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ECONOMIC FACTORS, PUBLIC PARTICIPATION AND BUDGETARY ALLOCATION IN THE NORTH RIFT ECONOMIC BLOC COUNTIES, KENYA

Edwin Cheruiyot Cherop[1], John Gathii Kamau[1] and Lawrence Kangogo Kibet[2]
[1]School of Business and Economics, Kabarak University, Kenya
[2]Department of Economics, Egerton University, Kenya
Corresponding Author's Email: eccherop@gmail.com

Abstract

This study set out to examine whether economic factors influence budgetary allocation in the North Rift economic bloc counties and to determine the mediating effect of public participation on the relationship between economic factors and budgetary allocation in the North Rift economic bloc counties. The research was anchored on Agency theory, Stakeholders theory and Arnstein's Ladder of Citizen Participation theory. The study took on the explanatory study design and targeted 10,690 individuals including elected leaders, county budgetary and planning staff, sub location development committee and county ward administrators. The study utilized a sample size of 320. Multistage sampling technique was used to select the respondent. A questionnaire was used to collect data. Both descriptive and inferential statistical analyses were carried out on the quantitative data. The study found that economic factors (β = .903, p = .000<.05) had a significant effect on budgetary allocation. Public participation was also found to significantly mediate the association between economic factors (β=.2706, LL=.2257, UL=.3171) and budgetary allocation. Based on the findings it is concluded that economic factors are an important factor in enhancing budgetary allocation. Also, the association between economic factors and budgetary allocation is significantly hinged on citizen participation. It is recommended that the general public be economically empowered by county governments for effective public participation in the budgetary allocation process.

Key Words: *Budgetary Allocation, Economic factors, Public Participation*

Introduction

Sound budgetary allocation allows for collective financial discipline, operational efficiency in use of resources, strategic prioritization and fiscal transparency in configuration of spending with budgeting as the main tool in the execution of policies by the government (Mkasiwa, 2018). It gives comparisons of budget plan against actual results, and deviations from this may then be inspected and the explanations for the discrepancies divided into non-controllable and controllable causes, which is critical in decreasing poor budget practices and inefficiencies resulting in effectual distribution of limited resources (Boetti *et al.,* 2018). Budgetary allocation is thus used by most governments and public institutions as an instrument for proper resources management and operational activity management (Aminatu, 2015).

A properly executed and well-prepared budget has the capability to promote a people's socio-economic wellbeing, support public service administration and finance development projects, which in turn translates to delivery of services by citizens and governments getting such critical services as clean water, healthcare and education (Andrews, 2016). This cannot be achieved without a strong budgetary allocation process, characterized by accountability, efficiency, adequacy and transparency (Aminatu, 2015). Achieving the foregoing thus necessitate that the citizenry, from whose taxation governments pull funds for budgeting, participate in the allocation process. Budgetary allocation conducted with the involvement of the general public is more feasible as members of the general public assist in taking on the key challenges that

communities face, which will result in limited resource misuse, enhanced transparency and accountability (Kiilu & Ngugi, 2014).

Across empirical literature globally, regionally and in the Kenyan body of knowledge, effective budgetary allocation has been associated with a plethora of determinants, either at national or county government levels. These include economic factors such as citizen income level and employment status (Lismawati, 2013); citizen awareness levels including civic education and media campaigns (Andrade & Rhodes, 2012); political factors including the leadership manifesto and prioritization (Esonu & Kavanamur, 2011); demographic considerations including age, gender and education (Ihemeje. 2018; Odary, 2020); behavioral factors including attitude and trust (Lubis, Torong & Muda, 2016); and government policy and sectoral plans (Kis-Katos & Sjahrir, 2016).

Most common of the aforementioned factors particularly in developing economy contexts include economic factors including citizens' income level and employment status (Lismawati, 2013; Lubis et al., 2016). If a government seeks to prepare and allocate a budget successfully, it ought to take into account among other economic factors, the previous structural deficit level, and the recurring economic conditions with regard to income distribution and employment in the country (Lubis et al., 2016). In most magnanimous welfare systems, the budgetary allocation process is significantly influenced by the country's unemployment rates. When the rate of unemployment is growing and citizen income is dwindling, there is subsequent surge in the number of public resources channeled towards unemployment benefits and government support, which makes it more problematic to present a budgetary adjustment based on cuts in spending (Ihemeje. 2018).

Whereas economic factors have been established as an antecedent of budgetary allocation (Lubis *et al.,* 2016; Ihemeje. 2018; Mkasiwa, 2018; McCommon, 2019; Odary, 2020), its influence on the same is hinged on citizen participation, in the budgetary allocation process (Abelson & Eyles, 2018; Aiginger *et al.,* 2019). In the NPM dispensation, public financial management, of which budgetary allocation is a significant part, is optimally expected to become responsive to societal needs, to deliver public value and functionalize citizen participation (Elhiraika, 2017.). Governments use various forms of public involvement, including citizen relationship management systems, public gatherings, neighborhood councils, surveys, social media, focus groups, among others, as decision inputs about policies, plans or programs (Aiginger et al., 2019).

Citizen participation in the budgetary allocation process in Kenya is anticipated in Article 1 of Kenya constitution 2010 which considers that the Kenyan people enjoy sovereign power which shall be effected as anticipated in the constitution. In addition, article 10 of the Kenya Constitution emphasizes the need to enhance inclusivity and participation of the people. Article 201 states the principles of public finance and notifies the public participation as one of the principles. Article 196 of the Kenyan constitution in regards to the county governments and county assemblies, seeks to observe public participation in all their affairs; Article 232 –Public Participation among the principles and values of public service. In addition, the provisions of the

constitution are part of the other legal provisions in the Public Finance Management Act 2012, the legislation that established the devolved governments, that is County government act 2012 and urban areas and Cities Act 2013 have emphasized on the subject matter. The general principles and objects of public participation as stated by the County government Act 2012 is to ensure inclusivity, ownership, equity, respect, self-governance and solidarity.

The foregoing assertion suggests that public participation plays a mediating role, providing the avenue through which economic factors influences budgetary allocation. This is however largely implicit, as published empirical literature to this effect remains scanty. Extant studies have focused either on the direct determinants of budgetary allocation or the direct influence of public participation on budgetary allocation. For instance, Friyani and Hernando (2019) studied the determinants of the effectiveness of performance based-budgeting in county governments in Indonesia while in Ethiopia, Sado (2019) explored factors affecting allocation of budgets in Wollega administrative Zone. In Kenya, Orina et al. (2019) studied the factors determining the allocation of budgets in county governments in Kenya. To the best knowledge of the researcher none of the published studies explores the indirect effect of economic factors on budgetary allocation through public participation with reference to county governments in Kenya.

Research Objective

To determine the mediating effect of public participation on the relationship between economic factors and budgetary allocation in the North Rift economic bloc counties and the corresponding null hypothesis that states that public participation does not have a significant mediating effect on the association between the antecedents and budgetary allocation in the North Rift economic bloc counties.

Methodology

The study was grounded on the positivistic paradigm, due to the applications of empirical methods in producing new knowledge as per previous studies. In line with Collis and Hussey (2009), positivism allowed the researchers to operationalize definition, formulate variables and hypothesis based on the existing theory which involve the verification of the study hypothesis. A mix of explanatory and descriptive designs was also adopted in the study. The design was considered suitable as it minimizes biasness through probability sampling and at the same time maximizing the reliability of data collection method (Kothari, 2004). The design also allowed the use of questionnaires and inferential statistics in establishing the significance of the relationships between independent and dependent variables.

The target population of the study comprised of 334 elected leaders, 76 county budgetary and planning staff, 10,080 sub location development committees, each with 50% representation from the general public and 200 County ward administrators, all totaling 10,690. The 10,690 target respondents also formed the units of analysis.

Table 1: Target Population

Category	Elected leaders	County budgetary and planning staff	Sub Location Development committee	County Ward admin	Population
Baringo	48	9	1967	30	2054
Uasin-gishu	50	10	679	30	769
Elgeyo Marakwet	36	9	1484	20	1549
Nandi	42	8	2093	30	2173
Westpokot	36	8	1568	20	1632
Turkana	50	12	1092	30	1184
TransNzoia	42	11	441	25	519
Samburu	30	9	756	15	810
TOTAL	**334**	**76**	**10080**	**200**	**10690**

Source, (CIDPs, 2018)

The study used Yamane (1967:886) and modified by Saunders *et al*. (2012) formula to calculate sample sizes.

$$n = {}^{N}/_{1 + N_e{}^2}$$

Where, N=population size, n=sample size, e=the sampling error. While the sampling error of 0.05.

n = 10,690/(1 + 10,690*0.05*0.05)
n=10,690/27.725
n=385.57
n=386

Therefore, using Saunders *et al*. (2012) formula the sample size of the study was 386 stakeholders from the north rift economic bloc who participate in budgetary formulation process. The determination of the sample size involved giving due recognition of the fact that it should be large enough for statistical analysis. The study used multi-stage sampling design because it allowed the researcher to segregate the population into several mutually exclusive sub-populations or strata which aided in increasing the sample statistical efficiency by providing adequate data for analyzing sub populations and allowing the researcher to use different research methods and procedures in different strata. The eight counties forming the north rift economic block will be purposively selected.

The study also used simple random sampling method to choose the members within the strata. Finally, the study utilized purposive sampling in selecting the respondent in every category. Which includes: the elected leaders, the county budgetary and planning staff, the Sub-location development committee and the County Ward administrators from the 8 counties selected systematically. The study further purposively sampled an equal proportion of male and female

respondents across each category, for purposes of representability. The study used Neyman allocation formula to distribute the respondents into the two selected strata. The purpose of selecting the responded into the strata is to optimize the precision of survey, especially when provided a fixed sample size. The sample size for stratum h, employing Neyman allocation, will be:

$$n_{h=}\left(\frac{N_h}{N}\right)n$$

Where:
N = The total population; n = Total sample size; n_h = The sample size for stratum h; Nh -The population size for stratum h

Sample determination for elected leaders:
n_h = (334/10,690)*386
nh=12.1
nh=12

Sample determination for county budgetary and planning staff:
n_h = (76/10,690)*386
nh=2.7
nh=3

Sample determination for sub-location development committee:
n_h = (10,080/10,690)*386
nh=363.9
nh=364

Sample determination for county ward administrators:
n_h = (200/10,690)*386
nh=7.2
nh=7

Hence, distribution will be as follows;

Table 2: Sample Size

Population Category	**Population**	$n_{h=}\left(\frac{N_h}{N}\right)n$
Elected leaders	334	012
County budgetary and planning staff	076	003
Sub-location development committee	10,080	364
County ward administrators	200	007
Total	**10690**	**386**

Source: Researcher (2019)

The sample of 386 was proportionately distributed among the 8 counties of Baringo, Uasin-gishu, Elgewyo Marakwet, Nandi, Westpokot, Turkana, TransNzoia and Samburu as presented in Table 3:

Table 3: Sample Distribution per County

Category	Population	% Proportion	Sample
Baringo	2054	19.2	74
Uasin-gishu	769	7.2	28
Elgeyo Marakwet	1549	14.5	56
Nandi	2173	20.3	78
Westpokot	1632	15.3	59
Turkana	1184	11.1	43
TransNzoia	519	4.9	19
Samburu	810	7.6	29
TOTAL	**10690**		**386**

The study used primary data, which was collected by a researcher specifically for a research assignment. In other words, primary data is information that a study must gather because no one has compiled and published the information in a forum accessible to the public. Researcher generally take the time and allocate the resources required to gather primary data only when a question, issue or problem presents itself that is sufficiently important or unique that it warrants the expenditure necessary to gather the primary data. Primary data are original in nature and directly relates to the issue or problem and current data. Primary data are collected through various methods like interviews, surveys, questionnaires etc.

The study used a structured questionnaire as a tool for data collection in regard to information on antecedents of public participation and budgetary allocation. The questionnaire was close ended questions because they are easier to administer and analyze since each item is followed by an alternative answer. The closed-ended questions ensure that the respondent stay focus within the study objectives (Saunders *et al*., 2012). The study utilized questionnaires for data collection because since it has been considered to be economical method and it provides standardized and structural questions into variables for data analysis. The questions for the variables of interest in the study were adopted from previous studies (Lubis *et al.,* 2016; Ihemeje. 2018; Mkasiwa, 2018; McCommon, 2019; Odary, 2020) that have been developed and tested. However, the wording and style of presentation was modified to fit the Kenyan context and scope of study. The instrument was simplified to make ease the target participants' comprehension of the questions thus enabling them to give reliable information. The same questionnaire was administered to all respondent categories, and means computed for analysis from the divergent respondents.

Whereas this study employed earlier determined models of measurements and not by introducing any new measurement form, the models that were constructed were evaluated and discussed with assistance from Kabarak University's teaching staff to ascertain face validity.

This research additionally ensured content validity by administering questionnaires in a consistent manner and by personally by the researcher. For ease of understanding and clarity, the questions were prepared in a language that is simple. The subjects were given clear and for those participants who could not read or write, the researcher filled the questionnaires.

A pilot study was carried out to determine the instrument's reliability, assessed by determining the item cronbach's alpha coefficients. The results obtained depicted that cronbach's alpha of 0.916 was obtained from 16 statements explaining economic factors; while 0.775 was obtained from 8 statements explaining public participations in budgetary allocation; and 0.766 was obtained from 5 statements explaining budget allocation. Since all the coefficients were above 0.7 as shown in Table 4 the instruments were considered reliable in tandem with Nunnally and Bernstein (1994).

Table 4: Reliability Analysis

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
Economic factors	0.916	0.900	16
Demographic characteristics	0.753	0.750	12
Behavioural Factors	0.757	0.755	9
Economic Factors	0.875	0.870	10
Public participation	0.775	0.770	8
Budgetary Allocation	0.766	0.700	5

Source: *Research Data, (2019)*

Data obtained from the field was cleaned, coded and keyed for analysis with the aid of SPSS. With a view to observe emergent issues and trends around particular themes, the data was summarized in accordance with the objectives and variables. To obtain the scores, the respective scores were compounded from the variable indicators. The combination of scores from different variable indicators is grounded on an integration of both quantitative and qualitative techniques contingent on the data collected (Parveen & Leonhauser, 2004). Descriptive analytic operations including frequency distributions and cross-tabulations were performed with a view to offer contrasts and comparisons between the factors inducing participation of the public during the allocation of budgets. This was an addition multiple regression analysis adopted to test the hypotheses. Multiple regression analysis is applied to analyze the relationship between a single dependent variable and several independent variables (Ghauri & Gronhaug, 2010).

The regression models that were used to test the study hypotheses are shown below:

Model Specification

Objective 1 (H_{01}):

$Y= \alpha + \beta_1 X_1 + \varepsilon$……..……. 1

Where Y = Budgetary allocation

X_1 – Economic factors

β_1= Beta Coefficient

ε = Error term assumed to be randomly distributed

Objective 2 (H_{02}):

$Y = \alpha_5 + C'X_2 + b\text{PP} + \varepsilon_5$……. ……..……...5

Where Y_2 = Budgetary Allocation (dependent variable)

C= Beta coefficient of antecedents

X_{5a} = Economic factors

PP = Public Participation

α_5 – regression constant

ε_5 – Error term assumed to be randomly distributed

Results and Discussion

A total of 386 questionnaires were issued of which 320 were filled and returned and represented a response rate of 82.9%. The response rate was considered satisfactory since Nyamjom (2013) argued that a response rate of 75% was considered excellent and a representative of a population. Both descriptive and inferential analyses were then computed with a view to examine whether economic factors influences budgetary allocation in the North Rift economic bloc counties and test the corresponding null hypothesis that states that economic factors has no significant effect on budgetary allocation in the North Rift economic bloc counties (H_{01}); as well as determine the mediating effect of public participation on the relationship between economic factors and budgetary allocation in the North Rift economic bloc counties and the corresponding null hypothesis that states that public participation does not have a significant mediating effect on the association between the antecedents and budgetary allocation in the North Rift economic bloc counties (H_{02}).

This section presents the descriptive analysis of economic factors, public participation and budgetary allocation. The descriptive analysis was used to elucidate the primary characteristics of the information under the research as they offer synopses about the study subjects and its indicators. Descriptive analysis in the present research entails graphical presentations, dispersion to the mean, means, percentages and frequencies. As a dispersion measure, the mean was employed to show how the dataset was spread. normally was then assessed using Skewness and Kurtosis values fell between -20.to 3.0 skewness and kurtosis values for the variable in the study were within the acceptable range. Normality assumption was therefore considered to have been met among the studied variables.

On a five–point Likert scale, participants were required to affirm their agreement levels on numerous statements. Such descriptive computations as dispersion to the mean and mean were jointly used to summarize the response as showcased on Table 4.1. The findings showed that most participants in the survey affirmed that most of them participating in budgetary allocation are not employed as shown by a mean of (4.02). Most of them also affirmed that, the employed individuals have less influence in budgetary allocation process mean of (3.81); that the timing for public participation does not allow those employed to participate in budgetary allocation effectively as shown by mean of (3.92); and that the individual participating are of low-income

level evidential from the mean of (4.81). Majority of the participants were materially wealthy shown by mean of (3.92). It was also observed that their income level influenced their level of participation in budgetary allocation process as shown by the mean score (4.02), they also strongly affirmed that their perceived income level influences public participation in budgetary allocation process shown by the mean score of (4.81), finally they were in agreement that individuals economic activities influence the level of participation indicated by a mean of (4.81).

From the results obtained it is noted that the responses to the 10 statements used to measure economic Factors ranged between 3.81 and 4.81, with the overall mean being 4.296. This shows that most participants of the study were in agreement with the statements that were used to measure economic factors. With a view to offer a favorable association between political activity and income, involvement may also offer basic desire. The results obtained were in line with Bartels, (2003). Bartels argued that that the well to do sections of the society together with the more educated contribute more in their participation in decision-making activities by the government. This owes to the greater risks in government affairs as they better appreciate and understand social and political life. The scholars further aver that the wealthier sections of the society have a higher likelihood of being engaged and interested in civic and political engagement practices. The low-income participants are illustrated well in developing world since they find it difficult to participate in public decision-making activities owing to their major primacies are for and to offer primary products including not spending too much time in meetings and food to feed their families.

Table 5: Economic Factors

	Mean	Std. Dev.	Skewness	Kurtosis
Majority of the people participating in budgetary allocation are unemployed	4.02	1.040	-.806	-.202
Employed people have a less Influence in budgetary allocation	3.81	.947	-.362	-.780
The timing for public participation does not allow the employed to participate in budgetary allocation	3.92	.935	-.491	-.662
Elected leaders guarantee that resources owned by the public are administered in an open manner.	4.02	1.040	-.806	-.202
Most of the Participants are low-income earners	4.81	.947	-.362	-.780
Most of the Participants have a constant source of livelihood	3.92	.935	-.491	-.662
My income level influences my level of participation in budgetary allocation.	4.02	1.040	-.806	-.202
The perceived income level influences public participation in budgetary allocation	4.81	.947	-.362	-.780
People of different economic activities participate in budgetary allocation.	3.92	.935	-.491	-.662
My economic activities influence my participation in budgetary allocation	4.81	.953	-.346	-.823
Overall Economic Factors Mean	**4.296**	**0.962**	**-0.4992**	**-0.6258**

Source: *Research Data, (2019)*

The most outstanding variables for unemployed people take part more resourcefully in budgetary allocation. This was acknowledged by mean of (4.02). The most outstanding variables for income levels was people with higher income levels take part more resourcefully during budget allocation. This was represented by mean (4.81) The most outstanding variable timing was that the time for participation does not allow the employed to take part in public participation which was acknowledged by mean (3.92).

On a five–point Likert scale, participants were required to affirm their agreement levels on numerous statements elucidating the public participation of citizens. Such descriptive computations as dispersion to the mean and mean were jointly used to summarize the response as showcased on Table 4.2. The results showed that most participants in the survey affirmed that they understand the concept of public participation in budget allocation process as shown by a mean of (4.02). However, most of them were not sure if the number of participating members of the local community in budgetary allocation has increased (3.81), the projects on development that the county government started are efficiently operating and managed by members of the local community (3.92). Local community support for projects on development that the county government started has increased in the last two years (3.81), they have participated in most of the budgetary allocation forums at my ward level (3.92). In the last two years, they have

participated in most of the budgetary allocation forum at my ward level (3.92). The mechanisms of engagement by members of the public in budgetary allocation is provided for in the constitution (3.82).

From the results obtained it is noted that the responses of the eight statements used to measure public participations, their mean ranged between 3.82 and 4.03, with the overall mean being 3.888. This shows that most participants of the study were in agreement with the statements that were used to measure public participation. The findings were in line with Robinson (2007), who concluded that the levels of public participation are the degree to which citizens of devolved units actively engage the governance system, and decision-making structures so as to influence how they are to be governed, or how resources attributable to the citizens are accrued, planned for, and spent.

Table 6: Public Participation

	Mean	Std. Deviation	Skewness	Kurtosis
I do understand the concept of public participation in budget allocation process	4.02	1.040	-.806	-.202
The number of participating members of the local community in budgetary allocation has increased	3.81	.947	-.362	-.780
Projects on development that the county government started are adequately in operation under the supervision of the members of the general public.	3.92	.935	-.491	-.662
Local community support projects on development that the county government started has increased	3.81	.953	-.346	-.823
In the last two years, I have participated in most of the budgetary allocation forums at my ward level	3.92	.990	-.590	-.674
The mechanisms of engagement by members of the public in budgetary allocations provided for in the constitution	3.82	1.112	-.567	-.772
Provided an occasion, I would take part (again) in budgetary allocation forums	4.03	1.047	-1.220	1.236
The amount of grievances raised by members of the local community on policies and/or programs started by the county government has decreased	3.86	.933	-.491	-.593
Overall Public **Participation Mean**	**3.899**	**0.995**	**-0.609**	**-0.409**

Source: *Research Data, (2019)*

On a five–point Likert scale, participants were required to affirm their agreement levels on numerous statements elucidating the allocation of budget in the devolved governments. Such descriptive computations as dispersion to the mean and mean was jointly utilized to summarize the response as showcased on Table 6. The findings showed that most participants in the survey

affirmed that number of projects undertaken by the county government were initiated by the members of the public as shown by a mean of 4.02. However, most of them affirmed that projects proposed and prioritized by participants were allocated during budgeting (3.92), Projects on development that the county government started have gotten a raise budgetary allocation supported by the local citizen (223; 3.92). More positive comments from the citizen to the county government have been received in regards to projects that are ongoing (206; 3.81).

Table 7: Budget Allocation

	Mean	Std. Dev.	Skewness	Kurtosis
A number of projects undertaken by the county government were initiated by the members of the public	4.02	1.040	-.806	.272
The number of grievances from members of the public on county budgetary process has increased	3.81	.947	-.362	.272
Projects on development that the county government started have been supported by the local citizen	3.92	.935	-.491	.272
More positive comments from the citizen to the county government have been received in regards to projects that are ongoing	3.81	.953	-.346	.272
Projects proposed and prioritized by participants were allocated during budgeting	3.92	.990	-.590	.272
	3.92			
Budget Allocation	**3.896**	**0.973**	**-0.519**	**0.272**

Source: *Research Data, (2019)*

The findings to the study showed that the responses to the five statements used to measure budget allocation ranged between 3.81 and 4.02, with the overall mean being 3.896. This shows that most participants of the study were in agreement with the statements that were used to measure budget allocation. The study concludes that most of the respondent were in agreement that budget allocation was highly dependable on public participation, the findings were consistent with study of Tsang (2009) argue that for adequate policy implementation and formulation, trust ought to be gained by governments from the citizens to ensure that all the projects will be implemented by the citizens during budget allocation process.

This section presents the hypotheses test results. A total of six hypotheses were set in their null form informed by the corresponding specific objectives of the study. To achieve this, various regression analyses were performed including simple linear and moderation. To aid in the moderation analysis, the Process Macro for SPSS by Hayes (2013) was plugged in and used to run the various models.

The study also endeavored to determine the effect of economic factors on budgetary allocation in the North Rift economic bloc counties. This informed the null hypothesis that a statistically significant association does not exist between economic factors and budgetary allocation (H_{01}). To test the hypothesis, a simple linear regression analysis was performed, results of which are

showcased on Table 8:

Table 8: Test Results for Hypothesis 1 (H_{01})

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.946[a]	.894	.894	.20734

a. Predictors: (Constant), Economic Factors

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.673	1	115.673	2690.584	.000[b]
	Residual	13.671	318	.043		
	Total	129.345	319			

a. Dependent Variable: Budgetary Allocation

b. Predictors: (Constant), Economic Factors

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.368	.069		5.334	.000
	Economic Factors	.903	.017	.946	51.871	.000

a. Dependent Variable: Budgetary Allocation

Results in Table 8 reveal a correlation value (R) of .946, indicating a strong linear relationship between economic factors and budgetary allocation. An adjusted R Square of .894 was also recorded, implying that 89.4% of the variation in budgetary allocation attributed to economic factors, while the remaining 10.6% attributed to other factors not included in this regression model. An F value of 2690.584 was further revealed with a P value of .000 (<0.05) indicating that the adopted regression model is statistically significant and can be relied upon to make further inferences.

Regression coefficients for the model further revealed that economic factors have a significant effect on budgetary allocation at 95% confidence level (β = .903, p = .000<.05). The null hypothesis that economic factors does not have a significant effect on budgetary allocation (H_{04}) is therefore rejected and it was concluded that economic factors had a significant effect on budgetary allocation.

The study sought to determine the mediating effect of public participation on the relationship between economic factors and budgetary allocation in the North Rift economic bloc counties. This informed the null hypothesis that public participation does not have a statistically significant mediating effect on the relationship between economic factors and budgetary allocation (H_{02}). To test the hypothesis, the study adopted Hayes model 4 by Hayes (2017),

results of which are shown on Table 9.

Table 91: Test Results for Hypothesis 2 (H_{02})
Model 1: Outcome Variable: APPP

Model Summary

R	R-sq	MSE	F	df1	df2	p
.8776	.7701	.0564	1065.3617	1.0000	318.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	1.3554	.0790	17.1643	.0000	1.2000	1.5107
EcoFac	.6508	.0199	32.6399	.0000	.6116	.6901

OUTCOME VARIABLE: Budgetary Allocation

Model Summary

R	R-sq	MSE	F	df1	df2	p
.9583	.9183	.0333	1780.8530	2.0000	317.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	-.1958	.0843	-2.3233	.0208	-.3616	-.0300
EcoFac	.6325	.0320	19.7762	.0000	.5695	.6954
APPP	.4158	.0431	9.6421	.0000	.3309	.5006

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI
.6325	.0320	19.7762	.0000	.5695	.6954

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
APPP	.2706	.0230	.2257	.3171

The study established a correlation value (R) of .8776 in Model 1 indicating a linear relationship between economic factors and public participation. An R Square value of .7701 was also recorded implying that 77.01% of the variation in public participation is accounted for by direct effect of economic factors, while the remaining 22.99% is accounted for by other factors not included in this regression model. A P value of .0000 was further established at 95% confidence level implying that the regression model adopted is statistically significant and can be relied upon to make further inferences.

The regression Model 1 further revealed that economic factors have a significant effect on public participation at 95% confidence level (β = .6508, p = .000<.05). In model 2, the direct effect of economic factors on budgetary allocation recorded statistical significance (β = .6325, p = .000<.05). The mediating variable, public participation also showed statistical significance (β = .2706), with both the lower limit (.2257) and the upper limit (.3171) not crossing zero (0). The null hypothesis (H_{05d}) stating that public participation does not have a statistically significant mediating effect on the relationship between economic factors and budgetary allocation was therefore rejected.

The findings have further revealed that economic factor (β = .903, p = .000<.05) positively and significantly influence budgetary allocation, in line with the fourth objective of the study, which was to determine the effect of economic factors on budgetary allocation in the North Rift economic bloc counties. Therefore, during budgetary allocation all the individuals in the community should be considered in public participation regardless of their economic condition considering that that the wealthy segments of society and those who have high economic condition take a greater role in public participation (Bartels, 2003). However, A person's level of income is in a traditional society regarded as an imperative principle for assessing the person's capacity. In addition, Brady (2003) argues that because civic and political process also constitute a kind of participation similar to economic involvement that occurs in the place of market, it appears that models that are known economic participation may offer information into the linkages between income inequality, income, civic and political participation in policy making decisions by the government.

Public participation was also found to significantly mediate the association between economic factors (β=.2706, LL=.2257, UL=.3171) and budgetary allocation. The foregoing findings have thus revealed that of public participation has a significantly mediating effect on the relationship between economic factors and budgetary allocation in the North Rift economic bloc counties, in line with the objective of the study, which was to determine the effect of economic factors on budgetary allocation in the North Rift economic bloc counties. The finding implies that the extent to which economic factors influences budgetary allocation is hinged on the level of public participation. Therefore, citizens and the community at large need to be sensitized on the importance of taking part in public participation so as to enhance budgetary allocation effectiveness when they take part in the budgetary allocation process.

The results obtained were in line to those of Brady (2003) and Nazleen (2004). A person's level of income is in a traditional society regarded as an imperative principle for assessing the person's capacity. Similarly, to assess the extent of participation of individuals is determined by their economic condition/status. The findings of this study agree with Bartels, (2003) and Verba *et al*. (1995) argue that the well to do sections of the society together with the more educated contribute more in their participation in decision-making activities by the government. This owes to the greater risks in government affairs as they better appreciate and understand social and political life. The scholars further aver that the wealthier sections of the society have a higher likelihood of being engaged and interested in civic and political engagement practices.

Conclusion and Recommendation

It is concluded from the findings, that economic factors positively and significantly influence budgetary allocation. As such, during budgetary allocation all the individuals in the community should be considered in public participation regardless of their economic condition considering that that the wealthy segments of society and those who have high economic condition take a greater role in public participation. A person's level of income is in a traditional society regarded as an imperative principle for assessing the person's capacity. Because civic and political process also constitute a kind of participation similar to economic involvement that occurs in the place of market, it appears that models that are known economic participation may offer information into the linkages between income inequality, income, civic and political participation in policy making decisions by the government.

Further, the study established that public participation had a substantial mediating influence on the association between economic factors and budgetary allocation. This indicated that citizens and the community at large need to be sensitized on the importance of taking part in public participation so as to enhance budgetary allocation effectiveness. In addition, participatory budgeting educates people with the knowledge of public affairs. Through public discussion, deliberation, and negotiation on budget issues, participatory budgeting increases the range of citizen participation and enhances the citizens' awareness of the whole budget process. To enhance economic factors information required to inform the public on the importance of participation by members of the public ought to be publicized through the social media platforms, the county government professional social forums and websites.

Economic factors were found to significantly influence budgetary allocation. It is therefore recommended that the county governments consider 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, public participation was found to significantly mediate the association between economic factors and budgetary allocation. As such, it is recommended that the general public be economically empowered by county governments for effective public participation in the budgetary allocation process.

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