

# Socio-Economic, Political and Fiscal Determinants of Budget Transparency in Kenya

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**ABSTRACT:-** To investigate the socio-economic, political and fiscal determinants of budget transparency in Kenya. Correlational research design is used to show the causal relationships between budget transparency and socio-economic, political and fiscal Determinants. The findings showed that other than fiscal factors, social and political factors had a significant and positive influence on budget transparency ( $\alpha_1 = 0.080; p = 0.008$ ) and political ( $\alpha_1 = 0.254; p = 0.025$ ). In conclusion, budget transparency in Kenya is mostly influenced by social and political variables rather than economic reasons.

**Keywords:** Budget Transparency, Socio-Economic, Political and Fiscal Determinants

## I. INTRODUCTION

Budgets serve as the primary mechanism via which governments distribute funds to their constituents and articulate their expenditure choices in pursuit of diverse policy goals on an annual basis (OECD, 2006). The successful handling of public funds relies on the crucial components of budgetary openness and transparency. These features play a pivotal role in assessing fiscal risks, facilitating rational decision-making regarding finances, enhancing responsibility among legislators, and ultimately enhancing fiscal practices (Nikolov, Trenovski, & Dimovska, 2015). According to the Organisation for Economic Co-operation and Development (OECD, 2001), budget transparency refers to the comprehensive revelation of all pertinent fiscal data in a prompt and organized manner. The practice of maintaining transparency in fiscal procedures has been shown to have several positive effects on government operations. Firstly, it can contribute to the promotion of economic growth and development. Secondly, it can aid in the efforts to combat poverty within a nation. Lastly, it can serve to bolster the overall legitimacy of the actions taken by a government (Rios, Bastida, & Benito, 2014). Thus, it is imperative that national governments prioritize efforts to improve their financial transparency.

The significance of budget transparency has prompted some organizations to release standards and principles for budgetary transparency (IBP, 2008). This transparency encompasses the disclosure of information regarding the organizational structure and operations of governments, budgetary roles, potential risks, the evaluation of benefits and costs associated with budgetary activities, as well as projected spending. Budget transparency facilitates a more informed discourse among regulators and the general public regarding the formulation and outcomes of budgetary policies.

In the Republic of Kenya, the entities entrusted with the responsibility of overseeing legislative budget matters are the Legislature and the office of the Auditor General and according to the IBP poll, the mean level of public engagement in the preparation of budgets in Kenya was recorded as 15 out of 100 in the year 2017. The existing body of research predominantly focuses on the identification of factors and advantages associated with budget transparency in various jurisdictions yielding inconsistent results regarding the correlation between parliamentary scrutiny and budget openness while in Kenya, there is absence of research on the area of interest. Therefore, the current study intended to investigate the socio-economic, political and fiscal determinants of budget transparency in Kenya.

## II. LITERATURE REVIEW

The chapter examines the theory of public choice that is relevant to budget transparency determinants and reviews various empirical literature.

### 2.2 Theoretical Review

#### 2.2.1 Public Choice Theory

The theory in question was formulated by James Buchanan and Gordon Tullock in the year 1962. It developed from the study of taxation and public spending, a field in the subject of economics. The fundamental concern about this theory borrows heavily from the happenings within a market place. In a market place, people's behavior is motivated by self-interest. Drawing upon the principles of public choice theory, it is postulated that individuals, including citizens, elected officials, advocates, and bureaucrats, primarily prioritize

their own self-interests despite exhibiting some degree of consideration for others, such as bosses, staff members, or consumers.

The theory studies the ways in which people make decisions in politics out of self-interest (Sufrin & Olson, 1966). By emphasizing the rationality of individuals and their pursuit of maximizing their utility, the theory presented by Meadowcroft (2012) offers a framework for examining the significance of government transparency in budgetary matters. When taken into account with regards to budget transparency, it contributes to the explanation of government decisions on the degree of transparency in their budgetary procedures as well as the ways in which transparency may impact the distribution of resources, the actions of rent-seekers, and political dynamics. According to the theory, government employees, similar to ordinary people, engage in decision-making processes that aim to benefit themselves most (Buchanan and Tullock, 1962; Niskanen, 1971). From the standpoint of the theory, the presence of transparency has the potential to influence the decision-making process of a governmental agent while considering involvement in a fraudulent transaction. Ball (2009) asserts that the concept of transparency has undergone a transformation based on a postmodernist perspective. The meaning it carries has been derived from its application in various contexts which firstly, represents the methods employed by society to combat corruption. Secondly, it serves as a synonym for transparent decision-making processes within governmental and nonprofit entities. Lastly, it acts as a multidimensional tool for promoting good governance across many initiatives, laws, institutions, and nations.

Transparency has been a subject of debate in relation to governance and effectiveness in the public sphere, as highlighted by Rodrigues (2020). This is due to the perception that external entities, apart from the government, play a role both in implementing and assessing public policy. The advancement of technology has facilitated the exchange of data, hence drawing attention to the concept of transparency. Nevertheless, the concept of transparency is subject to various interpretations, and there are ongoing worries regarding its authenticity, feasibility, and potential as a mere allegory. In light of the aforementioned perplexity, the author has discerned that achieving absolute transparency is unattainable for any public entity or governmental body, as numerous public procedures and policies necessitate a degree of confidentiality due to the inherent nature of those actions.

The significance of Public Choice theory is evident in its recognition of the role budgets play in resource allocation by authorities and as a means of showcasing their spending choices. This theory emphasizes the necessity of government transparency in fiscal data release and highlights the detrimental impact of corruption, which is only capable of being resolved through legal mechanisms. Budget transparency is a multifaceted phenomenon that exerts influence on several elements. Policymakers must take into account these considerations while formulating budgeting approaches inside any given nation. In light of extensive market failures resulting from pervasive corruption, it has become imperative to establish mechanisms of responsibility and openness between the Kenyan government and its citizens, encompassing both upward and downward channels of information flow. The public choice theory is concerned with addressing market failures in the distribution of funds in the public sector. The present research finds that the theory aligns with the outcomes in terms of how resources are allocated through public sector budgets. However, within the context of applying public choice theory, this study recognizes the constraints imposed by human reasoning and the influence feelings have on the process of decision-making. These factors undermine the efficacy of assumptions regarding rational behavior (Fornasier & Franklin, 2019).

## **2.3 Empirical Review**

### **2.3.1 Socio-economic, Political and Institutional Determinants of Budget Transparency**

The empirical study conducted by Rios et al. (2016) aimed to evaluate the extent to which legislative budgetary oversight contributes to the enhancement of budget transparency. Furthermore, it has been discovered that rivalry in politics and economic standing exert an effect on budget openness along with the legal system. A subsequent investigation conducted by Rios (2018) revealed that the degree of democracy inside a nation can potentially influence the extent of legislative scrutiny over financial matters. However, there is an increasing recognition of the limitations of governmental oversight processes and accountability, leading to a perceived necessity to strengthen institutions that promote "horizontal accountability" (Makiva, 2019). The comparative development of legislative institutions as autonomous bodies for the sake of "horizontal accountability" is anticipated to be highly pronounced in democratic nations as opposed to dictatorial governments or contexts where freedom is not firmly established. Nevertheless, based on actual evidence, Wehner (2013) concludes that there exists no meaningful correlation between the degree of democracy and parliamentary budgetary control. The investigation done by Caamaño-Alegre *et al.* (2013) revealed a significantly positive association between political competition and polarization in politics, and the level of budget openness. Political rivalry incentivizes incumbent leaders to prioritize openness and limit discretionary powers, irrespective of their ideological objectives. This is because they aim to constrain the actions of other elected officials, whether they are possible

replacements or current co-incumbents, whom they will share power. According to Muzaale (2017), there is a contention that those who are part of opposition parties are more inclined to seek details from the ruling party compared to members of the ruling majority. This behavior is seen as a means to critique and examine the acts of the authorities. Hence, heightened rivalry in politics may result in a reduction in disclosure by authorities, as such disclosures could potentially be utilized to examine their actions.

Accountability and transparency are essential tools for achieving enhanced fiscal efficiency in government entities. According to Barr (2018), these tools are critical in improving the proficiency of governments in managing their finances and also serve as a means to mitigate their inclination towards fiscal irresponsibility. Alt et al. (2006) demonstrate a negative correlation between elevated levels of deficits and debt and reduced transparency. However, according to Bastida's (2017) research, there exists no discernible impact of debt levels on budget transparency. Conversely, the study reveals a favourable association between the financial state of the national government and budget openness. In a similar vein, Alt et al. (2006) conducted a study that contended that both increased deficits and increased surpluses play a role in enhancing fiscal transparency

In an investigation carried out by Zuccolotto and Teixeira (2014), an analysis was performed on the efficacy of legislative bodies in terms of fiscal openness. The research examined a sample of 94 nations from various geographical zones, including , North Africa and Sub-Saharan Africa, Eastern Europe and Central Asia, East Asia and Pacific, Middle East, Latin America and the Caribbean and South Asia. The study's findings revealed that nations with governments that were democratically determined had a higher level of fiscal transparency. Furthermore, countries characterized by transparency had a greater presence of robust accountability mechanisms, resulting in elevated levels of democratic governance and reduced instances of corruption. These findings underscore the paramount importance of transparency.

According to Kumagai and Iorio (2020), societies characterized by higher degrees of confidence in society and active citizenship tend to foster an atmosphere in which citizens are more likely to request and utilize data on budgets. Consequently, this heightened participation with budgetary matters contributes to a greater degree of government response to calls for transparency.

In addition to structural and political factors, socio-economic factors also have influence on public engagement and budget openness (Rios, Benito, & Bastida, 2016). The research emphasizes several key socio-economic characteristics that should be considered, namely economic status, access to the internet, degree of education, budgetary balance, debt levels, migrant rate, and ethnic diversity. Comprehending these factors is of utmost importance for lawmakers, scholars, and practitioners who are dedicated to enhancing transparency in budgetary procedures. Hence, the current study aims to utilize these factors in the forthcoming estimations to ascertain their impact on budget transparency within the context of Kenya.

Rios and Benito (2016) have identified that the accessibility of internet, the size of the population, and a nation's debt level are factors that impact the extent of public engagement in budgetary procedures. According to Harrison and Sayogo (2014), the utilizing of ICT and access of internet enables citizens to engage in the preparation of budgets in an active manner. The economic prosperity of a nation is also a significant factor in determining many outcomes. According to Norris (2001), individuals hailing from affluent nations exhibit higher levels of assertiveness and demonstrate a greater inclination towards seeking information regarding the utilization of their tax contributions by the executive branch. Furthermore, the establishment of legal mechanisms to formalize and integrate public involvement in the process of budgeting, alongside the provision of timely and adaptable budgetary information, plays a pivotal role in augmenting public participation (Carlitz, 2013).

In their study, Rios, Benito, and Bastida (2016) conducted empirical research to investigate the various factors that exert impact on public engagement within the context of the federal government's budgeting process. Based on the research conducted and the existing literature referenced in this part, it can be concluded that fiscal transparency is influenced by several major elements, namely the level of democracy, rivalry in politics, the philosophy of the party in power, and the kind of legal system. The degree of democratic governance and public participation in decision-making processes exhibits considerable variation among different countries. Consequently, the level of freedom also varies correspondingly.

In their study, Cicatiello, De Simone, and Gaeta (2017) conducted an empirical examination utilizing panel data to explore the political factors influencing budgetary transparency. This study conducted a comprehensive analysis, employing both static and dynamic panel methods, to examine the impact of a range of political factors on the degree of fiscal openness across 36 democratic nations. The study discovered significant correlations between the political climate and the patterns of budgetary transparency. The findings indicated that the level of government authority over legislative bodies has a discernible adverse impact on budgetary

transparency. However, the influence of political philosophy on fiscal transparency appears to be rather uncertain or unstable.

Citro, Cuadrado-Ballesteros, and Bisogno (2019) carried out an investigations aimed at elucidating the link between political influences and budget transparency. This study undertook an analysis of many aspects that have the potential to influence the degree of budget openness. The study examined many political attributes, analyzing a sample of 95 nations throughout the years 2006, 2008, 2010, 2012, and 2015. The results of the research suggest that the amount of budget openness is influenced by the features of governments as well as the characteristics of political and electoral processes. According to the research conducted by Çiçek and Suleyman (2021) and Citro et al. (2019), it was observed that the level of transparency in the budget experienced notable improvement as a result of legislative fiscal control. This correlation was discovered to be impacted by various factors, including the characteristics of the legislature, the legal framework, the oversight provided by the Supreme Audit Institution, as well as the levels of both economic and democratic progress. This study builds upon prior research on the factors influencing transparent budgets by incorporating a longer time frame, incorporating more political and democratic characteristics, and employing a global comparative perspective.

The study conducted by Ott *et al.* (2019) investigated the factors influencing Online Local Budget Transparency (OLBT) in the countries of Croatia and Slovenia. The research employed a dataset comprising 768 municipalities in Slovenia and Croatia over the period of 2015-2017. The dataset was subjected to analysis, wherein it was tested against various economic and social characteristics. A random impact panel logistic regression analysis was conducted individually for Croatia, Slovenia, and a pooled sample. The outcomes of the investigation showed a positive link between the size of the population, capacity for governance, and joblessness at the municipal level, and the degree of OLBT.

In their research, Arapis and Reitano (2017) employed a cross-national longitudinal approach to investigate the progression of variables related to fiscal accountability, as assessed by the Open Budget Index. The study encompassed 59 countries from diverse regions across the globe, incorporating comprehensive data on partisanship, budgetary, access to information, and economic situations over the period between 2006 and 2012. The analysis conducted involved employing a first-difference panel regression model with resilient standard deviations, while grouping the data by nation. The results showed a positive correlation between budgetary integrity and economic recessions. This implies that financial crises may offer a chance to advance transparency measures. The study's findings also provide evidence supporting the presence of a relevant and beneficial connection between humanitarian assistance and fiscal transparency. Moreover, the research conducted an examination to ascertain the existence of an inverse correlation between indebtedness and fiscal openness, hence suggesting the potential influence of transparency on fiscal results. This implies that the level of transparency in budgeting processes could potentially impact the ability to maintain fiscal integrity and effectively manage debt.

### III. RESEARCH METHODOLOGY

The study design of this research is primarily qualitative, supplemented by the use of secondary data obtained from pre-existing government documents. The qualitative strategy employed in this study utilised an exploratory case study strategy, which comprised conducting interviews with government budget officials. Consequently, the level of reliance on the data collected was examined. This study focused on a sample of 13 individuals employed in the Parliamentary Budget Office (PBO) and fiscal analysts working in the 47 Counties in Kenya. A census poll was utilized in this research due to the limited size of the target group. The study employed primary data collection through the use of questionnaires. The participants' responses were evaluated using a Likert scale, which included a variety of anchors. The data was summarized using descriptive statistics, namely by examining the frequency, mean, and mode. The information obtained was assessed for its internal consistency using Cronbach's alpha.

### IV. RESULTS AND DISCUSSION

#### 4.1 Descriptive Statistics

A preliminary assessment was carried out in this study to examine the key factors that had a crucial role in the entire examination of the research results. The findings of this assessment are presented in Table 1.

**Table 1: Descriptive statistics of the study variables**

	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
<b>Social factors</b>	2	5	3.41	1.173	.000	-1.507
<b>Political factors</b>	2	5	3.97	.309	-4.179	29.836
<b>Fiscal factors</b>	2	5	3.68	1.242	-.355	-1.511

<b>Budget Transparency</b>	3	4	3.78	.294	-.007	.230
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According to the findings presented in Table 1, it was observed that the indices for social, political and fiscal factors were at a minimum level of 2. On the other hand, the index for budget transparency was found to be at a minimum level of 3. The findings of the studies indicate that the greatest index value for all variables, with the exception of budget transparency, was 5 that had an aggregate index value of 4. The standard deviation of the variables, particularly those related to social and fiscal variables exceeded 1. This indicates that the items within these variables deviated significantly from their mean. Nevertheless, it is noteworthy that political considerations and budget transparency had standard deviations below 1. This implies that the individual variables within these categories deviated from their respective means.

Regarding the measure of skewness, the findings revealed that social variables and budget transparency had a tendency towards zero, indicating a normal distribution. In contrast, it can be observed that the political and fiscal factors had a leftward skewness, as shown by their skewness values being negative. The kurtosis values revealed that solely the political components had a leptokurtic distribution, as seen by their kurtosis value exceeding 3, in contrast to the normal distribution. In contrast, the remaining variables exhibited thin tails in comparison to the normal distribution, as the numbers were below 3.

#### 4.2 Socio-Economic and Political Factors that Promote Government’s Budget Transparency

The purpose of this study examined the extent to which economic and social variables, political factors, and fiscal factors influence budget transparency using mean responses computed based on equation 1.

$$\text{Mean response} = \frac{\sum_{i=1}^n x}{n} \quad (1)$$

Where;

$x$  = the index of the respective construct from the first construct to the last

$n$  = the number of constructs

Table 2 captured the indexes for the social, political, and fiscal factors as derived from the provided formula. The available evidence suggests that social considerations were taken into account in order to enhance the government’s budgetary transparency. This is indicated by the average index score of 3.7 for the social elements, with a majority of the components having a weight close to 4. The aforementioned factors encompassed the establishment of a specified deadline for the submission of recommendations to the committee, convenient accessibility to the laws, a readily accessible timetable for budget preparation, involvement of both public and private entities prior to the finalization of the spending plan, and the implementation of donor aid initiatives pertaining to social issues. These factors were evaluated using a scale consisting of the following options: SD (Strongly Agree), D (Disagree), I (Indifferent), A (Agree), and SA (Strongly Agree).

**Table 2: Indexes on Social Factors**

	<b>VARIABLE</b>	<b>SD</b>	<b>D</b>	<b>I</b>	<b>A</b>	<b>SA</b>	<b>Index</b>
<b>A</b>	<b>SOCIAL-ECONOMIC FACTORS</b>	1	2	3	4	5	3.7
<b>1</b>	The budget creation procedure incorporated considerations of the poverty level of the populace.	0	23	9	18	13	3.3
<b>2</b>	The present budget estimates demonstrate a consideration for gender sensitivity.	2	23	7	18	13	3.3
<b>3</b>	Residents are required to adhere to a predetermined time restriction while submitting their recommendations to budgeting committees.	0	3	2	21	37	4.5
<b>4</b>	The general populace enjoys convenient accessibility to the governmental norms and statutes.	0	2	3	57	1	3.9
<b>5</b>	The budget development timetable or plan is made easily accessible to the general public.	0	17	3	19	24	3.8
<b>6</b>	Typically, a meeting is convened with the inhabitants to deliberate upon the preliminary budget.	0	22	6	21	14	3.4
<b>7</b>	Engagement between the public and commercial sectors is consistently undertaken prior to the ultimate budgetary decision-making process.	0	1	6	21	35	4.4
<b>8</b>	The budget recommendations include donor-supported programs addressing social issues, such as individuals with disabilities, as well as children and youngsters facing various risks.	0	21	6	22	14	3.5
<b>9</b>	Civil society or non-governmental organizations (NGOs) have a significant role in shaping budget policies and ensuring government	1	24	7	18	13	3.3

accountability through their utilization of the media and other means.

Based on the analysis presented in Table 3, it can be observed that participants generally expressed agreement regarding the influence of ideological and institutional variables on government budgetary openness. The mean weighted average for this variable was found to be 4, indicating a consensus among the participants. It is worth noting that the presence of an advisory committee was an exception, as it exhibited a slightly lower index of 3. However, the remaining constructs consistently leaned towards an index of 4, suggesting that political variables indeed play a significant role in shaping budget accountability

**Table 3: Indexes on Political and Institutional Factors**

		SD	D	I	A	SA	Index
<b>B</b>	<b>POLITICAL AND INSTITUTIONAL FACTORS</b>						4.0
<b>1</b>	The allocation and distribution of budgetary resources were executed in a manner that aligns with the political agenda.	0	4	2	56	1	3.9
<b>2</b>	The laws have a whole chapter that is specifically devoted to the process of budget planning, and these provisions are designed to be easily understandable and accessible to users.	0	2	4	6	51	4.7
<b>3</b>	The legislature plays a crucial and impactful role in the examination, deliberation, and exertion of influence over budgetary policies, hence ensuring governmental accountability.	0	16	1	27	19	3.8
<b>4</b>	The existence of a formally authorized advisory group or other institutions related to matters concerning budgetary affairs.	0	0	59	3	1	3.1
<b>5</b>	Government entities are responsible for establishing regulations That control the official and informal processes involved in adopting a budget.	0	3	1	17	42	4.6

Upon analyzing the weighted average pertaining to fiscal considerations, the findings presented in Table 4 suggest that the participants exhibited a state of neutrality, as evidenced by the mean weighted average of the aggregated indices amounting to 3.4. Excluding the intricacies of the budget preparation process, the compliance with fiscal rules, the methodical and prompt dissemination of fiscal data, and the reliability of information, as well as spending projections, effective utilization of performance information for policy development, and adherence to accounting and reporting guidelines within finance offices, participants expressed disagreement regarding the impact of budget openness on the remaining constructs encompassed by fiscal variables, as indicated by their respective indexes.

**Table 4: Indexes on Fiscal factors**

		SD	D	I	A	SA	Index
<b>C</b>	<b>FISCAL FACTORS</b>						3.4
<b>1</b>	The intricacy of the budgetary formulation process facilitates the adoption of strategies aimed at concealing the true budgetary balances, such as taxes, government obligations, or expenditures.	0	0	3	59	1	4.0
<b>2</b>	The act of adhering to fiscal standards, as outlined in different legislative instruments such as the Constitution and Public Financial Management (PFM) Law.	0	3	1	58	1	3.9
<b>3</b>	The dissemination of pertinent fiscal data is conducted in a methodical and punctual manner.	0	0	0	59	4	4.1
<b>4</b>	The Government of Kenya has implemented a comprehensive information accessibility mechanism.	1	61	1	0	0	2.0
<b>5</b>	The Kenyan Government demonstrates a tendency to adopt an excessively optimistic approach to macroeconomic projections, wherein there is a tendency to overestimate income while simultaneously underestimating the necessary expenditures.	1	3	58	1	0	2.9
<b>6</b>	The Kenyan Government maintains a structural equilibrium between its revenue and spending streams.	2	35	6	12	8	2.8
<b>7</b>	In recent fiscal periods, there has been a notable degree of precision in the estimation of both revenue and expenditure projections.	0	20	4	22	17	3.6
<b>8</b>	Financial audits are conducted expeditiously, and the resulting reports	0	16	4	43	0	3.4

## Socio-Economic, Political and Fiscal Determinants of Budget Transparency in Kenya

	are swiftly approved.						
9	The Kenyan Government demonstrates a proficient utilization of performance statistics in the realms of policy formulation, administrative oversight, and progress assessment.	0	15	4	27	17	3.7
10	The financial offices demonstrate sufficient adherence to accounting and reporting rules.	0	3	2	57	1	3.9

The response variable examined in the present research was budget transparency. Nevertheless, a significant majority of the participants (90.5%) expressed that the budget report is not made available to the general public (see Table 5).

**Table 5: Budget Statement Availability to the Public**

	Frequency	Percent (%)
between 2- 4 months	4	6.3
At least 4 months in advance	1	1.6
not released at all to the public	57	90.5
Released after approval	1	1.6
Total	63	100.0

In relation to the constructions that constituted the budgetary transparency, it is noteworthy that Table 6 demonstrated a prevailing consensus regarding the presence of transparency, as seen by the weighted mean of 3.5, which suggested a tendency towards consensus. The constructs with indexes approaching 4 included administrative units responsible for less than two-thirds of the spending, executive budget requests accounting for less than two-thirds of all individual initiatives, executive budget requests featuring new policy recommendations and narrative discussions, executive budget requests providing projections for transfers between governments, regular production of reports by the government on its future outlook, frequent disclosure of unforeseen obligations by the administration, and the government typically presenting multiple supplementary budgets to the parliament each year.

**Table 6: Indexes on Budget Transparency within the Kenyan Government**

		SD	D	I	A	SA	Index
<b>A</b>	<b>BUDGET TRANSPARENCY</b>						3.5
1	There exist multiple online platforms for the dissemination of fiscal information.	0	43	6	7	7	2.7
2	The inclusion of participation methods is integrated into the scheduling of activities for the development of the executive budget.	1	22	7	21	12	3.3
3	The incorporation of specific legislation pertaining to information accessibility, budget transparency, and citizen engagement has taken place.	0	2	59	2	0	3.0
4	Members of the general public are consistently extended an invitation to contribute their perspectives and opinions during the process of formulating the budget.	0	44	3	9	7	2.7
5	During the general public engagement process on budgetary matters, it is customary to furnish participants with pertinent details pertaining to the objective, scope, constraints, anticipated results, processes, and timetables.	0	1	61	1	0	3.0
6	The expenditures mentioned are primarily attributed to administrative units, comprising less than two-thirds of the total.	0	2	2	19	40	4.5
7	The executive budgetary proposal encompasses a proportion of less than two-thirds of the total individual initiatives for the fiscal year.	0	2	2	18	41	4.6
8	Estimates within the framework of evidence-based practice (EBP) serve to analyze and evaluate new policy recommendations, accompanied by a narrative discussion.	0	0	1	60	2	4.0
9	EBP report provides an analysis of the projected figures for transfers between governments, together with a comprehensive narrative commentary pertaining to the budget year.	0	10	8	22	23	3.9
10	EBP consolidates comprehensive data pertaining to the fundamental	0	43	6	7	7	2.7

## Socio-Economic, Political and Fiscal Determinants of Budget Transparency in Kenya

	details of financial assets into a singular document.						
11	The inclusion of input from civil societies is consistently incorporated into the budgetary process.	1	22	7	21	12	3.3
12	Direct connections to the national accounts can be observed.	0	2	59	2	0	3.0
13	The inclusion of non-financial performance statistics in the budget papers provided to the legislature is a matter of regular practice.	0	44	3	9	7	2.7
14	Prior to voting, special reports regarding the budgetary forecast are typically published.	0	1	61	1	0	3.0
15	The government consistently generates reports regarding the comprehensive assessment of public funds' long-term prospects.	0	2	2	19	40	4.5
16	It is mandatory for the government to periodically disclose contingent liabilities.	0	2	2	18	41	4.6
17	In the realm of fiscal governance, it is customary for the government to submit multiple supplementary budgets to the legislative body during a given fiscal year.	0	0	1	60	2	4.0

In order to examine the impact of socio-economic, political, and institutional factors on the government's Budget, a statistical analysis using a two-tailed test on Pearson correlation was performed. The findings of this analysis are presented in Table 7.

**Table 7: Association between Socio-Economic, Political Factors and the Government's Budget Transparency**

		Budget Transparency	Social factors	Political factors	Fiscal factors
Budget Transparency	Pearson Correlation	1			
	Sig. (2-tailed)				
Social factors	Pearson Correlation	.348**	1		
	Sig. (2-tailed)	.005			
Political factors	Pearson Correlation	.298*	.037	1	
	Sig. (2-tailed)	.018	.775		
Fiscal factors	Pearson Correlation	.216	.147	.141	1
	Sig. (2-tailed)	.089	.251	.270	
	N	63	63	63	63
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Based on the findings presented in Table 7, it is evident that there exists a noteworthy association between budget transparency and social factors ( $r = 0.348$ ;  $p = 0.005$ ). Likewise, it is noteworthy that political factors had a notable and favourable association with budget transparency ( $r = 0.298$ ;  $p = 0.018$ ). Nevertheless, the relationship between fiscal parameters and budget transparency was shown to be positive but statistically insignificant ( $r = 0.216$ ;  $p = 0.089$ ). This finding suggests that when social and political variables become more prominent, there is a strong likelihood of a major increase in budget openness.

**Table 8: Relationship between Socio-Economic, Political Factors and Government's Budget Transparency**

R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
.468 <sup>a</sup>	.219	.179	.266	5.513	.002
a. Predictors: (Constant), Fiscal factors, Political factors, social factors; Predicted: Budget Transparency					

According to the analysis results shown in Table 8, the R-square value is 0.219, indicating that the predictor variables account for 21.9% of the variance in budget transparency. The F-statistic, which measures the goodness of fit, has a value of 5.513 and a significance level of 0.002. This indicates that the gathered and analysed samples possess the necessary qualities to allow for valid conclusions to be drawn about the total population.

According to the regression coefficient presented in Table 9, it can be observed that social, political, and fiscal aspects all exhibited favourable effects on budget transparency. However, the determination of

government budgetary integrity is mostly influenced by social ( $\alpha_1 = 0.080; p = 0.008$ ) and political ( $\alpha_1 = 0.254; p = 0.025$ ) considerations rather than fiscal variables ( $\alpha_3 = 0.031; p = 0.268$ ). This suggests that there is a positive and statistically significant relationship between social factors and budget transparency, with a one-unit rise in social variables leading to an average increase in budget transparency of 0.080. In a similar vein, it may be shown that a marginal increment in political factors exhibits a statistically significant positive effect on the level of budget transparency inside the government, with a coefficient estimate of 0.254.

**Table 9: Coefficients between Socio- Economic, Political and Fiscal Factors on Budgetary Transparency**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.386	.443		5.385	.000
Social factors	.080	.029	.319	2.742	.008
Political factors	.254	.110	.267	2.301	.025
Fiscal factors	.031	.028	.131	1.117	.268

a. Dependent Variable: Budget Transparency

The findings pertaining to the relationship between socioeconomic characteristics and budgetary openness align with the research conducted by Harrison and Sayogo (2014). Their study demonstrated that an increase in citizen involvement and involvement from the public corresponds to an improvement in budget transparency. The results of this research indicate a notable correlation between political considerations and budget openness, aligning with the observations made by Muzaale (2007). In reference to the correlation between fiscal variables and the level of transparency in budgetary matters which indicated a favourable association, but lacks statistical significance. This result aligns with the conclusions obtained by Bastida (2017), who also noted that fiscal considerations do not have a substantial impact on budgetary transparency, despite a positive link existing between the two variables.

### I. CONCLUSIONS AND RECOMMENDATIONS

This study proposes that in order to enhance the transparency of the budget, it is crucial to emphasize both the social and political issues inside the government. The social variables that necessitate further examination pertain to the establishment of deadlines for citizens' proposal submissions, public accessibility to legislation and statutes, and timely availability of the spending schedule/plan. In terms of political considerations, it is crucial to prioritize the distribution and allocation of budgetary resources. This can be achieved by incorporating a distinct section within the statutes that is exclusively devoted to budget planning, ensuring that these provisions are easily understandable for all stakeholders. Additionally, it is important to establish regulations governing official as well as informal processes of adopting the budget, while also granting the legislature an influential role in scrutinizing budgetary matters.

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