

**EFFECT OF CONSTITUENCY DEVELOPMENT FUND ON SOCIO-ECONOMIC  
DEVELOPMENT IN MBEERE SOUTH CONSTITUENCY, KENYA**

**BY**

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## DECLARATION

I hereby declare that this dissertation is my own original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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# **EFFECT OF CONSTITUENCY DEVELOPMENT FUND ON SOCIO-ECONOMIC DEVELOPMENT IN MBEERE SOUTH CONSTITUENCY, KENYA**

## **ABSTRACT**

Extreme poverty is a big challenge all over the world (Olinto & Uematsu, 2000). According to the International Institute for Sustainable development (2013), all development actors should involve poor communities to eradicate poverty for sustainable development. According to Aduda (2008), CDF is meant to give the people at the local levels the chance to make informed expenditure decisions that are geared to maximizing their welfare. Most of these development projects are in education, health, economic empowerment as well as infrastructure developments, which are the main challenges facing community development since independence (Kimenyi, (2005). The purpose of this study was to find out the effect of CDF on socio-economic development in Mbeere South Constituency of Embu County, Kenya. It reviewed literature in line with the area of study to identify gaps of the previous studies in the subject area. A quantitative descriptive design was used, whereby cluster sampling method was used according to five administrative wards in Mbeere South, which had a population of 130,185 people according to 2009 National census (KNBS 2015). The researcher then used convenience sampling method to pick a sample of 100 respondents from across the five administrative wards. The independent variables of the study were infrastructure, social welfare, and job creation developments. A questionnaire was administered through drop-and- pick-after-two-hours method. A step-wise regression was used on each independent variable against the dependent variable, with a final multivariate regression model to determine the relative importance of each of the three independent variables with respect to effect of CDF projects on socio-economic development. The regression analysis conducted established that all the three independent variables have a positive correlation with the dependent variable. The ANOVA analysis was meant to investigate if variation in the independent variables explained the observed variance in the outcome, which in this case was the local development. The ANOVA results of the study showed a correlation between the predictor variables and the response variable, with an r-value of 0.570 and a P-value of 0.000, which was less than 0.05, meaning that there was a strong positive relationship between the study variables. Further, the regression results showed standardized beta coefficients of 0.4471, 0.2873 and 0.1048 for job creation projects, social welfare projects, and infrastructure projects respectively in order of significance.

**Keywords:** Socio-economic Development, Devolution, Civic Culture, Stakeholder participation.

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## **DEDICATION**

Dedication to my loving wife Faith Kagwiria Kiambati; thank you for your invaluable support, and to our sons Timothy and John Mark; may God help you to excel beyond this point!

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I wish to thank the Almighty God for enabling me to come this far. I am greatly indebted to my family for the sacrifices they made to ensure that I pursue my studies. My appreciation also goes to my supervisor, Dr. Nyaribo for the guidance throughout the study, not forgetting the faculty staff for their cooperation. I also wish to thank my respondents for giving me the valuable information without which I would not have completed the study.

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## ACRONYMS AND ABBREVIATIONS

<b>CDF</b>	-	Constituency Development Fund
<b>CFBOs</b>	-	Christian Faith-based Organizations
<b>CMH</b>	-	Commission of Macroeconomics and Health
<b>GDP</b>	-	Gross Domestic Product
<b>GOK</b>	-	Government of Kenya
<b>IEA</b>	-	Institute of Economic Affairs
<b>IISD</b>	-	International Institute for Sustainable development
<b>IMF</b>	-	International monetary Fund
<b>INGOs</b>	-	International Non-Governmental Organizations
<b>KED</b>	-	Kenya Election Database
<b>KNBS</b>	-	Kenya National Bureau of Statistics
<b>KIPPRA</b>	-	Kenya Institute of Public Policy research and Analysis
<b>MDGs</b>	-	Millennium Development Goals
<b>MP</b>	-	Member of Parliament
<b>NARK</b>	-	National Alliance Rainbow Coalition
<b>NTA</b>	-	National Taxpayers' Association
<b>OECD</b>	-	Organization of Economic Cooperation and Development
<b>PMCs</b>	-	Project Management Committees
<b>VIF</b>	-	Variance inflation factor
<b>WCED</b>	-	World Commission on Environment and Development
<b>WHO</b>	-	World Health Organization

## TERMS AND DEFINITIONS

**Civic Culture:** This is a situation whereby the local communities participate and make informed decisions that influence project activities by other development agencies towards their own sustainable development (Almond & Verbal, 1989)

**Devolution:** Devolution is a statutory granting of powers to a lower authority by the Central government, in matters of public policy. It aims to decentralize power (Chekwanda, 2014)

**Socio-economic Development:** A concept of development whereby the actors formulate area based integrated strategies aimed at improving the standards of living of the local communities, while at the same time involving the same communities that are targeted for development (Jouen, 2010)

**Stakeholder Participation:** A process whereby local communities are enabled to be masters of their own destiny within the framework of their socio-cultural setup. It is therefore meant for community freedom in taking initiatives and responsibilities towards their own destiny (Goldfrank, 2011).

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Extreme poverty is currently a major challenge, both in the developing and under developed economies across the globe (Olinto & Uematsu, 2000). Poverty is not only an evil in itself, but that sustainable development must meet some basic needs so as to fulfill the aspirations for a better life. This scenario has affected development in most of these developing economies, and this has adversely affected core institutions in the society in sectors such as health and education (Auya & Oino, 2013). According to the International Institute for Sustainable Development (IISD, 2013), for sustainable development to be realized, the needs of the present must be met without compromising the ability of future generations to meet their own needs.. The best way to eradicate poverty and achieve sustainable development, working with poor community members should be the core strategy for any sustainable socio-economic development to be achieved (IISD, 2013).

##### ***1.1.1 Concept of socio-economic development***

The term socio-economic development is today a household term in the whole world and has become a component of mainstream thinking. It is geared towards increase in productivity, creation of jobs and wealth, human capacity building, promotion of entrepreneurship, and improvement of income levels at the household levels (OECD, 2007). Socio-economic development is today viewed as the approach that will help in improving quality of life, while at the same time supporting empowerment of the ordinary person, develop and preserve the local assets, as well as overcome market failures, and the strengthening of cohesive projects that deliver the grass-root development projects. According to Jouen et al. (2010), such initiatives are

usually area-based integrated strategies aimed at mobilizing a certain number of local stakeholders. This therefore underscores the important role of decentralization in socio-economic development in rural areas.

### ***1.1.2 Constituency development fund***

The Constituency Development Funds have been ongoing in many developing economies around the world for many years. Chambers (2004), notes that in the Philippines, the use of Central Government funds by the MPs for local projects in their areas of jurisdiction goes back to 1930. This was copied from the politics of the United States of America, which became a benchmark for design of a CDF that was launched way back in 1989. The Papua New Guinea also embraced the CDF mechanism in 1984, and eventually this innovation became a common Government budgetary allocation mechanism in the developing economies in Asia and Africa.

According to Aduda (2008), CDF is meant to give the people at the local levels the chance to make informed expenditure decisions that are geared to maximizing their welfare. Most of these development projects are in education, health, economic empowerment as well as infrastructure developments, which are the main challenges facing community development since independence (Kimenyi, 2005). Other areas of intervention by the Fund are rural roads, water and sanitation, police posts and cattle dips among others.

### ***1.1.3 Mbeere south constituency***

Mbeere South Constituency, formally Gachoka Constituency, covers a total area of approximately 1,322 Square kilometers, with a population of about 130,185 people according to the Kenya Population and household census report of 2009, (KNBS, 2015), with the projected population for 2015 at 139,723 people. Mbeere South Constituency, which covers one of the Sub-counties of Embu County, is further divided into five administrative sub-units known as

wards that came into effect with the promulgation of the current constitution in the year 2010. These wards are Mbeti South, Mavuria, Kiambeere, Makima and Mwea, (Embu County, 2015). According to the CDF records, the Fund implemented thirty projects across the five wards in the financial year 2014/2015, and these thirty projects were implemented by Project Management Committees (PMCs) for each project. The thirty projects took a sizeable proportion of the CDF budget in Mbeere South Constituency. The Constituency Development Fund has its headquarters at Kiritiri market, Mavuria ward.

According to Nthuka and Gathogo (2015), a baseline survey for Mbeere-land, comprising Mbeere North and Mbeere South Constituencies indicates that the majority of communities in this Constituency are poor, with about 60 per cent of its people living below the poverty line of US\$1 per person per day. Several key development actors are in the forefront of addressing the poverty problems, though with mixed signals, not only in Mbeere South constituency, but also in Mbeere-land as a whole. These actors include Christian Faith-based Organizations (CFBOs), International Non-Government Organizations (INGOs), the County Government of Embu, as well as the National Government through the Constituency Development Fund (Nthukah and Gathogo, 2015).

According to CDF board website (2015), in its effort to attain the goals of the Millennium Development Goals (MDGs), and Vision 2030, the Government of Kenya had sustainably increased its CDF allocations to the Constituency from financial year 2003 to 2015 as tabulated above. According to Citizens' CDF Report Card for Mbeere South Constituency by the National Taxpayers Association (NTA, 2012), for the financial year 2010/2011, the CDF allocated a total of Kshs. 55, 580,284.00 across the five wards in the constituency. This accounted to 88.96% of the annual budgetary allocation to the Constituency in the financial year under review.

According to the same report, the funds were mainly used in the expansion of infrastructure projects in basic and secondary education, vocational training sector, building of health centers, and piped water systems. About 98% of the annual budgetary allocation for infrastructure expansion was properly accounted for (NTA, 2012). (See table 1 below)

**TABLE 1**

**Mbeere South CDF Allocations from Year 2003 - 2015.**

<u>Financial Year</u>	<u>Allocation (Kshs)</u>	<u>Financial Year</u>	<u>Allocation (Kshs)</u>
2003 / 2004	6,000,000.00	2009 / 2010	55,831,009.00
2004 / 2005	25,370,807.00	2010 / 2011	62,481,246.00
2005 / 2006	32,812,203.00	2011 / 2012	75,909,462.00
2006 / 2007	45,455,271.00	2012 / 2013	94,320,162.00
2007 / 2008	45,736,026.00	2013 / 2014	76,709,655.00
2008 / 2009	45,736,026.00	2014 / 2015	110,263,571.00
		<b>Total</b>	<b>676,625,438.00</b>

*Source: Constituency Development Fund, 2015*

## **1.2 The Research Problem**

Since independence in 1963, the government has attempted to establish many decentralization development strategies aimed at uplifting the standards of living of its citizens. These strategies included the Majimbo system of 1963, the District Development Grant Plan of 1966, and the Special Rural Development Program of 1970. Others included the District Development Planning of 1971, the Rural Development Fund of Kenya in 1983, and the District Focus for Rural Development of 1984, among others, Auya and Oino (2013). It is noteworthy to note that most of these strategic initiatives failed in their efforts to bring development closer to the citizens due to inefficiencies of line ministries, technical incompetency, and lack of staff, as well as bureaucracies in implementation, (Auya & Oino, 2013). Other bottlenecks included poor financing arrangements characterized by delays in as far as releasing of funds are concerned. In

year 2003, the Government introduced CDF with an objective of taking development closer to the beneficiaries by empowering them through project management processes. Various research efforts have been done on the contributions of the Constituency Development Fund on local development in Kenya albeit with mixed signals.

A study was conducted by Kimenyi (2005) on efficiency of Constituency Development Fund in social development, and it was found that the CDF is indeed desirable. Kimenyi however noted that the CDF projects were sometimes based on political grounds; were not designed professionally, and that in some cases the projects ended up as white elephants. Another study was conducted by Mapesa and Kibua (2006), whereby a sample of five (5) Constituencies was used to test levels of beneficiary awareness and participation, institutional capacity, coordination and legal framework of the Fund. The findings were that the fund belonged to the local MP, and therefore the beneficiaries were not aware of their rights to full participation and monitoring. The study especially noted that the funds were being run without due diligence as far as planning, selection and implementation were concerned.

The challenges that face CDF in Kenya therefore attract the question of the extent to which the fund is meeting its intended purpose of local development through beneficiary involvement. This therefore informed the need to conduct a study on the effect of CDF in Mbeere South Constituency in Embu County; to find out the contribution of CDF on local community development, as a case of how the fund is impacting on development in Kenya. The study focused on CDF in Mbeere South Constituency from its inception in year 2003 to year 2015.



### **1.3 Objective of the Study**

The main objective of the study was to investigate the effect of constituency development fund on local development of rural Mbeere South Constituency. The specific objectives were:

- i. To find out the extent to which the infrastructure projects by the CDF have improved socio-economic development in Mbeere South Constituency.
- ii. To find out the extent to which the social welfare projects by the CDF have improved socio-economic development in Mbeere South Constituency.
- iii. To find out the extent to which the Job creation initiatives by the CDF have improved socio-economic development in Mbeere South Constituency.

### **1.4 Research Questions**

The study sought to provide answers to the following questions:

- i. Have the infrastructure projects by CDF improved socio-economic development in Mbeere South Constituency?
- ii. Have the social welfare projects by CDF improved socio-economic development in Mbeere South Constituency?
- iii. Has the job creation by CDF improved socio-economic development in Mbeere South Constituency?

### **1.5 Justification of the Study**

The study sought to find out if CDF has offered value-added services for acceleration of development in Mbeere South Constituency. It sought to find out how the CDF in Mbeere South has offered interventions in areas of capital formation, social welfare, project management practices, and a democratic culture of stakeholder involvement, in a scale that has the capacity to improve the levels of development for the citizens in Mbeere South Constituency.

## **1.6 Significance of the Study**

The findings of this study will contribute significantly to the following stakeholders:

- i. It will create a pool of knowledge in terms of theory and practice to the concept of socio-economic development students and academia with recommendations for further studies in the subject area.
- ii. The study will also contribute significantly to the knowledge base on the link between stakeholder participation and socio-economic development. This will provide local actors in development with empirical evidence for action.
- iii. This study will also shed more light to CDF and Central Government on public Policy issues on the areas needed for intervention to bring development closer the local communities in a sustainable manner.

## **1.7 Scope of the Study**

The study was conducted to find out the effect of CDF on enhancing development in Mbeere South Constituency. The investigation specifically sought to find out if CDF activities in infrastructure formation, social welfare, and job creation by CDF have impacted significant socio-economic development to the people of Mbeere South Constituency since its inception in 2003. Therefore the independent variables under the study were development projects, Social welfare projects, and job creation projects. The study was conducted between March and October 2015.

## **1.8 Limitations of the Study**

The researcher noted that some respondents were not very keen to participate in sharing information, especially those that had political allegiance for or against the leaders in place. For example in Mwea ward, most respondents who had allegiance to the devolved County structure

had the wrong impression that this researcher was collecting data on behalf of the Central government and local MP through CDF. However, the researcher made it clear to the respondents that the information was intended for academic purpose only, and was therefore to be handled with strict confidentiality. Some of the respondents also did not have a good understanding of CDF in the Constituency and therefore may not have had the necessary information for the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter highlighted and assessed available literature relevant to Constituency Development Fund. The literature came from books, journals, internet and theses. The chapter aims at acknowledging and appreciating work done by other researchers on the same topic. Literature review was also helpful in establishing existing gaps, some of which were addressed by this study.

#### **2.2 Theories for Socio-economic Development**

This section looked at the theories that were of importance in this study.

##### ***2.2.1 Stakeholder theory***

The stakeholders' theory postulates that managers must be aware of a shared sense of the value that they are positioned to create, thereby bringing all the stakeholders to a round table. It requires that managers be clearly aware on their obligations to business and the type of relationships that they do create with other stakeholders along the way as they steward the business vision and mission, (Pedersen and Bartholdy, (2004). Stakeholder involvement is key for CDF success because it is in this that the vision, mission and goals of CDF will be seen to be accomplished, thereby creating value to its intended beneficiaries, (Simiyu et al., 2014).

##### ***2.2.2 Agency theory***

An agency relationship arises where one or more parties known as the principal contracts or hires another, known as an agent, to perform on his behalf some services and then delegates decision making authority to that hired party, the agent, Rees (2007). An agency relationship may arise either because the principals may be too many to run the affairs in an orderly manner, they do

not have technical skills and expertise, or because they are geographically dispersed to their disadvantage. The principals therefore employ the agents on their behalf to carry out a stewardship role on their behalf. The agency theory further postulates that the principals have two issues to deal with so as to be in control of the affairs of their business: one, they are to select the agents, and two, they must monitor the actions of the agents so as to be sure the principals are working to their best interests.

### ***2.2.3 Theory of participatory democracy and civic culture***

There is currently a lot of literature on the topic of local democratization experiments in the Latin America, (Otieno, 2013). According to Goldfrank, (2011) this process is known by scholars as the process of deepening democracy. Indeed, Goldfrank, (2011) argues that the concept of deepening democracy involves not just elections, but also involving the citizens in every process and activity that affects them. This therefore means that deepening democracy is whereby the local citizens are actively engaged in all processes that affect them. The concept of deepening democracy and citizen participation can therefore be said to be taking root in Kenya through the devolved Constituency Development Fund (Otieno, 2013), (Goldfrank, 2011).

## **2.3 Theoretical Literature Review**

This section reviewed the existing theoretical literature in the area of the study of socio-economic development.

### ***2.3.1 Overview of CDF as a decentralization tool for socio-economic development***

Socio-economic development is a concept whereby the development stakeholders envision helping in improving quality of life, to support empowerment of the local ordinary people, to develop or preserve the local assets, to overcome market failures, to strengthen cohesion, and to define and deliver grass-root development projects. The initiatives touted in such a direction are

usually area-specific integrated strategies that help to mobilize a big number of local stakeholders (Jouen, 2010). It therefore means that decentralization is an important tool to achieve socio-economic development.

Socio-economic development is aimed at changing popular attitudes, social structures, as well as national structures across the social divide. It is also aimed at accelerating economic growth, while at the same time reducing inequality, and eradication of poverty. It is therefore good to note that socio-economic development has to focus on all sectors of the local economy, in both urban and rural settings, so that it may really impact on the social-economic conditions of the people in a national economy. Botchie, (2000), notes that local development financing in Ghana is not any different from those of other developing economies. According to Botchie, (2000), the three major sources of financing for local development include transfers from the Central Government, donor funding and the internally generated funds. Todaro and Smith (2012), assert that development is the capacity and the ability of an economy, which has been having a static initial economic condition for a considerable period of time, to start generating and sustaining a yearly increase of its GDP at rates between 5% to 7% or more.

According to Todaro and Smith (2012), socio-economic development is aimed at changing popular attitudes, social structures, as well as national structures across the social divide. It is also aimed at accelerating economic growth, while at the same time reducing inequality, and eradication of poverty. In response to the above problems, there have been growing innovative responses at the National levels that intend to bring the poor and vulnerable in society into full participation in development initiatives that directly affect them. Chigbu, (2012), also notes that local development actions are usually geared towards developing a social and economic development pattern of the targeted area.

Socio-economic development also aims at finding solutions that are geared towards improving the lives of the rural poor, and increasing their participation. Kuntajar, (2006), notes that most of the developing economies have most of their local Governments depending on the Central Governments and donor financing for their local socio-economic development efforts. Litschig (2010) also gives an example of Brazil whereby the Central government grants account for up to 50 per cent of local Government revenue for both rural and urban development. According to Okidi and Guloba, (2006), the case in Uganda is that most local governments have their local development budgets financed up to 10 per cent from local sourcing. The case in Tanzania is that the Central Government allocates up to 72 per cent of the entire local authority financing (Kuntar, 2000).

Decentralization is today an engine through which local development is being achieved since the past two decades. Local governments are increasingly being charged with the responsibility to plan, implement and finance local development activities in their local jurisdictions. It is however noted that the financing tools that these local governments adopt for local development vary among countries (OECD, 2007). More of the developed countries use tax credits and incentives, as well subsidies and regulations to induce local development. They may also issue public bonds towards the support of activities that in other countries are the preserve of private fund managers (OECD, 2007). In developing countries however, local governments depend on Central Governments and Donors to finance local development efforts (Litschig, 2010, Kuntajar, 2006; Botchie, 2000). For instance in Brazil, government grants alone account for up to 50 percent of Local Government revenues for financing local developments (Litschig, 2010). Moreover in Uganda, Local Governments finance only up to 10 percent of their budgets from local sources, while most of the Local Government income in Tanzania comes from Central

Government allocations, which account for 72 % of the entire local authority budget (Kuntajar, 2006).

The Constituency Development Fund, (CDF), is a decentralized National Government budgetary allocation initiative which is meant to ensure that at least a sizeable percentage of the National budget trickles down to the jurisdictions of the members of Parliament (Tsubura, 2013). This helps in financing of local and small-scale development project such as the building of health centers, schools, as well as water supply systems, among other key projects. Tsubura, (2013), notes that CDF is an innovation by the Government whereby the local MP is given the authority to decide the criteria of selection of local development projects under his jurisdiction. Baskin, (2010), also notes that a CDF is not only a channel of funds from the central government to the Local government, but also a strategic tool meant for re-distributive game by the MPs during election. It therefore means that CDFs are not free from political patronage by the MPs. This is because according to Baskin (2010), these same MPs do use the funds to respond to the development needs of their constituents, they also cultivate their own personal votes that enhance their chances of their re-election.

## **2.4 Empirical Literature**

Empirical literature reviews various studies that have been previously conducted on the area of interest. It looks at the gaps that these studies have identified, and the effect on the variables of interest.

### ***2.4.1 Infrastructure and socio-economic development***

Infrastructure development has been in theoretical and empirical analysis for a long time. It is known in several terms, including overhead capital, economic capital, economic overheads, as well as basic economic facilities (Srinivasu & Rao, 2013). Infrastructure is a set of various



physical facilities which serve as media for the provision of public goods and services. It is the basic stock of capital that is required by an economy so as for that economy to be able to offer goods and services to its citizen. Infrastructure includes public works like roads and railway lines, electricity and water lines, airports, buildings, and many more (Srinivasu & Rao, 2013).

Infrastructure development is a vital and a basic ingredient for achievement of growth and development of an economy. It helps to modernize and to commercialize the agricultural sector, expansion of industries, as well as improvement of the standard of living through provision of basic amenities, including water and electricity. According to the human development report of India (2011), there is a clear relationship between infrastructure and development. According to the same report, infrastructure development helps to create industries for value addition of primary products of an economy, thereby raising the potential of an economy to accelerate its growth and development. It requires basic capital like plant and machinery, schools, hospitals, power lines, airports, roads railway line, and a host of other basic physical amenities to facilitate development of an economy.

According to the World Development Report (1994), adequate infrastructure is vital for development. It defines one economy's success and another economy's failure in terms of harnessing productivity and for reduction of poverty levels in the long term. Adequate and efficient infrastructure impacts positively on all the economic activities of a country and the welfare of an economy in general. According to Todaro (1981) capital accumulation in form of new investments in equipment, land and buildings, as well as in human resources, all help in augmentation of future productivity and income levels. The capital thus accumulated is directly supplemented by social and economic infrastructure in form of roads, electricity, water and

sanitation, as well as communication projects in an effort to integrate the economic activities of the local people for their empowerment.

#### ***2.4.2 Social welfare and socio-economic development***

According to Merriam Webster medical dictionary, social welfare includes organized public and private social services for the assistance of the disadvantaged groups in the society (Webster 2015). These include, but are not limited to education, health and security. According to human capital development thesis, education is the basic ingredient upon which an economy's structural policy frameworks should be hinged. If regulatory reform succeeds in improving labour flexibility, this will have a spill-over effect in the labour market, as well as raising skill levels by additional investment in education, training and employment schemes, (Spring, 1998).

***Education as a social welfare good:*** Human capital theory is evident in the educational policies of those Third World economies influenced by the World Bank, which embrace among their foremost priorities the universally applied notion of human resources development. Because developing countries are fighting wars against poverty, economic development is absolutely critical to their success. In the context of education for development theory, the government is supposed to intervene so as to promote a free market, and therefore education is seen as an economic investment, (Spring, 1998). Economist Theodore W. Schultz, a supporter of the theory, asserted that the productivity capacity of human beings is bigger than all other forms of wealth put together. According to Schultz, (1961) workers are a form of capitalists due to acquisition of skills and knowledge as a result of investing in education and other human capital investments. This accounts for the productive superiority of the first world economies (Oliver, 2004).

***Health as a social welfare good:*** The relationship between health and wealth is commonly assumed to be fully unidirectional, (Marmot, 2002). This means that if the economic conditions are improved, this also leads to an improvement in health conditions. According to Preston, (1975), and Marmot, (2002), it has been well documented by economists and epidemiologists that the more affluent economies have generally better overall health outcomes than the poorer economies. Similarly richer people within a country enjoy better health than those in relatively poorer economies. In the same way, public health advocates contend that health is an economic engine whereby better health leads to acceleration of economic development. Based on this concept, the World Health Organization (WHO), through the Commission of Macroeconomics and Health (CMH), together with World Bank, has been campaigning for better health in the developing countries, (CMH, 2001; World Bank, 2007).

The direct relation between income and health has been documented at the international and national levels, (Marmot, 2002). According to Preston, (1975), the relationship between the gross domestic product (GDP) and life expectancy is looked at. In this context, infant mortality, life expectancy and general health improve as the per capita improves. Similarly within nations, more affluent groups have, on average, better health outcomes than the less affluent individuals. According to CMH, (2001), richer nations spend more on health than the poorer countries. Within the context of an economy, a person with limited access to personal income will be worse off in terms of health than a richer individual. This is due to limited access to beneficial material and social conditions, (Marmot, 2002).

Poor people are also more unlikely than the rich to pay for health care services, more so preventive services, because they have more immediate needs, (Frank et al., 2006). They are more prone to psychological vulnerabilities, stress, and lack of participation, each being

associated with poor health status. This condition of lack of a wide range of material and other social resources is the basis for the fundamental cause theorem, which says that the poor suffer more than the rich in event of disease mechanisms, especially so due to lack of basic health protection factors. This relationship between wealth and health can also be seen in the opposite direction, in which case improvement in health standards leads to increase in wealth. This paradigm therefore posits health as an economic engine. Good health at the community level also improves communal economic growth in many ways, (Bloom & Canning, 2008). Good overall community health improves productivity at individual level, and when this is aggregated, it leads to enhancement of economic performance at community level, (CMH, 2001). According to the theory, a worse off health at population levels leads to poor outside investments.

***Security as a social welfare good:*** Peace is the absence of war, although real peace means more than just the absence of conflict. It is the ability to carry on a normal life and walk freely without the threat of violence from criminals, from unjust government operatives, as well as the aggressions of enemy forces (Dumas, 2006). The term security on the other hand, means the situation of being safe from threats of hunger, illness and repression (Tschirgi 2005). According to the Human development report (UNDP 1994), issues of security manifest themselves in areas of economic empowerment, food provision, environment, personal security, communal security, and political security. According to the report, global integration and development goals cannot be realized unless the security-development nexus is given top priority by all policy makers.

### ***2.4.3 Employment and socio-economic development***

The success of the East Asian Tigers has been attributed to heavy investments in labor intensive manufacturing. This has in effect generated sufficient employment to the populations, thereby helping to reduce poverty (Melamed et. al, 2011). Other sectors that impact positively in

alleviation of poverty may include agriculture and construction sectors (Loayza & Raddatz, 2010). However, the effectiveness of different sectors in different economies in generating employment do change over time. Khan (2007), notes that growth in some Asian economies is now less effective in the generation of employment than it used to be some years back. This shows that low-wage employment creation has only short term benefits. During the financial crisis of 2008, Robert Zoellick, the president of the World Bank noted that the best safety net for any people is a job (Melamed et. al 2011). They also noted that free movement of people between different sectors of the local economy would give people best protection against risks.

Dollar and Kraay, (2002) note that the popular notion by economists that economic growth will alleviate poverty is a misplaced one. They also note that in those areas that growth has been observed but with low employment rates, these jobless growths have come back to haunt, with examples of Africa, India and Latin America. Kapsos, (2005) notes that globally, the employment opportunities for the youth tend to be lower than for older workers. This is a major factor in the circus of growth, employment and poverty alleviation in the developing economies. Zependa, (2007) notes that in Kenya, the problem of youth unemployment is relatively lower than overall employment levels, which leads to big waste of productive potential, a threat to peace and stability, as well as violation of human rights of the young generation.

## **2.5 Cases of CDFs in Asia and Africa**

In his report on the politics of CDFs in comparative perspective, Tsubura, (2013) concludes that in Asia and Africa, the CDFs have generated a lot of power struggles, more so in the introduction and operation rather than in other government social spending. Tsubura concludes that the Philippines established CDF to establish the power of the president, while in India and Tanzania the funds were established by ruling parties to widen their supports at grassroots. While the case

was the same in Ghana and Zambia, the paper reports that in Pakistan and Kenya, the introduction of CDFs is significant in the changing rule of the game in electoral politics by new leaders. Tsubura notes that in those countries where CDFs were introduced after some change of regime, these are mainly a strategic tool for executive, whereas in countries where the CDFs got introduced without any regime change, the funds become a preventive measure of the executive to avoid the risk of losing the support of the local MPs.

## **2.6 Constituency Development Fund in Kenya**

In Kenya, the Constituency Development Fund came into effect through CDF Act 2003 in January 2004. The Act was amended in 2007 through the Amendment Act 2007. The Fund is also governed by other guidelines like circulars and Acts, including the Public procurement and Disposal Act 2005, and the CDF Implementation Guideline 2004 that was prepared by the National Management Committee of CDF. According to CDF Act 2003, the Fund is administered by four committees, two at national level and two at the grass roots. The National committees are the Constituency Fund Committee of Parliament, and the National Management Committee, which was replaced in 2007 by the National Management Board. The grassroots committees are the District Projects Committee comprising of concerned line departments of Government, and the Constituency Development Committee. There is also the CDF Act 2013 which came into effect in January 2013 through Kenya Gazette supplement number 45 (Acts No. 30). The new Act is meant to align the Fund with the new constitutional arrangement.

The CDF is a yearly allocation by the Central Government to each of the two hundred and ninety (290) parliamentary jurisdictions known as constituencies. The CDF Act lays down some rules and regulations that ensure that the Fund is administered in a transparent manner, and with a good degree of accountability. However the decisions on how the funds are utilized are

usually the preserve of the constituents. The allocations of the CDF program usually go directly to the local levels, unlike other development funds that filter from the Central Government through many layers of administrative bureaucracies. This in essence means that the Fund creates an opportunity for people at the grassroots to have a say in the allocations of the fund to various activities that benefit them directly according to their needs and preferences. This way, the local populace is well informed about their priorities, and the choices that follow can therefore be expected to be well aligned to the problems and circumstances that they face (Chigbu, 2012). The CDF can be considered to be a decentralization scheme that provides the local communities at the constituency level with opportunity to be directly involved in making planning and budgetary allocation decisions that are geared towards maximizing their social welfare. The current design demands some stimulation of local involvement by the locals in projects that are geared towards affecting them. This further demands that the same constituents be well informed about everything about the projects being touted under the fund. It also requires that the same constituents are well informed and involved to be able to monitor the fund (Mwaniki, 2009).

The Constituencies development Fund is apparently viewed as one of the most successful initiatives by the Government of Kenya. It was established in December 2003, but came into operation through the CDF Act by the Kenya gazette Supplement number 107 (Act No. 11) on the Ninth January 2004. According to the CDF Act, (2003), the Fund comprises of 2.5% of Government's ordinary revenue. Moreover, according to the Act, 75% of the Fund is shared equally among the Constituencies, with the remaining 25% being shared according to the poverty levels of the 210 Constituencies across Kenya. According to the Act, the projects under the Fund are only earmarked to be development projects that are geared towards improvements of the standards of living of the constituents. The CDF is meant to level development across Kenya

through budgetary controls that allocate more funds to areas deemed to be ignored over the years. According to KIPPRA (2007), the Fund is managed through four (4) committees, two at the National level namely the National Committee and the Constituencies Fund committee, and two local level committees namely the Constituency Development Committee and the District Projects Committee. According to Chweya, (2006), the CDF is meant to identify projects that are geared towards fighting poverty at the grassroots levels, thereby exonerating the MPs from the daily demands for harambees. The Fund is financed through the consolidated Fund, and according to Gikonyo, (2006), the Fund has made great strides in bringing development closer to the common mwananchi. The GoK report of 2007 also notes that there is a significant increase in the standards of living as a result of the projects initiated by the fund. Oyugi, (2008) notes that the CDF Act was amended in 2007 in an effort to correct apparent operational challenges that were experienced in the four years that the Fund had been in force. For the last twelve years after its inception, the CDF has attracted a lot of attention locally and internationally.

According to the Institute of Economic Affairs, (2006) in a survey conducted on CDF in Kenya, most of the respondents were satisfied with the contributions of CDF since inception in 2003. The survey was conducted with the objective to gather feedback from beneficiaries and CDF committee members from a sample of 25 constituencies in Kenya in regard to their own assessment on the success of CDF in Kenya. Committee members were 43.4 – 52.8% happy with CDF's role in improving their livelihoods through job creation and investments in human capital, (IEA, 2006). Yet, some 40% of beneficiaries were unsatisfied with the level of accountability by the management committees. As to whether the public works by their CDF made impact in improving development, 70% of the respondents felt that these infrastructural projects made no impact in their lives. As to whether CDF had impact on performance in both primary and



secondary level, 80% of the respondents were of the opinion that pupils' performance improvement as a result of CDF intervention could not be quantified. However respondents pointed out that the pupil- teacher ratio had not improved as a result of CDF intervention, (Wabwire, 2010)

A study was conducted in South Mugirango Constituency by Auya and Oino (2013) whereby the researchers sought to find out the role of CDF on social development in Kenya. The study focused on availability and access to health and education facilities in North Mugirango before and after introduction of CDF. It focused on the distance to the nearest health facility, state of buildings, availability of essential drugs, ambulance services, medical equipment, and ratio health workers to patients in hospitals. The summary conclusion of the study was that CDF has played a pivotal role in improving peoples' lives in North Mugirango. However the study found out that there was poor evidence to show that CDF managers were involving the project beneficiaries in managing of the projects. It was also noted that most of the CDF projects resulted to failure due to poor management.

In another study in Anaimoi constituency by Ochieng et al, (2012), the respondents were of the opinion that CDF had made considerable contributions in their lives. The studies found out that the citizens were not satisfied CDF initiated projects and its management due to the fact that members of the CDF committees were appointees or friends of their MP. This made them feel that these committee members were not representing the interests of the citizens, but those of the appointing authority, (Ochieng et al. 2012). On the other hand, CDF was found to be a major contributor to development in Kenya, having increased efficiency in service delivery. The researchers noted that CDF was found in some areas to have been ineffective, attributing it to

lack of accountability by CDF managers, duplication of activities, poor prioritization of projects, and lack of financial capacity by fund managers, (Khasiani and Makau,2010).

## **2.7 Summary and Gaps**

The empirical evidence on the effect of CDF on socio-economic development in Kenya since its launch in 2003 has not been fully brought to light. While it is noteworthy that the earlier decentralization schemes were short term in nature, CDF on the contrary has been in place for the last 12 years. Most of the studies on CDF have focused on beneficiary involvement, legal frameworks, as well as budgetary administration. It is therefore apparent that the available empirical evidence on the effect of CDF on local development in Kenya has not been fully exploited. Earlier researches have therefore not been able to correlate CDF with socio-economic development in Kenya. This necessitated this research so as to bring out the relationship between CDF and socio-economic development in Kenya. This project aimed at assessing the effect of CDF in enhancing local development, with a focus on Mbeere South Constituency in Embu County.

## **2.8 Conceptual Framework**

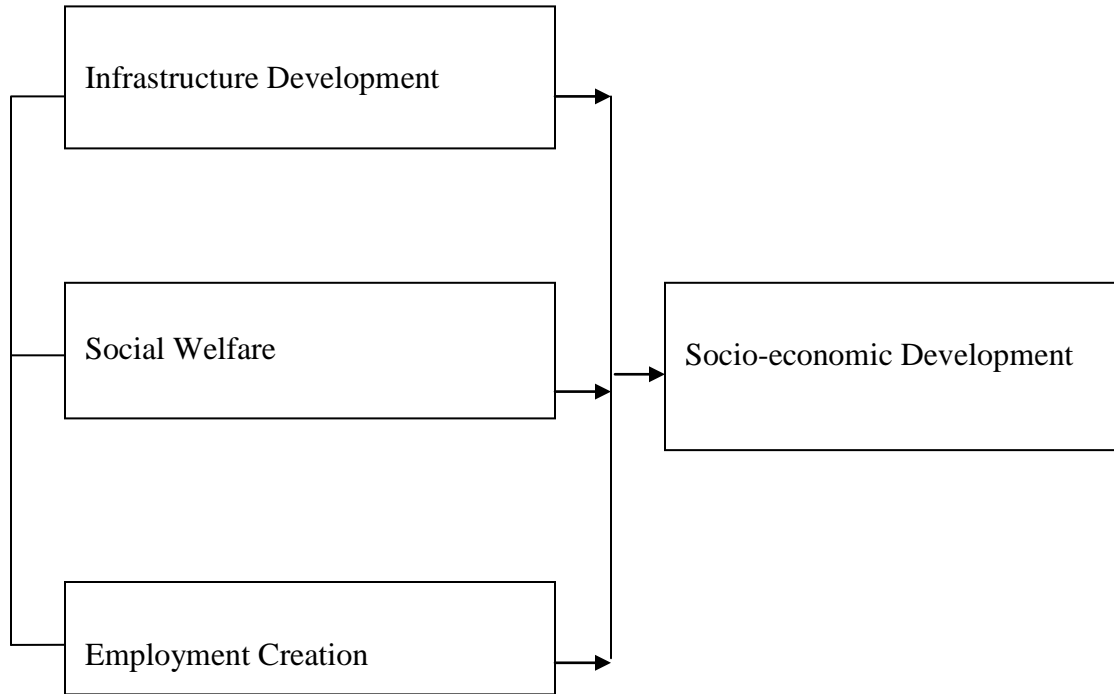
A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and communicating this. It shows the interaction of the variables both independent and dependent variables. (See figure 1 below)

**FIGURE 1**

**Conceptual Framework**

**Independent variables**

**Dependent variable**



*Source: Author 2015*

**2.9 Operational Framework**

An operational framework is used for analysis of variables, showing the indicators and measurements for each variable, as well as the questions arising there-from. For operational frame work see table A1 in the appendix I on page 66.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

The chapter describes and explains the research instruments that were used in the study. The chapter thus, gives the insight into research design, target population and sample, description of research instruments, data collection procedure and data analysis technique.

#### **3.2 Research Design**

Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions. According to Orodho (2005) survey design is a method of collecting information by interviewing or administering questionnaire to a sample of individuals. The survey design is frequently used in studying attitudes, opinions, preferences and perceptions of people. The survey design attempts to collect data from members of a population in order to determine the correct status of that population in respect to one or more variables.

#### **3.3 Target Population**

A population is the collection of all the elements about which a study wishes to make some inferences. Cooper and Schindler (2003) have pointed out that a population is universe from which we wish to make some inferences. Their view is not different from that of Mugenda & Mugenda (2003), who have defined a population as the entire group of individuals, events or objects having a common observable characteristic.

Mbeere South Constituency covers an area of approximately 1,322 Square kilometers, with a population of 130,185 people according to the year 2009 national census (KED 2015) and (KNBS, 2015). According to KNBS (2015), the projected population of Mbeere South Constituency was about 139,723 people. However due to a legal suit that was in a court of law

challenging the population projections as advised by the KNBS office, this researcher used the census data of 2009. This study targeted the entire population in the constituency because they were the beneficiaries of CDF projects in the constituency. Below is the table showing the population of study:

**TABLE 2**  
**Population of Study**

<b>Ward</b>	<b>Population</b>
Kiambeere	15,059
Makima	21,291
Mwea	30,117
Mavuria	34,139
Mbeti South	29,579
<b>Total</b>	<b>130,185</b>

*Source: Kenya National Bureau of Statistics, 2015 and Kenya Election Database, 2015*

### **3.4. Sampling Procedure**

A sample is a sub-set of the population that can be analyzed at reasonable cost and used to make generalizations about the population parameters with ease. Mugenda and Mugenda (2003) note that resources and time tend to be the major constraints in deciding on the sample size to use. They argue that the proximity between the researcher's place of residence and study sample is a factor of consideration in research. Thus reducing the impediments associated with distance coverage while increasing the interaction rates between the researcher and respondents at personal levels, both formally and informally.

This study used cluster sampling procedure by looking at the entire Constituency through its five wards. This study then used the formula as proposed by Yamane (1967) for a large but

finite population, at 95% confidence level and 10% degree of precision to come up with a sample of 100 respondents from the entire population of (See appendix 1).

**TABLE 3**  
**Sampling Procedure and Sample Size**

<b>Ward</b>	<b>Population</b>	<b>Sample size</b>
Kiambeere	15,059	22
Makima	21,291	22
Mwea	30,117	18
Mavuria	34,139	18
Mbeti South	29,579	20
<b>Total</b>	<b>130,185</b>	<b>100</b>

*Source: Kenya National Bureau of Statistics, 2015 and Kenya Elections Database, 2015*

Due to vast area coverage of some of the wards and cost considerations, this researcher allocated the sample to each ward through convenience sampling method with help from point persons in each ward. A convenience sampling method is one whereby the objects are selected and included in the sample based on ease of access, Laerd Dissertation (2012).

### **3.5 Data Collection and Instrumentation**

This study employed a self-administered questionnaire as a major means of data collection from respondents. The instrument contained Likert scale format questions with multi-point formatted questionnaire. According to Mugenda and Mugenda (2003), a 50 % response rate is adequate with 70% and above response rate being very good for analysis.

Further, the data was collected with the help of semi-structured questionnaires. The use of self administered questionnaires afforded privacy of response and therefore recorded high response rate. Preliminary data was be accessed from Gachoka CDF office, CDF website as well as the Kenya national bureau of statistics website.

### 3.5.1 *Validity and reliability*

A test of research instrument is said to be valid if it measures what it is supposed to measure (Orodho, 2005). Before using the questionnaires for generating data for the study a pilot study was conducted in Gachoka Constituency. The purpose of pre-testing the research instrument was to verify whether the questionnaire was clear to the respondents, to establish whether the questionnaire effectively addressed the data needed for the study, and to assess and identify any problems respondents would encounter in completing the questionnaire that may not have been foreseen when constructing the questionnaire (Orodho, 2005).

Reliability is the ability of a research instrument to consistently measure the characteristics of interest over time. A reliability test of research instruments is one that consistently produces the expected results. Kothari (2003) points out that instrument reliability refer to the level of internal consistency or the stability of the measuring devices. The Cronbach Alpha is a good test for reliability, which was applied in this research to check the reliability of indexed variables. An alpha value of 0.7 is an acceptable reliability coefficient although a lower threshold is sometimes acceptable Gliem & Gliem, (2003).

### 3.6 **Data Analysis and Presentation**

Data analysis involves organizing, accounting for, as well as explaining the data. This means making sense out of data in terms of respondent's definition of the situation, including noting of patterns, themes, categories and regularities. Data was analyzed using regression analysis. Both closed and semi-structured questions were analyzed using quantitative method. The effect of CDF projects on local development was determined by:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon_i \text{ ..... (i)}$$

Where:

Y = Development

$\alpha$  = Constant/the intercept point of the regression line and the y-axis

$\beta$  = the slopes/gradients of the regression line

$X_1$  = Infrastructural projects

$X_2$  = Social welfare projects

$X_3$  = Job creation projects

$\epsilon_i$  = Error term

Socio-economic Development =  $\alpha + \beta_1$  (Infrastructure Projects) +  $\beta_2$  (Social Welfare Projects) +  $\beta_3$  (Job Creation Projects) +  $\epsilon_i$ . Therefore;

$$LD = \alpha + \beta_1 IP + \beta_2 SWP + \beta_3 JCP + \epsilon_i \text{-----} \quad (ii)$$

The raw data collected was first pre-processed, and this included editing of data to detect errors and omissions and correction where necessary, which involved a careful scrutiny of the completed questionnaires to ensure that the data was accurate and consistent with other facts gathered and uniformly entered. Secondly, the researcher coded the data for efficiency and in order to reduce the several replies to a small number of classes.

The data was then classified on the basis of common characteristics and attributes. After the mass of raw data had been assembled, it was tabulated in form of statistical tables in order to allow further analysis. The strength of the relationship between the dependent and the independent variables was measured by carrying out correlation tests at 5% level of significance and 95% level of confidence. The tests determined whether the coefficients  $\beta_1$ ,  $\beta_2$ , and  $\beta_3$  were significantly positively correlated with the dependent variable, and vice versa. This in turn facilitated the summation of items and the detection of errors and omissions. The data was



analyzed with the help of STATA statistical package and the results were presented using tables, charts and graphs for easier interpretation.

### **3.7 Ethical Considerations**

The researcher fulfilled ethical considerations of this study by involving all the stakeholders at all levels of this study. The researcher made a formal request to the CDF Manager for permission to collect data within the Constituency. The objective of the study was well articulated to avoid any misconception. In regard to the rights of respondents, the researcher ensured that the respondents were engaged out of their own free will, including the consideration of privacy for the respondents.

## CHAPTER FOUR

### DATA ANALYSIS AND DISCUSSION

#### 4.1 Introduction

This research was conducted with a view to gathering primary data on the effect of the Constituency Development Fund in Mbeere South Constituency, Embu County. It targeted the beneficiaries of CDF projects. A sample of 100 respondents from the five wards within the Constituency was involved in this study. In this chapter, the data gathered through a structured questionnaire which was administered through drop-and-wait-for-two hours as you fill technique to the respondents are subjected to statistical analysis.

#### 4.2. Sample Distribution and Response Rate

Out of the 100 respondents reached out, all the 100 questionnaires were fully completed and returned. This gave a response rate of 100%. This impressive response rate was realized because the researcher employed a drop-and-wait-as-you-fill approach. This method proved to be cost effective because it did not entail a return journey to collect the filled questionnaires. (See table 4 below)

**TABLE 4**

**Sample Distribution and Response Rate**

Wards	Sample size (n=100)	No. of Respondents	Response rate
Kiambeere	22	22	100%
Makima	22	22	100%
Mavuria	18	18	100%
Mbeti South	20	20	100%
Mwea	18	18	100%
<b>Total</b>	<b>100</b>	<b>100</b>	

*Source: Author, 2015*

A fairly even distribution of respondents from each of the five wards was sampled with Kiambeere and Makima having 22% each and Mbeti South having 20%. From Mavuria and Mwea, the respondents counted for 18.0% of the total population respectively. This distribution was done through convenience sampling method.

### 4.3. Demographic Information of the Sampled Respondents

In this section, the respondents were asked to give details of their age brackets; their gender, the duration in year of their stay in the Constituency. The demographic information of the sampled respondents is as below.

#### 4.3.1 Distribution of respondents based on age

The respondents were asked to indicate their age brackets and the responses are as analyzed below. (Table 5 below).

**TABLE 5**  
**Distribution of Respondents Based on Age.**

	No of respondents	Percent (%)
Age group (Years)		
18 – 24	19	19.0
25 – 34	30	30.0
35 – 44	24	24.0
45 – 54	18	18.0
55 – 64	6	6.0
65 – 74	3	3.0

*Source: Author, 2015*

From the table, it is clear that most of the respondents were youth aged 18- 24 year of age represented by 19%, ages 25-34 years represented by 30%, ages 35-44 years at 24% , and ages 45-54 years represented by 18%. Those in age brackets of 55-64 and 65-74 years were represented by 6% and 3% respectively. There was no respondent aged 75 years old and beyond.

#### ***4.3.2: Gender of the respondents and duration of residency in the constituency***

Among the sampled 100 respondents majority (66.0%) were males whereas 31.0%) were females. When establishing their duration as residents in this constituency, majority (88.0%) of the respondents had resided in this constituency for over 10 years. (See table 6 below).

**TABLE 6**

#### **Gender of Respondents**

	<b>No. of Respondents</b>	<b>Per cent (%)</b>
Gender		
Male	66	66.0
Female	31	31.0
Non committal	3	3.0

***Source: Author, 2015***

It was noted that men respondents were significantly dominant at 66%, with only 31% represented by women respondents. Some 3% of the respondents chose not to indicate their gender.

#### ***4.3.3 Respondents' relations to the CDF project***

Based on the sampled respondents, 71.0% were part of the community that uses CDF projects. Some 16.0% were direct beneficiaries while 13.0% were project management committee members. The table indicates that in the respective wards, Kiambeere ward had least direct CDF beneficiaries (9.1%). Mwea ward had 33.3% of the respondents who had direct benefits from the CDF projects. From Makima ward, 18.2% of the respondents directly benefited while from Mavuria ward 11.1% of the respondents directly benefited from the project. When this was computed using chi-square test, the result showed no significant difference in the benefits by the respondents from the five wards ( $\chi^2 = 8.779$ ,  $df = 8$ ,  $P = 0.361$ ). However, in the respective wards, the respondents' relations were as indicated below. (See table 7 below).

**TABLE 7****Relation to the CDF Projects in the Respective Wards**

<b>Wards</b>	<b>Direct Beneficiary</b>	<b>Part of Community that Uses CDF</b>	<b>Project Management Committee</b>	<b>Total</b>
Kiambeere	2(9.1%)	19(86.4%)	1(4.5%)	22(100%)
Makima	4(18.2%)	15(68.2%)	3(13.6%)	22(100%)
Mavuria	2(11.1%)	12(66.7%)	4(22.2%)	18(100%)
Mbeti South	2(10.0%)	15(75.0%)	3(15.0%)	20(100%)
Mwea	6(33.3%)	10(55.6%)	2(11.1%)	18(100%)

*Source: Author, 2015*

#### **4.4 Effect of CDF Infrastructure Projects on Socio-economic Development**

The respondents were asked to give their views on the effect of CDF infrastructure projects on local development. Eight questions were used as measures of CDF infrastructure projects in a Likert scale of 1 – 5 (1-Strongly disagree, 2-Disagree, 3-undecided, 4-Agree, 5-Strongly agree). The effect of these items on local development was therefore established. The findings in this study showed that in this Constituency, the CDF has mainly implemented and expanded educational facilities and infrastructure in this community (mean response 3.88) and it has improved development through educational facility projects in the community (mean response 3.68) in the Likert's scale of 1 – 5. The least effect of the CDF was the building of access roads and bridges as indicated by mean response of 2.60 and improved local development through roads and bridge construction projects (mean 2.63). This indicates that roads and bridges construction were not CDF project priorities in this Constituency. (See table 8 below)

**TABLE 8****Respondents Opinion on Effect of Infrastructure on Socio-economic Development**

<b>Statement on Infrastructure Projects in the Community</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>
CDF has implemented and expanded educational facilities and infrastructure	5 (5.0%)	11 (11.0%)	4 (4.0%)	52 (52.0%)	28 (28.0%)	3.88
CDF has improved development through educational facility projects	9 (9.0%)	10 (10.0%)	5 (5.0%)	56 (56.0%)	20 (20.0%)	3.68
CDF has implemented and expanded health facilities and infrastructure	16 (16.0%)	18 (18.0%)	8 (8.0%)	46 (46.0%)	12 (12.0%)	3.21
CDF has improved development through health facilities and infrastructure projects	18 (18.0%)	23 (23.0%)	11 (11.0%)	36 (36.0%)	12 (12.0%)	3.01
CDF has implemented water and electricity connection projects	22 (22.0%)	24 (24.0%)	16 (16.0%)	30 (30.0%)	8 (8.0%)	2.78
CDF has improved development through water and electricity connection project	22 (22.0%)	21 (21.0%)	12 (12.0%)	36 (36.0%)	9 (9.0%)	2.89
CDF has built access roads and bridges	25 (25.0%)	30 (30.0%)	12 (12.0%)	26 (26.0%)	7 (7.0%)	2.60
CDF has improved local development through roads and bridge construction projects	24 (24.0%)	32 (32.0%)	10 (10.0%)	25 (25.0%)	9 (9.0%)	2.63

**Source: Author, 2015**

Other infrastructure projects that the respondents singled out as having been implemented by CDF in the area included, assistant chief's office, building administration police lines living quarters and police post improvement, Building of Boda Boda shades and Parking shades for motorbikes, building toilets/latrines, construction of administrative residence at chief's office,

improved schools by providing water tanks, Rural electrification within markets and the neighborhood, sanitation facilities in schools, sponsor teachers for workshops, and provision of water tanks and construction of dams.

#### **4.4.1 Correlation analysis of infrastructure projects on socio-economic development**

In establishing the relationship of the test items, a Cronbach alpha reliability test was conducted on the 8 items. The result showed a reliability of 0.8861 indicating that the findings were consistent and reliable. Pearson product moment correlation analysis was computed on the respective infrastructure project items on CDF project overall effect on local development. (See table 9 below)

**TABLE 9**

#### **Linearity between Infrastructure Projects and Socio-economic Development**

<b>Statement on Infrastructure Projects in the Community</b>	<b>Socio-economic Development</b>	
	<b>r-value</b>	<b>P-value</b>
CDF has implemented and expanded educational facilities and infrastructure	0.432**	0.000
CDF has improved development through educational facility projects	0.453**	0.000
CDF has implemented and expanded health facilities and infrastructure	0.409**	0.000
CDF has improved development through health facilities and infrastructure projects	0.447**	0.000
CDF has implemented water and electricity connection projects	0.323**	0.000
CDF has improved development through water and electricity connection project	0.449**	0.000
CDF has built access roads and bridges	0.457**	0.000
CDF has improved local development through roads and bridge construction projects	0.456**	0.000

*\*\* indicate that correlation is significant at  $P = 0.0000$ , r-correlation value, calculated probability value at 95% Confidence Interval.*

**Source: Author, 2015**

Results from this analysis showed that infrastructure development projects by CDF were significantly positively effective on local development ( $r = 0.570$ ,  $P = 0.000$ ) in the Constituency. The respondents' agreement on the infrastructure effects on development attributed and consequently agreed that CDF projects affect socio-economic development.

**4.4.2 Regression of CDF infrastructure projects on socio-economic development**

Using a linear regression analysis of the CDF infrastructure projects local development, the major effective items on socio-economic development was improved development through water and electricity connections projects in the community  $R^2$  value of 0.3247 with a standardized beta value of 0.5698. Hence the model for the effect was:

$$Y = \beta + X_1 + \varepsilon; \text{----- (iii)}$$

Where Y was the effect of CDF on socio-economic development,

$\beta$  was the constant,

$X_1$  was the effect of infrastructure projects

$\varepsilon$  was the error term.

Therefore;

$$Y = 4.0035 + 0.5698X_1. \text{----- (iv)}$$

Since the standardized beta value of infrastructure projects against socio-economic development was 0.5698, this meant that change in Y due to change in  $X_1$  was 0.5698, all other things held constant. Therefore this was an indication that infrastructure projects were significant in enhancing socio-economic development at 56.89% other things held constant.

**4.5 Effect of Social Welfare Projects on Socio-economic Development**

To gather the views of the respondents on social welfare projects, six items were used as measures of CDF welfare projects on a Likert scale of 1 – 5 (1-Strongly disagree, 2-Disagree, 3-



undecided, 4-Agree, 5-Strongly agree). The effects of these items on local development were therefore established as under (table 10 below).

**TABLE 10**

**Effect of CDF Social Welfare Projects on Socio-economic Development**

<b>Statement on Social Welfare projects</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>
CDF has given out bursaries to needy students in this community	5 (50.0%)	4 (40.0%)	4 (40.0%)	48 (48.0%)	39 (39.0%)	4.12
CDF has improved development through bursaries to needy students in this community	6 (60.0%)	4 (40.0%)	6 (60.0%)	47 (47.0%)	37 (37.0%)	4.05
CDF has implemented projects that promote basic health and nutrition	20 (20.0%)	30 (30.0%)	19 (19.0%)	20 (20.0%)	11 (11.0%)	2.72
The health and nutrition projects facilitated by the CDF improved development	23 (23.0%)	33 (33.0%)	17 (17.0%)	19 (19.0%)	8 (8.0%)	2.56
CDF has implemented security improvement projects	23 (23.0%)	27 (27.0%)	11 (11.0%)	26 (26.0%)	13 (13.0%)	2.79
The security projects facilitated by CDF has improved development	22 (22.0%)	24 (24.0%)	11 (11.0%)	27 (27.0%)	16 (16.0%)	2.91

*Source: Author, 2015*

Results of this objective showed that CDF has mainly given out bursaries to needy students in this community (mean response 4.12) and it has improved development through bursaries to needy students in this community in the community (mean response 4.05) in a Likert scale of 1 – 5. Minimal effect has been noted in the health and nutrition projects facilitated by the CDF (mean response 2.56) and in improved development security improvement projects (mean response 2.79). Other specific social welfare projects that CDF has implemented in the

Constituency, which the respondents singled out included sponsoring kazi kwa vijana and build shades for motorcycles (Boda boda) riders, empowering of women through women funds, empowerment centre for the youths and providing jobs to the youth, Improvement of youth facilities e.g. social halls, improvement of sports field and playgrounds, support local sports with balls and uniforms, Sponsor St. Luke school for deaf, sponsoring football clubs and sponsorship of sports tournaments.

#### **4.5.1 Correlation between social welfare projects and socio-economic development**

To establish the relationship of the test items on social welfare, a Cronbach alpha reliability test was conducted on the 6 items. (See table 11 below).

**TABLE 11**  
**Relationship between Social Welfare Projects and Socio-economic Development**

<b>Statement on Social Welfare Projects</b>	<b>Effect on Socio-economic Development</b>	
	<b>r-value</b>	<b>P-value</b>
CDF has given out bursaries to needy students in this community	0.465**	0.0001
CDF has improved development through bursaries to needy students in this community	0.559**	0.0001
CDF has implemented projects that promote basic health and nutrition	0.614**	0.0001
The health and nutrition projects facilitated by the CDF improved development	0.497**	0.0001
CDF has implemented security improvement projects	0.392**	0.0001
The security projects facilitated by CDF has improved development	0.458**	0.0001

*\*\* indicate that correlation is significant at  $P = 0.01$ , r-correlation value, calculated Probability value at 95% CI.*

**Source: Author, 2015**

The result showed a reliability of 0.8384 indicating that the findings were consistent and reliable. Pearson product moment correlation analysis was computed on the respective social welfare project items on CDF project overall effect on local development. The overall effect of CDF

project on socio-economic development was significantly affected by the social welfare projects in the Constituency. The respondents' agreement on the social welfare effects on development significantly ( $r = 0.655$ ,  $P = 0.0000$ ) agreed that CDF projects affect socio-economic development positively.

**4.5.2 Regression analysis of social welfare projects on socio-economic development**

Result based on a linear regression analysis on the social welfare items on the effect of CDF on socio-economic development showed that the major effective items on the overall effect of CDF on socio-economic development was that the CDF has improved development through bursaries to needy students and the CDF has implemented projects that promote basic health and nutrition in this community,  $R^2$  value of 0.4292 with a standardized beta value of 0.6551. Hence the model for the social welfare effect was:

$$Y = \beta + X_2 + \varepsilon: \text{-----} \quad (v)$$

Where  $Y$  = Effect of CDF on socio-economic development,

$\beta$  was the constant,

$X_2$  was effect of social welfare,

$\varepsilon$  was the error term. Therefore;

$$Y = 2.042 + 0.6551X_2 \text{-----} \quad (vi)$$

Since the standardized beta coefficient for social welfare projects against local development was 0.6551, this meant that change in  $Y$  due to change in  $X_2$  was 0.5698, all other things held constant. Therefore this was an indication that social welfare projects were significant in enhancing socio-economic development at 65.51% other things held constant.

**4.6 Effect of Job Creation Projects on Socio-economic Development**

To establish the effect of job creation on socio-economic development, respondents views on six

items on job creation projects by CDF were used as measures in a Likert scale of 1 – 5 (1-Strongly disagree, 2-Disagree, 3-undecided, 4-Agree, 5-Strongly agree). The effects of these items on local development were therefore established. (See table 12 below).

**TABLE 12**

**Respondents Opinion on Effect of Job Creation on Socio-economic Development**

<b>Statements on Job Creation</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>
CDF has implemented business and entrepreneurship development projects	32 (32.0%)	24 (24.0%)	16 (16%)	21 (21%)	7 (7.0%)	2.46
The business and entrepreneurship projects facilitated by the CDF have improved development	30 (30.0%)	28 (28.0%)	13 (13%)	22 (22%)	7 (7.0%)	2.47
CDF has a awarded tenders for supply of materials for its projects to residents	27 (27.0%)	11 (11.0%)	14 (14%)	35 (35%)	13 (13%)	2.96
The award of tenders for supply of materials for CDF projects to residents of this area has improved development	22 (22.0%)	17 (17.0%)	13 (13%)	34 (34%)	14 (14%)	3.01
The CDF has offered direct employment opportunities to members	22 (22.0%)	17 (17.0%)	6 (6.0%)	35 (35%)	20 (20%)	3.14
The employment creation by CDF through direct employment has improved development	25 (25.0%)	15 (15.0%)	12 (12%)	34 (34%)	14 (14%)	2.97

*Source: Author, 2015*

Findings in this objective showed that in this Constituency, the CDF has mainly offered direct employment opportunities to members (mean response 3.14) and the award of tenders for supply of materials for CDF projects to residents of this area has improved development (mean 3.01) in this community in a Likert scale of 1 – 5. Minimal effect of CDF has been noted in implementation of business and entrepreneurship development projects (mean response 2.46)

hence minimal improvement of the business and entrepreneurship projects facilitated by the CDF. According to the respondents, CDF has made interventions in other areas not covered by the questionnaire. These projects included Creation of Boda boda sacco, casual labour in construction sites, construction of classes, and filling of potholes in footpaths.

#### **4.6.1 Correlation analysis of job creation projects on socio-economic development**

To establish the relationship of the test items on socio-economic development, a Cronbach alpha reliability test was conducted on the 6 items. The result showed a reliability of 0.8517 indicating that the findings were consistent and reliable. Pearson product moment correlation analysis was computed on the respective job creation project items on CDF project overall effect on socio-economic development. (See table 13 below).

**TABLE 13**

**Respondents Opinion on Job Creation Projects and Socio-economic Development**

<b>Statements on Job Creation in the Community</b>	<b>Effect of CDF on Socio-economic Development</b>	
	<b>r-value</b>	<b>p-value</b>
CDF has implemented business and entrepreneurship development projects	0.388**	0.0001
The business and entrepreneurship projects facilitated by the CDF have improved development	0.422**	0.0001
CDF has awarded tenders for supply of materials for its projects to residents	0.506**	0.0001
The award of tenders for supply of materials for CDF projects to residents of this area has improved development	0.619**	0.0001
The CDF has offered direct employment opportunities to members	0.660**	0.0001
The employment creation by CDF through direct employment has improved development	0.613**	0.0001

*\*\* indicates a significant at p=0.01, r-correlation value, calculated Probability value at 95% Confidence Interval.*

**Source: Author, 2015**

Socio-economic development was significantly affected by job creation projects in the Constituency. The respondents who noted that there were effects of job creation significantly ( $r = 0.5045$ ,  $P = 0.0000$ ) agreed that CDF projects affect socio-economic development positively. (See table 14 above).

**4.6.2 Regression analysis of the job creation on socio-economic development**

The results based on a linear regression analysis on job creation items on the effect of CDF on socio-economic development showed that the major items on the overall effect of CDF on socio-economic development was that the CDF has offered direct employment opportunities to citizens for improved development. The award of tenders for supply of materials for CDF projects to residents of this area has improved development and the business and entrepreneurship projects facilitated by the CDF have improved development in this community, with a  $R^2$  value of 0.4807 and a standardized beta value of 0.6933. Hence the model for the effect of job creation projects was:

$$Y = \beta + X_3 + \varepsilon, \text{----- (vii)}$$

Where Y was effect of CDF on socio-economic development,

$\beta$  was the constant,

$X_3$  was effect of job creation,

$\varepsilon$  was the error term. Therefore

$$Y = 3.877 + 0.6933X_3, \text{----- (viii)}$$

Since the standardized beta value for job creation projects against socio-economic development was 0.6933, this meant that change in Y due to change in  $X_3$  was 0.6933, all other things held constant. Therefore this was an indication that social welfare projects were significant in enhancing socio-economic development at 69.33% other things held constant.

#### 4.7 Summary Descriptive Statistics of the Independent Variables

The summary of the responses received from the respondents revealed that on a Likert's scale of 1 - 5 CDF, the effect of the social welfare had a mean response of 3.18, with a standard deviation of 0.93 was noted more by the respondents than the effect by infrastructure, which indicated a mean of 3.06 while effect of job creation showed a mean of 2.81. (See table 14 below)

**TABLE 14**

#### **Summary Descriptive Statistics of Independent Variables on Socio-economic Development**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Effect of Infrastructure	100	1.0	5.00	3.06	0.96
Effect of Social welfare	100	1.0	5.00	3.18	0.93
Effect of Job creation	100	1.0	5.00	2.81	1.06

*N= Total number of respondents.*

*Source: Author, 2015*

#### 4.8 Summary of Descriptive Statistics of Dependant Variable

Overall effect of CDF on local development was established based on four items on projects by CDF. These were measures in a Likert scale of 1 – 5 (1-Strongly disagree, 2-Disagree, 3-undecided, 4-Agree, 5-Strongly agree). The effects of these items on socio-economic development were established. The result of this study showed that, the overall effect of CDF on local development in the community was mainly that the CDF projects have made impact in establishing new facilities and institutions for development of this community (mean response 3.36). (See table 15 below)

**TABLE 15**

**Respondents' Opinion on Effect of CDF on Socio-economic Development.**

<b>Statements on Effects of CDF on Socio-economic Development</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>
CDF projects have brought fair distribution of resources for development of this community	24 (24%)	20 (20%)	18 (18%)	25 (25%)	13 (13%)	2.83
The CDF projects are helping in eradication of poverty for development of my community	17 (17%)	20 (20%)	15 (15%)	34 (34%)	14 (14%)	3.08
The CDF projects are helping our people to change their attitudes towards being in charge of the development in the community	16 (16%)	17 (17%)	12 (12%)	46 (46%)	9 (9%)	3.15
The CDF projects have made impact in establishing new facilities and institutions for development of this community	12 (12%)	16 (16%)	12 (12%)	44 (44.%)	16 (16%)	3.36

*Source: Author, 2015*

**4.9 Summary of Data exploration for Regression**

In this section presents summary of data exploration on data before and after the regression was run. Pre-regression tests which included Cronbach alpha for internal reliability, normality test for data distribution, test for linearity. Post-regression tests included test for heteroskedasticity and test for multicollinearity.

**4.9.1 Cronbach alpha**

Using Cronbach Alpha coefficient to test for internal reliability of all variables, a Cronbach alpha value of 0.8649 was obtained. According to Bryman (2008), if computed alpha coefficient is greater than 0.80, then it is an acceptable level of internal reliability. The researcher therefore adopted the findings in this research and confirms the internal consistency of the result credibility and reliability.

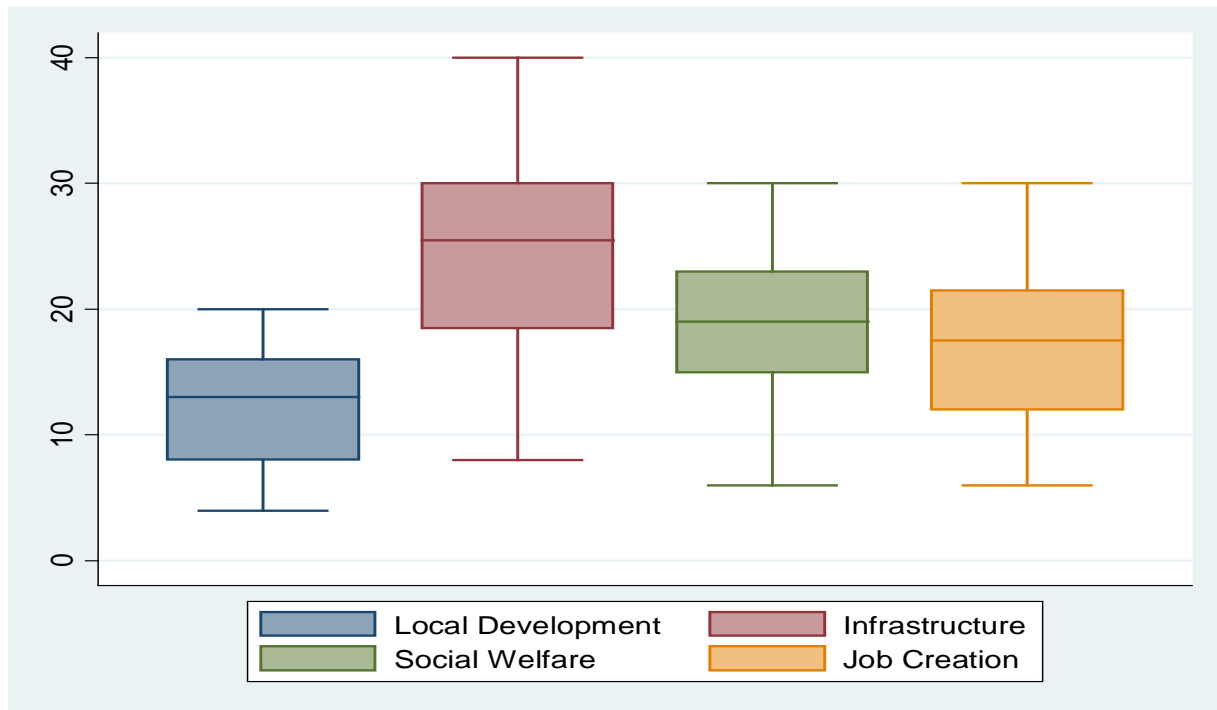


#### 4.9.2 Normality test

The researcher used a graph box as a pre-regression test of normality. (See figure 2 below)

**FIGURE 2**

**Graph Box for Normality Test**



*Source: Author, 2015*

The results indicated that the data was normally distributed as evidenced above. It was noted that there were no outliers in all the variables of the study.

#### 4.9.3 Summarized pre-regression testing for linearity

The data was pre-tested for linearity before the regression was performed. The results indicated overall strong positive linear relationships between the variables. (See table 16 below).

**TABLE 16**

**Summarized Pre-regression Testing for Linearity**

<b>Variable</b>	Correlation coefficient with socio-economic development	Correlation coefficient with Infrastructure projects	Correlation coefficient with Social welfare projects	Correlation coefficient with Job creation projects
Socio-economic Development	1.000	0.5698	0.6551	0.6933
Infrastructure Projects	0.5698	1.000	0.7359	0.5670
Social Welfare Projects	0.6551	0.7359	1.000	0.6501
Job creation projects	0.6933	0.5670	0.6501	1.000

*Source: Author, 2015*

Table 16 shows that all the variables were significantly positively linearly related. Infrastructure projects showed a 56.98% linear relationship with socio-economic development, while social welfare and job creation projects projected 65.51% and 69.33% linear relationship with local development respectively. Social welfare projects and job creation projects showed 73.59% and 56.70% linear relationships with infrastructure projects respectively; while job creation projects showed a 65.01% linear relationship with social welfare projects. This meant that all the variables were well linearly related as per table 16 above.

**4.9.4 Post-estimation test of multicollinearity**

In order to establish any multicollinearity relationships between the variables, a post estimation test was done. There was moderate evidence of multicollinearity because the VIF values were more than one ( $VIF > 1$ ). (See table 17 below).

**TABLE 17**

**Post-estimation Testing for Multicollinearity**

<b>Variable</b>	<b>VIF</b>	<b>1/VIF</b>
Infrastructure Projects	2.64	0.3785
Social Welfare projects	2.25	0.4447
Job Creation projects	1.78	0.5603
<b>Mean VIF</b>	<b>2.23</b>	

*Source: Author, 2015*

The results indicated VIF values of 2.64, 2.25 and 1.78 for social welfare projects, infrastructure development projects, and job creation projects respectively, with a mean VIF of 2.23. According to the Pennsylvania State University (2015), a VIF of 1 indicates that there is no correlation among the independent variables, meaning that their variances are not inflated. The rule of thumb is that if a VIF is more than 4, it needs further interrogation, while VIFs exceeding 10 are signs that there is a serious problem of multicollinearity (Pennsylvania State University 2015). Similarly (Torres, 2007), asserts that if VIF is more than 10, (VIF<10) or if 1/VIF is less than 0.10, (1/VIF<0.10), this is an indication of trouble. Since the VIF values in this study were within acceptable ranges, (VIF<4) and (1/VIF>0.10) respectively, there was no cause of alarm in the model.

**4.9.5 Post-estimation test for homoskedasticity**

One of the critical OLS assumptions was that the error term in the OLS regression model has a constant variance, meaning that the error term is homoskedastic. This means that the variance of the error term is constant as shown below:-

$$Var\varepsilon = E[\varepsilon - E(\varepsilon)] = \delta^2, \text{-----} \quad (ix)$$

A Breusch-Pagan / Cook-Weisberg test for heteroskedasticity results showed a chi2 of 0.41 and Prob> chi2 value of 0.5218, showing some evidence of heteroskedasticity in the error term, which was more than the alpha value of 0.05. According to Stock and Watson (2007), the rule of the thumb is that heteroskedasticity should always be assumed in a model. Similarly according to Torres (2007), since STATA assumes homoskedastic standard errors, the researcher adjusted the model to make the standard errors robust so as to account for heteroskedasticity. (See table 18 below)

#### 4.10 Summary of Regression Results

When considering the effects of the Infrastructure, social welfare and job creation, using a stepwise linear regression, the test model was therefore:

$$Y = \beta + X_1 + X_2 + X_3 + \varepsilon, \text{-----} (x)$$

Where Y was Socio-economic development,

$\beta$  was the constant,

$X_1$  was Infrastructure projects,

$X_2$  was Social welfare projects,

$X_3$  was Job creation projects,

$\varepsilon$  was the error term.

The effects of the Infrastructure, social welfare and job creation for analysis of the linear regression on socio-economic development showed a regression  $R^2$  value of 0.5579. This indicated a 55.79% of the points on the line of best fit. When testing the three items (infrastructure, social welfare and job creation) against the overall effect of CDF on local development, computation revealed that the effect of infrastructure ( $t = 1.02$ ,  $P = 0.308$ ) was not

significant in the presence of the effect of social welfare ( $t = 2.59, P = 0.011$ ) and job creation ( $t = 4.91, P = 0.0001$ ). Using standardized beta coefficients, the model therefore becomes:

$$Y = \beta + X_1 + X_2 + X_3 + \epsilon. \text{----- (xi)}$$

Therefore socio-economic development is equal to:-

$$(Y) = 0.8179 + 0.1048(\text{infrastructure projects}) + 0.2873(\text{social welfare projects}) + 0.4471(\text{job creation projects}). \text{----- (xii)}$$

This is summarized in table 18 below.

**TABLE 18**

**Model Table for the CDF Projects Effect on Socio-economic Development**

Model Variables	Un-standardized coefficients		Standardized Coefficients	t – statistic	Significance
	Beta	Robust Standard errors	Beta		
Constant	0.8179	0.9306		0.88	0.382
Infrastructure Projects	0.0632	0.0782	0.1048	0.81	0.421
Social Welfare projects	0.2378	0.1002	0.2873	2.37	0.020
Job creation projects	0.3254	0.0793	0.4471	4.10	0.000

*Source: Author, 2015*

The regression coefficients result indicated that in Mbeere South Constituency, the residents mainly considered the effect of CDF projects on job creation and social welfare projects as indicators of CDF's contribution on development on local community. Some of the positive effects of CDF on the local community Development, according to the respondents were, creation of jobs to locals which has in turn improved their living standards, eradicating diseases and improved water supply in the area, improve diet through irrigated crops, motivation of disabled students, improved literacy levels in schools, and fair share of resources and support the

sick. Some of the negative effects were corruption when implementing projects, Executives rotating themselves in their seats, and poor communication.

## CHAPTER FIVE

### RECOMMENDATIONS AND CONCLUSION

#### 5.1 Introduction

This chapter is a summary of the key findings of the study. The main objective of this study was to investigate the effect of constituency development fund on local development of rural Mbeere South Constituency. Section 5.2 is the summary of the findings while section 5.3 discusses the conclusion. Section 5.4 discusses the recommendations for further research.

#### 5.2 Findings

This section presents the discussion on the results of data analysis. Summary recommendations and conclusions are also presented.

##### *5.2.1 To find out the extent to which the infrastructure projects by the CDF have improved socio-economic development in Mbeere south constituency.*

Going by step-wise correlation analysis, CDF infrastructure development projects had significantly ( $r = 0.5698$ ,  $P = 0.0000$ ) positively affected local development in the Constituency. The respondents' agreement on the infrastructure effects on development attributed and consequently agreed that CDF projects affect local development. The findings in this study showed that in this Constituency, the CDF has mainly implemented and expanded educational facilities and infrastructure (mean response 3.88) and it has improved development through educational facility projects in the community (mean response 3.68) in the Likert's scale of 1 – 5. The least effect of the CDF was the building of access roads and bridges as indicated by mean response of 2.60 and improved local development through roads and bridge construction projects (mean 2.63). This indicated that roads and bridges construction were not CDF project priorities in this Constituency.

However on the overall, infrastructure projects showed lack of significance ( $P > |t| = 0.421$ ) at 5% level, and therefore did not contribute to socio-economic development in the Constituency, with only a 6.32% observed variation in improvement of socio-economic development conditions if a one per cent change in infrastructure budgetary allocation was effected. The standardized beta score was however at 10.48%, being change in socio-economic development due to a unit change in infrastructure projects.

***5.2.2 To find out the extent to which the social welfare projects by the CDF have improved socio-economic development in Mbeere south constituency.***

Using step-wise correlation analysis on the effect of social welfare projects by CDF on socio-economic development, it was noted that these projects significantly affected socio-economic development in the Constituency. The respondents' agreement on the social welfare effects on development significantly ( $r = 0.6551$ ,  $P = 0.0000$ ) agreed that CDF projects affect socio-economic development positively.

However on the overall, social welfare projects showed some significance of ( $P > |t| = 0.020$ ) at 5% level, and therefore it was noted that these contributed significantly to socio-economic development in the Constituency, with some 23.78% observed variation in improvement of socio-economic development conditions if a one per cent change in social welfare budgetary allocation was effected.

***5.2.3 To find out the extent to which the Job creation initiatives by the CDF have improved socio-economic development in Mbeere south constituency.***

Socio-economic development was also significantly affected by job creation projects in the Constituency. The respondents who noted that there were effects of job creation significantly ( $r = 0.693$ ,  $P = 0.000$ ) agreed that CDF projects affect socio-economic development positively. The



reliability for job creation projects posted a score of 0.8517, indicating that the findings were consistent and reliable. Pearson product moment correlation analysis was computed on the respective job creation project items on CDF project overall effect on socio-economic development showed that local development was significantly affected by job creation projects in the Constituency. The respondents who noted that there were effects of job creation significantly ( $r = 0.5045$ ,  $P = 0.0000$ ) agreed that CDF projects affect socio-economic development positively.

Step-wise regression results posted a  $R^2$  value of 0.4807 and a standardized beta value of 0.6933. Therefore this was an indication that social welfare projects were significant in enhancing socio-economic development at 69.33% other things held constant. However when the final regression was done, job creation projects posted a standardized beta value of 0.4471, this being the change in socio-economic development due to one unit change in implementation of job creation projects. It also posted a P-value of 0.000, which meant significance at 5% level.

### **5.3 Discussion**

This study showed that the relationship between infrastructure projects as implemented by CDF and socio-economic development is positive and statistically significant. From the findings, it was found out that the citizens felt that CDF interventions in infrastructure were more felt in education and health sectors with means of 3.88 and 3.21 respectively than in distribution of water and electricity with a mean of 2.78. However the results of this study also suggested that it was not the priority of CDF to intervene in building of roads and bridges in Mbeere South constituency, with a mean of 2.6.

The findings of this study were at variance with a study conducted in Kimilili Constituency by Simiyu et al., (2014), whereby they sought to find out the effect of devolved

finding on social-economic welfare of Kenyans. In their study, they found out that CDF had improved the welfare of the local people through the manual grading and construction of roads and bridges. It was noteworthy to note that the overall regression effects of infrastructure projects by CDF was insignificant with a  $P > |t|$  of 0.308 being bigger than alpha value of 0.05. This meant that as compared to social welfare and job creation projects in the constituency, infrastructure projects did not have a felt effect at the grass roots. The results suggested that most infrastructure projects meant for community wellness were not as well felt as social welfare and job creation projects that directly benefitted individuals.

This study results suggested that the people of Mbeere South considered projects that targeted individuals to be more felt than those that targeted the community as a whole. These findings were also at variance with the results of a study by Wamalwa, (2013), who in her study on women participation in CDF in Kanduyi Constituency, found out that Community level projects were more felt than those aimed at benefiting individual beneficiaries. Moreover, a study by IEA (2006) titled Kenyans' Verdict, a citizen's report card on the Constituencies development fund, the report found out that as to whether the public works by their CDF made impact in improving development, 70% of the respondents felt that these infrastructural projects made no impact in their lives. This was in agreement with the findings of this study that infrastructure projects were not significantly felt at local levels.

Similarly, the study found out that relationship between social welfare projects implemented by CDF and socio-economic development was positive and statistically significant. From the findings, respondents strongly agreed that CDF gives out bursaries to needy students as shown by a mean of 4.12. This agrees with a study conducted by Oino and Auya, (2013). In their study, the researchers found out that CDF has played a significant role in regard to access of

health and education services in North Mugirango Constituency. However, respondents seemed to suggest that CDF interventions in security (mean of 2.79) and health programs (mean of 2.7) were not as felt as bursaries to needy students. On the overall, social welfare projects by CDF accounted to 46.3% of local development in Mbeere South Constituency. The results of this study agreed with Kimenyi (2005) that CDF has indeed advanced social welfare to local communities through community participation, eventually leading to empowerment of the locals towards taking their development needs into their own hands.

The study showed that the relationship between job creation projects as implemented by CDF and local development to be positive and statistically significant. From the findings, direct employment projects got a nod by a mean of 3.14, with 42.6 % of the respondents supporting CDF interventions in job creation in the constituency. This meant that this was the area of job creation intervention by CDF that citizens considered to be felt in the constituency. On the overall regression equation, other things held constant, job creation projects accounted to 35.4% of socio-economic development in the constituency, meaning that there was felt benefits of job creation. This resonates well with results of a survey conducted by IEA, (2006). The study found out that 43.4- 52.8% of the respondents were happy with CDF's role in improving their livelihoods through job creation and investment in human capital.

On overall, the result of this study showed that CDF projects have made impact in establishing new facilities and institutions for development of this community (mean response 3.36). A Cronbach alpha value of 0.9465 was also obtained. According to Glien & Glien (2003), an alpha value of 0.7 is an acceptable reliability coefficient although a lower threshold is sometimes acceptable. Bryman (2008), also asserts that if computed alpha coefficient is greater than 0.80, then it is an acceptable level of internal reliability. The researcher therefore adopted

the findings in this research and confirms the internal consistency of the result credibility and reliability. Furthermore, the estimated beta coefficient for job creation showed a significant 32.54% variation in improving socio-economic development if a 1% change was done in increasing the budgetary allocations for job creation projects by CDF, with a significant P-value of 0.000 at 5 per cent level. The summarized regression model coefficients result indicated that the model was well fitted with R-squared value of 0.5579, an Adjusted R-squared of 0.0544 and Prob >F value of 0.0000. Therefore the model variables explained 54.4% variations while 44.21% are explained by other variables not in the model.

#### **5.4 Conclusions**

The model was found to be well fitted with an F-test statistic of 0.0000, and R-squared of 0.5579. The study found that CDF in Kenya has impacted on socio-economic development with an adjusted R-squared of 0.544. The model therefore fitted the variables significantly at 5 per cent level. Put together, this meant that the independent variables of this study contributed 55.79% to socio-economic development in the constituency, with the remaining 44.21% being explained by other variables not included in this study.

The results of this study also indicated that education bursaries and direct employment interventions took the lead in effecting development with mean responses of 4.12 and 3.88 respectively. However on the overall, a variation of one percent in budgetary allocations by CDF for any of the three independent variables of job creation projects, social welfare projects and infrastructure development projects respectively, a significant level of improvement in socio-economic development would be evident at five per cent level. In order importance, job creation would contribute to socio-economic development with by 32.5% while social welfare would contribute by respectively. In the overall regression equation, infrastructure projects did not have

significant contribution to local development in Mbeere South Constituency with a contribution of 6.3%.

## **5.5 Recommendations**

The study results showed that job creation projects by CDF influenced socio-economic development most with a standardized beta coefficient of 0.4471 due to 1% increase in budgetary allocations. This means that for a sustainable development, policy makers and development actors should allocate for funding for Kenya to invest more in sectors that create employment for acceleration of socio-economic development. The study also noted that social welfare projects influence local development to a good extent, with a standardized beta value of 0.2873 with a 1% increase in budgetary allocations to social welfare projects. According to OECD (2011), both education and health are the most basic pre-requisites for sustainable development for the emerging economies.

This study therefore recommended some key policy issues for long term sustainable local development. More efforts should be made by CDF to invest in social welfare and creation of jobs for more acceleration of development. The Central Government should come up with policies that ensure that social welfare and job creation are adequately allocated at devolved levels for acceleration of socio-economic development in Kenya. The Central government should also bring in other development actors, including INGOs and Faith-based Organizations to a common approach and prioritize their efforts in job creation and social welfare projects so as to complement the Government efforts for acceleration of socio-economic development.

## **5.6 Suggestion for Further Studies**

This study was limited to the effect of the Constituency Development fund on socio-economic development in Mbeere South Constituency. It mainly focused on infrastructure, social welfare

and job creation. The results of the study showed that although the CDF had invested a lot in infrastructure projects, with 88.96% of its 2010/2011 annual budgetary allocation going infrastructure (NTA, 2012), these projects did not influence local development significantly with a standardized beta coefficient of 0.1048 with 1 per cent increase in budgetary allocation. This study recommends further research to gather more information on why the infrastructure projects by CDF are not significant in effecting local development in Kenya.

More research is also needed to find out what other key independent variables other than the ones included in this study that could be accounting to the 44.21% of local development through CDF interventions in Kenya.

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## APPENDICES

### APPENDIX I

**Table A1: Operational Framework**

Independent Variables	Measurement	Sign or Indicator	Questions
Physical Infrastructure	Likert Scale coding of 1 to five of strongly disagree to strongly agree.	Level of electricity connections	1) The CDF has implemented electricity connection projects in my community.
			2) CDF has improved development through electricity connection projects in my community.
		Level of water connections	CDF has implemented water infrastructure projects in my community.
			The water projects in my community have brought development closer for my community.
		Improvement of access roads	CDF has built access roads and bridges in my community.
			CDF has improved development through roads and bridge construction projects in my community.
		Improvement of physical amenities in education.	The CDF has implemented and expanded educational facilities and infrastructure in my community.
			1) CDF has improved development through educational facility projects in my community.
		Improvement of physical amenities in health.	The CDF has implemented and expanded health facilities and infrastructure in this community.
			CDF has improved development through health facilities and infrastructure projects in my community.
		Improvement of physical facilities for trade and industry	CDF had built access roads and bridges in my community.
			CDF has improved level of development through access roads and bridges in my community.

Social Welfare	Likert Scale coding of 1 to five of strongly disagree to strongly agree.	Improvement in security at local levels	The CDF has implemented security improvement projects in my community.
			The security projects by CDF have improved security situation in this community.
		Number of bursaries for improved access to education	The CDF has given out bursaries to needy students in this community.
			The CDF has improved development through bursaries to needy students in my community.
		Improvement in variety of basic health programs to households.	The CDF has implemented projects that promote basic health and nutrition in this community.
			The health and nutrition projects facilitated by the CDF improved development in this community.
Job Creation	Likert Scale coding of 1 to five of strongly disagree to strongly agree.	Level of support for start-up of small businesses.	CDF has implemented business and entrepreneurship promotion projects in my community.
			The business and entrepreneurship projects facilitated by the CDF have improved development in this community.
		Level of indirect employment opportunities	The CDF has awarded tenders for procurement of materials for its projects to members of this community.
			The award of tenders for supply of materials for CDF projects to residents of this area has improved development of this community.

		Level of direct employment opportunities	<p>The CDF has offered direct job opportunities for the benefits of service of this community.</p> <p>The employment creation by CDF through direct employment has improved development in this community.</p>
Local Development	Likert Scale coding of 1 to five of strongly disagree to strongly agree.	Improvement in reduction of inequalities	The CDF projects have brought fair distribution of resources for development of this community.
		Level of change in attitude for Civic culture.	The CDF projects are helping our people to change their attitudes towards being in charge of the development of this community.
		Improvement in living standards.	The CDF projects are helping in eradication of poverty for development of my community.
		Level of accumulation of National Institutions	The CDF projects have made impact in establishing new facilities and institutions for development of this community.

*Source: Author, 2015*

## APPENDIX II

### Determination of Sample Size

Yamane (1967) proposes the following formula of determining representative samples from finite populations.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

**n** is the sample size

**N** is the population size

**e** is the degree of precision (0.10)

$$\begin{aligned} \text{Therefore } n &= \frac{139,723}{1 + 139,723 * (0.1)^2} \\ &= 100 \text{ respondents} \end{aligned}$$



APPENDIX III

Letter to CDF Manager

David Muriuki Ngiri  
P.O Box 68053,  
00200, Nairobi.  
Mobile: 0723010772.

August 21, 2015

The Manager,  
Constituency Development Fund,  
Mbeere South Constituency,  
Kiritiri.

Dear Sir,

**RE: EXPRESSION OF INTEREST TO CONDUCT AN ACADEMIC STUDY ON CDF IN  
MBEERE SOUTH CONSTITUENCY**

I wish to submit this letter of expression of interest to carry out a study on CDF in Mbeere South Constituency.

I am a student of KCA University pursuing a Master of Science in Commerce degree (Finance and Economics option). As a requirement for the award of the degree, a student is expected to carry out a research in the area of study. Since my interests are in Development Finance and Public policy, I have identified your Organization as a perfect vehicle for my study.

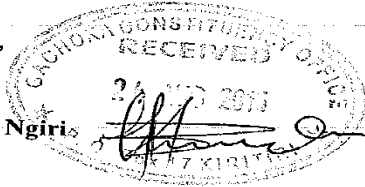
This study will seek to find out the effects of the Constituency Development Fund on enhancing community development in Mbeere South Constituency. The data collected in this exercise is only meant for academic purposes.

I look forward for your favorable consideration to my request.

Yours sincerely,



David Muriuki Ngiri



## APPENDIX IV

### Questionnaire

**Dear Respondent,**

This questionnaire is aimed at gathering primary data on the effect of the Constituency Development Fund on Socio-economic development in Mbeere South Constituency, Embu County. The exercise targets the Project beneficiaries of CDF projects. The information you are going to provide is for academic purpose only and will be treated with absolute confidentiality. Please do not include your name anywhere in this questionnaire. Also please note that there are no right or wrong answers.

#### **Instructions**

- ✓ Please answer all the questions.
- ✓ Do not write your name anywhere in the questionnaire.
- ✓ Please tick in the appropriate box (  ) as accurately as possible.
- ✓ Do not exchange the questionnaire or discuss your questionnaire with other respondents.
- ✓ Where explanation is requested, be brief and to the point.
- ✓ Please tick the appropriate column whereby. We are going to use a scale of 1 to 5 to represent these answers as follows:
  - 1 = SD which stands for “Strongly Disagree”
  - 2 = D which stands for “Disagree”,
  - 3 = U which stands for “Undecided”
  - 4 = A which stands for “Agree”
  - 5 = SA which stands for “strongly agree”.

#### **SECTION A: BACKGROUND INFORMATION**

This section seeks to collect background information relating to the respondent. Please tick appropriately.

1. Please indicate your age bracket.

18-24 yrs       25-34 yrs       35-44 yrs       45-54yrs   
55- 64 yrs       65-74 yrs       Above 75 yrs

2. Please indicate your gender:

Male       Female

3. How long have you been a resident of this Constituency?

1- 5 years       5-10 years       Over 10 years

4. How do you relate to the project? (Please tick one)

Direct beneficiary

Part of the community that uses the project   
 Project Management Committee Member

**SECTION B: EFFECTS OF INFRASTRUCTURE PROJECTS ON DEVELOPMENT**

This section seeks to gather information on the effect of CDF infrastructure projects on socio-economic development in your area. Please tick appropriately.

No.	Statements on Infrastructure Projects	SD	D	U	A	SA
		1	2	3	4	5
5.	The CDF has implemented and expanded educational facilities and infrastructure in my community.					
6.	CDF has improved development through educational facility projects in my community.					
7.	The CDF has implemented and expanded health facilities and infrastructure in this community.					
8.	CDF has improved development through health facilities and infrastructure projects in my community.					
9.	The CDF has implemented water and electricity connection projects in my community.					
10.	CDF has improved development through Water and electricity connection projects in my community.					
11.	CDF has built access roads and bridges in my community.					
12.	The CDF has improved local development through roads and bridge construction projects in my community.					

13. What other infrastructure projects has CDF implemented in your area? Please list them if any.

1. ....
2. ....
3. ....

These additional infrastructure projects have improved local development in my area. (Please tick appropriately)

SD	D	U	A	SA
1	2	3	4	5

**SECTION D: EFFECT OF SOCIAL WELFARE PROJECTS ON DEVELOPMENT**

This section seeks to gather information on the effect of CDF Social Welfare projects on socio-economic development in your area. Please tick appropriately.

No.	Statements on Social Welfare Projects	SD	D	U	A	SA
		1	2	3	4	5
14.	The CDF has given out bursaries to needy students in this community.					
15.	The CDF has improved development through bursaries to needy students in my community.					
16.	The CDF has implemented projects that promote basic health and nutrition in this community.					
17.	The health and nutrition projects facilitated by the CDF improved development in this community.					
18.	The CDF has implemented security improvement projects in my community.					
19.	The security projects facilitated by the CDF have improved development in this community.					

20. What other social welfare projects has CDF implemented in your area? Please list them if any.

- (i) .....
- 1. ....
- 2. ....

These additional social welfare projects have improved local development in my area. (Please tick appropriately)

SD	D	U	A	SA
1	2	3	4	5

**SECTION E: EFFECT OF JOB CREATION ON LOCAL DEVELOPMENT**

This section seeks to gather information on the effect of Job creation projects by CDF on socio-economic development in your area. Please tick appropriately.

Statements on Job Creation Projects		SD	D	U	A	SA
		1	2	3	4	5
21.	The CDF has implemented business and					

	entrepreneurship development projects in my community.					
22.	The business and entrepreneurship projects facilitated by the CDF have improved development in this community.					
23.	The CDF has awarded tenders for supply of materials for its projects to residents of this community.					
24.	The award of tenders for supply of materials for CDF projects to residents of this area has improved development of this community.					
25.	The CDF has offered direct employment opportunities to members of this community.					
26.	The employment creation by CDF through direct employment has improved development in this community.					

27. What other job creation projects has CDF implemented in your area? Please list them if any.

- (i) .....
- (ii) .....
- (iii) .....

These additional job creation projects by CDF have improved local development in my area. (Please tick appropriately)

<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**SECTION F: OVERALL EFFECT OF CDF ON LOCAL DEVELOPMENT**

This section seeks to gather information on the effect of Job creation projects by CDF on socio-economic development in your area. Please tick appropriately.

<b>Statements on Effects of CDF on socio-economic Development</b>		<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
28.	The CDF projects have brought fair distribution of resources for development of this community.					
29.	The CDF projects are helping in eradication of poverty for development of my community.					

30.	The CDF projects are helping our people to change their attitudes towards being in charge of the development of this community.					
31.	The CDF projects have made impact in establishing new facilities and institutions for development of this community.					

32. What are some of the other effects of CDF in your community? Please explain

- (i) .....
- (ii) .....
- (iii) .....

If you have added additional effects of CDF in question above, please rate these additional effects in your community on a scale of 1 to 5 below:

<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

Thank you for your kind participation and cooperation