

## CHANGE DILEMMA: A CASE OF STRUCTURAL ADJUSTMENT THROUGH DEVOLUTION IN KENYA

**A. O. Omari, S. N. Kaburi, and T. Sewe**

*Jomo Kenyatta University of Agriculture and Technology, Kisii, Kenya*

*E-mail: skaburi@yahoo.com*

### **Abstract**

This paper's main objective is to give an in-depth view of change management in resolving the change dilemma brought by the structural adjustment through devolution in Kenya. A review on the relevant available secondary literature was carried out and the probable approaches of change management brought by structural administrative approaches were identified. An explication of change management models in devolution in governance was done in order to espouse those models' main contributions to the successful implementation of the country's devolution strategies. Data was collected from secondary sources. The study realized that the government needs to sensitize its officers in various departments as it was found out that in most departments officers were not aware of how to approach the change that has been as a result of devolution.

**Key words:** Change management, structural adjustment and devolution

# 1 Introduction

## 1.1 Background of the Study

The recently promulgated Kenyan constitution has opened up new opportunities and challenges. It has indeed opened a new window of change of moving from the central governance to the devolved government. Kenya as it gained its independency in 1963 had a Lancaster constitution which had provision for two houses of representatives: upper and lower houses as well as regional governments complete with legislation assemblies (Burugu, 2010). This kind of system did not work out as it was replaced by a unitary system of government in 1965 through constitution amendments.

The new constitution therefore replaces the central government with a devolved system of government that was in place immediately after independence. Devolution defined as statutory granting of power from the central government of a sovereign state to government at a sub-national level such as a regional, local or state level. It differs from federalism in that the powers devolved may be temporarily with drain and ultimately reside in central government. Thus the state remains, *de jure*, unitary Osborne, (1992). In federal systems – states power / provincial government is guaranteed in the constitution. Devolution according to Oxford ordinary English Dictionary is the act of causing an obligation or accountability to another person, organ, level or structure.

Devolution in itself has led to a change dilemma as Kenyans ask whether the new structure again fails as it did 38 years ago. Several scholars including Metter (2000), Soss, Schrame, Vanitarian and O. Brian (2001) and Winston (2002) also contend that little is currently known about ramification of the devolution of policy making power by an upper level of government (authorizes ) to a lower level of government (The recipient). This problem is even worse because there is little that is known particularly with regard to second order devolution (The transfer of power from the county government to sub country and other lower levels.Kipkorir (2009).

Counties will be embraced as the new centers of power and resources. Therefore, knowledge on Devolution which in essence is transformation from central governance to devolved governance is necessary to facilitate the understanding of counties and know they will be run by the residents, professional's business community, current local government employees and politicians. As anew phenomenon, county government will be the centers of development as they will have executive roles and 15% of developed funds. Therefore there is need to sensitize and prepare stakeholders for the big role and expectation from the residents, the central government and the development partners. County government in their planning incorporate their contributions in meeting the Millenium Development Goals which includes change management entails thoughtful planning and sensitive implementation, above all consultation with and involvement of the people affected by the changes. (Kotter 2008).

If you force change on people normally problems arise because the organizational members are much likely to resist this change and this can lead to the change dilemma. (Brown *et al.*, 2000). The promulgation of Kenya's new constitution on the August 27 2010 marked a big change in the system of government and governance from the unitary government to a two tier devolved structure. This brings on board the National government and the country government this has surmounted to change dilemma because of such a drastic change in the structure of the government that had been in place for the last 37 years (Burugu, 2010). Burugu contends that implementing devolution which is statutory granting of powers from the central government of a sovereign state to government at a Sub – national level as a regional, local or state level is a major challenge that Kenyans will be engaged in for the next five years.

Change witnessed through this devolution will face resistance because of the inertia, apathy, fear and prejudice of those who want to keep status quo. Lewin (1957). This might therefore lead to ineffective transformation from the central governance to devolved governance as again witnessed in Kenyans immediately after independence (Burugu 2010).

## **1.2 Statement of the Problem**

The transition from the old to new constitution in Kenya presents fear of the unknown, anxiety and apprehension and hope and enthusiasm on the other hand (Burugu 2010). The majority of Kenyans are not sure about political powers to be enjoyed by the countries. Although the devolved system is based on the constitutional mandates and responsibilities, jitters still prevail due to the challenges of managing the tribal diversity in some counties, marginalization of minorities, handling of natural resources as well as discrimination in allocation of resources.

Decentralization of power in Constituency Development Funds (CDF) has also seen devolution of corruption, nepotism, conflicts and misappropriation of funds (Kiprorir 2008). In a nutshell this paper captures the challenges of devolution and success stories of devolution where it's practiced as a matter of offering solutions to the change dilemma witnessed through devolution in Kenya.

## **1.3 Objectives**

- (i) Identify challenges of devolution and change implementation.
- (ii) Explain possible resolution in handling devolution challenges and approaches of implementing it.
- (iii) Identify success stories of devolved structure.

## **2 Literature Review**

Robert H. Milles 2010 *Accelerating corporate transformation* (Don't lose your nerves (six mistakes that can derail your company's attempts to change. Harvard Business review). Any corporate transformation launching the next major phase in an organization executing a new corporate strategy to achieve break through performance enabling a new executive leaders to take charge, or integrating an acquisition – is fraught with challenges.

Many talented executives don't fully appreciate some powerful insights. Transformation launches must be bold and rapid to succeed, yet embedded are kinds of speed brakes that can slow things down to a grinding pace. "Cautious management culture" in one that makes executives to try to avoid big mistakes fearing coming up with radical / big ideas and targeting big results. Strong traditional units have to share resources with underperforming units and often they must sacrifice something they value for the good for the whole. Because of management culture, those executives who control the most resources tend to trump new ideas and reinforce status quo.

In a conservative culture no one is certain that the leader in charge will stay the course on a transformation agenda. Hence a history of half – baked, half-hearted and half- lived change programs undermine confidence that the current challenge will be treated any differently. In this regard, Robert concludes that beyond mandating involvement, provide safe passage – enable managers and employees to be brutally honest about what they see the company's greatest weaknesses and encourages them to contribute ideas on how to launch the transformation and keep it doing. He adds that clearly spell out how everyone in the organization will move from the current state to the desired new state. I content that managers must describe the major steps and deliverables in their launch process as well as how and

when people at different levels in the company will become engaged in the transformation launch and journey.

## **2.1 Importance of Devolution**

Devolution has been successful in other parts of the world, Us, India, Nigeria, Sweden, UK and South Africa. Uganda practices devolution through kingdoms Tanzania through Jimbos. There is varying devolution system in place for instance, US, Nigeria and India systems are for federal states. Counties will have to draw experiences from similar environments and factors that bring them closer and learn how they operates, benchmark their strengths and transfer that knowledge and experience to benefit the county. Counties should design and develop slogans to serve as a rallying call or marketing edge. California is known as the "Orange County" while New Hampshire's slogan is "Live free or die." Ronald (2002). The formative years in Kenya 2012 – 2015 will be for laying foundation by instilling the best management and leadership practices (Burugu 2010). Kelleher, Christine A, Yackee and Susan Webb writing in the policy studies journal in their report, *An empirical assessment of devolution policy impact* state that sub – national levels of government provide more effective policy customers because they are closely tied to their respective constituencies "Closer to the people". Osborne (1988) says devolution should be followed as it allows experimentation and innovation and has better response to citizen preferences, promotes political participation and sub – national control enhances policy making legitimacy. However, I want to add that their is possible with leaders at various levels in the devolved structure being achievement oriented, dependable having tolerance for ambiguity and having ability to adjust to various situations.

## **2.2 Opponents of Devolution**

Opponents of devolution argue that devolution will place poorer counties and sub- counties at a disadvantage. They therefore content that devolution may intensify inequalities among jurisdiction because some localities are ill-equipped and lack the personnel or policy making capacities necessary to deal with the new authority (Kenyon AND kincard, 1991). Others argue that devolution may result in a 'arace to the bottom' where there is little incentive for counties and localities to offer the best services. If doing so will encourage more individuals to reap and gain from the public provided by certain sub-national government landy and Teles, Peterson 2001). Devolution was first practiced in Kenyan by colonial masters and they failed as Dr. Benjamin Kipkorir contends that counties were not empowered in terms by resources devolution and political power. They therefore led the led to poverty in marginalized areas, resulting into uneven national development. Incidences of conflict in approach, opinion and at times outright arrogance in disregard of the views of the county leadership were witnessed. Other forms of devolution through other systems like CDF has faced challenges as executives don't adhere to the objectives and policy guidelines of its establishment and utilization.

They ignore priority projects; appoint their friends, relatives and henchmen to run it leading to theft, looting and white elephant projects and fraud. The CDF Board the government agency that administers the find says the issues concerning CDF include accidents involving CDF vehicles, cases of suspected fraud, unfair distribution of finds across constituencies contractors not being paid, incomplete projects, mis-appropriation of funds and arranges over who should sit on the local committees. This is likely to be experienced in our new devolved systems of governance if such problems could not be approach in a pro-active way in implementing the change in devolution. Therefore devolved resources require inclusive and consultative management that recognizes the priorities of residents. Devolved counties have the potential to open up new opportunities fro economic development and stir up new growth centers Governors should work in close consultation with the national Government. This will remove

bureaucracy and resolve the concern of power centralization. Article 174 of the Kenyan Constitution on devolution objects include:

- (i) Foster National unity by recognizing diversity.
- (ii) Promote democratic and accountable exercise of power.
- (iii) Recognize the right of communities to manage their own affairs and to further their development.
- (iv) To project and promote the interests and rights and communities and marginalized committees.
- (v) To ensure equitable sharing of national and local resources through Kenya.
- (vi) Facilitate the centralization of state organs, their function and services to enhance checks and balance and the separation of powers.

Counties article 175:

- (i) County governs shall be based on democratic principles and separation of powers.
- (ii) Shall have reliable sources of revenue to enable them to govern and deliver services effectively.
- (iii) No more than 2/3 of the members of representative in each county government shall be of the same gender.

Potential sources of county funds:

- At least 15% share of the annual revenue from National Government
- 0.5% of annual revenue as equalization fund (to marginalized areas only)
- Local revenues from the county (market, businesses)
- Loans, donation and other grants
- Direct investment and diaspora remittances
- Public private partnership (ppp)
- County infrastructural Bonds

### **23 Challenges on Devolution Leadership**

Individual offering themselves for positions may hesitate knowing that through full of passion, promise excitement and rewards – leading is a risky dangerous work. This is because county and national leadership may challenge the long hold beliefs and demand new way of doing things which may cause pain, making people feel threatened and react by hurting the leaders both personally and professionally (Burugu 2010).

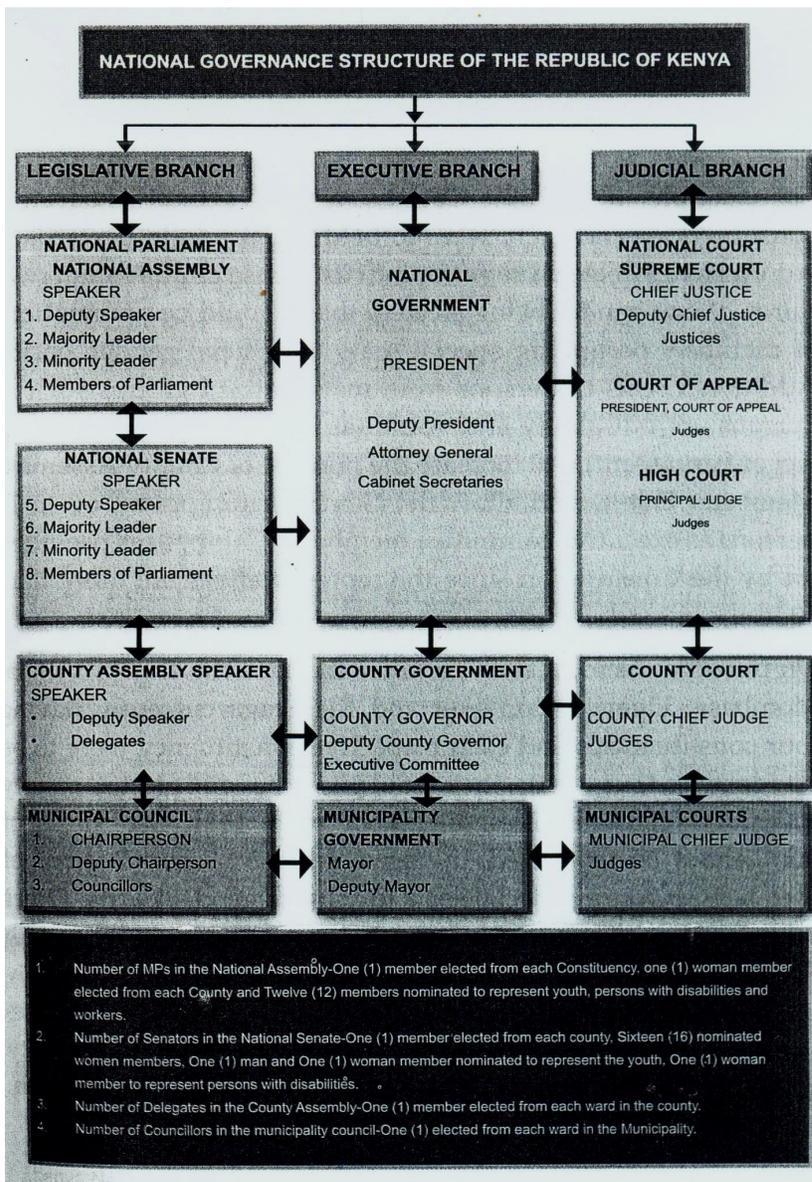
John P. Kotter a leading author of change divides leaderships that are complacent “..... Feeling of content or self – satisfaction, especially when coupled with an unawareness of danger or trouble.” He says all leaders are challenged to move boldly towards the future focusing on the lookout for hazards and the opportunities that change brings. A sense of urgency he adds makes its practitioners alert each day at work, determined to achieve something important they shed irrelevant activities to move faster and smarter. Ronald A. Heifetz and Morty Linsky state that people resist all kinds of creative and unexpected ways that can get leaders taken out of the game, pushed aside undermined or eliminated. This is because when one leads through difficult change he challenges what people holds dear: habits, tools loyalties and ways of thinking. County leaders should challenge the manner of routine so entrenched in service delivery, recruitments, revenue collection and management. They should nurture relationships and maintain sustained revolutionary change.

## 2.4 National and County Governments

National and county governments are expected to work in consultation, exchange of information respect for respective organs institution and structures (Burugu 2010). This co-operation policy will enhance national unity, harmonized policy formulation, coordination of socioeconomic policies, implementation of legislation, administration enhancing capacity and facilitation of county and senate government operations.

Each level of government should exercise integrity and respect constitutional functional status and government institutions of every level as the constitution provides for enhanced and closer working relationship, joint working committees may be formed for negotiation, mediation and arbitration during disputes (Kipkorir 2009).

## 2.5 Organogram of the Kenyan Governance Structure: source Burugu (2010)



## **2.6 Success Stories of Devolved System of Government**

### **2.6.1 The county of Los Angeles, California USA**

Los Angeles County comprises of 88 cities within the state of California. This county has succeeded through federalism and has had various benefits which has led to development of complex rail roads in the country that helped to open up areas as nurture entrepreneurship development of the Hollywood film industry, development of the reliable electricity to power industries cities business and homes and their county is a melt pot of diverse cultures that pursue dreams and opportunities. This country however could not entirely offer a learning experience to the Kenyan devolved system because it is a case of a successful county in a developed world. This notwithstanding the historical, social – economic, administrative and legal development of this county that led to the utilization of natural and human resources, focused strategic planning, resources mobilization and financial planning and management should be emulated by the Kenyan counties.

### **2.6.2 Gauteng Province of South Africa**

South Africa is a country that has a devolved system of government having regional governments headed by a premier. The national government retains supervisory and oversight roles, however the national congress has representation from the regional (provincial) governments both in the cabinet and assembly. Gauteng is one of the nine provinces of South Africa experiencing high population growth rate but is considered the economic hub of South Africa which contributes heavily in the financial, manufacturing, transport and telecommunication. What had made this province successful is that it has done zoning and proper use of local resources within the various devolution levels. It has also identified key, unique municipal strengths and their use and has had a strategy for municipalities to align development plans, avoid competitive behaviour, share resources and encourage idea generation to reduce poverty. [www.gauteng.za](http://www.gauteng.za). The counties therefore should synergize their energies to sub-counties to rationalize use of resources as the county grapples with urbanization and growth.

### **2.6.3 The Case of Nigeria**

Nigeria is one of the most populous African countries which run a federal system divided into thirty regional states fed by executive governors, regional assemblies and government (Linder 1990). This country has had many governments and coups inspired by unequal use of their natural resources. It witnesses that rules tend to allocate themselves ownership of the exploitation of natural resources like oil whenever they are in power (Burugu 2010) fuelling upheavals and unrest. This scenario is likely to be experienced in the new structure of governance in Kenya if clear legislation is not done on the sharing of natural resources between the national government and the county government in regard to resources discovered of various counties. Issues of religion dogging Nigerias government should also be addressed in the sharing of resources and power.

## **3 Methodology**

This research adopted secondary data where secondary materials of relevant content was analyzed and explicated.

## **4 Conclusion**

In conclusion, the devolved system of governance should not instill a change dilemma in the Kenyan people. It is evident in this paper that devolution is likely to be met with resistance from leaders and other members. It is also evident that devolution may intensify inequalities among communities in Kenya since some regions are more natural resources endowed than others.

Devolution may also be a transfer of the evils committed at the central system of government like corruption and misappropriation of funds to devolved systems. Ultimately, leadership should embrace reducing change resistance methodologies of building trust in the people involved in devolution, discuss upcoming changes, avoid threats in initiating change and involves all stakeholders in implementating devolution for successful implementation of the new structure of governance. The national and county levels should embrace optimum utilization of natural and human resource, focused strategy planning, aggressive resource mobilization and financial planning management. In addition each level of government should exercise integrity and respect constitutional, functional status and government institutions at various levels. Finally, different levels of the devolved structure have an obligation to build on their strengths and opportunities while seeking to eliminate weakness found and boldly face their threats.

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