INFLUENCE OF MERU CBEF MEMBERSHIP CAPACITY IN EXECUTING THEIR

ROLE ON PUBLIC PARTICIPATION

ABSTRACT

Establishment of the CBEF at the county level via the Public Finance Management Act (PFMA) 2012 was designed to increase public involvement in the financial management of the county. The study was anchored under elite mass stakeholder theory. The study employed a descriptive survey with a target population of 76 respondents consisting of 21 members of CBEF and 55 representatives of various groups. A sample size of 69 respondents was selected through purposive sampling for the CBEF members and a simple random sampling for the representatives, the study used questionnaire for data collection which were administered to the participants by the researcher. The collected data was coded; analyzed using a SPSS software inferential statistics were presented in frequencies, tables and figures while descriptive statistics was presented in Mean and standard deviation, a binary logit regression model was suitable to establish the relationship between the study variables. The study stablished that there was a balanced representation in the formation of the Forum with a good balancing between the county executive and non-state representatives with 51.61% being county executive representatives and 48.39% were non- state representatives. The study revealed that an increase in representation can increase the chances of public participation in the budget making process by 2.812 times (Odds Ratio = 2.812). The study concluded that members of the Meru CBEF are involved in county budget making process, and this may have enhanced the public participation since their representatives are given a voice in the process of budget making. The study recommends that the county government of Meru to take in to account the various parameter of public participation in this study for implementation to enhance public participation in budget making process.

KEYWORDS: County Budget Economic Forum, Public Participation, Descriptive survey, and

Stakeholder Theory.

Background of the Study

In many democratic nations throughout the world, the idea of public participation has gained appeal, and many governments have put in place legislative frameworks to regulate and enhance the practice of public involvement (Gaventa, 2012). However, as Rowe and Frewer have shown, it is difficult to measure the efficiency and efficacy of the structure now in place (2014). It is possible to evaluate a successful public participation process based on the following criteria: Participant representativeness, openness, inclusiveness, and participation (Abelson, 2016).

These components have been included into the budget policies of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, Dominican Republic, Mexico, Guatemala, Paraguay, Peru, Nicaragua, Uruguay, and Venezuela, to name a few. By 2007, 2,500 local governments in these nations had successfully adopted the concept of participatory budgeting (ELLA, 2012)

South Africa, Brazil, India, and the United States of America are among the other countries that have implemented participatory budgeting, which has resulted in a greater sense of ownership and empowerment, as well as greater trust and connectivity, among citizens and between citizens and government institutions.

For example, in the metropolitan area of Pretoria, public participation was employed in establishing the National Economic Development and Labour Council, drafting the budget, and drafting legislative procedures. In order to keep the public informed, consider public involvement in all of their activities, and assess the views of the public, the purpose of using these attributes in governance is to establish programs that help the public make informed decisions (Ebdon, 2014).

Kenya is spending more than Ksh 304 billion in the 47 counties for use in the devolved responsibilities, with the money coming from the central government. A budget is usually created at the two levels under the Kenyan Constitution of 2010: at the county level and at the National level. At the county level, it is necessary to follow a number of stages in order for the budget-making process to be fruitful. These include: the preparation of a proposal for a spending plan by the County executive committee, the submission of budget estimates to the county and national assemblies for discussion and approval, the execution of the authorized budget, and the monitoring of its implementation.

It is claimed that public participation helps to: strengthen democracy and governance, improve transparency, increase support for basic leadership forms, improve process quality and lead to better choices, ease social clashes by dealing with the interests of various partners and improve the quality of decision-making in the public sector. In order to draw attention to the importance of public participation in the Kenyan constitution, Justice George Odunga on April 17, 2014, declared the gazettedKiambu County Finance Act, which sought to introduce a wide range of taxes, unconstitutional because it was passed without the participation of the public.

On 23rd of March 2017, a public participation forum was held at Nkubu Social Hall as part of the Imenti South sub county sectorial hearings on the Meru County budget. Fewer than 100 people attended the forum, and most of them, with the exception of a few civil society representatives, had no idea what was going on (daily Nation 25th march 2017). In the majority of cases, county authorities hand out budgets to members of the public, who study them and give brief comments before the event comes to a conclusion. This statement serves as evidence that the county administration has a significant problem in terms of public involvement and that they must use alternative viable frameworks and choices to address the issue.

Statement of the Problem

Although county governments have welcomed public involvement, the way in which some of them do it has been called into question in court. For example, the counties of Nairobi, Embu, and Kiambu have all been involved in legal battles over the manner in which they undertake public involvement (Case Laws; IGRTC, 2015). Public participation is established under the PFMA, Act (2012) and acts as a consultation forum between the county administration and members of the public.

The role of CBEF in this public participation cannot be ignored in the budget making process. Locally studies have been carried out on participation as a factor on budget making process, Keshine (2018) conducted a study on the role of public participation in enhancing budget making

process in Laikipia County. The study revealed that the CBEFs members who mostly were ward administrators were being consulted continuously on the budget making process. The researcher recommended for a formulation of appropriate information sharing modes and an employment of appropriate mechanisms to ensure that adequate consultations are made, to empower the public so that they can participate without being represented. The effectiveness of the CBEF in increasing public involvement will be evaluated in light of the competence of CBEF members.

Purpose of the study
The purpose of this study was to assess the influence of Meru CBEF membership capacity in executing their role on public participation.

Scope of the study
The study was carried out by the Meru County administration, with 21 CBEF members (April 2020) and a total of 48 Meru County citizens' representatives taking part in the research (April 2020).

Stakeholder theory

Mitroff proposed the stakeholder idea in 1983, and it has since gained widespread acceptance. A stakeholder is any person or group who is or has the ability to influence specific choices, the success, or the survival of a certain enterprise. Stakeholders have a genuine stake in the success of any endeavor, and their interest has an inherent worth to that achievement (Babooa, 2018) are not organized in defensive organizations (Fontaine et al, 2016).

A stakeholder is a person, a group of individuals, or a company who has the ability to influence or be influenced by a program. Anyone who has an interest in the success of a school, its students, and other stakeholders, such as workers, teachers, the community at large, parents, children, and their families; administrators; elected officials; business leaders; and members of school boards, to name a few examples. Before making any safety choices at the school, management should consult with all of the school's stakeholders (Freeman, 2014).

According to the convectional shareholders' point of view, the owners and shareholders of a company were the most significant shareholders of the organization and were held in great respect. According to this conventional viewpoint, the company had a responsibility to prioritize the interests of these shareholders and to guarantee that their wealth increased. In today's world, however, modern stake-holders theory recognizes that there are other important parties that are included in the theory. These parties include labor unions and trade associations; political groups; government organizations; communities; suppliers; creditors; customers; employees; and even competitors. Due to the fact that competitors have an effect on the business and other stakeholders, they are referred to as stakeholders. What constitutes a stakeholder in the corporate environment is a hotly debated topic in the business world (Miles, 2012).

A stakeholder strategy aimed towards strategic management became popular. Stakeholder management was established in order to try to provide a framework that was in accordance with the concerns of managers who were being adversely impacted by changes in the business environment at the time. As Freeman has pointed out, existing ideas have not been updated to reflect the changes that have occurred in the corporate world during the 1990s. It was necessary to develop new theories as well as a new stakeholder structure that was tailored to these new
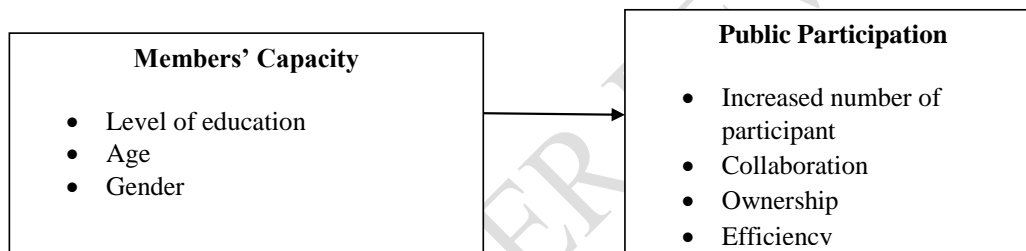
circumstances (Freeman, 1984). When it comes to managing various people and groups that have a connection with a company, the stakeholder theory was developed to help guide managers.

Conceptual Framework

A conceptual frame work is a postulated model that identifies the ideas under investigation as well as their connections with one another. According to Mugenda & Mugenda (2013), it facilitates the reader's understanding of the suggested connection between the independent and dependent variables by providing a visual representation. They offer a clear understanding of the regions in which significant connections of variables are likely to occur. Conceptual frameworks are used to organize information (Kothari, 2014). The independent variables are (CBEF members' capability while the dependent variable is (CBEF members' contribution to decision) (public participation).

Independent variable   **Dependent variables**

Members' Capacity	Public Participation
• Level of education • Age • Gender	• Increased number of participant • Collaboration • Ownership • Efficiency

Figure 1 conceptual framework
Source: Researcher, (2021)

Research Design

Data collection, analysis, and interpretation of study results all take place within a framework known as research design (Kothari, 2019). A descriptive survey as well as a correlational research strategy were used in this investigation. In this case, the descriptive survey methodology was appropriate because it allowed the researcher to gather data that properly reflects the nature and extent of how the Meru county budget economic forum affects public involvement in the budget making process in Meru county. Questionnaires, which were the primary tool for descriptive survey designs, were used for quantitative data collection, analysis, and presentation, whereas qualitative data was analyzed thematically in accordance with the study's objectives.

Target Population

According to Dessler (2013) population is a group of people, group of objects, components, or events that meet certain criteria and are being studied by the researcher. The primary goal of conducting a study's population is to guarantee that the findings obtained are accurate and free of bias. The participants who were expected to be impacted by the research subject constituted the majority of the study population. This study targeted 76 respondents, this was constituted from 21 members of the County Board of Economic Development (CBEF) of Meru County, who were made up of county executives and non-state actors and 55 members representatives of Meru County inhabitants.

Comment [C1]: Please categorized under Methodology

Sample population

According to Kombo and Tromp (2006) an effective population sample is one that attempts to be as diversely representative of the whole population as possible and it should be drawn from a large sample in order for any speculation to the entire population to be completed with confidence. Choosing some or all of the aggregate data on the basis of which a judgment or conclusion is made may be characterized as sampling data in this way: (Kothari, 2006). All 21 members of the CBEF participated in the research, and a residents sample was calculated from 55 representatives of Meru inhabitants using the following formula:

$$n = \frac{N}{1 + Ne^2}$$

Where N   population size
       e   level of precision at (0.05)
       n   is the sample size
Hence $n = \frac{N}{1 + Ne^2}$
                $n = \frac{55}{1 + 55 x 0.05^2}$
                $n = 48$

This sample of 48 were identified through snowball sampling (Berg et al, 2004). While a total of 21 members of the County Board of Economic Development (CBEF) of Meru County were purposively sampled to constitute a total sample of 69 respondents.

Data Collection Instruments

Oso and Onen (2009) define research instruments as the tools used to gather data about a topic. The investigator employed a semi-structured questionnaire, which included open-ended and closed-ended questions, to collect primary data. The questionnaire was designed to capture the study objectives; it consisted of five parts where part A captured the demographic information of the respondent. Part B captured information about membership capacity, part C captured information representation, part D captured information on coordination approaches and part F captured information on Meru CBEF contribution in budget making process. A five-point Likert scale was used to evaluate the respondent level of agreement with the research statements. When doing this kind of study, questionnaires were the most effective form of data collecting (Mugenda & Mugenda, 2013). The researcher utilized questionnaires and interview schedules to assist the collection of information from the respondents who were chosen for participation. The investigator administered a questionnaire to the majority of the respondents since it was cost-effective and time-efficient in terms of administering to a large number of respondents.

Data Analysis and Presentation

The study used data analysis techniques, both quantitative and qualitative. By generating themes from open-ended questions, qualitative data was analyzed, which was then quantitatively coded and analyzed. The collected quantitative data will be checked for completeness, then coded and entered into the cleaning analysis program. Using descriptive statistics and inferential analysis through the Statistical Package for Social Sciences (SPSS) version 24, quantitative data will be analyzed. Descriptive analysis will provide frequencies, percentages, means, and standard deviations, providing simple summaries about the sample data and presenting quantitative descriptions in a manageable form (Mugenda & Mugenda, 2014). Toestablishtheinfluence of

Comment [C2]: Please put them under Data analysis

CBEF on public participation in budget making process in Meru County, the study adopted a binary logit regression model. This regression model was suitable because the dependent variable (public participation in budget making process) was a binary variable, that is, participated (Yes) or not participated (No). The model was also suitable regardless of whether the independent variables were real, binary or categorical. In this case, the independent variables were captured using a Likert scale of 1 to 5 hence they were categorical. The binary logit model was therefore suitable to establish whether the citizens participated (or not) in budget making process in the county government given various factors that is, their perceptions, information availability and knowledge.

The binary logit model was of the general form:

$$p\left(y_i = \frac{1}{x_i}\right) = x_i^3\beta + \mu \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (1)$$

Where p represented the probability odds, y_i is a binary variable representing 1 if the respondents participated in budget making process, and 0 otherwise, x_i represents the vector of determinants that determine the likelihood of participating in budget making process in this case (CBEF member capacity, member representation, coordination approaches, and contributions to budget making process), β was a vector of parameters that was estimated , and μ was the disturbance term, which has a symmetric distribution that is either normal or logistic. Overall, the following binary logit regression model was used:

$$\frac{p(y_i=0)}{p(y_0=1)} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (2)$$

Where;

y_i – dependent variable defined by y = 1 if the respondents participated in budget making process, and y = 0 otherwise

x_1 – member's capacity

x_2 – membership representation

x_3 – coordination approaches

x_4 –contribution to budget making process

μ – is the error term which represents other determinants other than the three

β – Beta Parameters to be estimated

Response Rate

Only 62 of the 69 questionnaires sent out to participants in the Meru County Budget Economic Forum for 2021 had been filled out when the research gathered its data. This was an 89.9 percent response rate. Since Mugenda & Mugenda (2013) stated that response rates of 70% and above are deemed good for analysis, the response rate recorded for the study was determined to be appropriate. This is illustrated in figure 2.
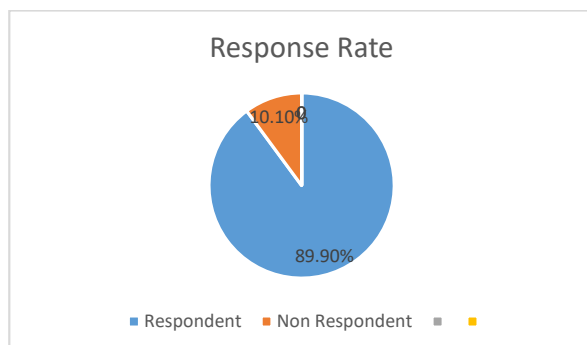
Figure 2: Response rate
Source researcher (2022)

Study Findings
Capacity of CBEF Member on public participation in budget making process

To establish how member capacity in the CBEF affects public participation, the respondents were requested to indicate their area of expertise/ profession and the areas of improvement to enhance public participation. The results were categorized and presented as shown in figure 3.
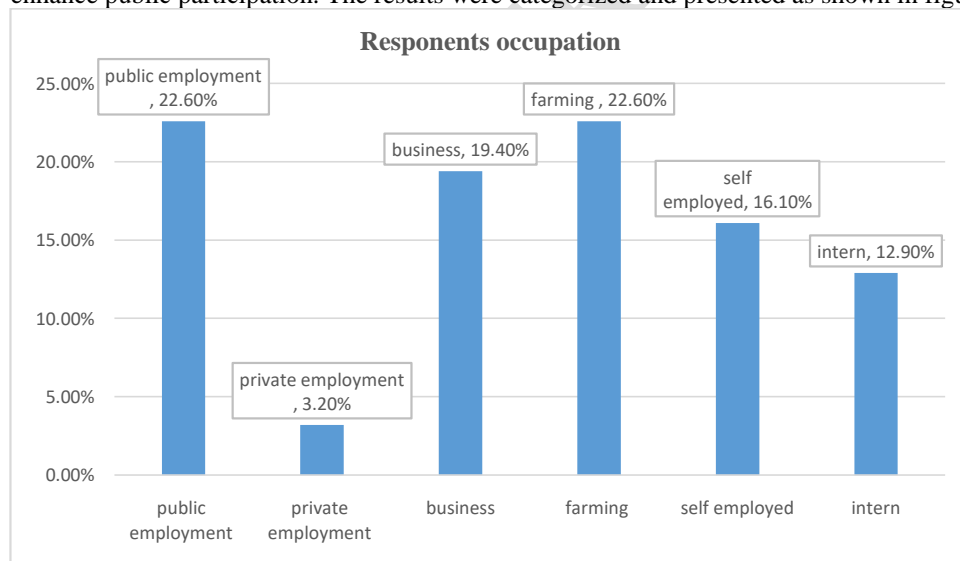
Figure 3 respondent's occupation
Source researcher (2022)

Most of those surveyed were farmers, with 22.60 percent of those surveyed working in public institutions, followed by 19.40 percent of those in business, 16.10 percent of those who worked

for themselves and 12.90 percent of those who worked for an internship. The percentage working in the private sector was 3.20 percent. The low turnout of the private employed respondents may have been contributed by the fact that the study was conducted on working day and they may have not gotten a chance to participate in the event. Generally, CBEF member's capacity was well represented in terms of the respondent's profession. The study established that the members were pulled across all the quarters of profession and this may had had a positive effect on public participation in budget making process.

The respondents were further requested to indicate the various improvement they would wish to be done to enhance public participation, the respondents suggested a need to make a budget making process a continuous process that should be continuously discussed in different mechanisms such as public barazas, periodic meetings, occasional meetings, and involvement of different committees within the ward level would enhance public participation. The respondents also recommended for the training or sensitization meeting for the committee members who serve in the budget making process.

> *'...the county has mandated to take care of the logistics for the*
> *participants as a way of encouraging more turnout to give views on the*
> *process and priorities...''*

Correlation Analysis

To establish the influence of Meru county budget economic forum on public Participation in budget making process in Kenya, the study adopted a binary logit regression model since the public participation in budget making process was a binary variable.

Table1 Binomial Logistic Regression Model Summary

-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
103.538	0.401	**0.668**

Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

Source researcher (2022)

The results in Table 1 indicated that the three predictor variables, Level of education, Age and Gender process account for up to 40.1% of the variation in public participation in the budget making process in Meru county (Cox & Snell R Square = 0.401). This implies that the three factors meet the threshold in explaining public participation in the budget making process. Other factors other than the four account for the remaining variation (59.9%).

Table 2 Hosmer-Lemeshow statistic test of Binomial Logistic Regression Model Fitness

	Chi-square	df	Sig.
Model	**131.392**	**3**	**0.000**

Source: Researcher (2022)

Unlike ANOVA and adjusted R-square in ordinary Least Square, a binary logistic regression model fitness is tested using Hosmer-Lemeshow statistic. In this method, the model is said to be significant if the Sig < 0.05 (Smith, 2015). As indicated in table, the binary logistic regression model predicting the determinants of public participation was a good fit (Sig < 0.05) implying that it was closer to the actual model hence a good predictor.

Table 3 Binomial Logistic Regression Model Coefficients

	B	S.E.	Wald	df	Sig.	Odds Ratio
CBEF membership capacity	4.267	1.056	16.325	1	0.000	**71.337**
Level of education	1.034	0.502	4.246	1	0.039	**2.812**
Age	2.013	0.4	25.265	1	0.000	**7.484**
Gender	1.063	0.301	33.125	1	0.000	**76.23**

Variable(s) entered on step 1: Level of education, Age and Gender

Source: researcher (2022)

The regression model coefficients were also established as shown in Table3. From the Table, it can be demonstrated that the predictor three variables, that is Level of education, Age and Gender process had a positive relationship with the public participation in budget making process ($\beta > 0$). Additionally, the influence on public participation in budget making process was significant (P-value < 0.05) at 5% level of significance.

Specifically, the results indicated that an improvement in inclusion of member's in budget making process can increase the chances of public participation in the budget making by 76.23 (odd Ratio = 76.23). The study findings are consistent with that of a study by Aboelnaga (2017) who indicated that the moment the citizens felt that their opinion was valued, it increased their public participation rate. The findings indicated that CBEF membership capacity can increase the chances of public participation in the budget making process by71.337 times (Odds Ratio = 71.337). The results also established that an increase in representation can increase the chances of public participation in the budget making process by 2.812 times (Odds Ratio = 2.812).

Mugambi and Theuri (2014) also established that the citizens are likely to increase their public participation rate given that those representing their interest are well involved in the decision making process..

Summary of the Findings

The objective of the study was to assess the influence of Meru CBEF membership capacity in executing their role on public participation. According to the data, the vast majority of participants were farmers, while the remaining 22.60 percent worked in government agencies. This portrayed an even membership capacity in almost all the interest groups and this enhanced public participation. The respondents suggested a need to make a budget making process a continuous process that should be continuously discussed in different mechanisms such as public barazas, periodic meetings, occasional meetings, and involvement of different committees within the ward level to enhance public participation through accommodation of everyone from grass root. The results further indicated that CBEF membership capacity can increase the chances of public participation in the budget making process by 71.337 times (Odds Ratio = 71.337).

Conclusion

The study concluded that members of the Meru CBEF are involved in county budget making process, and this may have enhanced the public participation since their representatives are given a voice in the process of budget making. The study also concluded that the representation of various interest groups in the Meru CBEF was balanced and hence enhances public participation in the budget making process. However, there were was a slight variation between the state employees and the non-state employees indicating that the state employees were more at 51.60%. this participation may reflect slightly that the budget making process might be perceived as a state process and not a non-state process.

Recommendations

The study recommends that the county government of Meru to take in to account the various parameter of public participation in this study for implementation to enhance public participation in budget making process.

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