Political Economy and the Local Governance in Kenya during the Pre - August 2010 Constitution: A Synoptic Review

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Abstract: ***This paper explores how changing economic circumstances have affected performance of the government, in terms of governance, during the pre-August 2010 Constitutional dispensation. Further, the review introduces issues of politics and their influence in the running of local authorities. It also examines the various attempts by the government to strengthen local authorities by distributing its functions and service delivery through decentralization policies.***

The paper notes that changing economic landscape has in part affected local governance. It also indicates that decentralised government operations have been hampered by suspicion from the central government about the likelihood of losing its central control/legitimacy to local authorities.

Keywords: Local governance, Local authorities, Economy, Government, Politics

1. Introduction: Kenya's Economy

Many institutions were designed by the colonial government to guide economic development in Kenya [1]. However, [2] argued that these institutions were based on social and economic policies that leaned heavily in favor of the British colonial interests, and that these interests mainly managed the country as a source of raw materials for metropolitan industries and as a market for their products. This scenario led to gross impoverisation of the country, most particularly in the last decade of colonial rule (1953-1963). For example, in the period between 1960-64 period, the growth in both physical capital and education per worker was "… -2.9 percent and -0.03 percent respectively" [1]. Although the effects of the Second World War and the previous policies that discouraged native Africans' investments in the economy could not be discounted, private sector investment was also low (Ibid).

According to [3], the Independence government wanted to reverse the negative trend. One of the ways to do this was to expand the productive sector to include the majority of the native population who were hitherto excluded. This was done through an 'Africanization policy' that was spelt out in *Sessional Paper No 10 of 1965.* In commerce, this policy was to be achieved by emphasising the transfer of petty trade activities to native Kenyans. To do this, the government came up with the Kenya National Trading Corporation (KNTC) in March, 1995. The primary role of KTNC was to transfer petty commerce from non-natives to native Kenyans [1].

Furthermore, [1]- [3] explained that, under this model, there was an expansion of the government's involvement in direct productive activities by establishing additional State-Owned Enterprises (SOEs) and encouraging "… public-private enterprises in agriculture, manufacturing, banking and trade." To tighten its grip on the economy, the government further introduced regulatory mechanisms whose aims were to control "…domestic prices, interest rates, foreign exchange, exports and imports…" Policies, particularly those related to agriculture, were geared towards equitable income distribution, employment and self-sufficiency for the majority of the population. In this pursuit, policies providing "…subsidies and guaranteed prices to farmers, price controls and inter-district or regional controls on the movement of cereals through state-owned marketing boards… and market-based pricing for cash crops.." [3] Were implemented. Further policies to protect the emergent industries such as tariffs, import quotas, licenses and price controls on final products were also instituted [1].

[1-[3] continued to explain that, in order to enhance the capacity of the domestic economy to produce consumer goods using locally available resources, government introduced import-substitution policies that encouraged public-private partnerships. "…[G]overnment also introduced interest rate and foreign exchange controls, work permits for foreigners and regulations on domestic and foreign loans" [1]. However to guarantee against nationalization of private properties, Parliament passed the Foreign Investment Protection Act. This was a signal to investors that *Sessional Paper No 10 of 1965* was not a socialist-focused initiative as many opponents had claimed [1]. That is, the initiative was not about distributing wealth, but for creating more wealth by involving the majority of the population through a variety of mechanisms.

In the first decade of *Sessional Paper No 10 of 1965* there were noticeable improvements. For example, between 1965 and 1975 "…the average physical capital and education growth rate per worker grew at 1.22 percent and 1.33 percent respectively" [1]. In addition, "[t]he total private sector investment increased from 16.05 percent in 1960-64 to 18.31 percent in 1969-74 and to 19.26 percent in 1970-74" [1]. [1] observed that this growth was experienced until the early 1980s, and that it was exceptional due to its relative lack of biases towards urban areas and the key role that smallholder farmers had in commercial agriculture. He further observed that, the economy grew at an average "…rate of 5 percent between 1963 and 1970 and at 8 percent from 1970 to 1980." And that the agricultural and manufacturing sectors grew at an average rate of 5 percent and 10 percent respectively in the 1965-80 periods.

[1] argued that economic growth predicated on protective measures against competition "…gave rise to an over-regulated, over-concentrated and uncompetitive industrial structure." He continues to give an example whereby by the early 1980s the government had interests in 250 commercial enterprises which represented a tenth of GDP and thereby contributing to 28 percent in trade deficit with no contribution to the economic growth. He also notes that, the commercial model of SOEs stifled private investment and further constrained investment efficiency[1]. This resulted in falling "…investment efficiency by 70 percent by the 1980s." As a result of muzzling private investments, the Kenyan industrial structure and the economy in general, could not cope with the collapse of the East African Community in 1977 (which also affected East Africa Railways, East African Airlines and many other public sector organizations co-owned by the three East African countries) and the subsequent shocks and reforms (pushed by the IMF and World Bank) from the 1980s onwards [1].

[1] continued to argue that many of the policies resulting from *Sessional Paper No 10 of 1965* could not be sustained for the long term. However, they were necessary in the short term for the sake of affirmative economic support to the majority of the native population, "…given the country's historical contingencies and colonial past." And that by the late 1970s, it was apparent that fundamental changes were needed to the country's economic policy, particularly in regard to many intervention measures brought about by *Sessional Paper No. 10 of* 1965.

2. IMF and World Bank laissez-faire economic development policies

[5] observed that with the fall of communism there was a shift in policy among the Western development support partners to Africa and other developing countries. They added that this shift also influenced the activities of the International Financial Institutions such as the World Bank and the International Monetary Fund, who proposed *laissez-faire* economic development policies in such countries. And therefore, lending policies were affected and further structural adjustment policies were advocated. They argued that such policies had a major impact on countries dependent on aid and loans for budgetary support such as Kenya. [4] further indicated that these policies were based on four organizing elements, which include:

…the promotion of the privatization and deregulation of public services and public utilities; enacting enforceable legal protections for the autonomy of private property owners; the enforcement of tight fiscal policy intended to constrain governmental social spending through tight control on taxes and expenditures aimed at creating a fiscal surplus; and, as a matter of macroeconomic policy, according primacy to anti-inflationary monetary policy, to maintain price stability and the value of foreign investments.

[1] noted that Kenya received "…both the first structural adjustment funding from the World Bank and the first Enhanced Structural Adjustment facility from the IMF in 1980." And that due to the economic foundations that the country inherited from its colonial government, many of the SAPs recommendations have been already experienced by the Kenya government. In fact, due to problems encountered in the implementation of some aspects of the *Sessional Paper No 10 of 1965*, the government economic and financial advisors were already calling for structural economic reforms even before the country's commitment to the implementation of SAPs in 1980 [1]. [1] further adds that one indication of such economic reforms before SAPs was that during the first few years of the Moi presidency (1978-82), the government reviewed virtually all its economic policies. Some of the recommendations that came from these reviews were incorporated in the National Development Plan (1978-83) and *Sessional Papers No 4 of 1980* and *No 4 of 1982* that were aimed at amending the Fourth Development Plan during the oil shock of the 1970s. [1] argues that, the realization that Kenya was already thinking of structural adjustment programmes even before the Bretton Woods institutions rolled out their programs could have intrigued many when later on the country became and remained opposed to SAPs.

According to [1], there are various explanations that attempted to account for differences in economic performance of Kenya of the early decades (1960s-70s) and the" later ones (1980s-90s). Most of these explanations are based on attempts to contrast the Kenyatta and Moi presidencies (1963-78 and 1978-2002 respectively). [1] further argues that "…whereas Kenyatta prioritized economic growth, stability and building the political legitimacy of the independence government, Moi placed a greater emphasis on (re)distribution..." of national economic resources. In doing so he further argues that Moi discarded liberal or market-oriented policies adopted by the Kenyatta regime and also Moi interfered with the autonomy "…and competence of the civil service and SOEs by turning them into institutions for political (and ethnic) patronage" (see also [6]. This argument is grounded on the knowledge nature of Kenyan Politics which is based patron-client relationship. [3] also argues that while Kenyatta hailed from the Central Province, where export crops such as coffee and tea are grown, Moi hailed from the Rift Valley Province where grains (maize and wheat) are produced. And therefore, Moi "…shifted national agricultural policy to favour grain production as part of his redistribution policy, whilst increasingly taxing the export crops' sector..." to sustain the civil service and SOEs.

Although Kenya may have been familiar with liberal economic policies, it was constrained by the country's social formations (where the majority of the people practiced peasantry) and its semi-competitive political system (that ensured relatively regular competitive elections, in situations where a section of the political opposition openly professed socialist views) and historically contingent factors (the fact

[1] According to [4] investment efficiency is "…a function of the risk, return and total cost of an investment management structure, subject to the fiduciary and other constraints within which investors must operate."

that Kenya was a settler colony and that colonial rule had alienated the natives from ownership and management of the economy) [1]. These factors led to increased polarization and inequalities among people and regions. This partly explains the level of resistance that the government put up towards adoption of "…SAPs in general and adjustment measures in the agricultural sector in particular" [1]. Agriculture supported the dominant peasant economy in Kenya, and therefore it embodied most of the protective policy initiatives of *Sessional Paper No 10 of 1965 (*such as price controls, subsidies, marketing support, SOEs and public-private-peasant firm cooperatives). It follows that, one would have expected the proponents of SAPs, with their "…policies of deregulation, privatization and liberalization to face stiff resistance [.] in this sector" [1].

Although there was stiff public opposition to the SAPs measures, the government introduced the measures through highly political amendments to the National Development Plan (1978-83) in the form of *Sessional Paper No* 4 *of 1981 on National Food Policy* [1]. The government however formally introduced SAPs through *Sessional Paper No 1 of 1986* on *Economic Management for Renewed Growth* [7]. This led to "…the liberalization of markets for agricultural inputs and outputs, privatization of SOEs, and 'cost sharing' or the introduction of user fees in education and health" [1]. Further structural adjustment measures were also introduced craftily at different points in time from 1980 onwards in guise of policies such as "…Poverty Reduction Strategy Papers (2000-2002) or Economic Recovery Strategy for Wealth and Employment Creation (2003-2007)..." [1].

2.1 Effects of SAPs policies

The introduction of SAPs programmes shook the foundations created by *Sessional Paper No 10 of 1965,* in that by the end of the 1990s many of the proposed adjustment measures had been put in place [8]- [9]- [1]. The foreign exchange regime and external trade were liberalized through the removal of trade restrictions and tariff reductions [1]. [1] further indicates that by 1995 nearly all domestic price controls had been removed and the cost sharing in health and education had been introduced. At this time also, civil service reform measures saw "50, 000 mainly low wage employees retrenched from the civil service between 1993 and 1998 (.) and by 1991, 207 out of 240 state-owned enterprises had been earmarked for privatization" [1].

Although SAPs were well intentioned they resulted in a lack of investment by the government in public service provision in many urban areas and contributed to the degradation of infrastructure and existing institutional capacity. The policies significantly affected the viability and effectiveness of social and political institutions. This period "… (1980s-1990s) also coincided with a number of external and internal shocks to the economy such as major droughts, an attempted military coup in 1982, unstable political situations and donor relations..." [1]. Thus the declining economic performance cannot be solely) attributed to the impacts of SAPs (Ibid). Nonetheless, economic performance in the 1980s and 1990s experienced stagnation, for example, the growth rate in agricultural sector "…fell from 5 percent in the 1970s to less than 1 percent in the 1990s whilst industrial sector output fell from 11 percent in the 1970s to 2 percent in the 1990s" [1].

[10] Observed that there was also decrease in value of the Kenya shilling, the rise in interest rates, the reduction of government expenditure and investment in key sectors, inadequate wage increases and the decrease in government subsidies at all level. The SAPs thus led to increase of the gap between the poor and the rich and also the income gap between the urban the rural population (Ibid). The government could not provide most of the services and infrastructural needs of the people: New roads were not built nor were repairs done on old ones; the government did not construct new buildings such as schools and dispensaries; employment of new civil servants was limited including security officers [10]. This led to a number of problems such as insecurity, delay in service provision which in turn resulted in corruption or non-adherence with the State's laws and mushrooming of community-led projects and initiatives including private security arrangements, contributing money to construct new schools or dispensaries among others [10]. Although, the spirit of *Harambee* (self-help) already existed, these initiatives resulted partly from the realization by the people that government was not providing for their services and infrastructure.

Although there were brief intervals of recovery and economic growth (1985-90 and 1994-96), [1] observed that the envisaged positive results of SAPs over 20 years in Kenya were marginal as they failed to create an environment for an economic growth as experienced under *Sessional Paper No 10 of 1965* (1960s-70s).

[10] noted that among the most important objectives of SAPs was to reduce the budget deficit. The repayment of the domestic debt put a huge burden on the budget, for example, interest paid on foreign and domestic debt took away 23 per cent of the total budget in 1995/96 [10]. [10] further indicated that the domestic debt and the high interest rates had wide-scale negative effects on the economy. In addition he indicated that the debts exacerbated the government deficit and shifted its development expenditure to the repayment of loans. This also reduced the private investment and the supply of funds available for loans, further increasing the interest rates on loans and mortgages [10]. There was also a general scaling back of government expenditure especially on public servants' wages, salaries, administration, economic and social services (Ibid).

[11] commented that resulting low wages and salaries coupled with an increase in workload as a result of non-employment of new staff in the civil service became a major cause of corruption. Poor remuneration for staff compared to private sector job opportunities (these options were also few due to economic decline), led to corrupt practices to supplement their income from contract 'kickbacks' and also requests for *"toa kitu kidogo (TKK)"* to expedite customer services. [11] continued to describe corruption as the "cancer" at the local and national government levels. [11] observations were a reflection on the efforts by the government to try to stamp out corruption by establishing the Kenya Anti-Corruption Authority in 1997 (which later on was declared unconstitutional through a Court ruling and was disbanded). The effort to address corruption did not stop

as the government enacted Anti-Corruption and Economic Crimes Act of 2003 that led to the establishment of Kenya Anti-Corruption Commission (KACA) in the same year. To further rein in corruption, especially by public officers, in the same year, the Public Ethics Act of 2003 was also enacted.

The consequences of a new financial order led to an increase in poverty and the destruction of the environment, which in turn generated social apartheid, encouraged ethnic strife and undermined the rights of women. In addition, earnings from local production were reduced as local products were subjected to serious competition from imported goods. This further reduced the price of agricultural goods against the rising costs of farm inputs [10].

In addition [10] indicated that independent Kenya relied heavily on the agricultural sector as the primary for economic growth, employment and foreign exchange generation. This sector is also a major source of revenue for the government; and in excess of 80 per cent of the country's population living in the rural areas rely on agriculture for food and income. Therefore, the decline in agriculture as a result of removal of import control and removal of subsidies has adversely affected both the public and private sectors.

3. Local Authorities in Kenya

According to [12], local authorities in Kenya form a part of an "…elaborate system of public administration." They are established under the Local Government Act of 1963. The Local Authorities have a delegated responsibility from the central government to administer local areas under their jurisdiction, and to implement government's policies. As such, central government influences the activities of local authorities in order to bring them in line with its policies, whenever changes occur. Local authorities are coordinated and supervised by the Ministry of Local Government.

The formalisation of local authority governance in Kenya "...can be traced back to 1895 when the British government took over the management of the..." [12]. IBEA Protectorate Company. This formalisation was implemented in the form of a policy based on racial segregation, one set of instruments catering for native tribes' affairs and the other for White settlers. In 1924, the Local Native Councils were established in areas settled by natives and were primarily rural in nature. They later became the African District Councils in 1950. [12] further notes that the Native Councils were meant to:

establish control over the African population; establish a ready pool of cheap Native labour force for the colonial government and the White settler farming population; facilitate tax collection (probably the most important function); and, confine the African population to rural areas.

White settler local authorities were both rural and urban in character, with significant autonomy in decision-making, provision of services, generation of revenues and use of resource. They also had better representation within government than Councils occupied by Natives, which were predominantly rural [12].

[12] argued that "…although the local government system was based on separate development for different races, local participation in decision-making was effective in the respective areas through elected councils." This two-tier local authority system remained in force until 1964 when Kenya became independent, after which it was abolished through the enactment of the Local Government Act. Under the Local Government Act, four types of local authorities (see Box 1) were established with exception of Nairobi which was put under governance of a City Council which was slightly more independent and autonomous than the others.

Local authorities are governed by elected councils and managed by appointed administrative officers. Their functions include but are not limited to: provision of education, public health, sewerage, water, housing, sanitation, solid waste management, roads, market facilities, control of environmental standards, industry and commerce, land use, plants and animals, leisure facilities; and other social amenities. They derive their authority from several sources: The Local Government Act; the Kenya's Constitution; and, other Acts of Parliament, Ministerial Orders, and By-laws [12].

3.1 Politics and local authorities

Kenya is a unitary republic with a presidential system of government. There are three main organs of government: the executive (which includes the president and the cabinet); the legislature (or the parliament) and the judiciary (the law courts).

Kenya was divided into eight provinces, each of which is headed by a Provincial Commissioner (PC). The provinces are further divided into districts, headed by the District Commissioners (DCs). The PCs and DCs are appointed by the president to assist him in the administration of the country. The districts are further divided into divisions headed by District Officers (DOs). Finally, the divisions are divided into locations headed by Chiefs, and sub-locations headed by Assistant Chiefs. The officers in these administrative units are the representatives of the executive arm of the government.

Normally the President appoints ministers from the members of parliament of the ruling party to head various government ministries, while members of parliament from other parties become the opposition. The presidential, parliamentary and local government elections are held simultaneously after every 5 years.

Kenya got independence from Great Britain in 1963 with Jomo Kenyatta becoming the first President in 1964. [1] explained that "unlike many African countries, Kenya was a settler colony and the settlers and foreign capital dominated ownership and management of the country's major economic sectors … during the colonial period." [1] continue to observe that, although political independence was necessary, it was not sufficient to address the problems resulting from colonial administration. Essentially, what was required in the context of government was a system that redistributed resources in a manner that benefited most of the residents of the country. To achieve this objective, the Kenya government, in the year 1965 came up with such a system in form of "…a policy paper known as *Sessional Paper No. 10 of 1965 on African Socialism and Its Application to Planning in Kenya*" [1]. This Policy Paper provided a 'mixed economy' model, a modified form of a capitalist economy incorporating market-driven production policies and state controlled production policies.

Box 1: Types of local authorities in Kenya. Source: [12]

- *City Council.* There is only one legally recognised city (Nairobi).
- *Municipal Councils*. These are headed by Mayors and are established in large urban areas and provide a broad range of services;
- *Town councils.* These govern relatively smaller towns but perform more or less the same service provision roles as municipal councils;
- *County Councils.* These, in almost all cases, are geographically identical with the districts which are the administrative sub-divisions of the central government. Their service area includes all of the land area of a district not under the jurisdiction of a municipal or town council; and,
- *Urban Councils.* These are established over emerging urban centres being prepared for transition to town councils, and ultimately municipal councils. They often provide basic services but they do not have full fiscal independence. They are legally under the jurisdiction of county councils.

According to [1], *Sessional Paper No. 10 of 1965* emphasized the private enterprise promotion and 'mutual social responsibility', which meant committing the postcolonial government to a path of development where both the state and the market would have a major role in economic development. He further observes that criticisms from the 'radical wing' of the then ruling party (KANU) that *Sessional Paper No. 10 1965* embodied neither African nor socialist ideologies, the Kenyatta government held that the notion of class conflict as advanced by Marxist would have been relevant in Europe and not in Africa where "…'mutual social responsibility' and a 'strong sense of fairness' were central to traditional African democracy and would prevent individuals from using economic power to their advantage" [1].

To achieve the full goals of ownership and management rights for the natives, [3] explained that *"…Sessional Paper No. 10 of 1965* gave rise to 'Africanization policy' in commerce and the civil service…" in order to consolidate national sovereignty. The policy also affected the civil service where job positions previously occupied by non-natives were given to the natives. The However, the Africanization policy did not bring the desired changes as it was just the replacement of people of one race with another, and it perfected the politics of patron-client using the ideology of ethnic competition which had been used by the British (colonial government) before as a divide and rule scheme in governing the country [1].

As mentioned earlier, as Kenya was a unitary state, this led to the concentration of decision-making authority on the central government and more so in the president. [13] observed that, as a result of the Kikuyu community's (the first president's ethnic group) initial contacts with British missionaries and colonists who alienated them from their land, they became the main beneficiaries of education and employment in the formal sector during the colonial period. They thus became kinds of automatic candidates for appointments to public sector jobs. [1] further argues that, first, many policies of the *Sessional Paper No. 10 of 1965* benefited much the Kenyatta's native region and ethnic community. This is because (in part) at independence they had a better socio-economic infrastructure. Secondly, he adds that, activities which were embodied in Africanization policies and flexible economic policy-making (immediately after independence) opened up rent-seeking opportunities among the political elites of all ethnic and racial groups.

In trying to further consolidate the power of the presidency, [6] argued that, Kenya was in 1969 declared a *de facto* single-party state, which led to greater control of public programmes that were highly centralized in Nairobi. At this time also, through Legal Notice No. 36 of 1969, the provisions of key services such as education, health and roads were transferred from local authority to central government. The same notice also abolished the Graduated Personal Tax (GPT). The abolition of GPT in 1969 weakened local authorities as this was a major source of income for many of them. The government made no additional grants to local authorities to offset the negative effects of the removal of this major source of income, and thus the abolition of GPT left most local authorities in a greatly weakened position [12]-[11], and potentially foreshadowed the inevitability of co-option of governance by local communities.

Even within such a constrained system of governance, where there were no multi-parties, [13] noted that civic, parliamentary and presidential elections were conducted every five years. After Kenyatta's death in 1978, his successor, Daniel Arap Moi, took over the presidency with a promise to follow in the footsteps of Jomo Kenyatta and popularized the slogan of *Nyayo* (literally meaning footsteps). An unsuccessful military coup attempt against the Moi government in 1982 led to a hurried constitutional amendment in 1982 making Kenya a *de jure* single-party state. Further amendments were made to the constitution in 1988 giving the President powers to remove members of the Public Service Commission, the Judicial Service Commission and the law courts.

Further, [13] observed that the government's desire for political control for the sake of national unity under a single political party was extended to local authorities. This led to amendments to Local Government Act (Local Government (Amendment) Act No. 11 of 1984) that transferred the power of appointing Town Clerks, Treasurers and several senior officers to the Public Service Commission. In addition to the transfer of the appointing role from the local authorities to Public Service Commission, the Minister for Local Government could also transfer any such officers without prior consultations with the local authorities concerned. In this case, the officers became answerable to the Minister of Local Government and owed no allegiance to the elected officials in the local authorities where they served. However it can be argued that such transfer of appointment to a Public Service Commission was necessary in order to cushion the officers from continuous harassment by the Councillors and thus affording them some security of job tenure to allow them to work professionally.

According to [13], even under the Moi regime, national elections continued to be held every five years, but there was greater political party control over the selection of candidates than in the Kenyatta era. To further consolidate political party control over the election process, the secret ballot system was replaced in the 1988 election by a *Mlolongo* system (system of voting through queuing). Later, due to pressure and public outcry, the government decided to abandon the queue voting system and also to restore the independence of the Judiciary. Internal pressure for the re-introduction of multiparty politics received strong support from donor and international development partners, who suspended most budgetary support to the Kenya government. This was happening at a time when the negative effects of SAPs[2] on the economy were beginning to become manifest in forms of reduced income from agriculture, lack of investment in social and technical infrastructure, unemployment and retrenchment of public sector employees.

Due to budgetary constraints and political pressure on KANU (the then ruling and the only registered party) government, the drive to restore democracy became unstoppable. Parliament amended the constitution to allow for the formation of multiple political parties in early December 1991. This led to the first multiparty elections on 29 December 1992. President Moi retained the presidency with 37% of the votes cast [14]. This was partly because the opposition was split into three major and several minor parties essentially based along ethnic lines (Ibid: 607), and also due to government control of the media and its easier access to public coffers to finance its election campaigns. Moi also maintained the control of Parliament with 112 seats to 88 (100 elected plus 12 nominated by the president). Again, in the second multiparty election in December 1997, Moi was re-elected and gained only a narrow majority of parliamentary seats [13].

Of interest to this review is that in the previous national elections during the single party regime, the governing party (KANU) controlled all urban wards (and their Councillors) and constituencies (and their Members of Parliament). However during the two multi-party elections the opposition parties won most of the parliamentary and local authorities' seats in the major urban areas, including Nairobi. Political differences emerged between the central government and the newly elected opposition councillors. The Minister for Local Government would issue unfavourable directives to the opposition controlled councils to curtail the powers of the elected mayors. Instead of working with the elected councillors in opposition controlled councils, the government chose to ignore them and worked with the appointed officials such as the Town Clerk and City Treasurer [16]-[17].

[11] argued that tensions between the Executive and local authorities also affected the way resources were allocated to various local authorities. The President (and sometimes Minister of Local Government) made unilateral decisions on some of these councils (such as sacking the elected councillors and interfering in their operation in pursuit of political goals). One example is when the elected Nairobi City Council was abolished for almost a decade (1983-1992) and in its place a presidential-headed commission was appointed [9]. This is possible as, legally, the Minister for Local Government has the power to nominate (or sack) some councillors, up to one third of the total number of councillors in any local authority. Originally the purpose of these nomination slots was to bring in professional expertise into local authorities and also to cater for special interest groups. However, nominations are usually made to reward political parties' supporters who fail to get elected at the general election.

3.3 Decentralized planning and local authorities

Through some aspects of the 'indirect rule' of British colonial policy, the colonial administration allowed some degree of local autonomy in all areas. However, as [18] noted, immediately after independence, the political power struggles led to Kenya becoming a *de facto* one-party state in 1969, in a bid to silence emerging opposition politics. This resulted in the administration becoming highly centralized in Nairobi. Development planning became one of the casualties because all plans had to come from the top down through the powerful line Ministries such as Agriculture, Water, Local Government, Lands and Settlement. These Ministries determined development needs and objectives from Nairobi and these were then passed on to the local levels for implementation. The Ministries had (even today) officers down through the administrative hierarchy at provincial and district levels. These officers were responsible for implementation at sub-district scale in the divisions, locations and sub-locations.

[18] continues to explain that the

> *Wananchi* (the people) were formally represented in two ways: through their elected Members of Parliament (MP) and their County or Urban councillors. MP's powers were fairly tightly constrained in the National Assembly through a number of unorthodox methods
> .

The unorthodox methods included the fear of being branded a *Msaliti* (sell out) to the then underground opposition movements, if one became critical of the government programmes. [18] further observes that, by 1971 the County Councils (which cover most of the rural Kenya) had lost most of their revenue and functions to the line Ministries' departments. He continues to note that there was also an

[2] Under the insistence of IMF and World Bank, large numbers of countries adopted market-oriented economic and institutional reforms in the early 1980s. Particular targeted of the restructuring were public provisions of basic services so as them in line with the advocated for market-oriented approach. This taunted as a way of increasing efficiency and reducing cost by reducing the role of the state as a developer and therefore essentially forever changing the organisational relations of the state and local governments [15].

upsurge of informal routes by *Wananchi* for accessing development support from the central government. The informal methods of accessing development include people sending political delegations to the President to plead their loyalty to the then ruling party while presenting development proposals for consideration. In addition the initiation of local development projects through *Harambee* (self-help) initiatives had become rampant to an extent of almost obscuring formal development procedures and initiatives.

According to [19], at independence the government was set for the establishment of decentralised planning as was indicated in the first national development plan (1966-70). The plan recommended that the district be the basic unit of planning. This led to the emergence of the Special Rural Development Programme[3] which lasted for 10 years from 1967. This initiative remained at the level of intention only until President Moi came to power in 1978. He persisted with decentralisation and put more efforts towards a decentralisation programme [13]. Moi advocated for:

[t]he strategy, which makes districts the centres for planning, implementation and management of rural development, has several positive dimensions... First, the people will be directly involved in the identification, design, implementation and management of projects and programmes. This will make development to be more consistent with the needs and aspirations of *wananchi (citizens)*. Secondly, the decision-making structure will centre on the districts themselves. This will minimise the delays that often characterised centralised decision-making systems. Thirdly, and most fundamentally, the allocation of resources will be shared more equitably, by being directed to the areas of most need (Daniel Arap Moi, 6 March I985 in Barkan and Chege, 1989: 431).

The District Focus for Rural Development (DFRD) strategy was born out of this initiative. The DFRD strategy operates through the District Development Committees (DDCs) where project proposals that came from the communities through the locational and divisional development committees were received and prioritized for funding. The DDCs are chaired by District Commissioners and comprise the Departmental Heads of line Ministries in the district, the local Member of Parliament, Mayors, Chairmen and Clerks of the local authorities and Parastatals' heads. All the development projects of the local authorities, especially the Local Area Development Plans, were subject to the DDCs' decisions [18].

As [19] observed, the attempt to decentralise continued to be a centre-piece of President Moi's domestic policy, and it brought some significant changes in the structure of the political and administrative system. However, it has been pointed out that the policies and strategies laid down in the various documents and policy statements were not implemented and that the outcomes have demonstrated a more centralised and controlling, rather than a decentralised and democratic planning strategy as originally envisaged. Despite the shortcomings, [13] argued that some promising results in terms of organisational changes, trained manpower, district planning and budgetary procedures were identifiable. Another drawback with this strategy was that, although the 'district' encompasses both urban and rural areas the focus in this strategy was more on rural than urban areas. The DFRD Strategy led to de-concentration of control rather than decentralization of decision making and planning activities. The government has further pursued a decentralisation policy version similar to DFRD but also covering urban areas in a form of a Constituency Development Fund (CDF).

[3]This had its background from Lipton's 'Urban bias' [20] ideas that informed the anti-urban bias development strategies adopted in many African, some of which persist today. These strategies led to neglect of many problems of urban areas, such as those related to squatter settlements or slums [21].

4. Conclusion

This paper indicates that Kenya's economy has undergone a rough transition from colonial to independent status. The changing economic landscape has in part affected how people (the majority of whom rely on land for agriculture) structure their livelihood. Changing economic circumstances have also affected performance of the government in terms of governance, services and infrastructure delivery. The scaling down of the government has made many citizens to learn new social and economic strategies and be adaptive to the prevailing circumstances.

The paper points to various changes that local governance has undergone in Kenya. It has highlighted various structures and mandates under which local authorities operate. However, despite the elaborate network of local authority structure, the paper indicates that little has changed in many of their areas of operation. Although local authorities are mandated to enforce laws in their jurisdiction, they lack a capacity to do so. They are poorly funded and have a limited revenue base since the abolition of GPT. There is great interference from the Executive arm of the government, which has seen some of the local authorities' decisions by-passed or ignored. Furthermore, attempts to decentralize government operations has been hampered by suspicion from the central government about the likelihood of losing its central control/legitimacy to local authorities.

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