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Exploring the Role of Decentralization in Resource Marginalization in Kenya

Ajwang' Nicholas Walter Otieno

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Abstract

Against a background of increased decentralization, limited previous research examines its role in resource marginalization in Kenya. Specific objectives include identifying the socioeconomic sources of resource marginalization and identifying solutions to the socio-economic resource marginalization. The results of the study will improve our understanding of decentralization. Qualitative data was collected and analysed using thematic analysis. Quantitative data was collected and analysed using Statistical Package for the Social Sciences (SPSS). The study found that decentralisation has led to some form of marginalization. Recommendations for policy and further studies are made from the conclusions emanating from the academic study.

Keywords: Decentralization, Resource, Socio-economic, Marginalization

1.1 Introduction

In the recent past, policy response pertaining to participation has come to epitomize many aspects of contemporary societies, especially those pertaining to development particularly in Sub-Saharan Africa (SSA). Issues in development are salient not only because they touch individuals and communities in important respects, but because they expose many of the political, economic, social and ethical dilemmas of the time. These issues are likely to continue to gain public attention and consume increasing amounts of resources given that nations are faced with a myriad of problems, poverty being one of them, which Amin (2011) states has been caused by relative economic stagnation.

Efforts to combat inequality and poverty have risen to the top of the international agenda (Desandi, 2014). Development in most countries is increasingly being driven through decentralization, which includes devolution of government and funds (Mollel, 2010; Litvack, *et. al.*, 1998). Devolved funds are development schemes designed to transfer money directly to the local authority, ward, constituency or district to finance local development projects such as schools, markets, hospitals, roads, housing, irrigation schemes, bridges, power, water and the like. According to Ndii (2010, p. 4) "devolved funds are ring fenced monies for which decision making has been delegated to local entities, committees of one type or another, that have community participation or control." The concept has a strong component of citizen participation (see Republic of Kenya, 2016; Mollel, 2010).

Decentralization is widely recognised as the best way to cope with the ever-increasing challenge of inequality (Drãgan and Gogenea, 2009). The Local Development International (LLC) notes that decentralization "involves assigning public functions, including a general mandate to promote local well-being, to local governments, along with systems and resources needed to support specific goals" (LLC, 2013, p. i). According to the Institute of Economic Affairs (IEA), inequality has resulted in the establishment of devolved funds to tackle regional socio-economic inequality (IEA, 2014).
Public sector decentralisation has become a global phenomenon that is pursued in many countries with the given intention (s) of improving service delivery, enhancing governance and accountability, increasing equity, and/or promoting a more stable state, and the like (LLC, 2013). Following the end of the Cold War and the subsequent opening up of political space in Africa, several nations not only opened up political space by introducing multiparty system, but also reformed their administration and gave local actors more power in the management of public affairs. The reforms were introduced after pressure from citizens, donors and development partners including the Bretton Woods institutions and the Paris Club member countries.

1.2 Literature Review

Kenya has had various policies and attempts at decentralization and community participation from the pre-colonial period. The various communities that make up the nation of Kenya, have been known to pull resources together to achieve societal good (Mboya, 1993).At independence, the country adopted a federal system of government before reverting to the highly centralised form. Under the centralised form of governance, some forms of deconcentration through the established local authorities and Government Corporation and parastatals were introduced.

Kenya's decentralization has been cited as one of the most ambitious globally (World Bank, 2011; KPMG, 2013). After independence, the post independence development blueprint, *Sessional Paper No. 10 of 1965*, proposed investment in the high potential areas with the anticipation of surplus reproduced being redistributed to the low potential areas as a strategy for effective reduction of nationwide poverty, ignorance and disease (Republic of Kenya, 1965).

According to Society for International Development (SID) though the sessional paper recognized regional disparities, it did exacerbate them through ineffective redistribution systems (SID, 2012). The high potential regions in the country had already benefited from colonialism as colonial infrastructure investments focused exclusively on the 'White Highlands'. The White Highlands were Kenya's best and most fertile farmland, expropriated through a succession of land regulations between 1899 and 1915" for European settlement (Africa Watch, 1993, p. 23).

Need for equity since independence, fueled long-standing demands for decentralized management of equitably shared budget resources and service delivery through the devolved funds, as opposed to centralized government (Mwenda, 2010; SID, 2012). SID reports that a powerful executive arm of the government patronized the distribution and allocation of public resources, leading to serious regional inequalities. To tackle in-equality and poverty, Friedrich-Ebert-Stiftung (2012) reports that the government of Kenya implemented decentralized anti-poverty programmes designed to distribute assets, cash or services to households, individuals and communities through line ministries, which in turn allocate the funds to the various districts and communities. However, after decades of the project/programme targeting and implementation through line ministries, it became apparent that channeling funds through ministries was not effective and that there were many leakages to the extent that many poor communities were marginalized and were never reached by the anti-poverty programmes.

It is against this background that the government decided to create alternative windows that allow allocation of additional resources directly to districts and communities without going through line ministries (Friedrich-Ebert-Stiftung, 2012). In the recent past, for instance, there has been a massive increase in resources devoted to the youth, women, ward, constituency and community based development programmes. This direct disbursement of funds is intended to reduce poverty and improve project implementation by using local information and encouraging community participation, in project identification, implementation and evaluation.

The United States Agency for International Development (USAID) notes that devolved funds have empowered the youth and women to promote their own socio-economic development and establish private employment (USAID, 2014). The funds have been credited for the massive transformation of infrastructure at the local level especially in the hitherto marginalised regions. On the other hand, according to The Institute of Certified Public Accountants of Kenya (ICPAK), though the state has allocated substantial resources to decentralized funds since the 1990s, this has not significantly improved the national response to poverty, inequitable resource distribution and general livelihoods of the people (ICPAK, 2014). The funds are not making the anticipated impact. In a study by Muriu (2013) participation is said to be limited by space and thus influence. In other instances, participation is not binding or is not in an active form. It further decreases as it progresses from needs identification to implementation and monitoring and evaluation. Reasons for the dismal performance of the funds is attributed to a myriad of challenges, such as lack of effective participation of local communities in selecting, prioritizing and implementing development projects, poor public finance management at national and sub-national levels and lack of institutional monitoring and evaluation mechanisms. It also lists duplicity and overlapping of the devolved funds, weak accountability structures, and political interference. In this study, the focus is on exploring the role of decentralisation in resource marginalization in Kenya.

1.3 Methods

The study was carried out in UG County located in the Rift Valley (RV) Province of Kenya. Kenya comprises land area of 225,000 square miles (Muleri, 2009). The Republic of Kenya lies in the eastern coast of sub-Saharan Africa. The country has a total area of 582,646 square kilometres of which 571,466 square kilometres form the land area and approximately 80% of the land area of the country is ASAL, and only 20% of the land is arable (KNBS and ICF Macro (2010). The country lies between 5 degrees north and 5 degrees' south latitude and between 24 and 31 degrees' east longitude. In addition, it is almost bisected by the equator. The country is bordered by Ethiopia in the north, Somalia in the north-east, Tanzania in the south, Uganda and Lake Victoria in the west, and South-Sudan in the north-west. It is bordered on the east by the Indian Ocean.

UG is one of the 47 counties in Kenya. The County is a highland plateau with altitudes falling gently from 2,700 meters above sea level to about 1,500 meters above sea level (Uasin Gishu County, 2013). The county is one of the most cosmopolitan in Kenya and a home to ethnic groups of the Bantu, Nilotic, and Cushitic extraction (Kyrili, *et. al.*, 2012). It is located mid-west of the Rift Valley and borders six counties namely, Elgeyo-

Marakwet to the east, Trans Nzoia to the north, Kericho to the south, Baringo to the south-east, Nandi to the south-west and Bungoma and Kakamega to the west (Kyrili, *et. al.*, 2012). According to the Uasin Gishu County Integrated Development Plan 2013-2018, the county lies between longitudes 34 degrees 50' east and 35 degrees 37' west and latitudes 0 degrees 03' south and 0 degrees 55' north (Uasin Gishu County, 2013). It covers a total area of 3,345.2 Sq. Km. The County is a highland plateau with altitudes falling gently from 2,700 meters above sea level to about 1,500 meters above sea level. The topography is higher to the east and declines gently towards the western border.

The study was allocated within mixed-methods of qualitative data in conjunction with quantitative data. Qualitative data was obtained through secondary sources (content analysis) and primary sources- expert interviews (in-depth interviews) and by seeking out the 'why' through the analysis of unstructured information from the open-ended survey responses. Quantitative data was collected through survey. Before the full-scale survey fieldwork begun, the validated interview schedule and interview checklist, were then pilot tested in two phases to ensure reliability of the instruments and to identify and resolve any arising issues (see United Nations, 2005). Different types of neighbourhoods and social classes within the county were all represented in the sample (KNBS, 2007; Peck, *et. al.*, 2008).

1.4 Results

This section presents the results and discusses the key findings of the study in line with its stated objectives. *Table 1* indicates the data collection methods. The interview periods typically lasted for a duration of 30 minutes with each subject.

Table 1. Expert Data

Primary Data	**Secondary Data**
Interviews	Websites
Survey	Newspapers
	Magazines
	Government data

Source: Author.

From the in-depth interviews, it was established that most of the devolved funds in Kenya were established in the 1990s and 2000s with the oldest of them all being Secondary Education Bursary Fund (SEBF) which was established in 1993 and the latest one being the *Uwezo* Fund.

Table 2. List of Devolved Funds

Devolved Fund	Year Established
Secondary Education Bursary Fund (S.E.B.F)	1993
Community Development Trust Fund (CDTF)	1996
HIV/AIDS Community Initiative Account (HIV/AIDS CIA)	1999
Local Authorities Trust Fund (LATF)	1999
Poverty Eradication Loan Fund (PELF)	1999
Water Services Trust Fund (WSTF)	2002
Constituency Development Fund (CDF)	2003
Free Primary Education Fund (FSEF)	2003
Disability Fund (DF)	2004
Youth Enterprise Development Fund (YEDF)	2006
Rural Electrification Programme Levy Fund (REPLF)	2006
Women Enterprise Development Fund (WEDF)	2007
Road Maintenance Levy Fund (RMLF)	2007
Tuition Free Secondary Education (TFSE)	2008
Uwezo Fund (UF)	2013
Inua Jamii Fund -IJ-Cash for senior citizens	2014

Source: Field Data.

As is presented in Box 1, in-depth interviews indicated that there is a high demand for the funds. Publicity on the funds is done through various means including mass media among others. In addition, some of the funds are segregated for the women, youth or persons living with disability.

Box 1. Participation in Devolved Funds

Citizen Participation in Devolved Funds

1.1. The funds do not match the demand.
1.2. Awareness on the devolved funds is made through newspapers, radio, television, road shows, posters, word of mouth, websites, and public meetings (*Baraza*).
1.3. Some of the funds are segregated (e.g. for youth, women, disabled) while some are not segregated (open to all groups e.g. CDF, WSTF, CDTF).
1.4. Selection of beneficiaries in some of the funds is done in public meetings (e.g. CDF, CDTF) while some it is done in the funds' offices (e.g. DF, YEDF, WEDF).
1.5. Differences in citizen participation:
  1.5.1. Rural residents prefer agricultural and livestock projects.
  1.5.2. Rural residents are more involved with funds given as grants as they desire to improve community infrastructure and wellbeing.
  1.5.3. Women and youth respond more to the devolved funds than men do.

Source: Field Data.

As is indicated in *Table 3*, more men and male household heads were involved in the funds than women were. The young, the employed the highly educated and those living without disability participate more in the funds. Residence of UG County in general and those from rural arears in particular benefit from the funds more than those from outside the county and urban areas respectively. Those in non-rental homes and without access to commercial credit reported higher levels of participation in the devolved funds.

Table 3. Respondents Participation in Devolved Funds (n=325)

Characteristics	Category	Frequency	Percentage
Gender	Male	177	54.5
	female	148	45.5
Age	18-39	194	59.7
	40>	131	40.3
Household head	Male	192	59.1
	Female	133	40.9
Employed	Yes	197	60.6
	No	128	39.4
Marital Status	Married	207	63.7
	Single	118	36.3
Education level	Primary	53	16.3
	Secondary	110	33.8
	Tertiary	163	49.8
Disability	Yes	69	21.2
	No	256	78.8
County of birth	Uasin Gishu	183	56.3
	Other	142	43.7
	Rural	165	50.8
Residence	Urban	160	49.2
House tenure	Rental	84	25.8
	Non-rental	241	74.2
Access to	Yes	219	67.4
Commercial credit	No	106	32.6

Source: Field Data (2015)

1.5 Discussion

The in-depth interviews, survey results, and secondary data were analysed and looked at in relation to the research questions in the study. The persisting unequal treatment of men, women, boys and girls, require affirmative action to provide each of them an opportunity to exploit their full endowments towards maximising their entitlements (SID, 2012). Evidence indicate that most devolved funds were established in the 1990s and the 2000s (ICPAK, 2014). This is a unique period in the history of Kenya and other Sub-Saharan African countries. When the Berlin wall collapsed in 1989, it paved the way for German re-unification in 1990, and the end of the Cold War. Consequently, the ideological differences between the East and West that had hindered progress in African countries were dismantled (Kumassa & Jones, 2015). Public reforms became obvious. There were socio-economic and political transformations.

Most of the African countries went through a transition from single party rule to political pluralism (multi-party democracy) ending one party rules through competitive elections (Olowu, 2011). People became more aware of their rights and demanded for certain basic services from the state. The civil society, college students, university lecturers, workers' unions, professional organisations, religious leaders, and ordinary people led in the struggle for basic rights (Wanyande, 2009).

At the same time, the effects of Structural Adjustment Programmes (SAPs) on the economies of the countries of Africa had become manifest (Kumssa, & Jones, 2015; Heidhues & Obare, 2011). It was the beginning of the free market economy. Cost sharing was a declared official government policy in 1988 (Bunyi, *et. al.*, 2011). The SAPs also included austerity measures in the public service, which resulted in retrenchment of government workers and freeze on employment in the public sector even as household incomes dwindled.

The devolved funds were established to cover a range of areas from education, healthcare to basic infrastructure. Decentralization through social funds, sought to target and empower poor communities to improve participation and local service (Parker & Serrano, 2000). The social funds have two goals: increasing sustained access of the poor to local services and infrastructure; and empowering communities through participation in the selection, implementation and on-going operation and maintenance of development projects.

Place of origin or county of birth is an important feature in Kenya. Home County is not necessarily the county of birth in Kenya. Home County in most cases is the ancestral home. Those who were born in UG County reported higher percentage of participation in the devolved funds. Those from other counties participated less in UG County devolved funds.

The population of UG County is more rural. The rural inhabitants by default benefit the most. The constituencies are political representation areas. They play an important role in the devolved funds. Constituencies have well laid structures that enable the community to be involved in the devolved funds. They are a strong unit for mobilizing the people to be involved in the devolved funds. Across the county, the constituencies received direct funds like the CDF, from the national government, or other funds like HIV/AIDS and CBF, which are channeled through the constituency. Participation in the devolved funds is highest at the constituency. The CDF is a constituency-based fund while the CBF uses the CDF structures to offer bursaries to the needy students.

Men and male household heads participate the most in the funds. Due to patriarchal set ups, most of the household property is registered under the name of the male head or male folk in the household. Hence, women are disadvantaged from the conventional financial institutions that require collaterals for credit. The devolved funds are meant to help women and other vulnerable groups not able to meet the credit requirements offered by the available banks, micro-finance and shylocks (groups or persons lending money at excessive rates).

The WEDF fund is segregated for women from the start. Women have an upper hand in participating in the fund. Men can form a minority (up to 30%) in the women groups but cannot hold any leadership role. It was established to support women owned enterprises in Kenya which compromise 48% of the total micro and small enterprises (Kiraka, *et. al.*, 2013). Women are more organized in groups and suffer most from poverty at the household level. Given that the fund targets women groups or groups made up of majority women, it follows that it has more women participants than men. The young in age and more educated participate in the funds due to their high literacy levels. They are more informed about the funds and their requirements.

1.6 Conclusion

Study on decentralization has been increasing in the recent past. Decentralization has been propagated as a development paradigm shift to enhance citizen participation in poverty reduction efforts. The national government strives to enhance decentralization at the local-levels, with a special focus on ensuring participation in poverty alleviation of the marginalized groups such as, women, youth, children, orphans, elderly persons, persons living with disabilities, the indigenous peoples and the HIV/AIDS affected or inflicted and other vulnerable groups.

There has been an increase in the number of devolved funds in Kenya with sub-sequent increment for allocation to the funds (Mwenda, 2010). The devolved funds target improved food security, healthcare, installation of security, electricity, roads and water infrastructure. Most of the previous studies have been conducted on the influence of the devolved funds on improvement of livelihoods and basic infrastructure of intended communities. Other studies have looked at the absorptive capacities of the devolved funds, allocative rationale and governance issues surrounding the funds. The perspective of the current study had an emphasis on the intended recipients of the funds. However much, the funds have improved the standards of living of the participants, it has marginalised women, the disabled, the unemployed and the lowly educated. In addition, the funds are less beneficial to those from outside their home counties. This is an aspect of marginalization.

1.7 Recommendations

Recommendations are made in keeping with the outcome of the study and the conclusions drawn. Decentralization coupled is one particular policy program taking root in many countries albeit in different forms. Devolved funds continues to be a major policy concern in development today. Amidst reports of success, the funds have been found to marginalise segments of the society. There is need to look at the lending structure of the funds to deepen them and expand their reach in the community without marginalising any segment in the society.

The scale of this debate is not exhaustive. The current study was conducted on a limited scale. To produce achievable policy strategies and development targets with regards to devolved funds, there is need for some further studies to allow for comparisons of the results on the subject. More research need to be done to broaden the geographical scope and develop similar study in other areas. Data collection in this study is cross-sectional in nature. The data was collected at one specific point in time. A future study that employs longitudinal research designs to examine participation over a period of time would capture repeated observations and trends in participation in devolved funds. Finally, the work, however, is far from done. Indeed, many studies on devolved funds have been conducted in the past. In recent years, the results of various research studies have taken center stage in the popular media. More informed policies can be formulated as a consequence. It is my hope that the findings of the study, along with the several others produced on devolved funds, will now stimulate greater interest in this line of inquiry.

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