

**EFFECT OF CITIZEN PARTICIPATION ON BUDGET IMPLEMENTATION IN
KENYAN COUNTIES: A CASE STUDY OF NYANDARUA COUNTY**

BY

DOMINIC CHEGE WACERA

D63/74326/2014

**A research project submitted to the School of Business in partial fulfillment for the
requirement for the Masters of Science in Finance**

University of Nairobi

OCTOBER, 2016.

DECLARATION

This is my original work that has not been presented in any other University for an award of any academic degree.

Signature

Date

Name: DOMINIC CHEGE WACERA

Registration Number: D63/74326/2014

This research project has been submitted for examination with my approval as the University Supervisor.

Signature

Date

Dr. SIFUNJO KISAKA

Supervisor

DEDICATION

This work is a special dedication to my dear Mother, brothers, sisters, friends and relatives.

ACKNOWLEDGEMENT

I wish to thank the Almighty God for good health, strength, protection and ability to perform even when I felt so discouraged and stressed. I wish to acknowledge the help and encouragement I received from a number of people without whom this research work would not have been successful. I am greatly indebted to my supervisors Dr. Sifunjo Kisaka and the Chairman Department of Finance and Accounting Dr. Mirie Mwangi. Their endless support, guidance and constructive criticism, enabled me to complete this project.

I also acknowledge the support provided by my lecturers in the department of Finance and Accounting at the University of Nairobi during my course work. I also wish to acknowledge my classmates and workmates for their support and encouragement during my course of study.

I am greatly indebted to my entire family; my dear mother; not forgetting all my sisters and brothers. My special gratitude goes to the county government and the entire populace of Nyandarua County whose cooperation saw the success of this study. To all those who participated and supported me during the course of study, I sincerely appreciate and may the Almighty God bless you abundantly.

TABLE OF CONTENTS

DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS	v
List of Figures	viii
List of Tables	viii
ACRONYMS AND ABBREVIATIONS	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Citizen Participation in the Budget Process	4
1.1.2 Budget Implementation	9
1.1.3 Citizen Participation and Budget Implementation	12
1.1.4 The Legal Framework for Public Participation in Kenya.	16
1.2 Research Problem.....	20
1.3 Objective of the Study	22
1.4 Value of the Study	22
CHAPTER TWO.....	24
LITERATURE REVIEW.....	24
2.1 Introduction	24
2.2 Theoretical Literature Review	24
2.2.1 Agency Theory	24
2.2.2 Stewardship Theory	27
2.2.3 Stakeholder Theory	29

2.3 Determinants of Budget Implementation in Kenya	32
2.3.1 Availability of Adequate Financial Resources.....	32
2.3.2 Competence of Human Resource.....	33
2.3.3 Participation of Staff and Other Stakeholders.....	33
2.3.4 Proper Planning	34
2.3.5 Evaluation.....	35
2.3.6 Monitoring and Control of Budget Process	35
2.3.7 Staff Motivation	36
2.4 Empirical Literature Review	36
2.5 Conceptual Framework of the Study.....	43
2.6 Summary of Literature Review	44
CHAPTER THREE	47
RESEARCH METHODOLOGY	47
3.1 Introduction	47
3.2 Research Design	47
3.3 Population and Sample	48
3.3.1 Target Population	48
3.3.2 Sample Size and Sampling Procedure	49
3.4 Data and Data Collection Procedures	51
3.5 Validity and Reliability	52
3.5.1 Validity of the Instrument.....	52
3.5.2 Reliability of the Instrument	53
3.6 Data Analysis.....	53
3.6.1 Conceptual Model	54
3.6.2 Analytical Model.....	54
3.6.3 Diagnostic Tests	55

CHAPTER FOUR.....	57
DATA ANALYSIS, RESULTS AND DISCUSSIONS.....	57
4.1 Introduction.	57
4.2 Instrument Return Rate	57
4.3 Summary Statistics	58
4.3.1 Background Information of Respondents	58
4.3.2 Aspects regarding public participation.....	61
4.4 Effect of Citizen Participation on Budget Implementation	70
4.4.1 Results of Model Goodness of Fit.....	70
4.4.2 Results of ANOVA	71
4.4.3 Estimated Regression Model	71
4.5 Summary of Analysis, Results and Discussions	72
CHAPTER FIVE.....	74
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	74
5.1 Introduction	74
5.2 Summary of the Study	74
5.3 Conclusions	75
5.4. Limitations of the Study	80
5.5 Recommendations of the Study	80
5.6 Policy Recommendations	82
5.7 Suggestions for Further Study	82
REFERENCES	83
APPENDICES	86

List of Figures

Figure 2.1 Conceptual Framework	44
Figure 4.1 Distribution of respondents by Sub County.....	58
Figure 4.2 Distribution of respondents by Gender.....	59
Figure 4.3 Are the projects initiated community needs driven	69

List of Tables

Table 3.1: Study sample population and size.....	50
Table 4.1 Distribution of respondents by Age	59
Table 4.2 Distribution of respondents by education level.....	60
Table 4.3 Source of information on public participation	61
Table 4.3 Aspects regarding Public Participation	64
Table 4.4 Statements linking citizen participation and budget implementation	66
Table 4.5 Budget implementation by department	68
Table 4.6 Analysis of Variance.....	71
Table 4.6 Regression Coefficients	72

ACRONYMS AND ABBREVIATIONS

CADP	County Annual Development Plan
C-BROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CECM-F	County Executive Member for Finance
CFSP	County Fiscal Strategy Paper
CGA	County Government Act
CIDP	County integrated development plan
CoK	Constitution of Kenya
IAP2	International Association for Public Participation
OCoB	Office of the Controller of Budget
PB	Participatory Budgeting
PFMA	Public Finance and Management Act
PPPs	Public-Private Partnerships
TISA	The Institute of Social Accountability

ABSTRACT

The study was aimed at investigating the Effect of Citizen Participation on Budget Implementation in Kenyan Counties with a special focus on Nyandarua County. The research was guided by one main objective: To examine the effect of citizen participation on budget making process and implementation in the Kenyan county governments and how the independent variables: Citizen Participation and Funds Availability influence the dependent variable: Budget Implementation. The research design of this study was a descriptive survey with a target population of the study was the entire number of the registered voters in Nyandarua County which is 255,984 people. A sample of 400 participants, distributed across the entire county, was identified using simple random sampling method. Questionnaires and interviews of the key informants were used to collect data from the respondents. The analysis of the collected data was done both qualitatively and quantitatively.

From the research findings, it was evident that most of the residents that go to public participation fora hail from the headquarter, Ol'Kalou, followed by Ol' Ojoro Orok Sub County revealing that public participation in Ol'Kalou Sub County is higher than in Kinangop despite the high gap in population. Majority of the respondents who indicated having attended one or more public participation fora were males, aged 23-32. Additionally, most of the respondents who attend public participation fora have at least attained secondary school level of education. They however indicated dissatisfaction with the way public participation is conducted, citing that their views are hardly ever taken into consideration. Among the researcher's recommendations is that the government should conduct civic education across the county so that the public is informed of its civic rights, public participation being the most sovereign. The researcher hopes that the conclusions made in this study will go a long way in enhancing public participation not only in Nyandarua but in the country at large.

The study was aimed at investigating the Effect of Citizen Participation on Budget Implementation in Kenyan Counties with a special focus on Nyandarua County. The research was guided by one main objective: To examine the effect of citizen participation on budget making process and implementation in the Kenyan county governments as the researcher sought to answer the question; what is the effect, if any, of citizen participation on budget making process and implementation in the Kenyan county governments? The research design of this study was a descriptive survey. The target population of the study was the entire number of the registered voters in Nyandarua County which is 255,984 people in addition to senior officers in the department of Finance and Economic Planning and those responsible for budgeting and budget execution in the County Government comprised of both the County Executive and Assembly.

A sample of 400 participants distributed across the entire county were identified using simple random sampling method. Questionnaires and interviews of the key informants were used to collect data from the respondents. The analysis of the collected data was done both qualitatively and quantitatively.

From the research findings, it was evident that most of the residents that go to public participation for a hail from the headquarters ,Ol'Kalou, followed by Oljororok Sub County revealing that public participation in Ol'Kalou Sub County is higher than in Kinangop despite the high gap in population. Majority of the respondents who indicated having attended one or more public participation fora were males, aged 23-32, and a clear indication that young people are more likely to understand the concept of public participation. Additionally, most of the respondents who attend public participation fora have at least attained secondary school level of education. This clearly shows that those with no education shy away from public participation. Asked about who informed them about public participation for those who understand what public participation meant most of the participants cited the media, an indication that the media (Print, television and radio) while others cited the constitution which shows that most of the residents have read the constitution and civic education fora as indicated by 10% of the participants.

One of the major objective of the study was to establish how participants learnt about the date and venue of the public participation forums. A good number of the participants indicated that they got the information from gazette notices in the newspaper while others pinpointed radio announcements especially by the vernacular radio stations and televisions adverts as their major source of such information. The study also intended to investigate whether public participation empowers the community and a good number of respondents felt that it does, in fact. Respondents were further asked to give their views on some statements regarding public participation and budget implementation, 79.1% were in agreement that the county government gives timelines and venues for public participation in advance, 81% agreed on the same with regard to the county assembly showing that the county assembly is slightly more vibrant in preparing for public participation. Respondents were however not in agreement concerning access to the relevant materials for public participation on time prior to the date of public participation for perusal with 50.6% indicating that they are not able to access the materials. On issues regarding incorporating the comments gathered from public participation 56.8% indicated that their comments are not incorporated in the final approved budgets, 51.8% indicated that they are not involved in project identification, 64.2% further indicated that they do not get any feedback after project identification during budget making process from the county government, 63.4 indicated that the county government does not involve them in implementation while 69.3%

indicated that the county government does not involve the citizens in project monitoring. Further, majority of the respondents were of the opinion that projects incorporated in the county budgets were not community-needs driven and hence not helpful to the communities at all. Further from the regression analysis funds availability from the exchequer highly influence budget implementation. Among the researcher's recommendations is that the government should conduct civic education across the county so that the public is informed of its civic rights, public participation being the most sovereign.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Since time immemorial, the citizenry has always yearned to be involved actively and meaningfully in distribution and allocation of resources of the society. As early as 1900s, it became apparent that the government ought to be at the very least responsive to people's needs and efficient as elucidated by Frederick Cleveland – a major figure in the founding of New York Municipal Research Bureau. He further posited that it is the duty of the electorate as well as their elected leaders to ensure that the government is run effectively (Kelly and Riverbark 2003).

The rise of the philosophy of a rational governance and administration that was a shift from the conventional administration which was driven by political correctness triggered the need to incorporate the citizenry's input in budgetary processes. However, this window of opportunity to involve the public in budget matters was overshadowed by the emphasis of technical expertise in identifying and prioritizing needs for resources allocation. Therefore, the apparent preferences of technocrats returned the power of the electorates' input in the budget matters back to the government officials and in turn quashing the citizens' voice in budgetary matters (Kelly and Riverbark 2003). Later, however, the citizens would be required to participate after the integration of ideal governance principles in various programs. For instance, some of the programs such as, 'Great Society Programs' agitated for 'maximum feasible participation' (Moynihan 1970). These efforts continued and in effect, brought about the yardstick of measuring the level of citizen's participation in what came to be referred to as Arnstein's typology

invented in 1969. In this typology, the level of citizens' participation is measured in an infamous ladder called 'ladder of citizens' participation'. This ladder has eight rungs ranging from the lowest to the highest. The lowest rung shows the least level whereby the citizens might have either not participated at all or they were manipulated. The highest rung indicates the highest level of public participation which is meaningful as well as substantive (Moynihan 1970).

Citizen participation in a democracy, according to Merriam Webster dictionary, is a process that engages people in making decisions and planning. The public play an active role in the design and operation of services delivery systems that affect their lives. In fact, it is a process through which the members of the public are informed, consulted and/or involved in ensuring that their sentiments are taken into account especially in government processes. This is particularly important for budget making process and implementation.

According to the Constitution of Kenya 2010, meaningful citizen participation in governance is a key component for public reforms. In fact, it was the spirit behind the constitutional change in Kenya.

A budget, as espoused by Mitchell (2005), refers to a summary of various items, their projected expenditure and proposed means of financing them for a specific period of time. Subsequently, the process of budget making comprises of four major aspects as expounded by the World Bank. They are; coming up with fiscal targets as well as the level of expenditures in line with the aforesaid targets and formulation of expenditure policies. This is in addition to allocating resources in a manner that conforms to policies and fiscal targets as well as enhancing operational efficiency by addressing performance bottlenecks.

The mandate of the Office of the Controller of Budget according to the Constitution of Kenya 2010 is overseeing and reporting on implementation of the budget. The oversight institution executes this mandate for both national government as well as the county governments. As part of its oversight mandate, the Controller of Budget (CoB) is required to submit to the respective legislatures a report on budget implementation every four months. The rationale behind the periodic review of budget implementation is to ensure that there is effective implementation of programs. Besides, it leads to the identification of potential financial and policy slip-ups. It is important to mention that budget execution review ought to take into account all performance indicators including the financial and physical ones (Constitution of Kenya 2010).

In Kenya, as is with other nations, public participation in economic development started with projects that targeted communities and apparently, it was confined to them for quite a long period of time. In fact, Wakwabubi & Shiverenje (2003) point out that attempts to enhance participatory development in Kenya by institutionalizing decentralized planning and implementation of projects through legislation began prior at independence. Such sessional papers as, 'District Focus for Rural Development (GFRD)' came into effect by 1983. The major shortfall of this Sessional Paper though was its overemphasis on involving official and field workers mainly from the central government as opposed to the rural public. In Nyandarua County, public participation meetings are held in the various sub counties but rarely yield the envisaged outcomes since such forums are poorly attended by the locals who cite improper and inadequate advertising or inadequate time that locks many citizens out.

This study was informed by the following theories; stakeholders theory by Freeman (1984), stewardship theory by Davis and Donaldson (1994), and the agency theory by Berle and Means (1932). Stakeholders, for the purpose of this study, were all the actors whose views and opinions need to be sought in the budget implementation strategy of the County. The agency theory, though contributing greatly to this study, fails to satisfactorily explain situations where the interests of the parties involved are not aligned. The study also intends to apply the agency theory. Lindberg (2009), a major proponent of the theory, articulates that there ought to be a system of ensuring accountability among elected leaders who represent the agent to whom the citizens (principal) have given their power of making major decisions. To some extent, imposing sanctions to the agent is a major way of holding them to account.

In all the above theories there exists a consensus on the relationship that exists between the county residents and budget formulators and implementers. The theories illustrate that politicians, bureaucrats and county officials act on a delegated authority by the county citizens, and are thus expected to make such decisions and policies that take care of the interests of the local residents, and for the ultimate benefit of the citizen.

1.1.1 Citizen Participation in the Budget Process

Citizen participation entails a process whereby individuals, governmental and non-governmental groups play a major role of influencing decision making. Mainly these decisions are usually in policy, legislations as well as service delivery. The citizens also influence decisions of oversight and development. It is a two-way interactive process where the duty bearer communicates information in a transparent and timely manner, engages the public in decision making and is responsive and accountable to their needs.

The public is important in issues that affect or impact on their lives directly. (Kelly and Riverbark 2003).

There are various theories that attempt to explain how Alexander the Great ascended to power. One of them asserts that he was successful in severing the Gordian knot which many people and men of stature had tried to break without success. He used a sword. This knot represented a deep-rooted problem in the society. By solving this problem that had plagued the society, he rose to royalty and achieved high social status. Using this analogy, public participation is the proverbial sword that can be used to slay the dragon of corruption and inept leadership that has plagued modern societies especially in the global south. The reason is that participatory development and public participation is the key pillar of democracy. As espoused by proponents of democracy, meaningful citizen participations ties government projects to people (Kelly and Riverbank, 2003).

Public participation is a key ingredient of the legislative and policy functions of all governments.

Public participation plays a central role in both legislative and policy functions of Government whether at the National or County level. It applies to the processes of legislative enactment, financial management and planning and performance management. Public participation is both a key promise and provision of the Constitution of Kenya. It is instilled in the national values and principles of governance stipulated in article 10. The Legislature and Executive at both national and county levels are required to engage the public in the processes of policy making, monitoring and implementation. The Constitution, under article 174(c), provides that one object of devolution is: “to give powers of self-governance to the people and enhance their participation in the exercise of

the powers of the State and in making decisions affecting them”. The Constitution assigns the responsibility to ensure, facilitate and build capacity of the public to participate in the governance to the county government through function 14 (Schedule 4 Part 2). As such, county governments are required to do the following; Create mechanisms of engagement by ensuring and coordinating the participation of communities and locations in governance; and Build capacity by assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers (CoK, 2010).

Public Participation should broadly encompass an interactive process between state and non-state actors of public communication and access to information, capacity building and actual engagement in county governance processes. Empowering the public should be by placing final decision-making authority in their hands. The following are forms of public participation; Collaborating with the public to develop decision criteria and alternatives and identify the preferred solution, Involving the public to ensure their concerns are considered throughout the decision process, particularly in the development of decision criteria and options, Consulting with the public to obtain their feedback on alternatives or decisions and Informing the public by providing information to help them to be effectively involved in governance (Wakwabubi and Shiverenje, 2003).

Every statutory instrument in Kenya recognizes the need for citizen participation in the lawmaking and budget making and implementation process. The very essence of devolution in Kenya was to ensure that all citizens and the civil society have a platform to participate in their own governance processes. They are expected to take up an active role in formulating the policies; making laws; planning for any development; budgeting; and/

or monitoring the execution of programs, projects, and activities funded by the taxpayer. The County Government Act of 2012 established elaborate structures all the way from the grassroots level represented by the village councils to wards, administered by the ward administrators to the sub-county administered by the subcounty administrators. This way, they ensure that all citizens are provided with an equal chance to take part in governance processes that were devolved with the new constitution, through the designated administrators at every level (County Government Act, 2012).

The thinking behind devolution was that since every county will have a manageable jurisdiction the county government will be able to easily come up with policies and laws that are more responsive to the needs of the public, thereby positively impacting on their lives. The county governments, unlike the national governments are able to effectively do this as they can tailor their policies to fit into the specific preferences of the local populace. That the government is close to its people gives the county governments a greater degree of flexibility that matches its delivery of services to the local population's demand.

The other principle of devolution was to empower the local communities to manage their own revenue resources more effectively. The inclusivity of the devolved system of governance has promoted both the productivity and efficiency of the services delivered, the use of public services and even in the allocation of resources. Devolution has allowed those were initially marginalized from taking part in their own governance, a majority of whom are too poor and other marginalized groups which include people living with disabilities, women and the youth, to now participate in their own governance and influence the decisions in planning, budgeting, policy formulation and implementation.

Consequently, county governments are now able to formulate pro-poor policies since most of the poorest communities live in the rural areas. This has potential to positively impact on national poverty indicators (Wakwabubi and Shiverenje, 2003).

The government is in the business of providing essential services to its citizens. In order for the government to do that effectively, it relies on the revenue it collects from the citizens. If the citizens are not willing or motivated to pay taxes, levies and rates, the government cannot provide them with the basic services. For this reason, it is important that the government generates a conducive environment for cost recovery from its citizens. Devolution provided such an opportunity. Citizens are now, more than ever before willing to pay any fees charged of them because they know the money will come back to them in response to their needs. Further, devolution has developed a sense of ownership among the citizens because they are actively involved in the decision making and implementation of projects and programs meant for them. When the citizens are actively involved in governance, through public participation, there is likely to be growth in the counties in terms of better planning; projects are prioritized, are citizen needs' targeted; government activities are better monitored, which in turn contributes to better governance; and increased effectiveness, that have a positive impact on governance. Reducing poverty realizing sustainable development of this country will depend on whether or not devolution is implemented as it was meant to. Every county government's budget, before its implementation, is subjected to public participation at least twice; the first time during the preparation of the CFSP by the county treasury and the second time by the County Assembly before its adoption and assent by the Governor (County Government Act, 2012).

1.1.2 Budget Implementation.

Mitchell defines a budget as a summary of the projected expenditure over a certain period of time, together with a proposal on how to finance it (Mitchell, 2005). It quantitatively expressed a plan for a certain period of time. It includes planned estimates of revenue and expenditure of a given organization over a given period of time. The budget making process in Kenya is guided by the PFMA 2012, section 125 which details it as follows:

The county budgeting process commences with issuance, by the CECM-F, of initial instruction (budget circular) to guide the budget process. The CECM-F then, and in accordance with section 104 of the county government's act 2012 as read together with article 220 of the Kenya constitution 2010 which require that for any public funds to be appropriated, there must be a development plan (CIDP). Subsequently, the county treasury prepares, and submits to the executive committee, for approval, a C-BROP which is a review of budget implementation and assessment of the extent of its success as well as the projections into the subsequent year(s).

After approval of the C-BROP the county treasury prepares a County Fiscal Strategy Paper which indicates an estimate of the available financial resources. The CFSP contains broad priorities and policy goals as well as an outlook on expenditure, revenue and borrowing for the medium term. During the preparation of the CFSP, the county treasury subjects the estimates to public participation where it seeks the views of the public and interested groups. Preparation of CFSP is followed by the consolidation and ratification of the budget by the county treasury before by the CECM-F submits it to the county assembly for approval. The County Assembly, again, subjects these estimates to citizen participation and later reviews the estimates. It may make amendments but only in line

with the CFSP. Any increase in expenditure must be balanced by a reduction elsewhere, and the estimates are then incorporated in the County Appropriation Bill awaiting approval by the county assembly and later assented to by the county governor (County Government Act, 2012).

Once the budget is approved by the county assembly, the law requires that it is implemented to the letter and every stakeholder's focus now shifts to the monitoring of its implementation. More often than not, and quite unfortunately, budgets are incorrectly implemented. This, according to Indeche & Ayuma (2015), is due to either massive corruption or plain misappropriation. Consequently, it is the Constitution's requirement that the county coordinator of budget must, every three months, send a report on the implementation of the budget to the County Assembly. These reports are instrumental as they enable the County Assembly members to play their oversight role in the implementation of the budget and, since the reports are made even as the budget is being implemented, challenges in the spending are easily identifiable and can be corrected before the end of the financial year. These reports should, ideally, be availed to the public so that they are given an opportunity to raise any concerns regarding budget implementation.

According to TISA, County Assembly members should not only scrutinize the allocations of specific programs, but also at the entire budget, making sure that public resources are used efficiently and prudently. Similarly, the citizens have a role in playing oversight through either reading auditor's budget implementation reports, or making a point to discuss the reports' findings with the County Assembly members. Should they notice problems in the delivery of services or the implementation of projects and programs, the

citizens have a role to play in the notifying of the Assembly members. The office of the controller of budget, on the other hand, was created in the 2010 constitution and was mandated to approve government's spending. Should the county government try to misappropriate the public's funds, the Controller of Budget has authority to freeze the county's accounts. The CoB is also mandated to review spending and report on budget implementation quarterly. Such reports are fundamental in ensuring that the citizens and other stakeholders are able to monitor the budget implementation process (Indeche & Ayuma, 2015).

Further, there is established, in the constitution, a national institution known as the office of the Auditor General mandated to ensure that the government spends its money prudently and keeps good records of its spending. At the close of every financial year, the Auditor General subjects the accounts of every county to a rigorous audit and the findings are, in addition to being availed to the public for perusal, forwarded to the County Assembly for review. The Assembly then makes recommendations to resolve any problem recognized in the audit reports.

Effective budget implementation is dependent on various factors which include; availability and adequacy of financial resources, competence of the human resource, and participation of both staff and other stakeholders in the budgeting process, proper planning, evaluation, monitoring and control of the budget process and staff motivation (Srinivasan, 2005). According to Hancock (2009) an organization that hopes to attain effective implementation must set aside sufficient financial resources and adequate other non-financial structures.

Fiscal economists are concerned about how a budget seeks to meet deficit targets and if any potential adjustments on either the expenditure and revenue sides agreed upon at the initial preparation stage are implemented as agreed. Fiscal economists are concerned with understanding every weakness in the budget execution process of a county. In this regard, they seek to determine whether the process is transparent, or whether there are clear lines of accountability, whether the information on the process of the execution of the budget is timely, accurate and reliable and whether it is in line with the principles of good governance. Further, they seek to forecast, based on these findings, where problems are most likely to arise, and how could be avoided or even overcome. Sometimes action is required to bring the expenditure back on track to the budget provision; hold expenditures below budget, in response to below-target revenue developments; or bring irregularities to the attention of the decision makers (Wouters, Ninio, Doherty, & Cisse', 2015).

1.1.3 Citizen Participation and Budget Implementation

It is imperative that citizens are involved in public participation because the law also requires them to pay taxes for service delivery. This not only makes them consumers of government services but also the financiers. In administrative decision making, citizen participation is about an inclusive setting of goals, determining policies and strategies and monitoring of government services. The activities that are entailed in public participation relate to the techniques and mechanisms used to arrive at these and include, but not limited to, public sittings and hearings, citizens' advisory councils and panels, neighborhood or resident meetings and public surveys. The most practicable and functional areas of citizen involvement include economic development, environmental

protection, education, public health, public safety and policing amongst others (Yang and Callahan, 2005).

Mechanisms of citizen participation are broadly categorized into voice and vote (Kauzya, 2007). Vote being the channel through which citizens elect their representatives at all levels of government. Devolution has facilitated this by ensuring that there are structures in place that enable the citizens to exercise their right to vote with little or no interference or hindrance from the national government' (*ibid*, p. 76). While voting is essential it is sometimes seen to be limiting as participation, in this case is interpreted as only happening during elections, which in most states happens after three to five years. Voice, on the other hand, looks at participation as a platform where citizens are given an opportunity to effect on decision making, implementation and, monitoring and evaluation of projects and programs that affects their socio-economic and political wellbeing. It also allows the citizens to demand accountability from the people they put in power (*ibid*, p. 78). Most theories posit that the benefits of public participation can only be optimized when both voice and vote mechanisms are operationalized in a devolved system of governance (Azfar, et al., 1999, 2004).

According to Klugman (1994), supporters of a devolved system of governance both from the economic and political fields attribute increased transfer of power from the central government towards the lower sub-national tiers of government to the incapability of the centralized system to effectively and efficiently deliver services to the public. Further, devolution has been known to enhance transparency and accountability thus increasing the motivation behind the predisposition towards a devolved system of governance in

numerous developing countries which involve engaging those groups and individuals who are supposed to benefit from such public services.

The transfer of service delivery and financial resources and to local governments in essential departments like water, health, and agriculture, among other sectors as outlined in Schedule Four of the Kenyan Constitution 2010, allows the county governments an opportunity to enhance public services delivery at the county level. This is made possible by devolution which improves the efficiency of resource allocation as it is expected and/or assumed that local leaders in the counties, including both politicians and the bureaucrats, have better understanding of local challenges, needs and preferences, and can therefore better discern the needs of local communities and provide public goods and services in a more cost-effective manner.

Citizen participation, the independent variable, is operationalized in terms of the mechanisms or instruments through which citizens have a contact with decentralized service delivery. In this study it narrows on one mechanism of voice relating to the stages of service delivery, that is, planning, budgeting, implementation, and monitoring and evaluation. This is in terms of how and where in the service delivery cycle the citizens participate.

The dependent variable, budget implementation, is operationalized by indicators of allocative efficiency, accountability and reduction of corruption, and equity in service delivery. These are picked as key indicators of whether service delivery has improved or not, in line with the common objectives of decentralization. In this study these indicators and the corresponding hypothesis are conceptualized as follows:-

Allocative efficiency is the extent to which the services delivered match the preferences of the citizens. It is assessed by the extent to which citizen needs expressed in proposals are reflected in the decisions and final services provided. It is expected that through participation by citizens, local governments have better knowledge of the preferences and hence can vary services to suit demands (Azfar, et al., 1999:2). In this study allocative efficiency is measured as the degree to which services provided match citizen preferences and the satisfaction level of citizens with it.

Accountability and reduction of corruption: Accountability is the practice where service delivery agents make public, and are responsible for their actions. In this case it is the extent to which officials of the local government give account to the citizens on the resources at their disposal and how they have been used in service delivery.

Reduction of corruption is the extent to which abuse and misuse of public resources for private gain has been controlled and minimized. Where those charged with decentralized service delivery apply all resources for the intended purposes. It is also seen as the measure to which transparency through information sharing is practiced. According to Devas and Grant (2003), enhanced citizen participation can strengthen accountability. In so doing 'citizens should have accurate and accessible information about local government: about available resources, performance, service levels, budgets, accounts and other financial indicators' (*ibid*, p. 310). This indicator is assessed based on records of information accessibility, level of information asymmetries in the local government, and existing structures of demand and supply of accountability. Equity has to do with geographical and demographic targeting of services especially to the neediest groups in the society. This includes targeting the poor and marginalized who have previously been

ignored. It implies that citizens contribute according to ability but are allocated according to need. Although Azfar, et al., (1999) observe that genuine decentralization results in inequity, they do argue that local initiative (participation) coupled with equalization transfers can remedy the problem. In this study equity is assessed as the extent to which the voice and preferences of the marginalized are incorporated in decision making.

1.1.4 The Legal Framework for Public Participation in Kenya.

The constitution of Kenya under article 1 (1),(2),(3) and (4) states that all sovereign power belongs to the people of Kenya and shall be exercised only in accordance with the constitution. It also provides that; the people may exercise their sovereign power either directly or indirectly through their democratically elected representatives; the sovereign power of the people under the CoK is delegated to a number of different organs which include; parliament and legislative assemblies in the county governments, national and county governments' executive structures and, judiciary and tribunals.

One of the landmark provisions of the CoK is the devolved system of governance which created a two tier system of governance (national and county) whereby both are assigned clear mandates as detailed in the 4th schedule of the constitution. Kenya, in a shift from the centralized system of governance that had been in place for close to five decades since attaining independence in 1963, adopted the Constitution of Kenya 2010 effectively establishing a two-tier devolved system of governance comprising of the national government and forty-seven county governments. Both levels of government are distinct but interdependent and work on a mutual ground on the basis of consultation and cooperation. Both the Executive and the Legislative arms of county governments are

responsible for county revenues and the delivery of public service in the devolved units (Government of Kenya, 2010).

Participation of the public is espoused in Article 10 of the Constitution of Kenya as one of the national values and principles of governance. Further Article 174(c) provides that the object of devolution is to: “*enhance the participation of people in the exercise of the powers of the State and in making decisions affecting them.*” Article 184 (1) (c) also requires that mechanisms for participation by residents be included in the national legislation relating to urban areas and cities governance and management. The rationale of public participation is based on the foundation that the people of Kenya have sovereign power which they have delegated to state actors at the national and county levels. The sovereignty must be respected and institutionalized in all processes of governance (Government of Kenya, 2010).

The County Government Act, 2012 (CGA) at the preamble articulates what is meant by *the public* stating that, when used in relation to public participation it means: the residents of a particular county; the rate payers of a particular city or municipality; any resident civic organization or non-governmental, private sector or labor organization with an interest in the governance of a particular county, city or municipality; and non-resident persons who because of their temporary presence in a particular county, city or municipality make use of services or facilities provided by the county, city or municipality.

The Act in Part 2 Section 6 states that in exercising its powers or performing any of its functions, a county government shall ensure efficiency, effectiveness, inclusivity and participation of the people. Section 87 of the Act provides for the principles of citizen participation in county governance. These principles include: - timely access to information, data, documents, and other information relevant or related to policy formulation and implementation; reasonable access to the process of formulating and implementing policies, laws, and regulations, including the approval of development proposals, projects and budgets, the granting of permits and the establishment of specific performance standards; protection and promotion of the interest and rights of minorities, marginalized groups and communities; legal standing to interested or affected persons, organizations, and where pertinent, communities, to appeal from or, review decisions, or redress grievances, with particular emphasis on persons and traditionally marginalized communities, including women, the youth, and disadvantaged communities; reasonable balance in the roles and obligations of county governments and non-state actors in decision-making processes to promote shared responsibility and partnership, and to provide complementary authority and oversight; promotion of public-private partnerships(PPPs), such as joint committees, technical teams, and citizen commissions, to encourage direct dialogue and concerted action on sustainable development; and recognition and promotion of the reciprocal roles of non-state actors' participation and governmental facilitation and oversight.

Nyandarua County is located in the Northwestern part of Central Kenya, West of the Aberdare Ranges. It borders Laikipia County to the North and North East, Nyeri and Murang'a counties to the East, Kiambu County to the South, and Nakuru County to the South West and West. The county has five constituencies namely: Kinangop, Kipipiri, Ol Kalou, Ol Jororok and Ndaragwa. It is further subdivided into twenty five electoral wards. Public Participation meetings in the county are held in the various sub counties with the aim of collecting the views of the citizens on the development agenda. However, the researcher feels that most public participation forums are marred with apathy, and rarely yield the envisaged outcomes. Such forums are poorly attended by the locals who cite improper and inadequate advertising or inadequate time that locks many citizens out. Another major problem is that the views of the public are mostly not considered during either budget making or budget implementation process. The core values, as espoused by IAP2, intimate that those participating must be assured that their views will be considered in decision making which is usually not the case in Nyandarua and in Kenyan counties in general. It is also expected that once the decisions are made, the public should get clear feedback on how their contributions affected decisions. It's for this reason that the researcher seeks to understand the effect of public participation on the implementation of the budget in Nyandarua County.

1.2 Research Problem

The importance of public involvement not only in the budget making and implementation process, but also throughout the entire legislative process is deeply anchored in a plethora of theoretical foundation. According to the Agency theory, those individuals tasked with representation of others must ultimately commit the corporate resources to value maximization for those they represent. This theory believes the agents should exercise due diligence and care in making corporate decisions and are expected to make decisions and formulate policies meant to increase the wealth of the citizens and implement such plans for the betterment of their living standards. Similarly, the Stewardship theory proposes that only when the county residents are happy with the services delivered by policy makers do the stewards feel satisfied and motivated in their work. The third theory, the Stakeholder theory, believes that the voters are the main stakeholders who claim representation and service delivery from leaders, the contractors and development partners. In order for the agents in the agency theory and the Steward in the Stewardship theory to represent the people, the residents and the stakeholders appropriately, they must seek their views in a process known as public participation.

The county government of Nyandarua is dedicated to providing better services to its citizens, (RoK, 2013). This is only possible if the County is able to collect enough revenue through taxes and other levies, and putting the same into development projects that will uplift the livelihoods of its constituents. One of the major focus of the County is the budget, which shows, at a glance how much is needed, how it will be collected and to what use the money will be put into, (Cheema & Rondinelli, 2007). All these have a

direct impact on the citizens but, in most instances, the input of these citizens is not sought.

A number of empirical studies on the effect of public participation have been carried out in developed countries, for example the United Kingdom, Spain Italy and Germany (Ebdon, *et al*, 2012). Success in these countries has been attributed to three main factors: The existence of grassroots democracy; Evidence that more resources are allocated to those areas that have a deficient infrastructure than areas with a high quality of life and Citizens' contributions to the budgeting process are taken into account in the final budget, thus they believe that they have control over the process.

Most of these studies conclude that participatory budgeting can only succeed if the following contextual conditions exist: a legal framework that provides for citizen participation, provides some degree of autonomy to local governments and accessibility to all budget documents and information; vibrant civil social organizations that are able and willing to mobilize citizens to participate in the budget making and budget implementation process; and technical officers and government officials who are committed and willing to involve citizens in decision making regarding resource allocations. Their findings are consistent with similar research findings by Shah (2007) from other countries.

Despite the fact that there is a general consensus, on the importance of involving the public, especially in counties, there lacks comprehensive study on the effect of citizen participation on budget implementation in Kenyan counties. This study sought to fill this knowledge gap by assessing how citizen participation affects budget implementation in

Nyandarua County and attempting to answer the following question; what is the effect of citizen participation on the implementation of the budget in Nyandarua County?

1.3 Objective of the Study

The main objective of this study was to examine the effect of citizen participation on budget making process and implementation in the Kenyan county governments.

1.4 Value of the Study

This study aimed at adding substantial knowledge in the concept of citizen participation in governance and implementation of public policies. Academicians, researchers and students will use the research as a basis of reference for any future study in the field.

The citizens and the members of the general public will benefit greatly from this study as it will help them appreciate the importance of participating in the budget making process and its implementation. From this study, they will draw valuable insight that will leverage them into holding politicians and bureaucrats into account for the policies formulated and incorporated in the county budgets.

The study also provides facts for efficient and effective delivery of public services based on community driven projects. This is because Public participation enables governments to understand and appreciate different opinions and concerns. Before policies are approved, they undergo a comprehensive review and revision thus ensuring that policies, laws and development plans are robust. Participation provides additional skills, knowledge, concerns, and ideas that might have been overlooked had the process been limited to government officials. This is an essential tool for politicians and policy makers who will use such information to incorporate the citizens in the budget making and

implementation. This will ensure that only projects prioritized by the county residents are incorporated in the county budgets and as such the citizens own the projects and in turn they will offer political support. This is because without significant public participation, citizens may become suspicious and feel manipulated. This would undermine effective dialogue and create distrust. Public participation therefore legitimizes implementation processes.

The study illustrates how, by taking care of the interests of the various stakeholders, social conflicts can be alleviated and how investment in public participation at an early stage reduces, to a large extent, the number and magnitude of social conflicts arising over the course of the implementation of policies, laws and development plans.

Participation is important because practical experience on the ground shows that it establishes the necessary sense of ownership. Generally people tend to resist new ideas if these are imposed on them. Participation has greatly contributed to the sustainability of development initiatives, strengthened local capacity, given a voice to the poor and marginalized and linked development to the people's needs. Participation has been instrumental in guarding against abuse of office by public servants and political leaders. It has also provided a control against excessive discretion being vested in civil servants in public procedures. Participation has provided checks and balances against unnecessary political interference in service delivery and disregard for professionalism and meritocracy in the public sector amongst others (Odhiambo and Taifa, 2009).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains a detailed study of the generic theories behind citizen participation and budgeting. It also summarizes the empirical studies from scholars who had carried out their research in the same field of study. The specific areas covered here are citizen participation Theoretical Review; Empirical Review and finally a review of local research done on the study topic.

The literature review is in four parts, Section 2.2 gives the theoretical concepts used to explain the existence of citizen participation and its impact on implementation of the county budgets and development in the counties, Section 2.3 deals with the empirical work done on the topic worldwide Section 2.4 reviews the local relevant research done on the topic in Kenya and finally section 2.5 gives a summary of the literature review.

2.2 Theoretical Literature Review

Various theories have been formulated on citizen participation and budget implementation process. They include Agency theory; Stewardship theory and Stakeholders theory. These are discussed below.

2.2.1 Agency Theory

The Agency theory is probably the most important theory of corporate governance both in private and public organizations. The theory was developed by Jensen and Meckling(1976) but originated from the works of Berle and Means (1932). Agency

relationship is defined as a situation where one party (principal) appoints another (agent) to perform services on their behalf and delegates decision making authority to them. The underlying premise of this theory is that those individuals tasked with representation of others should ultimately commit the corporate resources to value maximization for those they represent. The agents are expected to exercise due diligence and care in making corporate decisions and ensure the interests of the principal are safeguarded.

An agency problem arises when there is a conflict of interest between the agents and the principals. This conflict comes into play when the agent makes decisions and policies aimed at self-benefits without considering what value such policies have on the principal's interests. Moral hazard can occur when the agents take actions in their own best interests that are unobservable and detrimental to the principal. The problem also exists when there is asymmetric information where one party mostly the agent has more information than the principal. Clearly, this model recognizes the agency costs arising from the separation of ownership and control since both parties are committing to maximizing their own utilities.

Advocates of this theory offer their solutions to the agency problem. Scholars like Fama and Jensen recommend solutions to prevent corporate governance failures. These recommendations include the removal of restrictions on the market of corporate control to eliminate managements with unsatisfactory performance and the commitment of company resources elsewhere to reduce the agents' discretionary power, such as debt-financed takeovers and leverage buy-outs (Keasey et al., 1997). However, whether the market of corporate control is an efficient mechanism for disciplining management has been hotly debated. Gugler believes that takeovers are not a complete mechanism for

resolving the agency problems. Empirical evidence has showed that hostile takeovers only lead to little positive or even negative change in firms' efficiency. Franks and Mayer also argue that the market for corporate control does not function as a disciplinary device for poorly performing company (Gugler, 2001). According to Ravenscraft and Scherer, there is scant evidence showing improved operating performance after takeovers. The use of debt also attracts mixed views since this may cause debt overhang problem or encourages management to take excessive risks (Vives, 2000). Oakeson (1989) concurs by observing that, to be accountable means to have to answer for one's action or inaction, and depending on the answer, to be exposed to potential sanctions, both positive and negative. Dele Olowu (1993) asserts that accountability is the requirement that those who hold public trust should account for the use of the trust to citizens or their representatives. He further observes that, public accountability signifies the superiority of the public will over private interests.

For the purposes of this study, the citizens and the voters were regarded as the principal whereas the politicians, bureaucrats and the policy makers are considered to be the agents. The voters in Kenyan counties elect leaders and politicians, put them in positions of power and delegate decision making authority on them. These leaders are expected to make decisions and formulate policies meant to increase the wealth of the citizens and implement such plans for the betterment of their living standards. Sometimes a conflict of interest arises when these leaders are elected or appointed in these positions but seek to maximize their wealth and serve their own interests rather than the interests of the citizens who they are supposed to be serving. This conflict of interest may be solved by constant monitoring of decision making, policy formulation and implementation by the

citizens to ensure their interests are put into consideration throughout the process. It may also be solved by offering incentives to good performing agents through reelection, reappointment and general public support. The poor performers may also be punished through threat of replacement, dismissal and lack of support which may be through riots and public demonstrations. Agency theory underscores the importance of public participation as agents must be seen to represent the wishes of their principal, who, in this case is the public.

2.2.2 Stewardship Theory

Stewardship theory differs from the agency model that views senior executives as rent seekers, self-interested, or “opportunistic.” Instead, stewardship views the executive as motivated to serve the organization. Davis et al., (1999) explain that when the senior executive faces competing interests, she values cooperation and focuses on the best interest of the organization. The executive accountable under stewardship recognizes and understands that the success of the organization will satisfy the interests of most of the constituents. Thus, the senior executive, as a steward, is “organizationally centered.” A central aspect of stewardship theory is the re-positioning of the principal/agent relationship from one of “coercive power” to “personal power.” The authors define “personal power” as influence that is sustainable over extended periods; they argue that “coercive power” is more common in the agency model of governance. Therefore, a key element of stewardship is the focus on a corporate structure based on trust and not the agency cost controls of the agency model.

The stewardship perspective suggests that the stewards are satisfied and motivated when the organizational success is attained. It recognizes the importance of structures that

empower the steward and offers maximum autonomy based in trust. According to this theory, the policy makers, politicians and elected officials are satisfied only when the departments they head and the entire county achieves success. Only when the county residents are happy with the services delivered by such policy makers do the stewards feel satisfied and motivated in their work.

They are inclined to operate effectively and produce results in order to protect their reputation as it is believed that firms' performance can directly impact perceptions of their individual perceptions since they are also managing their careers in order to be seen as effective stewards of their organizations.

Davis and Donaldson (1994) argue in support of a relationship between senior officers and directors based on steward-principal, rather than principal/agent. It suggests that a relationship based on trust between the steward and principal aligns the director/officer relationship such that the senior officer is working to do what is best for the organization. Moreover, the senior executive knows that he/she is "responsible for the fate of the organization."

Davis, Schoorman, and Donaldson's stewardship theory offers the opportunity to restore trust in the relationship between senior officers and directors that is often lacking trust. Further, stewardship theory minimizes the manager's dilemma because the senior executive knows that her duty is to the organization and that the directors expect her to carry out this obligation. Restoring trust to corporate governance is necessary at a time when public corporations are under scrutiny.(Ghazinoori, n.d.) Note that given a choice between self-serving behavior and pro-organization behavior, a steward's behavior will not depart from the interests of his/her organization. Stewards are not motivated by

individual goals but rather are stewards whose motives are aligned with objectives of their principals. In applying this theory to the study, the politicians are the stewards derives satisfaction when the organizational success, in this case the public is attained.

2.2.3 Stakeholder Theory

The theory was embedded in the management discipline in 1970 and gradually developed by freeman (1984). It incorporates accountability to broad range of stakeholder and defines a stakeholder as any group or an individual who can affect or is affected by the achievement of organization's objectives. The county leaders and politicians have a network of relationships to serve where each stakeholder has a claim. The main stakeholders in county budgeting include the voters who claim representation and service delivery from leaders, the contractors and development partners who claim transparency in award of tenders and use of funds, the suppliers who claim timely payments of goods delivered, the civil society who represent the voiceless and the national government who claim prudent use of revenue shared to the counties.

This model is regarded as the most fundamental challenge to the principal-agent model since it emphasizes that the purpose of firm should be defined broader than the mere maximization of shareholder welfare. Thus, corporate governance should refer to the design of institutions to make managers internalize all stakeholders' welfare (Vives, 2000). Other parties, who have interests in the firm's long-term success, should also be taken into account when a firm's objective function is defined. These stakeholders include employees, suppliers and customers. Supporters of this model believe that this stakeholder approach is more equitable and socially efficient (Keasey et al., 1997). In

terms of economic relations, firms face situations described in the well-known Game Theory, i.e. cooperative games or prisoner's dilemma.

The essence of the theory is that the outcome may not only depend on the choices made by one person, but also on the strategies selected by other participating parties (Pertersen and Lewis, 1999). Game theory concludes that full-cooperation maximizes the participants' joint payoffs but concedes that cheating remains the dominant strategy in a one-shot game.

Advocates of this model believe that ethical treatment of stakeholders will benefit the firm because trust relationships are built with stakeholders. Therefore, in order to achieve the maximum efficiency in the costs of social association the long-term contractual associations between a firm and its stakeholders are necessary.

Blair argues that a firm's contracts with its stakeholders involve co-specialized problems caused by the separation of ownership and control is the reason behind corporate governance problems. The myopic market model believes that the market's excessive attention to short-term gains leads to corporate governance failures. The abuse of executive power model believes senior management's excessive powers causes poor corporate governance. The stakeholder model blames narrowly defined corporate objective as the cause for problems. In spite of the differences, it is generally agreed that the principal-agent model is the most important theory in the domain of corporate governance.

(Freeman, Harrison, Wicks, Parmar, & Colle (2010) in his definition of the stakeholders theory states that Corporations have stakeholders, that is groups and individuals who benefits or are harmed by, and whose rights are violated or respected by corporate

actions. And so the concept of stakeholders is a generalization of the notion of stakeholders who themselves have some special claim to the firm. Freeman and Reed (1983) distinguish two senses of stakeholders. The narrow definition includes those groups who are vital for the survival of the corporation and the wide definition which includes any group or individual who can affect or is affected by the corporation.

This study held the public as core stakeholders to the governance process and must always be treated ethically by ensuring their views are adequately represented.

In summary, the importance of involving the public in the budget making process, and any other legislative process is supported by, not just the empirical studies reviewed but also a solid theoretical framework formulated on citizen participation and budget implementation process. Such theories include the Agency theory whose underlying premise is that those individuals tasked with representation of others should ultimately commit the corporate resources to value maximization for those they represent and that the agents are expected to exercise due diligence and care in making corporate decisions and ensure the interests of the principal are safeguarded. That the citizens and the voters are the principal makes the politicians, bureaucrats and the policy makers the agents and are expected to make decisions and formulate policies meant to increase the wealth of the citizens and implement such plans for the betterment of their living standards.

The second theory on which this study was anchored in was the Stewardship theory that views the executive as motivated to serve the organization. The central aspect of this theory is the re-positioning of the principal/agent relationship from one of “coercive power” to “personal power.”

According to this theory, the policy makers, politicians and elected officials are satisfied only when the departments they head and the entire county achieves success. Only when the county residents are happy with the services delivered by such policy makers do the stewards feel satisfied and motivated in their work. The third theory is the Stakeholder theory that regards the voters as the main stakeholders who claim representation and service delivery from leaders, the contractors and development partners who claim transparency in award of tenders and use of funds, the suppliers who claim timely payments of goods delivered, the civil society who represent the voiceless and the national government who claim prudent use of revenue shared to the counties.

All these theories underscore the importance of public involvement in not only the budget making and implementation process, but also the entire legislative process.

2.3 Determinants of Budget Implementation in Kenya

There are several determinants to effective budget implementation of budgets among organizations in Kenya. These included adequate availability of financial resources, competent human resource, and participation of both staff and other stakeholders in the budgeting process, proper planning, evaluation, monitoring and control of the budget process and staff motivation (Srinivasan, 2005).

2.3.1 Availability of Adequate Financial Resources

Adequate availability of financial resources is one of the determinants of effectiveness. To achieve an effective budget, the organization must ensure that it have adequate access to financial resources in order to finance its projects and to carry out its activities. The

management team should plan and come up with a budget before implementing projects (Dunk, 2001).

The organization must allocate adequate financial resources and other structures that facilitate effective implementation of projects and other organizational for example adequate allocation for funds to facilitate effective budget implementation. These resources should be both financial and physical resources (Hancock, 2009).

2.3.2 Competence of Human Resource

Competence of human resource is another determinant of effectiveness. To successfully execute its activities the organization should ensure that it has competent human resource with knowledge and skills on efficient and effective means of budgetary control processes and procedures (Horngren, 2002).

The organization should be well equipped with knowledgeable and skilled employees who are well conversant with budgetary control measures to effectively implement the budgetary control processes and allocation .Employees play an integral role in the process of planning, monitoring control and evaluation processes of budget implementation this highly contributes to monitoring budget expenditures and accountability in the use of the budget (Silva and Jayamaha, 2012).

2.3.3 Participation of Staff and Other Stakeholders

All individuals responsible for achieving results should be consulted in the formulation of budgets. No system of budgetary control can succeed without the mutual understanding of superiors and subordinates. The organization should communicate the outcome of budget decisions to all the relevant staff. Budgets have an important part to play in the

communication of objectives, targets and responsibilities throughout the organization. Carried out properly, this can have considerable benefits in promoting co-operation at all levels (Callahan and Waymire, 2007).

Participation assures full co-operation and commitment for making budgets successful. Participation also makes budgets realistic and workable (Simiyu, 2002). To ensure that the process of implementing the budget is successful, the management and the employees should work together to ensure that the interests of all stakeholders are fully represented when making key decisions involving budgetary allocations in key projects.

2.3.4 Proper Planning

In order to carry out budgetary control, it is necessary to formulate a fully co-ordinated detailed plan in both financial and quantitative terms for a forthcoming period. The duration of the period is usually one year. The plan needs to be in line with the long term development strategy of the organization, although in the shorter term of a budget year, conditions may prevail which could dilute this aim. For example a depressed economy could lead to a temporary departure from the long term plans. Therefore, before formulating the budgets, the policy to be pursued during the forthcoming trading period needs to be established (Dunk, et al, 2001).

Once budgets are operating throughout an organization, it is important that feedback is made available to the managers responsible for its operation. This is often done by means of monthly budget reports. These reports contain comparisons between the budget and the actual position and throw up differences which are known technically as variances. The budget plans must be properly co-ordinated in order to eliminate bottlenecks. Individual budgets should be co-ordinated with one another to ensure that the

implementation process is conducted effectively in order to save time and costs (Horngren, Forster and Dater, 1997). To facilitate proper planning, the management team should define the patterns of expenditure and revenue over the life of the project or the activity that the organization is undertaking. A predetermined budget of possible costs that was incurred carrying out the activities planned in a project should be made. Realistic planning of finances is key to the implementation of a project or programme (Joshi and Abdulla, 1996).

2.3.5 Evaluation

Evaluation is a key determinant for effectiveness, through an evaluation plan, the firm can clarify what direction the evaluation should take based on priorities, resources, time, and skills needed to accomplish the evaluation. To enhance effectiveness and transparency the management team should be actively involved in the process of monitoring and evaluation of budgetary control processes and procedures (Hancock, 2009).

The process of developing an evaluation plan in cooperation with an evaluation workgroup of stakeholders will foster collaboration and a sense of shared purpose this highly contributes towards achieving an effective budgetary control (Simiyu, 2002).

2.3.6 Monitoring and Control of Budget Process

Monitoring and control of budget process is a determinant of effectiveness, once the budgets have been implemented they need to be monitored and controlled to ensure effectiveness in aligning budgets over a defined period of time (Horngren *et al.*, 1997). A professional and transparent approach to budget planning will help convince investors,

development banks and national or international donors to make financial resources available if the organisation implements proper monitoring and control of budget process. This is achieved through ensuring that the estimated budget does not deviate from the actual outcome in order to take appropriate actions where necessary (Otley and Van der Stede, 2003).

2.3.7 Staff Motivation

By setting challenging but realistic targets well designed budgets can play a significant part in motivating managers. The targets must be clear and achievable, and the manager should participate in setting his or her own budget (Hansen et al., 2003). The budget gives senior management a means of judging the performance of their teams. It must be remembered; however, that adherence to the budget alone cannot measure all aspects of a manager's performance.

For an effective budget implementation, the budget plan should be more clear and accurate, the financial resources should be readily available and enough, both the staff and interested stakeholders should be involved in the budget process, the staff actively involved in the budget should be motivated to facilitate successful implementation of the budget process (Hansen et al., 2003).

2.4 Empirical Literature Review

Public participation may be viewed as a political process and therefore for any democratic system of government, it is essential that there is inclusivity of the public in budget making and implementation process. This section will look at the state of public

participation in budgeting process for selected countries in the world more so in devolved governments.

Brazil was the first country to implement this concept through participatory budgeting and public councils. Participatory budgeting (PB) originated in Brazil in the late 1980s as a redistribution mechanism that favored the poor (Baiocchi, 2005). The region's local budget assembly is open to all residents and is the initial location where citizens may debate and vote on budget priorities. The INESC works in poorly performing, under-resourced schools, to strengthen the capacity of youths to secure their rights through the monitoring of public budgets and policies that affect them (Baiocchi, 2005).

In the United States participatory budgeting (PB) is a relatively new and innovative approach to municipal budgeting that has implications for improving the role of citizen participation in the budgetary process. Budgeting systems in the United States are highly decentralized. In 40 out of 50 states, there are mandates to make the proposed budget publicly available and/or to hold at least one public hearing. (Berner and Smith 2004, 144–146). States can also require voter referenda to increase local taxes or issue debt (Ebdon 2000).

In China, participation may take one or more days of meetings and deliberation, and financial grants may be used as incentive (He 2011). In a case study of participatory budgeting in the city of Wuxi, Wu and Wang (2011) found that motivating factors included party leadership support, research foundation assistance, a culture of participation with numerous civil society organizations, and fiscal strength. Mass media

help to encourage and educate participants, and surveys and neighborhood recommendations are collected prior to voting.

In China, PB experiments have promoted a degree of transparency and fairness, provided opportunities for deputies and citizens to examine, discuss and monitor budgets and improved the communication between government and citizens. When PB was introduced into China, the Chinese government reshaped its core ideas by projecting PB as a programme to curb corruption, improve administrative efficiency and enhance state capacity (Collins and Chan, 2009). Reshaped in this way, PB becomes a tool of administrative incorporation, expanding participation and narrowing contestation. This has made it an attractive instrument in other state- dominated administrative mechanisms such as the Feedback Unit in Singapore and the Law of Complaints in Vietnam (Rodan and Jayasuriya, 2007).

The Youth Participatory Budgets in Portugal bring to the political arena citizens not yet able to vote in regular elections due to age and show that with the right means and good communication the youth, often accused of having little or no interest for the collective good; participate in fruitful and creative ways.

In the Philippines, it is even more radical as the advocates for public participation are human rights activists. However, the process is more political than development oriented since these activists are mostly associated with the opposition. There are many other countries over the world where human rights groups have advocated for public participation in government decision making such as the Civil Rights Movements of USA, the Dalits and Tribal Rights movement in India, the freedom movement in India or

South Africa, the Labor Rights Movement in Russia. The activists use the constitutional right to information and expression as stipulated in the International Human Rights Code as the basis for emphasis on the need for public participation in budgeting process.

For African countries, there exists The African Charter for Popular Participation in Development and Transformation which was adopted in February 1990 at the "International Conference on Popular Participation in the Recovery and Development Process in Africa", Arusha, Tanzania. The Charter was adopted in the context of a deterioration of social and economic conditions in African countries in the 1980s and ratifying parties thought that the lack of "full appreciation of the role popular participation in development.

The Charter was initiated by NGOs, grass-roots organizations and African Governments. The Charter emerged NGO suggestions the 1988 mid-term review of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD), which established a framework co-operation between Africa and the international community.

In Summary, the empirical studies on public budgeting, though few, are quite extensive. The phenomenon traces its origin in Brazil in the late 1980s as a redistribution mechanism aimed at mainstreaming the poor. The concept of public budgeting has continued to evolve as more and more countries embrace it and modify it. For the United States participatory budgeting (PB) is highly decentralized as it is aimed at improving the role of citizen participation in the budgetary process. In China, the process is so important that it could take days of meetings and deliberation, and, if need be, financial grants are used as incentives, if only to bring more people on board. This seriousness has,

undoubtedly, borne the country fruits as empirical studies indicate an increase in transparency and fairness as a result of public participation in the budgeting process.

Other studies done on The Youth Participatory Budgets in Portugal, the advocating of public participation by human rights activists in the Philippines and many other countries over the world like the Civil Rights Movements of USA, the Dalits and Tribal Rights movement in India, the freedom movement in India or South Africa, the Labor Rights Movement in Russia bring out a fundamental argument to the debate of public participation: Participation in the budget making process is every person's right. This is a fact even the young democracies, like our country, and counties, cannot ignore, thus the adoption of The African Charter for Popular Participation in Development and Transformation.

Mbai (2003) observes that, holding public officers accountable will require that there must be values and norms that public officials shall be required to adhere to. This, in present day Kenya, is well articulated in Chapter Six of the Constitution on Leadership and Integrity, the Public Officer Ethics Act 2003, the Leadership and Integrity Act 2012, and the Civil Service Code of Regulations of 2006. He further observes that, holding public officers accountable will also require clarity on the kind of retribution that can be applied when the prescribed values and norms are not observed. Holding a county government and its public officers accountable ensures that those entrusted with leadership positions, public offices, and public resources adhere to publicly agreed norms, standards and goals.

A publication by IEA-Kenya reviews the status of public participation and existing county public participation and information dissemination frameworks in four counties namely: Isiolo, Kisumu, Makueni and Turkana. The study examines the constitutional and legislative provisions on public participation, frameworks put in place by respective county governments that facilitate participation in governance, citizen and civil society involvement in county governance and information dissemination frameworks put in place by the four counties.

In particular, the study reviewed provisions in the Constitution and existing legislation on public participation. The study identified frameworks, including processes and platforms put in place by the aforementioned county governments with the objective of facilitating public participation in governance processes. The study further assessed citizen participation and engagement in governance. Finally, the study identified the available information dissemination frameworks in the target counties. The findings in the study informed recommendations to county governments for strengthening citizen participation in governance. The concept of public participation has been heralded by all democracies as the backbone of democratic governance. Democracy author Spiegel notes that ‘Citizen Participation is the process that can meaningfully tie programs to people. The World Bank defines participation as: ‘A process in which stakeholders’ influence and share control over development initiatives, decisions and the resources affecting them (Devas and Grant, 2003).

According to ADILI newsletter issue 135, public participation creates a balance between governing for the people, and governing by the people. The concept emphasizes on the need to enhance further inclusion and meaningful participation of citizenry in the process of decision making within governance structures. Harnessed properly, public participation has the potential of playing a significant role and greatly influencing decision making and ultimately improves the governance process. The makers of our constitution considered that public participation emphasizes on concepts like ‘more heads are better than one’ leading to productive and sustainable change. Indeed, it is part of a ‘people first’ or ‘people centered’ methods of management, which avoids centralized hierarchical decision making (Mbai, 2003).

In their paper on public participation: *Kenya’s best weapon against graft and poor governance*, Francis Kairu and Mary Maneno notes that public participation aims at bridging the gap between state actors, civil society, private sector and the general public. The duo notes that a society with heavy civic culture participates more in managing their affairs. It is now a legal requirement to consult stakeholders and make development plans and services more responsive to local needs. The responsibility has now increased two fold for the average Kenyan. The rallying call has changed form just ‘*haki yetu*’ to ‘*haki yetu wajibuwangu*’ Kenyans now have an opportunity to enhance development and service delivery while entrenching governance and accountability (Devas and Grant, 2003).

In summary, the importance of public participation is enshrined in almost every statutory instrument in Kenya right from the most supreme law of the land: The Constitution, to the County Government Act and a myriad of other Acts, has attracted the interest of

several researchers in the country. The World Bank defines participation as: ‘A process in which stakeholders’ influence and share control over development initiatives, decisions and the resources affecting them.

According to ADILI newsletter issue 135, public participation creates a balance between governing for the people, and governing by the people. In their paper on public participation: *Kenya’s best weapon against graft and poor governance*, Francis Kairu and Mary Maneno notes that public participation aims at bridging the gap between state actors, civil society, private sector and the general public.

A research conducted by Mbai (2003) indicated that, holding public officers accountable requires that there are values and norms that public officials are required to adhere to by the public. In a review published by IEA-Kenya on the status of public participation and existing county public participation and information dissemination frameworks in four counties, citizen participation and engagement in governance was examined. All the local researches on public participation agree on these two things: that public participation is a human right and that we are a long way from fully utilizing it to enhance transparency and accountability in Kenya.

2.5 Conceptual Framework of the Study

A conceptual framework is a set of coherent ideas or concepts organized in a manner that makes them easy to communicate to others. The framework can help us to explain why we are doing a project in a particular way. It can also help us to understand and use the ideas of others who have done similar things. A combination of the independent variables as displayed in the conceptual framework helped to establish the influence of public participation in budget making and implementation.

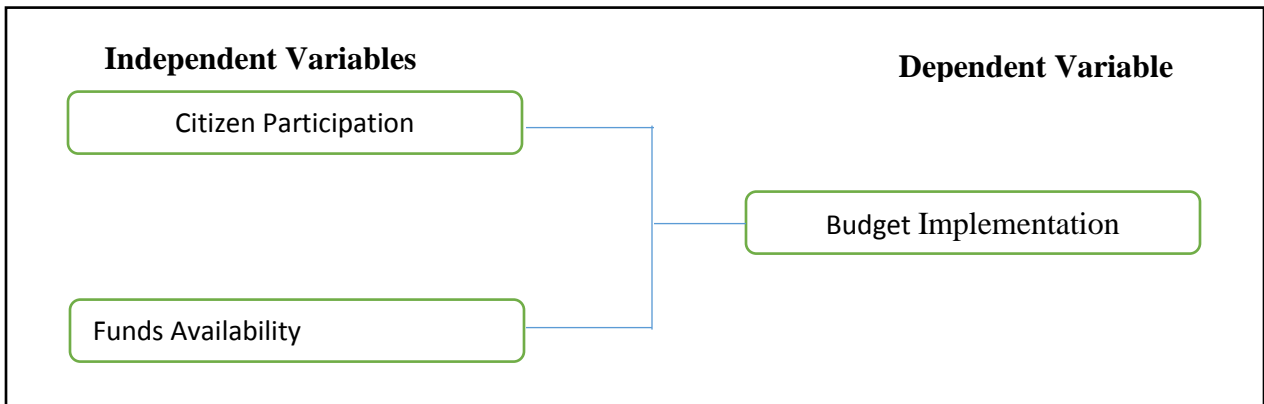


Figure 2.1

2.6 Summary of Literature Review

The theoretical literature reviewed underscores the importance of citizen participation in the allocation of public resources, use of local public funds and thus enhancing development outcomes. Most studies agree that citizens have the best knowledge of their own needs, their preferences, and local conditions and, therefore, their participation in decision making makes it more likely that available funds will be used to deliver the goods and services most needed, thereby improving government effectiveness. Agency theory postulates that those individuals tasked with representation of others should ultimately commit the corporate resources to value maximization for those they represent and that the agents are expected to exercise due diligence and care in making corporate decisions and ensure the interests of the principal are safeguarded. The citizens and the voters are the principal who makes the politicians, bureaucrats and the policy makers the agents and who are expected to make decisions and formulate policies meant to increase the wealth of the citizens and implement such plans for the betterment of their living standards. According to stewardship theory, the policy makers, politicians and elected

officials are satisfied only when the departments they head and the entire county achieves success.

Finally the Stakeholder theory regards the voters as the main stakeholders who claim representation and service delivery from leaders, other stakeholders include the contractors and development partners who claim transparency in award of tenders and use of funds, the suppliers who claim timely payments of goods delivered, the civil society who represent the voiceless and the national government who claim prudent use of revenue shared to the counties. There is general consensus in theory that participation contributes to better public policy and better policy implementation.

Several determinants influence the process of budget implementation in Kenya There are several determinants to effective budget implementation of budgets among organizations in Kenya including adequate availability of financial resources, competent human resource, and participation of both staff and other stakeholders in the budgeting process, proper planning, evaluation, monitoring and control of the budget process and staff motivation.

The empirical studies reviewed further agree that citizen participation improves vertical, or social, accountability. When citizens are engaged in planning, funding, delivering, and monitoring public goods and services, the incentives and pressures on public officials and officeholders change. Officials become more accountable for the choices they make on behalf of citizens; as a result corruption is less likely and effectiveness and efficiency increase. Citizens' perceptions change as they learn to see themselves as the clients of government.

Since most of the existing literature on public budgeting and financial management tends to concentrate on central government budgeting issues, the researcher felt that there is a knowledge gap on the effect of citizen participation on budget implementation in Kenyan counties. For this reason, the researcher sought to assess how citizen participation affects budget implementation in Nyandarua County by attempting to answer the question; what is the effect of citizen participation on the implementation of the budget in Nyandarua County?

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter the research methodology used in the study is described. The geographical area where the study was conducted, the study design and the population and sample are described. The instrument used to collect the data, including methods implemented to maintain validity and reliability of the instrument, are described.

Research methodology is a general approach to studying a research topic. It is the framework underlying the strategy of a research. This chapter presents the methodology used to carry out the study. Section 3.2 describes the research design; section 3.3 describes the target population, sampling methods and the techniques used to select the sample size. Section 3.4 describes the type of data and data collection method used in the study, section 3.5 illustrates how data validity and reliability was ensured in the study while section 3.6 describes the various tests that were conducted on the variables involved in the study.

3.2 Research Design

According to Cooper and Schindler (2007), Research design is the plan and structure of investigation with the intention being to obtain answers to research questions. The plan is the overall scheme or program of the research. It includes an outline of what the researcher did from writing hypothesis and their operational implications to the final analysis of data.

The research design adopted was descriptive survey where questionnaires were administered to residents from Nyandarua County attending public participation fora in order to establish the impact of their participation on budget implementation in the county, key informants such as the CECM for Finance and Economic Planning, Senior Officers in the Department of Finance and Economic Planning and those responsible were used. It is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho 2003) According to Mugenda (2003), this is ideally a process of collecting data in order to test hypothesis or to answer questions concerning the status of the subject in the study.

Kothari (2009) recommends descriptive study as it allows the researcher to describe, record, analyse and report conditions that exists or existed during the research. A descriptive research design was thus used in this study because it uses both quantitative and qualitative data which was collected in this study.

3.3 Population and Sample

This section covers the target population, the sampling method and the criteria for selecting the sample size during the study.

3.3.1 Target Population

A population is referred to as the entire set of relevant units of analysis, or data. Mugenda and Mugenda (2003) say that target population refers to the population to which a researcher wants to study. According to Burns and Grove (1993), a population is defined as all elements (individuals, objects and events) that meet the sample criteria for inclusion in a study.

The target population in this study was all the registered voters in Nyandarua County since they are entitled by the constitution to attend public participation forums, senior officials in the department of Finance and Economic Planning and those responsible for budgeting and budget execution both in the County assembly and the county executive.

3.3.2 Sample Size and Sampling Procedure

Sampling is the process of selecting a sub-set of cases in order to draw conclusions about the entire set, while a sample is a small part of a large population obtained from the accessible population (Orodho, 2005). To arrive at a representative sample to be used for the study, Slovin's sample size determination formula was used. It is the most preferred because of the following reasons: no information is known about the behavior of this study population; it allowed the researcher to sample the population with a desired degree of accuracy and it gave an idea of how large the sample size needed to be to ensure a reasonable accuracy of results.

The formula for calculating the sample size was as follows:

$$\text{Sample size, } n = \frac{N}{1 + Ne^2}$$

N = The total number of the respondents in each category

e=Margin of error (5%) implying that the Confidence level is (95%)

In the 2013 general election Nyandarua County had a number of 255,984 registered voters, using the slovins formula;

$$\text{Sample size, } n = \frac{255984}{1+255984*0.05^2}$$

$$n = 400$$

Hence the sample was distributed proportionally in the five sub-counties according to the number of registered voters in each sub-county as follows;

Table 3.1: Study sample population and size

Sn.	Sub-County	No. of Registered Voters	Sample
1	Kinangop	85,531	134
2	Kipipiri	39,674	62
3	Ol Kalou	49,807	78
4	Ol-jor-orok	39,417	62
5	Ndaragwa	41,555	65
	Total	255,984	400

For the Key Informant Interviews the following were interviewed; CEC Finance and Economic Planning, CO Finance and Economic Planning, Director Finance and Economic Planning, Chairperson Budget and Appropriation Committee, Speaker to Nyandarua County Assembly and the Clerk Assistant to the County Assembly Budget Committee.

3.4 Data and Data Collection Procedures

This section illustrates the type of data used during the study and the methods used during the data collection process as well as the procedure used when collecting the data. Donald (2006) notes that there are two major sources of data used by researchers; Primary and Secondary data. The study relied majorly on primary data.

The general objective of the study was to find out the effect of public participation on budget implementation in Kenyan Counties. Responses on various questions were collected as raw data using structured questionnaires with both open and close-ended questions. The questions format used was mainly based on a five point Likert scale. Likert scale is a verbal scale where respondents indicated the degree of agreement or disagreement with a number of statements about an object of interest (Bannock et al, 2002). According to Orodho, 2005, Likert scale permits the respondent to select from a number of degrees of intensity (usually five). The respondents were also assessed on the strength of opinion.

The researcher used questionnaires as the main instruments for data collection. The questionnaires were in three categories; for citizens, for the budget formulators and for the budget implementers. All questionnaires had both closed and open – ended questionnaires that helped in gathering demographic information of the respondents and information on the impact of public participation in county budget implementation. The questionnaire was used because it is easy to administer and it can be used to collect data simultaneously from a large group of respondents.

The researcher obtained a permission letter from the university before collecting data from the sampled individuals. The research permit was presented to the respondents in the sampled sub-counties and those in the finance and planning departments. During the administration of the questionnaires, the researcher would make a brief introduction, explaining the nature and importance of the study and assuring the respondents of confidentiality. The respondents were given time to respond to the questions in the questionnaires. The researcher waited for them until they were completely filled before collecting them.

3.5 Validity and Reliability

This section describes validity of an instrument which is the degree to which an instrument measures what it is intended to measure (Polit & Hungler 1993:448) and reliability which is the likelihood that the research instruments will yield consistent results even after repeated tests.

3.5.1 Validity of the Instrument

Content validity refers to the extent to which an instrument represents the factors under study. Mugenda and Mugenda (1999) define validity as the accuracy and meaningfulness of inferences, which are based on the research results.

To check validity, expertise from the supervisor was taken into consideration to ensure that the instruments were constructed correctly, had the right content, and if the instruments accurately represented the variables under study in line with the stated purpose and study objectives. As such, the researcher sought assistance from the supervisor. Questions were based on information gathered during the literature review to

ensure that they were representative of what stakeholders should know about citizen participation and budget implementation. Pilot study was carried out to validate the instruments. Based on the analysis of the pre-test, the researcher was able to make corrections, adjustments and additions to the research instruments.

Content validity was further ensured by consistency in administering the questionnaires. All questionnaires were distributed to subjects by the researcher personally. The questions were formulated in simple language for clarity and ease of understanding. Clear instructions were given to the subjects and the researcher completed the questionnaires for those subjects who were not be able to read.

3.5.2 Reliability of the Instrument

According to Mugenda and Mugenda (1999), reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. That is how consistent the scores are for each individual from one administration of an instrument to another and from forms method will be used.

3.6 Data Analysis

This section covers how the data collected was organized and coded to facilitate statistical analysis. It also conceptualizes the variables used during the study, describes the analytical models and diagnostic tests that were conducted on the variables in the model.

Data obtained from the field was cleaned, irrelevant data was coded, and analysed using statistical package for social scientists (SPSS) to generate required information. Quantitative data was then entered into the computer for analysis using the Statistical

Package for Social Sciences (SPSS). This produced the frequencies and percentages which were used to discuss the findings. Frequency distribution tables were used to present the data while descriptive statistics such as percentages and frequencies were used to answer research questions. Open-ended questions were analysed using qualitative data analysis.

3.6.1 Conceptual Model

The study adopted a mathematical model to illustrate the relationship between the budget implementation and citizen participation and funds availability. The model was;

$$BI = F(CP, FA) \dots\dots\dots (1)$$

Where BI= Budget Implementation in Nyandarua County

CP = Citizen Participation

FA = Funds Availability

The model depicted Budget Implementation as a function of Citizen Participation and Funds availability.

3.6.2 Analytical Model

The study adopted a linear regression model to test the relationship between the variables with budget implementation as the dependent variable and citizen participation and funds availability as the independent variables. The empirical model was thus:

$$BI = \beta_0 + \beta_1 CP + \beta_2 FA + \epsilon \dots\dots\dots (2)$$

Where BI= Budget implementation in Nyandarua County is the dependent variable which will be evaluated using the questionnaires by measuring absorption rate of the budget and effectiveness in terms of priority projects by the county citizens.

β_0 = intercept

β_1, β_2 = coefficients

CP = Citizen Participation was evaluated by use of a questionnaire and assessing the level of citizen participation and extent to which the view of the public is considered in budget implementation.

FA = Funds availability, this was evaluated using secondary data and interviews of some officers in the county by evaluating frequency and timing of exchequer releases, as well as collectability of local revenues.

ε = error term

3.6.3 Diagnostic Tests

This section covers the various tests that were conducted on the variables to establish their significance over the predictive power of the model. These tests included; tests on the Dependent variable, test on the Independent variables and test on the error term.

Test for independent variables refers to the tests conducted on the model to establish the influence of the independent variables either individually or jointly on the dependent variable. The study conducted an F- test to establish the significance of the independent variables (Citizen Participation and Funds Availability) against the dependent variable (Budget Implementation).The significance of variables was observed at 95% confidence level whereby, variables with a 'p' value of 0.05 and below was deemed as significant while those with 'p' values above 0.05 was deemed insignificant.

Test for dependent variable refers to the tests conducted to measure the proportion of the dependent variable that is explained by the independent variable(s). It thus describes how much variation in the key responses can be explained during the study, Adjusted R squared measured coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable(s). From the findings of the study, adjusted R squared was an indication extent of variation in budget implementation process due to citizen participation and funds availability at 95 percent confidence interval. R is the correlation coefficient which showed the relationship between the study variables and was used to determine whether the model is a good predictor.

One of the main assumptions of the classical linear regression model is that the variation of the error term is constant (homoscedastic). However sometimes the error term may fail to have a constant variation and thus we say they are heteroscedastic. During the study, White's general test was performed on the error term in the model to test whether the model would give unbiased coefficient estimates that are BLUE.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction.

This chapter deals with the analysis of data collected from the field, presentation and interpretation of the data. Analysis of data was done using statistical package for social sciences (SPSS) software; presentation is done using graphs and tables while interpretations are generated from analysis of the data presented.

Further, the chapter highlights the research instruments' return rate, a summary of the statistics obtained from the study, the background information of the respondents, aspects of public participation studied and the effect of citizen participation on budget implementation in Nyandarua County. The results of the model goodness of Fit, ANOVA and Regression Coefficients are also discussed in this chapter.

4.2 Instrument Return Rate

This section deals with how well the research instrument performed in terms of collectability. It describes how many questionnaires the researcher distributed and how many were filled and returned to the researcher for analysis.

The researcher distributed a total of 400 questionnaires to the respondents were all filled and returned. This represented a 100% return rate, which was a good representative and sufficient to make generalisations. However, this still differed from the sample since the questionnaires did not reach all the targeted areas.

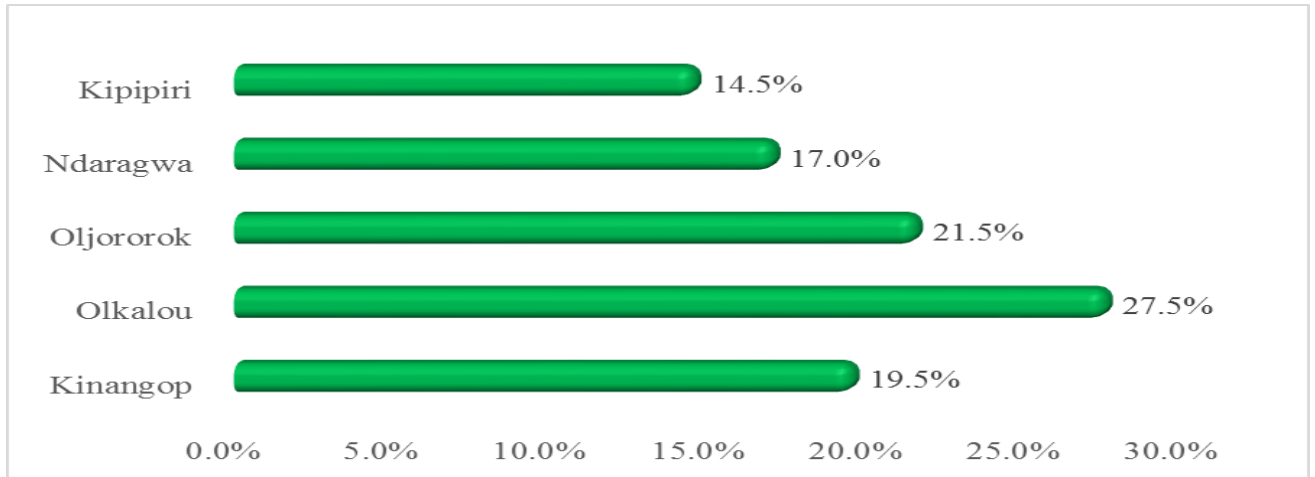
4.3 Summary Statistics

Both data capture and analysis was done using SPSS version 21. Results obtained from SPSS were exported to Microsoft Excel 2010 to draw tables for presentation.

4.3.1 Background Information of Respondents

Out of the 400 respondents, 110 representing 27.5% were selected from Olkalou Sub-county being the county headquarters, and where public participation turn-out is considered higher than in the other four sub-counties. This was followed by Oljororok Sub County and Kinangop Sub County with 21.5% (86) and 19.5% of the respondents respectively and as shown in Chart 4.1 below. This reveals that public participation in Olkalou Sub County is higher than in Kinangop despite the high gap in population.

Figure 4.1 Distribution of respondents by Sub County

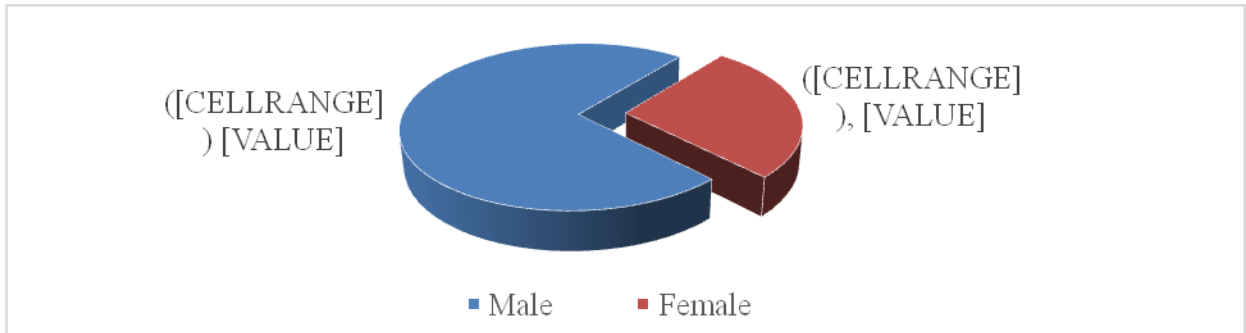


Source: Author's computations

The study further revealed that a majority of the respondents were males representing 73% (292) and the rest (27%) being female. This reveals that men are more likely to

attend public participation fora than their female counterparts. The data is presented in Figure 4.2 below.

Figure 4.2 Distribution of respondents by Gender



Source: Author's computations

Table 4.1 Distribution of respondents by Age

Age	Frequency	Percent
<18 Years	20	5%
18-22 Years	30	8%
23-27 Years	102	26%
28-32 Years	102	26%
33-37 Years	54	14%
38-42 Years	40	10%
>43 Years	52	13%
Total	400	100%

Source: Author's computations

Table 4.1 shows that most of those who attend public participation fora are the youth, aged between 23 years to 32 years, representing 52% (204) of the respondents with those below 23 years accounting for 13%(50) and those above 32 years accounting for 37% (146) of the participants. This is a clear indication that young people are more likely to understand the concept of public participation.

Table 4.2 Distribution of respondents by education level

Level of education	Frequency	Percent
None	7	1.8%
Primary School	81	20.3%
Secondary School	178	44.5%
University Education	134	33.5%
Total	400	100.0%

Source: Author's computations

The study revealed that most of the respondents who attend public participation fora have at least attained secondary school level of education. 44.5% (178) of the participants indicated that they have attained secondary school education and 33.5% (134) have attained university level education. Only 1.8% (7) indicated that they had not attained any education. This clearly shows that those with no education shy away from public participation.

4.3.2 Aspects regarding public participation

Asked about who informed them about public participation for those who understand what public participation meant, 44%(177) of the participants cited the media, an indication that the media (Print, television and radio) is in the forefront in educating Kenyan citizens on their civic rights and especially participating in the budget making process. Other notable contributors in informing the citizens of Nyandarua County as cited by the participants included: the constitution according to 17% the participants which shows that most of the residents have read the constitution and civic education fora as indicated by 10% of the participants. The rest of the responses are shown in table 4.3 below:

Table 4.3 Source of information on public participation

Who Informed you about public participation	Frequency	Percent
Chief	18	7%
Church	12	4%
Civic Education	28	10%
Constitution	46	17%
Friend	22	8%
Member Of County Assembly	14	5%
Media	122	44%
Social Media	14	5%
Total	276	100%

Source: Author's computations

The researcher sought to find out how the participants learnt of the date and venue of the public participation fora. 25.2% of the respondents indicated that they got this information from the gazette notices in the newspaper, while 19.7% indicated that they learnt from radio announcements especially by the vernacular radio stations while 19.9% indicated that they got wind of it from the televisions adverts. These and the other ways of getting this information according to the participants is displayed in table 4.4 below.

Table 4.4 Knowledge on date and venue of public participation

How did you know about the public participation date and venue?	Frequency	Percent
Assembly's Website	8	3.1%
Chief	10	3.9%
Church	18	7.1%
Friend	12	4.7%
MCA	6	2.4%
Newspaper	64	25.2%
Poster	22	8.7%
Public Announcement	12	4.7%
Radio	50	19.7%
Social Media	4	1.6%
TV	48	18.9%
Total	254	100.0%

Source: Author's computations

The researcher also sought to know which topic was discussed during the public participation fora the participants had attended. A majority (49.8%) cited that it was a bill that was being discussed, 34.5% cited the county budget, 14.3% cited the finance bill as shown in the table below. Asked which arm of the government was conducting the public participation forum, 80% cited the County Assembly while only 20% indicated the County Executive. It also came out clearly that the County Assembly was the most vibrant in conducting the public participation forums.

Table 4.5 Topic of discussion during public participation forum

What was being discussed in the public participation forum?	Frequency	Percent
Bill	199	49.8%
Budget	138	34.5%
CDF	6	1.5%
Finance Bill	57	14.3%
Total	400	100.0%

Source: Author's computations

Respondents were asked to indicate the extent to which they agreed or disagreed with statements relating to public participation in a bid to deduce what they think about public participation and governance. On their views concerning whether public participation empowers communities to participate in the county development process, 37.6% agreed with this statement, 23.6% strongly agreed with this statement. 40.9% and 20.7% agreed and strongly agreed respectively with the statement concerning public participation providing information to the citizens with which to question the government performance and demand responsiveness. On the statement concerning public participation aiding in

improving resource allocation, most of the respondents (35.6%) agreed with it, 43.3% were in agreement that public participation helps citizens to monitor impacts of projects and programmes. 44.2% of the respondents agreed that public participation improves dialogue between citizens, government and elected officials. However, most of the respondents were either neutral or disagreed that public participation increases the number of women and persons with disability in decision making while a good number (33.5%) of the respondents believes that public participation improves service delivery with a pro-poor focus as shown in table 4.3 below.

Table 4.3 Aspects regarding Public Participation

Aspects regarding public participation	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Public participation empowers communities to participate in the County development process	11.5%	13.9%	13.3%	37.6%	23.6%
Public participation provides information to the citizens with which to question government performance and demand responsiveness	7.3%	8.5%	22.6%	40.9%	20.7%
Public participation Improves resource allocation	8.5%	20.0%	26.1%	35.8%	9.7%
Public participation helps citizens to monitor impacts of projects and programmes	7.3%	18.3%	23.2%	43.3%	7.9%
Public participation helps in Improving	5.5%	11.7%	22.7%	44.2%	16.0%

dialogue between citizens, government and elected officials				%	%
Public participation increases the number of women and persons with disability in decision making	10.9%	19.4%	29.7%	27.3%	12.7%
Public participation improves service delivery with a pro-poor focus	12.8%	22.0%	22.6%	33.5%	9.1%

Source: Author's computations

Respondents were further asked to give their views on some statements regarding public participation and budget implementation, 79.1% were in agreement that the county government gives timelines and venues for public participation in advance, 81% agreed on the same with regard to the county assembly showing that the county assembly is slightly more vibrant in preparing for public participation. Respondents were however not in agreement concerning access to the relevant materials for public participation on time prior to the date of public participation for perusal with 50.6% indicating that they are not able to access the materials. Most of them (66%) however, indicated that they are given a chance to give their comments during public participation while 55.6% indicated that everybody is allowed to ask questions in such fora.

On issues regarding incorporating the comments gathered from public participation 56.8% indicated that their comments are not incorporated in the final approved budgets, 51.8% indicated that they are not involved in project identification, 64.2% further indicated that they do not get any feedback after project identification during budget making process from the county government, 63.4 indicated that the county government

does not involve them in implementation while 69.3% indicated that the county government does not involve the citizens in project monitoring. These findings are presented in table 4.4 below:

Table 4.4 Statements linking citizen participation and budget implementation

Statements linking citizen participation and budget implementation	Yes	No
Does the County government give timelines and venues for public participation in advance?	79.1%	20.9%
Does the County Assembly give timelines and venues for public participation in advance?	81.0%	19.0%
Are you able to access the relevant materials for public participation on time prior to public participation (i.e. draft budgets, bills) for your perusal?	49.4%	50.6%
Are you given a chance to give your comments during public participation	66.0%	34.0%
Is there any discrimination during public participation (Is everybody allowed to ask a question)	55.6%	44.4%
Do you think your comments are incorporated in the final approved budgets?	43.2%	56.8%
During the budget making process does the county government involve you in projects identification for your area?	48.2%	51.8%

During the budget making process does the county government gives feedback after project identification?	35.8%	64.2%
Does the county government involve you in projects implementation?	36.6%	63.4%
Does the County Government involve you in project monitoring?	30.7%	69.3%

Source: Author's computations

Respondents were further asked to rate the county government departments on the level of budget implementations with a scale ranging from extremely poor meaning that the department's level of budget implementation is at its worst and excellent meaning that all the projects funded during budget making are considered and implemented by the department. From the responses given, the department of youth affairs, sports, tourism and wildlife was rated last with 35.4% of the respondents indicating that the department is extremely poor in budget implementation with the water, irrigation, energy, environment and natural resources also being ranked as performing extremely very poorly in implementation. Other departments performed fairly in implementation as show in table 4.5 below.

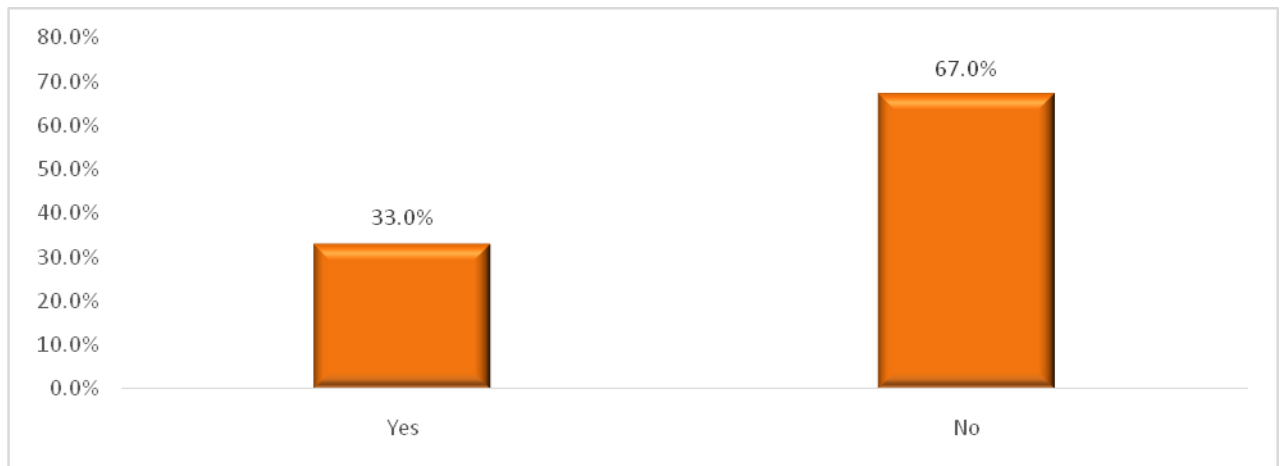
Table 4.5 Budget implementation by department

Budget departments	Implementation	by	Extremely	Poor	Poor	Fair	Average	Good	Excellent
Health Services			21.8%	21.8%	15.8%	23.0%	11.5%	6.1%	
Roads, Public Works and Transport			15.2%	23.8%	26.2%	24.4%	9.1%	1.2%	
Agriculture, livestock and Fisheries			22.2%	22.2%	23.5%	24.7%	6.2%	1.2%	
Trade, industrialization, cooperatives and Enterprise Development			24.5%	16.6%	22.1%	28.8%	6.7%	1.2%	
Lands, Housing and Physical Planning			26.4%	14.7%	20.9%	28.8%	6.7%	2.5%	
Water, Irrigation, Energy, Environment and Natural resources			34.8%	18.9%	15.2%	22.0%	7.3%	1.8%	
Education, Labor, Culture and Social Services			16.5%	12.8%	12.8%	34.8%	18.9%	4.3%	
Youth Affairs, Sports, Tourism and Wildlife			35.4%	13.4%	11.0%	26.2%	9.1%	4.9%	

Source: Author's computations

Asked whether the projects incorporated in the county budgets were community needs driven, 67% indicated no hence the projects are not helping the communities at all. This is as shown in Figure 4.3 below.

Figure 4.3 Are the projects initiated community needs driven



Source: Author's computations

The respondents were further asked to suggest ways through which the county government can improve on how public participation is conducted and some of the suggestions given are enumerated here below:

Youth involvement in the sensitization and creating awareness to the old who do not see the need for public participation; Use local language during public participation forums, Create more public awareness on the date, time, venue and topic of discussion and also on the relevance of the topic to the local people; The respondents also suggested that it was prudent the county governments should consider facilitating public participation forums by either refunding fare to the respondents or providing them with lunch during the day; The public also complained of the unavailability of the relevant documents hence most do not know what will be discussed during the forums, this however hinder them from attending, and; By creating more awareness through civic education, use of opinion leaders and organizing public barazas for them to be heard by leaders.

The respondents were further requested to give their opinions on how the county government can improve on budget implementation, most of them cited accountability and transparency should be enhanced through creating an avenue through which the citizens can monitor the projects progress, also through using bills of quantities budgeting to avoid underfunding of projects and also to reduce corruption since most of the bills of quantities are designed according to the money allocated giving a channel for corruption and blame games in the county departments.

4.4 Effect of Citizen Participation on Budget Implementation

In this section, the researcher examined the effect, if any, of citizen participation on budget implementation as stated above. The results of model goodness of fit, results of Analysis of Variance (ANOVA), and the estimated regression model were computed and illustrated as here below.

The researcher, by subjecting the data collected to the above tests (model goodness of fit, Analysis of Variance (ANOVA), and the estimated regression model) sought to find out whether and how much effect the independent variables (Availability of funds and citizen participation) selected had on the dependent variable (Budget Implementation).

4.4.1 Results of Model Goodness of Fit

A model's goodness of fit describes how well the model fits a set of observations in a study. It summarizes the discrepancy between the observed values and the values expected under the model of the study.

R^2 (coefficient of determination) was used to measure goodness of fit during the study. This measure indicates the proportion of the variance in the dependent variable (Budget Implementation) that is predictable from the independent variables (Availability of funds and Public Participation)

Coefficient of determination= Regression Sum of Squares/Total Sum of Squares

$$=296.452/320.745=0.92$$

This means, therefore, that 92% of the variability in Budget Implementation during the study was explained by Citizen Participation and Funds Availability in the linear regression model.

4.4.2 Results of ANOVA

Looking at the breakdown of the analysis of variance in the outcome variable the researcher examined Regression, Residual, and Total variance. The total variance is partitioned into the variance which can be explained by the independent variables and the variance which is not explained by the independent variables.

Table 4.6 Analysis of Variance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	296.452	2	148.226	1921.950	.000 ^b
	Residual	24.294	315	.077		
	Total	320.745	317			

a. Dependent Variable: Budget Implementation
b. Predictors: (Constant), Funds availability , Citizen Participation

Source: Author’s computations

4.4.3 Estimated Regression Model

The study adopted a linear regression model to test if there existed any relationship between budget implementation, citizen participation and funds availability. The research conducted the regression analysis using collected data particularly the level of budget implementation in the departments and the number of citizen participation forums attended by the respondents, further secondary data from the finance department on funds availability for the past three budgets was considered in all the departments. The following were the results of the regression model.

Table 4.6 Regression Coefficients

Coefficients		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
	(Constant)	.209	.033		6.331	.000
1	Citizen Participation	.004	.006	.012	.771	.441
	Funds availability	.050	.001	.959	60.579	.000

a. Dependent Variable: Budget Implementation

Source: Author's computations

From the regression analysis it was clear that funds availability was significant in predicting budget implementation $p < 0.05$.

The model was as follows;

$$\text{Budget Implementation} = 0.209 + 0.004 \text{ CI} + 0.05 \text{ FA}$$

4.5 Summary of Analysis, Results and Discussions

In this chapter, the researcher presented his findings in terms of charts, percentages and frequency tables. Qualitative data was presented in form of discussions. Among the pertinent issues that came up from the analysis is that the public felt that their comments are not incorporated in the final approved budgets, 51.8% indicating that they are not involved in project identification, 64.2% indicating that they do not get any feedback after project identification during budget making process from the county government and others felt that the county government does not involve them in implementation and monitoring of projects.

The researcher further sought to examine the effect of citizen participation on budget implementation by computing the results of model goodness of fit, results of Analysis of

Variance (ANOVA), and the estimated regression model. The researcher, by subjecting the data collected to the above tests (model goodness of fit, Analysis of Variance (ANOVA), and the estimated regression model) sought to find out whether and how much effect the independent variables (Availability of funds and citizen participation) selected had on the dependent variable (Budget Implementation). From the results, the researcher deduced that 92% of the variability in Budget Implementation during the study was explained by Citizen Participation and Funds Availability in the linear regression model. From the regression analysis it was clear that funds availability was significant in predicting budget implementation $p < 0.05$.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusions and recommendations generated from the research findings of the study. The chapter also presents suggestions for further study. Section 5.2 gives a summary of the study while section 5.3 highlights the conclusions of the study, section 5.4 outlines the limitations of the study, 5.5 gives the recommendations of the study, 5.6 gives the researcher's recommendations to the policymakers and section 5.7 gives suggestions for further study.

5.2 Summary of the Study

The study was aimed at investigating the Effect of Citizen Participation on Budget Implementation in Kenyan Counties with a special focus on Nyandarua County. The research was guided by one main objective: To examine the effect of citizen participation on budget making process and implementation in the Kenyan county governments as the researcher sought to answer the question; what is the effect, if any, of citizen participation on budget making process and implementation in the Kenyan county governments? The study adopted a descriptive survey research design.

The target population of this study was all the 255,984 registered voters in Nyandarua County and senior officers in the department of Finance and Economic Planning and those responsible for budgeting and budget execution both in the County assembly and the county executive.

Simple random sampling was used to sample 400 participants from the whole county. Questionnaires and interviews for the key informants were used to collect data from the respondents, while collected data were analyzed both qualitatively and quantitatively.

The study was also informed by the following theories; stakeholders theory by Freeman (1984), stewardship theory by Davis and Donaldson (1994), and the agency theory by Berle and Means (1932).

5.3 Conclusions

This section gives the researcher's conclusions from the analysis. Subsection 5.3.1 gives the Background information of the respondents including the age, gender, the sub county of residence and educational background; subsection 5.3.2 highlights the conclusions drawn from the questions on aspects regarding public participation where respondents were required to answer questions on their understanding of the concept of public participation and how they learnt about it.

Section 5.3.3 gives the conclusions deduced from the responses regarding linking citizen participation and budget implementation and subsection 5.3.4 concludes on the respondents rating of the various departments on budget implementation.

In section 5.4, the researcher highlights the limitations of the study while section 5.5, section 5.6 and section 5.7 gives recommendations of the study, policy recommendations and suggestions for further study respectively.

5.3.1 Background Information of Respondents

The researcher first sought to know the respondents personal data to get an insight of the respondents' characteristics in relation to the study objectives. Out of the 400 respondents, 110 representing 27.5% came from Olkalou Sub-county being the county headquarters, and where public participation turn-out is considered higher than in the other four sub counties. This was followed by Ol'Jororok Sub County and Kinangop Sub

County with 21.5% (86) and 19.5% of the respondents respectively and as shown in Chart 4.1 below. This reveals that public participation in Ol'Kalou Sub County is higher than in Kinangop despite the high population gap between the two sub counties.

The study further revealed that a majority of the respondents were males representing 73% (292) and the rest (27%) being female. This is an indication that men are more likely to attend public participation fora than their female counterparts.

Additionally, most of those who attend public participation fora are the youth, aged between 23 years to 32 years, representing 52% (204) of the respondents with those below 23 years accounting for 13%(50) and those above 32 years accounting for 37% (146) of the participants. This is a clear indication that young people are more likely to understand the concept of public participation.

Most of the respondents who attend public participation fora have at least attained secondary school level of education. 44.5% (178) of the participants indicated that they have attained secondary school education and 33.5% (134) have attained university level education. Only 1.8% (7) indicated that they had not attained any education. This clearly shows that those with no education shy away from public participation.

5.3.2 Aspects Regarding Public Participation

Asked about who informed them about public participation for those who understand what public participation meant, 44%(177) of the participants cited the media, an indication that the media (Print, television and radio) is in the forefront in educating Kenyan citizens on their civic rights and especially participating in the budget making process. Other notable contributors in informing the citizens of Nyandarua County as cited by the participants included: the constitution according to 17% the participants

which shows that most of the residents have read the constitution and civic education fora as indicated by 10% of the participants.

The researcher sought to find out how the participants learnt of the date and venue of the public participation fora. 25.2% of the respondents indicated that they got this information from the gazette notices in the newspaper, while 19.7% indicated that they learnt from radio announcements especially by the vernacular radio stations while 19.9% indicated that they got wind of it from the televisions adverts.

On their views concerning whether public participation empowers communities to participate in the county development process, 37.6% of the respondents agreed with this statement, 23.6% strongly agreed with this statement. 40.9% and 20.7% agreed and strongly agreed respectively with the statement concerning public participation providing information to the citizens with which to question the government performance and demand responsiveness.

On the statement concerning public participation aiding in improving resource allocation, most of the respondents (35.6%) agreed with it, 43.3% were in agreement that public participation helps citizens to monitor impacts of projects and programmes. 44.2% of the respondents agreed that public participation improves dialogue between citizens, government and elected officials. However, most of the respondents were either neutral or disagreed that public participation increases the number of women and persons with disability in decision making while a good number (33.5%) of the respondents believes that public participation improves service delivery with a pro-poor focus.

5.3.3 Linking Citizen Participation and Budget Implementation

Respondents were further asked to give their views on some statements regarding public participation and budget implementation, 79.1% were in agreement that the county government gives timelines and venues for public participation in advance, 81% agreed on the same with regard to the county assembly showing that the county assembly is slightly more vibrant in preparing for public participation. Respondents were however not in agreement concerning access to the relevant materials for public participation on time prior to the date of public participation for perusal with 50.6% indicating that they are not able to access the materials. Most of them (66%) however, indicated that they are given a chance to give their comments during public participation while 55.6% indicated that everybody is allowed to ask questions in such for a.

On issues regarding incorporating the comments gathered from public participation 56.8% indicated that their comments are not incorporated in the final approved budgets, 51.8% indicated that they are not involved in project identification, 64.2% further indicated that they do not get any feedback after project identification during budget making process from the county government, 63.4 indicated that the county government does not involve them in implementation while 69.3% indicated that the county government does not involve the citizens in project monitoring.

5.3.3 Budget Implementation by Departments

Respondents were further asked to rate the county government departments on the level of budget implementations with a scale ranging from extremely poor meaning that the department's level of budget implementation is at its worst and excellent meaning that all the projects funded during budget making are considered and implemented by the

department. From the responses given, the department of youth affairs, sports, tourism and wildlife was rated last with 35.4% of the respondents indicating that the department is extremely poor in budget implementation with the water, irrigation, energy, environment and natural resources also being ranked as performing extremely very poorly in implementation. Other departments performed fairly in implementation

Asked whether the projects incorporated in the county budgets were community needs driven, 67% indicated no hence the projects are not helping the communities at all.

The respondents were further asked to suggest ways through which the county government can improve on how public participation is conducted and some of the suggestions given are enumerated here below:

Youth involvement in the sensitization and creating awareness to the old who do not see the need for public participation, Use local language during public participation forums, Create more public awareness on the date, time, venue and topic of discussion and also on the relevance of the topic to the local people, The respondents also suggested that if it was prudent the county governments should consider facilitating public participation forums by either refunding fare to the respondents or providing them with lunch during the day; The public also complained of the unavailability of the relevant documents hence most do not know what will be discussed during the forums, this however hinders them from attending; By creating more awareness through civic education, use of opinion leaders and organizing public barazas for them to be heard by leaders.

The respondents were further requested to give their opinions on how the county government can improve on budget implementation; most of them cited accountability and transparency should be enhanced through creating an avenue through which the

citizens can monitor the projects progress. Others suggested using bills of quantities budgeting to avoid underfunding of projects and also to reduce corruption since most of the bills of quantities are designed according to the money allocated giving a channel for corruption and blame games in the county departments.

From the regression analysis it came out clear that funds availability highly contributes to budget implementation more than citizen participation during the budget making process.

5.4. Limitations of the Study

Like every other study, the researcher encountered some limitations during the time of study, ranging from limited time to the unrepresentative nature of the area of delimitation.

The focus of this study was the Effect of Public Participation in the Budget Making Process in Nyandarua County. Therefore, the findings may not be applicable to the effects of public participation on other processes, which the study did not consider.

Additionally the study findings based on the county government hence the findings may not be applicable to other institutions like the private sector and the national government of Kenya. In addition, the study was only carried out in Nyandarua hence; the findings are limited within the Nyandaruan context.

5.5 Recommendations of the Study

The study has revealed that;

There is need for the government to conduct intensive and extensive civic education. This is because a number of the respondents were ignorant of the fact that public participation is their right as enshrined in the constitution of Kenya; There is need for the youth to take up an active role in the sensitization and creation of awareness to the old who do not

seem to appreciate the need for public participation; Those conducting public participation should consider using the local language during public participation forums or making use of interpreters in addition to providing materials in a language that the locals understand. This is because we have not yet attained sufficient literacy levels and those that have no education feel left out during such fora; It is important that the government makes use of more platforms when informing the public on the date, time, venue and topic of discussion and also on the relevance of the topic to the local people. This can be done through use of social media and key personalities in the community like local pastors, priests, chiefs and other influential persons in the community. This will ensure that the locals attend these fora and gives that they air their views so that the projects implemented meet their needs; It is prudent that the county governments considers facilitating those who attend public participation fora by either refunding their fare or providing them with lunch during the day. This is because most of those available to attend such fora are casual laborers who earn minimum wage and making such sacrifice ought to be rewarded; it is also important that prior to the public participation, the relevant documents are availed to the public so that they know what will be discussed during the forum. Finally, it is important that the views and concerns raised during public participation fora are taken into consideration during project identification, implementation and evaluation. This will ensure that only the priority projects identified by the locals are implemented.

5.6 Policy Recommendations

The researcher recommends that policymakers at the county level make efforts to domesticate and ratify the public participation policy. This is because most respondents did not seem to understand the concept of public participation and that it is their constitutional right to take up an active role in project identification, implementation and evaluation.

There is need, also, to come up with an implementation policy that will ensure that the priority projects articulated by the public are implemented correctly and in time.

Further, it is important that they come up with clear guidelines on how public participation should be conducted so that every person is included. Some respondents indicated felt discriminated against by the language used during public participation, while others yet felt that they should be reimbursed. Clear guidelines on these issues will go a long way in demystifying public participation.

5.7 Suggestions for Further Study

The study proposes further research in the following areas; this study needs to be replicated in other conflict affected counties throughout the country in order to compare the results,

Further study should also be carried out on effect of public participation in other processes of governance, A study should be carried out to investigate the impact of public participation on democracy and the economic development of a nation.

The study also revealed a gap on studies on the other factors that influence the budget implementation process and factors influencing citizen participation not only in Budget implementation but also in other processes of governance.

REFERENCES

Awio, H, Lawrence ,R & Northcott, D.P. (2007) Normative and Instrumental Perspectives on Public Participation: Citizen Summits in Washington, D.C.*American Review of Public Administration*, 33(2):164–88.

Ebdon, V. (2004) *Participatory Budgeting in the Municipality of Santo Andre Brazil: The Challenges in Linking Short-term Action and Long-term Strategic Planning*, Rotterdam: IHS - Institute for Housing and Urban Development Studies.

Kothari et al. (2009).*Participation, Quantitative Techniques*, 3E: Vikas Publishing, House Pvt Limited.

Mugenda, M.O and Mugenda A.G. (1999). *Research Methods*, Acts Press, Nairobi, Kenya.

Orodho J.A. (1992). A Case Study of Small Scale Enterprise in Kenya.*Gender and Development in Africa, Eastern Africa Research Review*, VIII. Womens' Work and the Informal Sector in Kenya.

Davis et al., supra note 14, at 120 *discussing the roots of stewardship theory in psychology and sociology*

Government of Kenya.(2010). *Constitution of Kenya 2010*. The Government Printers. Nairobi

Government of Kenya. (2007).*Kenya Vision 2030*.The Government Printer, Nairobi.

Government of Kenya. 2012. *Public Finance Management Act 2012*. The Government Printer, Nairobi

Kantai, W. (2010).A Country Comparative Study in Devolution in Kenya, Prospects, Challenges and the Future.*Lessons for Devolution*, Mwenda (ed), IEA Research Paper No. 24, Nairobi.

Odhiambo, M. and Taifa, A. (2009). *Devolved Funds Development: A Handbook on Participation*, Claripress, Nairobi

Institute of Social Accountability. (2010). Policy and legislative Proposals aimed at Sound Planning.*Accountability and Citizen Participation in County governments*, Nairobi.

Impact of Communication for Development (C4D), Helpdesk Research Report – 29th March 2011

International Covenant on Civil and Political Rights, United Nations, New York, 16 December 1966

A, Lisa VeneKlasen and Valerie Miller, Just Associates. (2007).New Weave Of Power, People and Politics.*Participatory Budgeting and Local Governance: An Evidence-Based Evaluation of Participatory Budgeting Experiences in Brazil*, Yves Zamboni, World Bank working paper (2007)

Sowmya Kidambi (2008),Building a campaign for the right to information and accountability,*Right to Know, Right to Live*.

Adams,Brian. (2004).Public meetings and democratic process. *Public administration review*,64(1): 43-54.

Arnstein, Sherry R. (1969). A ladder of Citizen Participation. *American institution of planners journal*, 35(7): 216-224.

Beckett, Julia, and Cheryl Simrel King. (2002). The challenge to improve citizen participation in public budgeting: *A journal of public budgeting, accounting and financial management*, 14(3): 463-85.

Ebdon, Carol, and Aimee Franklin. (2004). Searching for a role for citizens in the budget process. *Public budgeting and finance* 24(1): 32-49.

Franklin, Aimee, and Carol Ebdon. (2004). Aligning Priorities in local budgeting processes. *Journal of public budgeting, accounting and financial management*, 16(2): 210-27

Kelly, J., Rivenbark, M. & William, C. (2011) Budget Theory in Local Government: The Process-Outcome Conundrum, *Journal of Public Budgeting, Accounting & Financial Management*, 20(4): 457-481.

APPENDICES

To:

The research respondent.

Dear sir/Madam

**Re: Effect of citizen participation on budget implementation in Kenyan counties
(Case study on Nyandarua County)**

I am a university of Nairobi student pursuing a Master's degree of Science Finance. As part of the course, I am required to carry out a research project in an area of my interest. I, therefore, wish to bring to your attention that I am undertaking a research project based in Nyandarua on the above stated topic. To complete the study, I will need information from the county residents who participate in citizen participation forums. Please note that you are one of the key respondents for this study.

This letter is to request you to fill in the enclosed questionnaire. I wish to appreciate your cooperation in advance and look forward for your positive response.

Yours Faithfully

Dominic Chege Wacera