and primary level were equal in representation (5.3%) while the least response (1.8%) were those that had none of the given choices of level of education. The analysis on education will indicate the possibility that the respondents will be making well informed decision as to the questions raised by the researcher.

#### 4.2.4: Employment Rate

Figure 4.3 below indicated the employment rate of the respondents whether they were employed or not. The results in figure 4.3 indicated that the majority of the respondents (75%) were employed and 25% were unemployed. Employment in a given economy, country or county is an instrument that stirs development, thus the higher the employment rate the higher the chance that the residents will be making informed decisions on the issues facing the community.

Figure 4.3: Employment Rate



## 4.2.5: Employer

Table 4.3 below indicated the employer of the respondents which ranged from self through government to others. The results indicated that a majority (73.7%) of the respondents were employed by the government followed by self employment (12.3%) and NGO's (5.3%).

Table 4.3: Employer

|         |            | Frequency | Percent |
|---------|------------|-----------|---------|
| Valid   | Self       | 7         | 12.3    |
|         | Government | 42        | 73.7    |
|         | NGO's      | 3         | 5.3     |
|         | Others     | 4         | 7.0     |
|         | Total      | 56        | 98.2    |
| Missing | System     | 1         | 1.8     |
|         | Total      | 57        | 100.0   |

Source: Author (2012)

## 4.3: Satisfaction with the proposed county government to enhance economic development

#### 4.3.1: Satisfaction with respect to how resources were previously distributed

Table 4.4 gives the satisfaction by the way resources were previously distributed to various constituencies/districts by the Government where it is measured in a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied)

Table 4.4: Satisfaction with respect to how resources were previously distributed

|       |                    | Frequency | Percent |
|-------|--------------------|-----------|---------|
| Valid | not satisfied      | 16        | 28.1    |
|       | slightly satisfied | 15        | 26.3    |
|       | Satisfied          | 17        | 29.8    |
|       | very satisfied     | 9         | 15.8    |
|       | Total              | 57        | 100.0   |

Source: Author (2012)

The results above indicated that majority of the respondents (29.8%) were satisfied by the way resources were previously distributed to various constituencies/districts by the Government then followed by the not satisfied group (28.1%) while very satisfied (15.8%) were the least in response.

From the analysis of table 4.4, it can be concluded that the respondents belief in the new devolution system which is an enrichment of the old.

#### 4.3.2: Satisfaction in reference to previous devolution systems

The results in table 4.5 indicate the satisfaction rate to the previously devolution systems (CDF, AIDS FUNDS, YOUTH FUNDS, ROADS FUNS) etc based on a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied)

Table 4.5: Satisfaction in reference to previous devolution systems

|       |                    | Frequency | Percent |
|-------|--------------------|-----------|---------|
| Valid | not satisfied      | 17        | 29.8    |
|       | slightly satisfied | 17        | 29.8    |
|       | Satisfied          | 16        | 28.1    |
|       | very satisfied     | 7         | 12.3    |
|       | Total              | 57        | 100.0   |

The results in Table 4.5 above indicated that both the not-satisfied group and the slightly satisfied group had equal (29.8%) response rate which was the highest then followed by the satisfied group (28.1%) while very satisfied were the least in response (12.3%).

## 43.3: Satisfaction with management structure in meeting the economic development needs.

The results in Table 4.6 below indicated the level of satisfaction with the existing devolved system of resources management structure in meeting the economic development needs of the community based on a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied).

Table 4.6: Satisfaction level with devolved system of resources management structure

|       |                     | Frequency | Percent |
|-------|---------------------|-----------|---------|
| Valid | not satisfied       | 5         | 8.8     |
|       | slightly satisfied  | 18        | , 31.6  |
|       | Satisfied           | 18        | 31.6    |
|       | very satisfied      | 14        | 24.6    |
|       | extremely satisfied | 2         | 3.5     |
|       | Total               | 57        | 100.0   |

Source: Author (2012)

The above results indicated that the slightly satisfied group and the satisfied had equal response rate and were the majority group with each having a frequency of 31.6%, followed by the very satisfied group (24.6%) and the extremely satisfied (3.4%) response rate.

#### 4.3.4: Satisfaction level with the 15% allocation of devolved funds.

The results in table 4.7 indicated the extent to which the respondents are satisfied with the 15% proposed allocation of devolved funds as entrenched in the new constitution based on a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied).

Table 4.7: Satisfaction level with the 15% allocation of devolved funds

|       |                     | Frequency | Percent |
|-------|---------------------|-----------|---------|
| Valid | not satisfied       | 11        | 19.3    |
|       | slightly satisfied  | 18        | 31.6    |
|       | Satisfied           | 12        | 21.1    |
|       | very satisfied      | 14        | 24.6    |
|       | extremely satisfied | 2         | 3.5     |
|       | Total               | 57        | 100.0   |

Source: Author (2012)

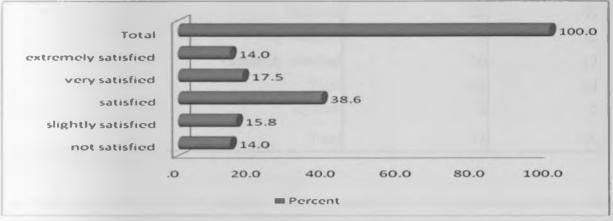
The results in Table 4.7 above indicated that the majority of the respondents were slightly satisfied (31.6%) by the proposed 15% allocation of devolved funds, followed by the very satisfied group (24.6%) and then finally the extremely satisfied (3.5%) of the respondents.

## 4.3.5: Satisfaction level of management between the two tier structures of governance.

Figure 4.4 indicated the level of satisfaction with the proposed governance structure of the devolved resources management between the national governance and the county government

based on a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied).

Figure 4.4: Satisfaction level of management between the two tier structures of governance.



Source: Author (2012)

The results in Figure 4.4 above indicated that the majority (38.6%) of the respondents were satisfied with the proposed governance structure of devolved resources management between the national government and the county government then followed by very satisfied (17.5%) while the least was not satisfied and extremely satisfied with equal measure of response (14%).

## 4.3.6: Satisfaction on the expected economic impact of devolving resources.

The result in Table 4.8 indicated the level of satisfaction on the expected economic impact of devolving resources to Turkana County based on a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied).

Table 4.8: Satisfaction with the expected economic impact of devolving resources

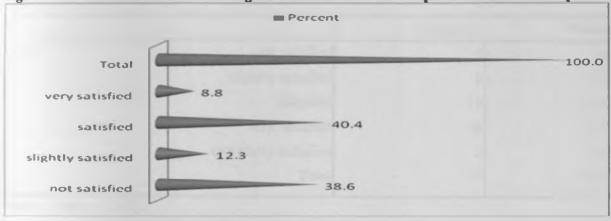
|         |                     | Frequency | Percent |
|---------|---------------------|-----------|---------|
| Valid   | not satisfied       | 3         | 5.3     |
|         | slightly satisfied  | 6         | 10.5    |
|         | Satisfied           | 28        | 49.1    |
|         | very satisfied      | 7         | 12.3    |
|         | extremely satisfied | 10        | 17.5    |
|         | Total               | 54        | 94.7    |
| Missing | System              | 3         | 5.3     |
|         | Total               | 57        | 100.0   |

The results in Table 4.8 above indicated that the majority (49.1%) of the respondents were satisfied with the expected economic impact of devolving resources to Turkana County, followed by the extremely satisfied group (17.5%) while not-satisfied were the least with 5.3%.

## 4.3.7: Satisfaction with the existing infrastructure level to spur the economic development.

The results in figure 4.5 below indicated the level of satisfaction with the existing infrastructure level meant to spur the economic development of Turkana County based on a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied).

Figure 4.5: Satisfaction with existing infrastructure level to spur economic development.



The results in Figure 4.5 above indicated that the majority of the respondents (40.4%) were satisfied with the existing infrastructure level meant to spur the economic development of Turkana County while in contrary, the second group is the unsatisfied (38.6%) and the least response was very satisfied (8.8%).

## 4.3.8: Satisfaction to the effects of laws generated by the county assembly.

The results in Table 4.9 indicated the level of satisfaction with the effect of laws generated by the county assembly to enhance economic development of the county based on a scale of 1-5 (1-not sure, 2-slightly satisfied, 3-satisfied, 4-very satisfied and 5-extremely satisfied).

Table 4.9 Satisfaction to the effects of laws generated by the county assembly

|       |                     | Frequency | Percent |
|-------|---------------------|-----------|---------|
| Valid | not satisfied       | 9         | 15.8    |
|       | slightly satisfied  | 8         | 14.0    |
|       | Satisfied           | 19        | 33.3    |
|       | very satisfied      | 16        | 28.1    |
|       | extremely satisfied | 5         | 8.8     |
|       | Total               | 57        | 100.0   |

The results in table 4.9 indicate that majority (33.3%) of the respondents were satisfied with the effect of laws generated by the county assembly to enhance economic development of the county then followed by the very satisfied group (28.1%) while extremely satisfied were the least in response (8.8%). The respondent's belief the county will elect the right persons to generate laws that will stimulate all aspects of development in the county.

## 4.4: Rating the expected level of performance of the proposed county government.

This section describes the ratings of the expected level of performance of the proposed county government based on a scale of 1-5 (1-poor, 2-fair, 3-good, 4-very good and 5-excellent)

## 4.4.1: Rating of the capacity or ability to manage the devolved funds.

Table 4.10 indicated the capacity of proposed Turkana County Government ability to manage the devolved funds based on a scale of 1-5 where 1-poor, 2-fair, 3-good, 4-very good and 5-excellent.

Table 4.10: Rating of the capacity or ability to manage the devolved funds

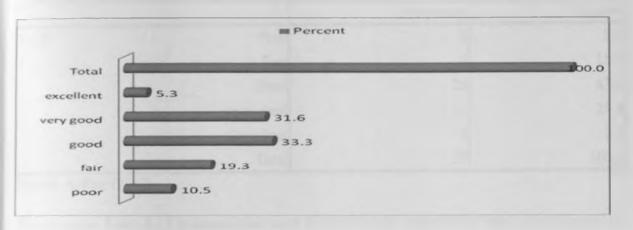
|       |           | Frequency | Percent |
|-------|-----------|-----------|---------|
| Valid | Poor      | 2         | 3.5     |
|       | Fair      | 18        | 31.6    |
|       | Good      | 16        | 28.1    |
|       | very good | 13        | 22.8    |
|       | Excellent | 8         | 14.0    |
|       | Total     | 57        | 100.0   |

The results in Table 4.10 above indicated that most of the respondents rate the capacity of proposed Turkana County Government ability to manage the devolved funds was fair (31.6%), followed by good (28.1) and then very good (22.8%) while poor (3.5%) was least. This is from the fact that there are already established and experienced management personnel that will undertake the new structure of devolution. The belief of the management capacity of the county is drawn from the point of knowledge that the national government gives guidelines and support to the created tie structure of governance.

## 4.4.2: The need to have appropriate mix of professionals to run the affairs of the county.

Figure 4.6 below indicated the respondents' rating of the proposed Turkana County Government will have appropriate mix of professionals to run the affairs of the county based on a scale of 1-5 where 1-poor, 2-fair, 3-good, 4-very good and 5-excellent.

Figure 4.6: Need to have appropriate mix of professionals to run the affairs of the county.



The results indicated in Figure 4.6 above showed that the majority (33.3%) of the respondents rated the proposed Turkana County Government to have appropriate mix of professionals to run the affairs of the county as good, followed by very good (31.6%) while excellent was the least (5.3%).

## 4.4.3: Rating the likelihood of financial management competence by counties.

The results in Table 4.11 below indicated the respondents' rating of the likelihood financial management competence of proposed Turkana County Government management based on a scale of 1-5 where 1-poor, 2-fair, 3-good, 4-very good and 5-excellent.

Table 4.11: Rating the likelihood of financial management competence by counties.

|       |           | Frequency | Percent |
|-------|-----------|-----------|---------|
| Valid | Poor      | 3         | 5.3     |
|       | Fair      | 9         | 15.8    |
|       | Good      | 25        | 43.9    |
|       | very good | 17        | 29.8    |
|       | Excellent | 3         | 5.3     |
|       | Total     | 57        | 100.0   |

The results in Table 4.11 indicated that most (43.9%) of the respondents rated the likelihood of financial management competence of proposed Turkana County Government management as good followed by very good (29.8%) while poor was (5.3%) the least response. The support to the likelihood of financial management competence by the respondents is based on their understanding of the financial management bill drafted by the National government to be applied by the two tier structure of devolution and the trust bestowed on the experienced by the county staff.

## 4.4.4: The expected level of participation of the residents in the decision making process.

Table 4.12 gave the ratings on the expected level of participation of the residents in the proposed Turkana County Government in the decision making based on a scale of 1-5 where 1-poor, 2-fair, 3-good, 4-very good and 5-excellent.

Table 4.12: The expected level of participation of the residents in decision making process

|         |           | Frequency | Percent |
|---------|-----------|-----------|---------|
| Valid   | Poor      | 2         | 3.5     |
|         | Fair      | 13        | 22.8    |
|         | Good      | 15        | 26.3    |
|         | very good | 18        | 31.6    |
|         | Excellent | 6         | 10.5    |
|         | Total     | 54        | 94.7    |
| Missing | System    | 3         | 5.3     |
|         | Total     | 57        | 100.0   |

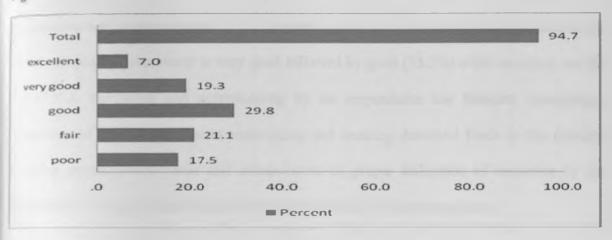
The results in Table 4.12 indicated that the majority of the respondents (31.6%) rate the expected level of participation of the residents in the proposed Turkana County Government in the decision making as very good then followed by good (26.3%) while poor (3.5%) was the least response.

The expected devolved resources and governance structure is crafted on the basis of the existing structures which is a community based decision making/management structure. Almost all the funds currently in operation are community managed i.e the members of the community/beneficiaries are required to elect their representatives in the implementation of various projects funds committees (constituency development committees, project management committees, KERRA committee, KURA Committee, Youth Fund Committees among others)

#### 4.4.5: Government commitment to fiscal devolution as entrenched in the constitution.

The results in Figure 4.7 below indicated the ratings of current government commitment to fiscal devolution as entrenched in the constitution based on a scale of 1-5 where 1-poor, 2-fair, 3-good, 4-very good and 5-excellent.

Figure 4.7: Government commitment to fiscal devolution as entrenched in the constitution.



The study results in Figure 4.7 above indicated that the majority (29.8%) of the respondents' rate current government commitment to fiscal devolution as entrenched in the constitution as good followed (21.1%) by fair while the least response was excellent (7%).

#### 4.4.6: The enactment and implementation of county financial management regulations.

Table 4.13 gives the respondents rating of the enactment and implementation of the gazetted county financial management regulations by the national county government based on a scale of 1-5 where 1-poor, 2-fair, 3-good, 4-very good and 5-excellent.

Table 4.13: The implementation of county financial management regulations

|       |           | Frequency | Percent |
|-------|-----------|-----------|---------|
| Valid | Fair      | 13        | 22.8    |
|       | Good      | 19        | 33.3    |
|       | very good | 22        | 38.6    |
|       | Excellent | 3         | 5.3     |
|       | Total     | 57        | 100.0   |

Source: Author (2012)

The study results in Table 4.13 above indicated that the majority (38.6%) of the respondents rate the enactment and implementation of the gazetted county financial management regulations by the national county government as very good followed by good (33.3%) while excellent was the least (5.3%). The belief and understanding by the respondents that financial management regulations and guidelines helps in undertaking and securing devolved funds to the intended benefiting projects/beneficiaries and enhancement of proper utilization of resources by the implementers or users of funds resulted to the above ratings by the respondents.

## 4.4.7: The senior county government employees should be residents/locals.

The study results in Table 4.14 indicated the respondents rating of the senior government employee managing/in charge of devolved funds to be residents/locals of the same county based on a scale of 1-5 where 1-poor, 2-fair, 3-good, 4-very good and 5-excellent.

Table 4.14: The senior county government employees should be residents/locals.

|       |           | Frequency | Percent |
|-------|-----------|-----------|---------|
| Valid | Poor      | 16        | 28.1    |
|       | Fair      | 5         | 8.8     |
|       | Good      | 5         | 8.8     |
|       | very good | 11        | 19.3    |
|       | Excellent | 20        | 35.1    |
|       | Total     | 57        | 100.0   |

Source: Author (2012)

The study results in Table 4.14 indicated that a majority (35.1%) of the respondents' rate senior government employees' managing/in charge of devolved funds should be residents/locals of the same county as excellent, followed by poor (28.1%) while fair and good had equal measure (8.8%). The residents belief that the locals understands all the problems and challenges faced by

the county hence they will be in a position of giving directions that will solve the problems experienced.

The respondents rating poor think otherwise and suggest that it's only a neutral manager who does not have any affiliation to the area will make informed and correct decision to address the various problems faced. The residents/locals have failed themselves in the past.

## 4.5: Level of agreement with the devolution system.

Section 4.5 indicated the level of agreement by the respondents on the devolution of Turkana County.

## 4.5.1: The devolved system on resource allocation will spur economic development.

Table 4.15 indicate the level of agreement with the statement that the proposed devolved system on resource allocation will spur economic development of Turkana County based on a scale of 1-5 where 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree and 5-strongly agree.

Table 4.15: The devolved system on resource allocation will spur economic development.

|       |                            | Frequency | Percent |
|-------|----------------------------|-----------|---------|
| Valid | Disagree                   | 3         | 5.3     |
|       | neither agree nor disagree | 9         | 15.8    |
|       | Agree                      | 23        | 40.4    |
|       | strongly agree             | 22        | 38.6    |
|       | Total                      | 57        | 100.0   |

Source: Author (2012)

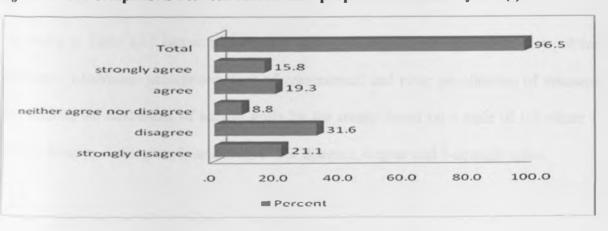
results in Table 4.15 indicated that 40.4% of the respondents agreed with the proposed development of Turkana County followed by the strongly agree (38.6%) while the least group disagreed (5.3%).

## 152: The comparison between current and proposed devolution system(s).

The results in Figure 4.8 below indicated the extent by which the respondents agreed with the statement that the current devolution system(s) are better than the proposed system(s) in improving the economic development the county based on a scale of 1-5 where 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree and 5-strongly agree.

The results indicated that majority (31.6%) of the respondents disagreed that the current devolution system(s) are better than the proposed system(s) in improving the economic development the county followed (21.1%) strongly disagree while the least response was (8.8%) for neither agree nor disagree.

Figure 4.8: The comparison between current and proposed devolution system(s).



Source: Author (2012)

#### Endowments of the county yet to be exploited.

results in Table 4.16 below indicated the level of agreement that Turkana County is with a lot of economic resources which are yet to be exploited based on a scale of 1-5 where 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree and 5-strongly agree.

Table 4.16: Endowments of the county yet to be exploited

|       |                            | Frequency | Percent |
|-------|----------------------------|-----------|---------|
| Valid | neither agree nor disagree | 12        | 21.1    |
|       | Agree                      | 20        | 35.1    |
| Į     | strongly agree             | 25        | 43.9    |
|       | Total                      | 57        | 100.0   |

Source: Author (2012)

The results in Table 4.16 above indicated that the majority (43.9%) of the respondents strongly agreed that Turkana County is endowed with a lot of economic resources which are yet to be exploited followed by agree (35.1%) while the least response was neither agree nor disagree.

#### 45.4: Factors that have derailed the attainment of various goals by county.

The results in Table 4.17 below indicated the extent of respondents' agreement that political differences, Leadership perceptions, lack of commitment and poor coordination of resources have detailed the attainment of various goals by the county based on a scale of 1-5 where 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree and 5-strongly agree.

Talk 4.17: Factors that have derailed the attainment of various goals by county

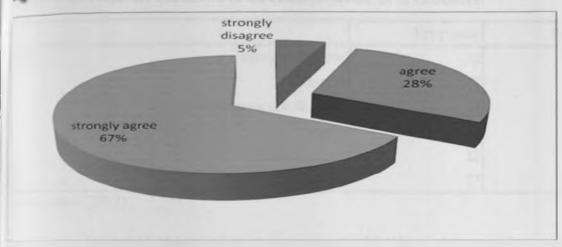
|       |                            | Frequency | Percent |
|-------|----------------------------|-----------|---------|
| Valid | strongly disagree          | 11        | 19.3    |
|       | neither agree nor disagree | 9         | 15.8    |
|       | Agree                      | 12        | - 21.1  |
|       | strongly agree             | 25        | 43.9    |
|       | Total                      | 57        | 100.0   |

Majority (43.9%) of the respondents strongly agreed that political differences, leadership perceptions, lack of commitment and poor coordination of resources have detailed the attainment of various goals by the county followed by agree (21.1%) while neither agree nor disagree was the least (15.8%) in response.

## 45.5: To enhance competitiveness, there's need for Financial Managers.

The results in Figure 4.9 indicated the level of agreement that to enable the county to compete with other counties of Kenya, the community requires a county management team that will be in a position of sourcing for funds and apply them to the most prioritized needs of the community based on a scale of 1-5 where 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree and 5-strongly agree.

Figure 4.9: To enhance competitiveness, there's need for Financial Managers



The results in Figure 4.9 above indicated that majority of the respondents strongly agree (67%) that To enable the county to compete with other counties of Kenya, the community required a financial management team that will be in a position of sourcing for funds and apply them to the most prioritized needs of the community followed by agree (28%) while strongly disagree was the least (5%) in response. It's the strength of the county Financial managers that will determine the prosperity of the county in terms of making informed decisions and giving proper guided advices on the direction that the county should take to acquire and utilize resources.

#### 45.6: All resources channelled to the counties should be in one basket.

Table 4.18 indicated the level of the respondents agreement that all resources channelled to the counties i.e. 15% minimum entrenched in the constitution and other national funds created by an act of parliament for example CDF should be put and controlled in one basket based on a scale of 1-5 where 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree and 5-strongly agree.

18: 4.18: All resources channeled to the counties should be in one basket

|                            | Frequency | Percent |
|----------------------------|-----------|---------|
| strongly disagree          | 2         | 3.5     |
| Disagree                   | 7         | 12.3    |
| neither agree nor disagree | 3         | 5.3     |
| Agree                      | 13        | 22.8    |
| strongly agree             | 32        | 56.1    |
| Total                      | 57        | 100.0   |

greed that all resources channelled to the counties i.e. 15% minimum entrenched in the anstitution and other national funds created by an act of parliament for example CDF should be not and controlled in one basket followed by 22.8% of those that agreed while the least (3.5%) as strongly disagreed. The respondent's belief that having several developments funds aministered separately will be recipe to conflict and competition of the national and the county are ments in an area where it is supposed to be administered by the county government abough with a common goal of boosting development.

4.19: Summary of the mean response of the variables

| Table description  | Mean | Std. Deviation |
|--|------|----------------|
| L satisfaction with the way resources were previously distributed  | 2.33 | 1.058          |
| to various constituencies/districts by the government  |      |                |
| 2 in reference to previous devolution systems  | 2.23 | 1.018          |
| 3 satisfaction with the existing devolved system of resources  | 2.82 | 1.020          |
| management structure in meeting the economic development needs of the community  |      |                |
| 4. satisfied with the 15% proposed allocation of devolved funds as entrenched in the new constitution  | 2.61 | 1.161          |
| <ol> <li>satisfaction with the proposed governance structure of devolved<br/>resources management between the national government and<br/>the county government</li> </ol> | 3.02 | 1.217          |
| 6. satisfaction on the expected economic impact of devolving resources to Turkana County   | 3.28 | 1.071          |
| 7. satisfaction with the existing infrastructure level meant to spur the economic development of Turkana County  | 2.19 | 1.060          |
| 8. satisfaction to the effect of laws generated by the county assembly to enhance economic development of the county   | 3.00 | 1.195          |
| <ol> <li>rating of the capacity of proposed Turkana County Government<br/>ability to manage the devolved funds</li> </ol>  | 3.12 | 1.119          |

the mean response in a range from 0.1-1.0 (strongly disagree), 1.1-2.0 (disagree), 2.1-3.0 (disagree), 3.1-4.0 (agree), 4.1-5.0 (strongly agree), the respondents mean of response was given in Table 4.19 above. The respondents felt neither agreed nor disagreed with the way resources were previously distributed to various constituencies/districts by the

the previous devolution system and with the existing infrastructure level meant to economic development of Turkana County. The respondents on the other hand agreed proposed governance structure of devolved resources management between the national county and the county government; the expected economic impact of devolving resources to County; the effect of laws generated by the county assembly to enhance economic county and the capacity of proposed Turkana County Government ability to the devolved funds.

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## **CHAPTER FIVE**

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### S.1: Introduction

The summary section highlights main points analyzed in the study followed by the conclusion of the same. The recommendation section outlines major focus that can be followed as indicated by the study findings.

#### 5.2: Summary

The study found out that the people of Turkana were undecided when it comes to the way resources were previously distributed to various constituencies/districts by the government. They could not tell whether the way resources were previously distributed is better than the current proposed method of resource sharing as given by a mean that fall between 2.1-3.0.

Infrastructure level meant to spur the economic development of Turkana County that was also supported by the study conducted by Mutakha (2011) in his concept theory of devolution where he stated that poor management of devolved resources through poor coordination between the county governance and the central governance is one challenge that has been faced by the current devolution system in government and is likely to be carried to any devolved system if any is to exist in future. Further, the respondents were still undecided by the way resources were previously distributed to various constituencies/districts by the government as some of them cited lack of experience to with the newly proposed system of devolution as a basis of comparison and also the undecided group with the existing devolved system of resources

management structure in meeting the economic development needs of the community. The study also indicated some disagreement level with the 15% proposed allocation of devolved funds as entrenched in the new constitution and the existing infrastructure level meant to spur the economic development of Turkana County.

Based on the mean response of between 3.1- 4.0 the study findings on the other hand agreed with the proposed governance structure of devolved resources management between the national government and the county government where some resources are to be managed by the county government and others by the central government based on the proposed ratio. The study has also indicated that the people of Turkana agreed with the expected economic impact of devolving resources to Turkana County where they see it as an opportunity to improve some of its eroded economy where Ghai, (2007) in his study of democracy in Africa argued that devolution, which is a way to disperse state powers throughout the country, is a way to break out of this vicious circle where riches from national resources circulates around the community in power. The study finally indicated that the people of Turkana finally agreed that with the effect of laws generated by the county assembly to enhance economic development of the county and the capacity of proposed Turkana County Government ability to manage the devolved funds based on the recorded mean response.

#### 5.3: Conclusions.

The study has indicated that the people of Turkana county have faith and belief they have qualified personnel to manage resources at the county level. They have indicated that they wish the management of county resources be left in the hands of the locals since they know their needs better than any other group. The study has also illustrated that the people of Turkana are

not aware if the proposed devolution method is better than the previous one though they believe in almost all of its principle of resource allocation. Looking at their economy, the Turkana people expect a lot from the devolved government that it will promote economic development in the area compared to the previous government. The level of satisfaction with the existing infrastructure level by the Turkana people is low since they feel that less of their interest is taken into consideration. The people of Turkana however felt that their benefit from the newly devolved system of governance could be compromised by the challenges caused by corruption in the government like the concentration of power to a small elite as well as increased oppression of the poor; increased human rights violation, abuse of public office; tendency for leaders in devolved governments to reduce participation of the common man to a token level; maccomplished tasks at the county level as counties might prove too small or too large; possibility that the weak, fragile and illegitimate state will just re-invent itself at the devolved level; elites gaining more power to manipulate the masses; using the position as an avenue for personal enrichment and using the platform as a dumping ground for political rejects at the national level.

#### 5.4: Recommendations

Based on the researcher's findings and understanding of devolution challenges, the following recommendations has been made for the success of devolution process:

## 5.4.1: Dissemination of information pertaining to devolution should be boosted

There should be public education on the devolution process to prevent resistance by the public due to lack of understanding. The public education organised through workshops can help achieve public awareness that will prevent them from being exploited by the county officials.

5.4.2: The funds allocated to each county should correspond to the needs of the counties

There should be equitable transfer of resources to the county levels since all counties do not have

equal distribution of resources and their development levels is also not equal. Counties with

special needs should be given consideration when it comes to sharing of national resources.

5.4.3: Citizens should participate in drafting devolution bills so that they do not appear handicapped

The government should engage the public in drafting of county bills since they are the recipients' of such bills. Public engagement would minimise resistance and would promote togetherness during the implementation.

5.4.4: Kenyans should be careful to elect leaders whose conduct is flawless/corruption free
The voters should elect leaders that are corruption free and those whose main agenda is to serve
the general public not their selfish interest. The public should not allow bribes to vote but should
be motivated by the personality of the individual since the success of each county will depend on
the leaders elected by the public.

## 5.4.5: Locals participation on the county affairs

The government should allow for local participation on county affairs. The local involvement in county matters would minimise resistance to county leadership since it is run by the locals and that would also allow for the major issues in the counties be addressed since the locals understand their problems better than any person.

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#### **APPENDICES**

| PPENDIX | I: | SEL | F | IN | TR | OD | UC | OR | Y | LE | T | ref | ₹ |
|---------|----|-----|---|----|----|----|----|----|---|----|---|-----|---|
|---------|----|-----|---|----|----|----|----|----|---|----|---|-----|---|

Ariko John Namoit

school of Business

**Iniversity of Nairobi** 

P.O. Box 30197-00100

Nairobi.

Dear Sir/Madam

## **RE: REQUEST FOR RESEARCH DATA**

I am a postgraduate student in the School of Business, University of Nairobi pursuing a postgraduate degree leading to Master of Business Administration. In partial fulfillment of the requirement for the award of the degree, am required to complete a management research project entitled "Expected Economic Impact of Devolved Funds to the Counties: Case Study of Turkana, Kenya."

To achieve this, you were randomly selected for this study and you are kindly requested to complete the attached questionnaire. The information collected will be purely used for academic purposes and held confidentially with no instance of your name appearing in the final report.

A final copy of this research findings shall upon request be availed to you.

Your cooperation and assistance is highly appreciated.

Yours sincerely,

Ariko John Namoit

Mr. Joseph Barasa

MBA Student, UoN

Supervisor, UON

## APPENDIX II: QUESTIONNNAIRE

#### PART ONE: GENERAL INFORMATION

1. What is your age bracket?

| Age (years) | Under 20 | 20-29 | 30-39 | 40-49 | Above 50 |
|-------------|----------|-------|-------|-------|----------|
| Tick        |          |       |       |       |          |

- 2. What is your gender? (1) Male (2) Female
- 3. What is your level of education?

| Level of  | None | Primary | Secondary | Tertiary | University |
|-----------|------|---------|-----------|----------|------------|
| Education |      |         |           |          |            |
| Tick      |      |         |           |          |            |

- 4. Are you employed? (Circle/Tick) (1) Yes (2) No
- 5. Who is your employer? Please tick ()

| Employer | Self | Government | NGO's | University | Others |
|----------|------|------------|-------|------------|--------|
| Tick     |      |            |       |            |        |

## PART TWO: OPINIONS, EXPECTATIONS AND PERCEPTIONS

6. Please answer the following statements according to your level of satisfaction. Please rate as (5) extremely Satisfied (4) Very Satisfied, (3) Satisfied, (2) Slightly Satisfied, (1) Not Satisfied.

|     | Satisfaction Level  | 5 | 4 | 3 | 2 | 1 |
|-----|---|---|---|---|---|---|
| a). | Are you satisfied by the way resources were previously distributed to various constituencies/ districts by the Government?  |   |   |   |   |   |
| b)  | In reference to previous devolution systems (CDF, LATF,LASDAF, KERRA, YOUTH FUND etc) were you satisfied with their economic development performance?                 |   |   |   |   |   |
| c)  | In your opinion, are you satisfied with existing devolved system of resources management structure in meeting the economic development needs of the community?        |   |   |   |   |   |
| d)  | As residents of Turkana County are you satisfied with the 15 % proposed allocation of devolved funds as entrenched in the new constitution?                           |   |   |   |   |   |
| e)  | In your opinion, are you satisfied with the proposed governance structure of devolved resources management between the National Government and the County Government? |   |   |   |   |   |
| f)  | How satisfied are you on the expected economic impact of devolving resources to Turkana County residents?   |   |   |   |   |   |
| g)  | How satisfied are you with the existing infrastructure level meant to spur the economic development of Turkana County?  |   |   |   |   |   |

| h) | What is your level of satisfaction to the effects of laws generated |  |  |
|----|---|--|--|
|    | by the county assembly to enhance economic development of the       |  |  |
|    | county?   |  |  |
|    |   |  |  |

7. Please rate the following statements, where (5) Excellent, (4) Very Good, (3) Good, (2) Fair, and (1) Poor.

|     | Level of Performance   | 5 | 4 | 3 | 2 | 1 |
|-----|--|---|---|---|---|---|
| a). | How do you rate the capacity of proposed Turkana County Government ability to manage the devolved funds?   |   |   |   |   |   |
| b)  | Do you believe that the proposed Turkana County Government will have appropriate mix of professionals to run the affairs of the county?            |   |   |   |   |   |
| c)  | How do you rate the likelihood of financial management competence of proposed Turkana County Government management?                                |   |   |   |   |   |
| d)  | How do you rate the expected level of participation of the residents in the proposed Turkana County Government in decision making?                 |   |   |   |   |   |
| e)  | How do you rate current Central Government commitment to fiscal (resource) devolution as entrenched in the constitution?                           |   |   |   |   |   |
| f)  | How will you rate the enactment and implementation of the gazetted County Financial Management regulations by the National and County Governments? |   |   |   |   |   |
| g)  | The senior government employee's managing/in charge of   |   |   |   |   |   |

| devolved funds should be residents/locals of the same county? |  |  |  |
|---|--|--|--|
|   |  |  |  |

- 8. To what extent do you agree with the following statements? (5) Strongly Agree, (4) Agree,
  - (3) Neither Agree nor Disagree, (2) Disagree, (1) Strongly Disagree.

|     | Level of Agreement  | 5 | 4 | 3 | 2 | 1 |
|-----|---|---|---|---|---|---|
| a). | The proposed devolved system on resource allocation will spur economic development of Turkana County?   |   |   |   |   |   |
| b)  | The current devolution system(s) are better than the proposed system(s) in improving the economic development the county?   |   |   |   |   |   |
| c)  | Turkana County is endowed with a lot of economic resources which are yet to be exploited?   |   |   |   |   |   |
| d)  | Political differences, Leadership perceptions, lack of commitment and poor coordination of resources have derailed the attainment of various goals by the county  |   |   |   |   |   |
| e)  | To enable the county to compete with other counties of Kenya, the community requires a county management team that will be in a position of sourcing for funds and apply them to the most prioritized needs of the community. |   |   |   |   |   |
| f)  | All resources channeled to the counties i.e 15% minimum entrenched in the constitution and other national funds created by an act of parliament for example CDF should be put and controlled in one basket.                   |   |   |   |   |   |

# PART THREE: ADDITIONAL INFORMATION

| What comments do you have about the devolution of resources to the county level? |
|--|
|  |
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| ***************************************  |
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Thank you for your assistance