

**DETERMINANTS OF EFFECTIVENESS OF ECONOMIC STIMULUS  
PROGRAMME IN KENYA: A SURVEY ON CONSTRUCTION OF FRESH  
PRODUCE MARKETS**

**BY**

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## **DECLARATION**

I declare that this dissertation is my 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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**ABSTRACT**

Economic Stimulus Programmes was instituted in 2009/2010 budget with the government aiming to achieve the following objectives or improving economic growth and sustainable development of various parts of the country. The purpose of the study was to investigate the factors influencing effectiveness of Economic Stimulus Programmes (ESP) in fresh produce markets in Kenya. This study was guided by the following objectives: to determine the effect of stakeholder participation on the effectiveness of ESP programme in Kenya. To determine the effect of management practices on the effectiveness of economic stimulus programmes in Kenya, to determine the effect of procurement practices on the effectiveness of economic stimulus programmes in Kenya and to establish the effect of support structure on the effectiveness of economic stimulus programmes in Kenya. The study used a descriptive survey research design. The target population included 15 markets in 3 counties in Kenya while the sample size of the study will be 381. Purposive sampling was used to select the respondents for the study. Questionnaires were used to collect data with the data collected analysed through ordinal regression and Pearson correlation. SPSS was used for data analysis and the data will be presented through frequency distribution tables, graphs, regression tables and pie charts. The study findings revealed that there is significant relationship between stakeholder's participation and effectiveness of ESPs. This was indicated by p-value of 0.0064. The study findings revealed that there is significant relationship between management factors and effectiveness of ESPs. This was indicated by p-value of 0.000. The study findings revealed that there is significant relationship between support infrastructure and effectiveness of ESPs. This was indicated by p-value of 0.0000. The study findings also revealed that there is significant relationship procurement practices and effectiveness of ESPs. This was indicated by p-value of 0.000. The study findings also revealed that 28.1% of the change in effectiveness of ESP is influenced by study variables. The study can thus conclude that management practices, procurement process, stakeholder participation and support infrastructure influence effectiveness of ESPs. The study recommends that consideration should be given to the study variables when implementing ESPs.

**Key words:** Economic Stimulus Programmes, Procurement processes, Management practices, Stakeholder Participation, Support Infrastructure

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## **DEDICATION**

I dedicate this work to my wife, children and colleagues for the assistance that they gave me during the period of my work study. I sincerely appreciate them for their patience and understanding.

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## **ACRONYMS AND ABBREVIATION**

<b>CDF:</b>	Constituency Development Fund
<b>CDFC:</b>	Constituency Development Fund Committees
<b>CPTC:</b>	Constituency Projects Tender Committee
<b>ESP:</b>	Economic Stimulus Programme
<b>GDP:</b>	Gross national product
<b>GOK:</b>	Government of Kenya
<b>MOF:</b>	Ministry of Finance
<b>PIU:</b>	Project Implementation Unit
<b>SPMC:</b>	Stimulus Project Management Committees
<b>TOC:</b>	Theory of Constraints

## TERMS AND DEFINITION

**Construction Projects:** Are projects undertaken by the government to facilitate provision of infrastructure to serve as a platform for production activities and comprises buildings, road network, bridges for enhancement of economic development.

**Economic stimulus programme:** These are programmes geared towards spurring the economic growth and development of a county after an economic crisis (World Bank, 2010).

**Effectiveness of Programme:** The degree to which a programme has achieved its intended objectives (World Bank, 2010).

**Participation**-this is the involvement of stakeholders and beneficiaries in the various levels of a programme or project through material contributions and consultation (World Bank, 2010).

**Programme** -is a way to partition work into manageable, somewhat independent projects in order to achieve a common set of goals (ESP manual, 2009).

**Project** -is an undertaking, a scheme of something to be done followed by the construction of something, normally with a beginning and a closure (ESP manual, 2009).

**Infrastructure:** Are the basic physical structures and services needed for the effective implementation and operationalization of projects (ESP manual, 2009).

**Project Beneficiaries:** Are members of the community who will benefit from government funded projects (ESP manual, 2009).

**Stakeholder Participation:** is the involvement of the key community members in the economic stimulus projects (ESP manual, 2009).

## CHAPTER ONE

### INTRODUCTION

#### *1.1 Background to the Study*

The term Economic Stimulus refers to the use of monetary policy to stimulate the economy. This has been a subject of scrutiny in the recent years following the wave of economic recessions in both developed and developing nations of the world. Various governments of the world have in the past used tactics such as lowering interest rates, increasing government spending and quantitative easing to stabilize the economy. Following the recession created by the 2008-2009 Credit Crisis, the economic stimulus became an everyday economic term which caused most, if not all of the world's nations to enter recessions and depressions (Greenspan, 2009).

Economic stimulus plan have played a major role in improving the economies of a number of countries ever since the great depression. Economic stimulus package has been used over the past decade with 43 countries announcing in 2009 an economic stimulus package of US\$ 2.18 trillion or 3.5% of the world's gross domestic product (GDP). An analysis of how nations responded to the economic and financial crisis shows that Asia enacted comparably large stimulus packages. 9.1% of Asia and the Pacific 2008 GDP, excluding Korea and Japan, were spent on stimulus efforts (Kasekende et al, 2009). According to Shikha (2010), the main driver of the stimulus spending in Asia was China with a stimulus package worth 12.7 percent of its 2008 GDP.

Among the great twenty nations, besides China, countries such as the United States, Korea and Saudi Arabia announced comparatively large economic stimulus packages. In terms of absolute size, the US package stands out as 5.6 per cent of its 2008 GDP is close to \$ 800 billion (Ocampo & Vos, 2008) Meanwhile, among the G20 countries, Russia,

UK, Indonesia, Mexico, Brazil, and France all had stimulus packages less than 2 per cent. Although many countries in both developed and developing countries have used economic stimulus package question still remain concerning its effectiveness in different countries including Kenya (Gravelle et al, 2009).

Shikha (2010) observes that the global economy, which has been showing nascent recovery signs in the first quarter of 2012, is facing renewed threats from events in Europe coupled with geopolitical uncertainties affecting oil production in the Middle East. It is against the background of these elevated vulnerabilities that the global economic activity is projected to decrease from 3.9% in 2011 to an estimated 3.5% in 2012, before rebounding to 3.9% in 2013 (Lee, 2008). The worsening Euro-zone debt crisis, high government debt and budget deficit levels in the United States have occasioned concomitant economic slowdowns in China and India, who are the world's largest commodity consumers. Global monetary authorities are continuing to fund programmes designed to support economic activity through a variety of channels, including borrowing-to-buy, refinancing to bolster cash flows, and a shift into risk assets (Shikha, 2010).

Economic outlook turned cautiously optimistic, the negative impact of the crisis on many African countries continues to deepen. The crisis has hit Africa with a lag, interrupting at best, and ending at worst, the impressive growth record of the last ten years. The crisis has also already started to erode the hard-won improvements in macroeconomic positions. Even though most African countries managed to avoid recession in 2009, the speed of the continent's recovery and longer-term prospects remain uncertain (Shanta, 2009). Additionally, the social and human cost of the predicament could be overwhelming: over 10% increase in unemployment in Africa just in 2009, and the number of exposed workers and the working poor could reach unprecedented levels.

Africa has adopted a range of measures to reduce the impact of the crisis, including fiscal stimulus packages, setting up special supervising units to identify causes and responses to the crisis, capital and exchange controls, targeted sectorial assistance and new rules in the banking sector. Several middle-income countries have applied expansionary monetary policies such as lowering policy interest rates (Hammerstad, 2012).

In relative terms, East Africa fared well during the global crisis. Among sub-Saharan Africa's sub regions, it was projected to post the highest real GDP growth in 2009 (Heintz & Ndikumana, 2009). However, Kenya experienced post-election violence in 2007/2008. The Kenyan economy grew from a minimum 2% to a maximum of 7% from 2002 to 2007 (Kasekende et al, 2009). Due to local and external actors, the economic growth dropped from 7.1% in 2007 to 1.7% in 2009 (MoF, 2010). The local Kenyan post-election violence of 2007/2008 led to a slowdown of economic activities, poor inter-regional trade due to disruptions of transports systems and directing of limited resources to remedying the effects of the post-election violence. The foreign tourists' arrivals further dropped for fear of being caught up in the violence. The world economic growth declined internationally, leading to shrinking of demand for our exports and drop in remittances from Kenyans living in the Diaspora (MoF, 2010).

The concept, 'Economic Stimulus Programme or package (ESP)' in Kenya came into existence and was brought into public limelight in the 2009/10 Budget speech to parliament (MoF, 2010). It premised on the theme, 'Overcoming today's Challenges for a Better Kenya Tomorrow', aimed at urgently jumpstarting the Kenyan economy towards long-term growth and development particularly in the wake of the 2007/08 Post-election violence that brutally battered the Kenyan economy and the 2008/09 global economic recession which had astronomical negative shocks on economies, Kenya inclusive (Gregory, 2005): The government allocated a total of Kshs 22 Billion to the budget for

the Economic stimulus program (MoF, 2009). The Economic Stimulus Programme was coordinated by the Ministry of Finance.

The general outcome of the measures undertaken for global fiscal stimulus by several countries appear to be positive in a sense that majority of nations around the globe observed growth in their real GDP in 2010, following the 2008 and 2009 global economic crisis. Reversing the decline of 0.6 per cent in 2009 in the aftermath of the economic crisis, the world output was projected to grow at 4.2 per cent in 2010, with the speed of global recovery differing from one country to another. The key objectives of ESP included boosting of the country's economic recovery, investment in long term solutions to the challenges of food security, expansion of economic opportunities in rural areas for employment creation, promotion of regional development for equity and social stability, improvement of infrastructure and the quality of education and healthcare, investment in the conservation of the environment and expand the access to, and build the Information and Computer Technology (ICT) capacity in order to expand economic opportunities and accelerate economic growth (Economic Stimulus Programme Handbook, 2009).

#### ***1.1.1 Economic Stimulus Programme of Construction of Fresh Produce Market***

The ESP is a GoK programme coordinated by the Ministry of Finance. It was introduced through the 2009/2010 budget and aims to stimulate the growth of Kenya's economy through rapid creation of business opportunities and jobs. KES 22 billion (USD 284 million) were committed to the programme. The government undertook large investments in essential sectors of the economy, including health and sanitation, education, environment, industrialisation, local government, fisheries/aquaculture and food production. The stimulus programmes in Market stalls has been one of the major flagship projects aimed at creating and improving entrepreneurship capabilities of the citizenry. It

was focused at addressing the missing markets and facilitating commerce, trade and rural enterprise development. The Ministry of Local Government in consultation with representatives of host local authorities spearheaded the implementation of the projects. This market project is aimed at addressing the missing markets in agricultural areas and facilitating commerce, trade and rural enterprise development. This was to be achieved by the construction of 1 produce market in each of 180 Constituencies at an estimated cost of KShs10million per Constituency (Task force Report, 2014).

### ***1.2 Statement of Problem***

In Kenya, the launch of the Economic Stimulus Programme (ESP) in 2009 was considered a major driving force that was to lead to tremendous growth of the country's economy despite its impediments in implementation. The realization of the ESP and the increase in government spending from a national point of view was to play a major role in reducing unemployment in the country, encouraging entrepreneurship, and stimulating economic growth, fostering education and innovation, promotion of regional development, which aimed towards the attainment of Vision 2030 (ESP manual, 2009).

Following the implementation of Economic stimulus projects, questions have been raised as to whether the ESP programmes have been effective in meeting the set-out goals both in the short and long term. According to a report by ministry of planning (2012) the effectiveness of economic programmes have been varied, with the following sectors: education, agriculture and fisheries showing realization of some objectives. However, the report raised concerns on the effectiveness of ESP in the fresh produce markets and industrialization sectors, with the report calling for more studies to understand the factors that have contributed to reducing the effectiveness of ESPs in some sectors (Ministry of Planning, 2012).

A number of studies have been carried out on ESP. These include: Gathoni (2012) in a study carried out a study on the influence of management on the success of Economic Stimulus Programmes in primary schools. The study focused on ESP programmes in education sector while excluding other sectors. Mwala (2012) carried out a study on the effect of project monitoring on the implementation of economic stimulus in education sector, the study focused on monitoring and evaluation of Economic Stimulus Programmes in education sector. Maina (2013) also carried out a study on the influence of stakeholder's participation on performance of economic stimulus projects. However, the study solely focused on education sector and left out other sectors where economic stimulus programmes.

Chekwanda (2014) did a study on the financial impact of developed fund on economic growth of Kenya. This study focused on various categories of devolved funds including economic stimulus programmes with a focus on impact of ESPs. Mwangi (2013) carried out a study on factors affecting effective implementation of monitoring and evaluation of economic stimulus programmes. This study sought to establish factors affecting monitoring and evaluation of economic stimulus programmes while focusing only on fish projects.

From the aforementioned studies it is evident that there are limited studies have been carried out to understand the factors affecting the effectiveness of ESPs in fresh market sector thus creating a gap on fresh market sector. This study was conducted to analyse the determinants of effectiveness of economic stimulus projects in the construction of fresh produce markets in Kenya.

### ***1.3 General Objective***

The main objective of the study was to establish the determinants influencing the effectiveness of economic stimulus programmes in the construction of fresh produce market in Kenya.

#### ***1.3.1 Specific Objectives***

- (a) To determine the effect of stakeholder participation on the effectiveness of economic stimulus programmes in Kenya.
- (b) To determine the effect of management practices on the effectiveness of economic stimulus programmes in Kenya.
- (c) To establish the effect of procurement process on the effectiveness of economic stimulus programmes in Kenya.
- (d) To establish the effect of support infrastructure on the effectiveness of economic stimulus programmes in Kenya.

#### ***1.4 Research Objectives***

- (a) Does Stakeholders participation influence the effectiveness of economic stimulus programmes in Kenya?
- (b) Does a management practice influence the effectiveness of economic stimulus programmes in Kenya?
- (c) Does procurement process influence the effectiveness of economic stimulus programmes in Kenya?
- (d) Does support infrastructure influence the effectiveness of economic stimulus programmes in Kenya?

### ***1.5 Significance of the Study***

The enactment of the new constitution in the year 2010 implied that resources and power were expected to be devolved to all the 47 county governments. This was expected to lead to great challenges in implementation of economic stimulus projects and the need to manage the funds well by the leaders. This study is a wake- up call to community members in selected counties, project managers and policy makers who could otherwise benefit from the resourcefulness of this study on major issues affecting the effectiveness of Economic Stimulus Projects (ESP).

The study has aroused new interest among scholars, development practitioners and students of research on re-mapping the traditionally established paths towards the ensuring the effectiveness of economic stimulus projects. This study has contributed to the global knowledge on factors influencing the effectiveness of ESP in developing countries. The study has also contributed to the body of knowledge on effectiveness of ESP projects in developing countries.

### ***1.6 Scope of the Study***

The major component of the Economic Stimulus Programme entailed implementation of projects by various ministries that include The Treasury, Ministries, Ministry of Public Works, Ministries of Education, Industrialization, Health, Local Government, Ministry of Agriculture and Office of the President Provincial Administration. However, the study focused on the projects under the ministry of local government/devolution with specific focus on the fresh market produce projects. The study focused on determining the factors influencing effectiveness of Economic Stimulus Programme in Market Sector. Specifically the study focused on the following factors procurement process, support infrastructure, management skills and stakeholder participation.

### ***1.7 Assumption of the Study***

The study had the following assumption

- (a) The study assumed that the established fresh produce market are operational
- (b) The study assumed that the respondents were to co-operate in providing the required information thus meeting the study's objectives.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### ***2.1 Introduction***

This chapter presents the literature review that supports the study and comprises of introduction of the chapter's content; then theoretical framework, literature review presented according to the objectives of the study, empirical studies, and conceptual framework presented at the end of this chapter.

#### ***2.2 Theoretical framework***

The study made use of the following theories: stakeholder's theory and theory of constraints.

##### ***2.2.1 Stakeholder Theory***

The study was based on the stakeholder theory. The theory concentrates on organizational management and business ethics that deals with values and morals in the management of an organization. The theory identifies and moulds the groups which are participants of a project, and both explains and proposes methods by which the management can give due consideration to the welfare of those groups. In short as Freeman (2004) notes, the stakeholder theory attempts to deal with the "Principle of Who or What Really Counts. Strategy as viewed by the stakeholder is a devolved fund projects' instrumental theory that integrates both views (the market-based and the resource-based) including a socio-political level. This view of the firm is used to define the specific stakeholders of an Economic Stimulus Project of stakeholder identification as well as examine the conditions under which these parties should be treated as stakeholders.

According to Ackermann and Eden (2001), the value of stakeholders from a service planning and strategy development perspective is well accredited. Even so, performance

measurement and the stakeholders function have been marginalized. The subject of who is seen as the final consumer of the generated performance measurement information has received minimal attention and yet, particularly in the public sector especially in devolved fund a project is of critical importance. Applying a stakeholder conception of projects which is contrary to the more conventional input-output viewpoint implies sticking to a belief where all players are involved with economic stimulus projects so as to accrue profits. According to Donaldson and Preston (2005), this is at variance with the input-output model which shows how certain players contribute input which the organization's black box converts to benefits for its clients.

Stakeholder theory is principally an instrument for management. The urgency, legitimacy claims and attributes power define economic stimulus projects stakeholders. Urgency and power must be concentrated on if managers are to attend to the legal and moral interests of genuine stakeholders. Yee-Chin (2004) argues that the stakeholder theory contains methods for identifying and managing stakeholders. Additionally, a significant amount of work has been carried out to identify the relative influence of different shareholders. Stakeholder theory will thus be of Importance in the study in explaining the role of stakeholder's involvement in the effectiveness of ESP projects in Kenya.

### ***2.2.2 The Theory of Constraints***

According to Goldratt (2004), organizational performance is dictated by constraints. These are restrictions that prevent an organization from maximizing its performance and reaching its goals. McMullen (2008) categorized the constraints into two groups: the constraints with lesser impact and the ones with greater impact. He suggested that every situation contains many relative lower impact constraints but only a single or a few higher impact constraint. The higher impact constraints are called core problems or root causes. He suggested that as time is everyone's prime constraint, maintaining the focus of

an individual or management on identifying and acting on the higher impact constraints will help using the scarce time effectively. Goldratt (2000) notes that there are two types of constraints: physical and non-physical constraints. A physical constraint is something similar to the physical capability of a machine, in other words, it is stiff and in its current state has a limit on its capacity or output (e.g. materials, machines, people, demand level). A non-physical constraint might be something like demand for a product, a corporate procedure, or an individual's paradigm for looking at the world.

Constraints can also be categorized into internal and external constraints. Internal constraints are inside the system and are usually more under control. This means that when the system cannot keep up with the demand, action needs to be taken to eliminate the constraint. But continuing such an action will in turn bring to a point where capacity exceeds demand and constraint exists in another form. Managers frequently encounter situations when a task is assigned by the top management with constraints. The managers then have to go over these constraints in order to complete the task (Mcmullen, 2008). The consequence is that they may have to take more time or resources than what has been planned. External constraints are outside the system and are less under control. This means that the system has slack capacity to handle external constraints and action taken can merely minimize the effect of undesirable consequence rather than breaking the constraints. However, constraints can never be permanently broken. Goldratt's theory of constraints (TOC) developed in 2000 is a process that seeks to identify and eliminate organizational process constraints that hinder effectiveness in an organization. TOC helps in identifying the factors that limit the effectiveness of projects and in suggesting possible solutions to address the constraints. This theory will provide the framework to understand the factors affecting the effectiveness of ESP projects and thereby recommend solutions to improve its effectiveness.

### ***2.3 Determinant to the Effectiveness of Economic Stimulus Programme***

The effectiveness of economic stimulus programmes is determined by a number of factors. This section will delve into some of the factors influencing the effectiveness of economic stimulus programmes.

#### ***2.3.1 Stakeholder Participation and Economic Stimulus Programme Effectiveness***

Stakeholders are individuals or organizations who are actively engaged in the project, or whose interests have the possibility of being affected either positively or negatively following the implementation of the project (PMI, 2000). According to Freeman (2004), Stakeholders are those persons involved and affected by the activities of the project. McElroy and Mills (2000) consider stakeholders of a project as individuals or groups of people with vested interest in a project's success and the surrounding within which the project runs. Stakeholders can either be primary or secondary (Winter et al., 2006). Primary stakeholders have more interest in the project than the secondary stakeholders. According to (Baker, 2008), there are four primary stakeholders to any project; these include customers, developers/ sponsors, project teams and product end-users. Secondary stakeholders can be organizations or individuals who are affected by the project in any form, for example politically, economically, socially or otherwise (Veraz, 2007).

According to GOK (2009) the Kenyan Economic Stimulus Programme had stakeholders at the various levels of the programme. The top-level structures responsible for policy formulation were spearheaded by the office of the Deputy Prime Minister and Minister for Finance assisted by the Technical Working Group and the ESP Secretariat. Project Implementation Units (PIUs) were established at the respective Line Ministries while at the constituency level the Stimulus Project Management Committees (SPMC) were established by the Constituency Development Fund Committees (CDFC), and the

Constituency Projects Tender Committee (CPTC) adopted from constituency development fund (ESP Manual, 2009).

A study of large public projects that was carried out by Olander and Landin, (2005), advanced that it is crucial for a project management team to recognize stakeholders with the potential of influencing the project. The identification would then be followed by efforts to manage the varying demands of the stakeholders throughout the stages of the project. The aim of such efforts is to enable involvement of all stakeholders in the activities of the project so as to achieve the intended project goals.

The findings of a study by Message (2007) also revealed that involvement of primary stakeholders in the project has a positive effect to performance of the project through creating widespread support for the project, which increases the acceptance and legitimacy of policy plans. According to Liu and Walker (2008) project performance is a function of the performance of each participant in the project. (Bourne, 2005) demonstrates a direct link between the successful management of the relationships between the project stakeholders and the performance of the project.

Studies carried out on roles of BOGs as stakeholders in economic stimulus programme in education sector indicate that BOG are key stakeholders in the performance of economic stimulus programmes Mulai (2011); Gathoni (2010). Similarly, Kamunge (2008) in a study that was carried out on the role of stakeholders in implementation of economic stimulus programmes. The study established that board of governors and school committees not only play a role in implementation but also the success of economic stimulus programmes.

Genuine community involvement whereby local people are treated as equal parties and active participants whose contribution is intrinsic to the success of the project is an

essential factor for effective implementation of any public project. Whether a project is executed and how promptly it picks up and adapts to the changing needs depends on the degree of community support. This means that the engagement of the local community begins at the planning stage, when the identification of the type of project needed is being done (Bourne, 2005).

A study by Mwakila (2008) sought to assess Community Participation in Water Supply and Sanitation Services in Water Community Projects of Yombo, Dovyva and BarabarayaMwinyi villages, Temeke district, Tanzania. The research connected participatory approach with water services sustainability with a specific focus in rural areas. The study explored in detail the methodologies employed to boost the participation of people with the study findings showing that stakeholder's engagement is an essential aspect of effectiveness of any public project.

Ngwegwe (2007) also conducted a research in which he underlined the significance of community participation in the identification of needs and the way of addressing them through implementation of public projects. The research was carried out in a street called Mnyamani located at an informal settlement within Buguruni, Ilala district in the city of Dar - es-Salaam. The student settled on the Infrastructure Project of Mnyamani Community because he was involved in the whole project cycle, beginning from the assessment of needs to the implementation of the project. The study made the conclusion that local people support a project more when involved. The implementation stage of the project was, however faced with challenges.

Yang & Callahan (2005) in study established that the middle class rarely attend chiefs' Barazas or CDF committees, and there is need to sensitize and animate them to their social responsibility. There may also be need to create incentives to encourage their

participation. Incentives need not be in monetary terms; the benefits of development of the region can be aggressively marketed and recognition of service awards given. Lack of suitable facilities to hold consultative meetings may also deter individuals from participation. It was recommended that each ward should have a functional social hall with accessible grounds to enable proper organization of local meetings and activities (Yang & Callahan, 2005).

### ***2.3.2 Management Practices and Effectiveness of Economic Stimulus Programme***

Management of projects plays an important role in the effectiveness and sustenance of projects. It is the discipline of organizing, planning, motivating, and controlling resources to realise definite objectives of a certain project. The definition of a project according to Oelman (2004) is a temporal venture with a distinct beginning and end which is carried out to meet exceptional objectives and goals, usually to bring about added value or useful change. The brief nature of projects stands in contrast with business as usual operations, which are recurring, long-term, or semi-permanent functional activities to produce goods or services. Schultz & Slevin (2007) argues that at the practical level, the management of these two systems is often quite distinct, and as such involves the development of discrete management strategies and technical skills.

Schultz and Slevin (2007) suggests that management support for projects, or indeed for the success of any project has for a long time been considered to be crucial in distinguishing between their ultimate success and failure. Beck (2006) argues that project management is not only dependent on top management for authority, direction, and support, but is ultimately the determinant to any project effectiveness.

A study on the harmonization of decentralized development in Kenya, examined the effects of the existence of multiple funds and the duplication of implementation management structure. The study established that these funds have largely deterred

citizen engagement in local governance. Citizens have been confused by the existing overlaps between administrative boundaries which have made it difficult for them to understand or recall the processes involved in fund administration especially in the implementation of projects such as Economic Stimulus Projects. These overlaps have also made it difficult to conduct monitoring and evaluation (KHRC and SPAN, 2010).

Manley (2007) shows that the degree of management support for a project leads to noteworthy distinction in the customers level of eventual reception or resistance to that product or project. Management's support in the project implementation may incorporate factors like sufficient resource allocation, be it money, time or labour and the confidence of the project manager in their support in the event of crises. Otundo (2012) in a study examines factors influencing effective implementation of projects in public secondary schools in Nyamira District and argues that management skills of the project managers or the various individuals who play key roles in enabling the projects to achieve their goals.

Gathoni (2012) carried out a research to assess the influence of Economic Stimulus Program (ESP) project management in the implementation of the ESP primary school infrastructure funded projects in Kitui County with particular focus on the Southern Part of the County. The study sought to meet specific objectives that include: to determine the effect of economic stimulus projects' management skills on infrastructure in primary school; effect of involving community in the economic stimulus projects' management on implementation of primary school infrastructure; influence of economic stimulus projects' financial management on primary school infrastructure implementation; the influence politics exerts in economic stimulus projects' management on primary school infrastructure implementation and influence of school head teachers in economic stimulus projects' management on implementation of primary school infrastructure, in Southern Part of Kitui County. The conclusion reached from the findings of the study is that the

ESP primary school management committee were important to the sustainability of the project and it had made positive impact in these schools and in academic performance in the 2011-KCPE examination.

### ***2.3.3 Procurement Practices and Effectiveness of Economic Stimulus Programme***

Procurement based on the definition of Lysons and Farrington (2006) is the practice of acquiring services or products using any means such as borrowing, leasing, pillage or even by use of force. On the other hand, procurement is defined as the way of obtaining goods including livestock, services, assets, any type of works or any combination of these through buying, leasing, renting, or use of hire purchase, franchise, tenancy, and license or by use of any other contractual means (The Public Procurement and Disposal Act, 2005). Hui et al, (2011) suggest that effectiveness in the procurement system of the government is essential to ensure minimal leakage since the system is a component of the conversion process beginning from fund collection to project implementation. Procurement takes about 60% of the expenditure of the government based on the Comesa report (2004) as quoted by Kipchilat (2006). The implication of this level of expenditure is that accountability is vital at all times. The 60% figure is a significant and can impact greatly on development in case the resources are well utilized. It is therefore necessary for every government to put strategies in place that aim to control procurement and minimize wastage while fostering the development agenda. In conclusion, Hui, et al, 2011 state that the huge sum of money involved in procurement system of a government demands transparency and accountability considering that the system is funded by the public. The expectation of the public towards government procurement is that it should contribute to the reduction of poverty and improvement of economic growth in alignment with the development goals of the nation (Ondieki et al, 2013).

Following the significant investment, the process of procurement has the potential to deliver to the community some considerable public value payoffs as noted by Staples and Dalrymple, (2011). The two also argue that the procurement of projects that focus on construction of such facilities as schools, hospitals and markets facilitates the delivery of highly beneficial services that significantly affect the livelihoods of the members of a community. Additionally, Winch (2002) notes that the public sector in its investment in physical assets aims to deliver services, goods and symbols that are valued by the society.

Njagi & Ndolo (2015) in a study aimed at examining the role of procurement training in the performance of economic stimulus programmes in public sector in Kenya. The study established that most of the members involved in procurement of ESP projects have not undertaken any form of training on procurement process, besides not having experience in procurement of public goods and services. Additionally, the study also found out that due to lack of training among members in a tender committee, key personnel with experience in procurement have an influence on the tender committee of economic stimulus projects.

Kogi (2013) in a study that sought to establish the factors influencing the construction of economic stimulus programmes. The study found out that procurement process determines the contractors 'selection thereby affecting the implementation of economic stimulus programmes. Xiaohong (2011) in a study on the role of procurement process concurred that construction selection process have big influences upon success of public projects and thus there is need for proper procurement process.

Public purchasers as noted by Bailey et al (2008) are answerable to the community whose funds are spent and this includes potential suppliers and tenderers who may have been disappointed. Consequently, they must develop reliable practices and procedures that can

be used during audits by government or in case of court challenges relating to purchasing decisions that may have been carried out unprocedurally. Public accountability is mainly aimed to prevent unwarranted exploitation of the taxpayer's funds.

Hunja (2001) in his research on obstacles associated with public procurement argues that in the past years, majority of developing countries did not appreciate the role of procurement in the management of public funds and other resources. Public procurement was largely looked upon as a 'back office' support task that is process oriented conducted by nonprofessional workers of the purchasing agency. This view has however been receiving lesser and lesser support recently considering that the need to curb corruption has increased following the shrinking budgets and the discovery that considerable savings can be attained through establishing a properly-organized system of procurement.

Integrity is an essential pillar of current national procurement systems that needs to be maintained (Barrett, 2000). Moreover, a study conducted by the World Bank (2003) suggests that the process of procurement should uphold integrity through such means as preventing and dealing with malpractices and making informed decisions. Such measures require public institutions to ensure that all requirements and obligations are being met and that decisions are made based on accurate and reliable information. The proposed amendment of the 2003 Act in 2007 which is supported by the Act section 13 requires that the integrity of the persons involved in the procurement process be put into consideration. This is as a result selection of constituency development committee members is characterized by political interference/interests of the members of parliament (RoK 2003).

A study by the Ghana Integrity Initiative (2007) found that the practice of procurement should be responsive to desires, prospects and wants of the society being targeted.

Irrational working process is the one of the main reasons of wasting time resource. Therefore, optimization of the procurement process, integration, and the streamline flow are the inevitable requirement that the organization can have to ensure the realization of any project goals. The process management breaks the traditional enterprise boundaries among organizations. Each work is a part of the process, which must achieve the time requirement of the whole process. Time is the key performance indicator of the efficient process. In order to save the time and provide a better internal logistics, the organization needs to measure the external quick-response and internal quick-response. The external quick-response means the fast rapid of reflecting the customer orders.

#### ***2.3.4 Support Infrastructure and Effectiveness***

Infrastructures as noted by Familoni (2009) are basic services that are essential for development to take place. The availability of economic and social infrastructures can enhance socio-economic development. The absence of these basic services and facilities would make development so difficult to come by that it can be likened to an extremely rare commodity that can only be acquired at a very high price and cost. The development and provision of infrastructures has been the subject of much theoretical analysis and empirical studies. The theory contends that there are three things that Public infrastructure does which include: providing services that form part of the residents' consumption bundle; providing stimulus to the economy in the short-run given that large-scale expenditures increase collective demand; and enhancing output and productivity by serving as an input into the production of the private sector (world bank, 2010).

The economy's productive capacity can be improved by providing economic infrastructure that would in turn enhance the infrastructure's quality and quantity. Expanding the economic infrastructural base would lead to a shift in the production possibility frontier or the transformation curve. The shift would accelerate the economic

growth rate and increase the socio-economic development pace. Based on World Bank, (2010) improved maintenance would lead to better quality of existing infrastructure.

Good infrastructure includes efficient road network to enable accessibility by the project beneficiaries. Efficient water and electricity supplies for the project implementation and project operations. Martinez (2008) states that good quality infrastructure is a key ingredient for sustainable development. Consequently, all nations require efficient systems of transport, energy, sanitation, and communication if they are to thrive and provide their populations with decent living standards. Many developing countries unfortunately possess poor infrastructure, which hinders their growth and ability to trade in the global economy. Most projects are limited in meeting the goals and objectives they are set for because of poor infrastructure.

A study by Williams (2000) on the impact of transport infrastructure investment on regional development established that transport infrastructure investment can contribute to growth by expanding the stock of capital available for use in producing goods and services. With more capital and increased efficient production, both real income levels and standard of living can be expected to rise (Roberts, 1997).

Williams (2000) indicated there is an abundance of literature on the productivity of infrastructure investment and that public capital has an impact on private capital, on labour productivity and hence on economic growth, but the magnitude and significance of these effects are not clear. This study however, was focused on one mode and avoided issues relevant to the inter-modal or multimodal dimensions of transport projects.

#### ***2.4 Summary of Reviewed Literature***

The effectiveness of public projects required a number of variables that play a key role for its achievements. The project financing structure involved a number of equity

investors; known as sponsors, as well as a syndicate of banks or other lending institutions which provided loans to the operation and had a great impact on project implementation. Project management on the other hand plays a major role on project implementation since the discipline entails planning, controlling, motivating, and organizing resources to attain the preset objectives of a given project. Quality infrastructure is a key ingredient to sustainable project development and project impact. This is why, successful projects needed efficient transport, sanitation, energy and communications systems if they were to meet the goals and objectives they were set for and therefore to improve the living standards of the communities. It was noted that genuine participation by community members, including youth, was essential since members of the local community control whereas professional partners enhance the community's capacity to make decisions based on reliable information and implement them collectively.

Most of the studies reviewed have addressed the effectiveness of public projects implementations, management, community participation and infrastructure issues. In addition most of the studies that have been carried out in Kenya have been carried out on the effectiveness of education projects, irrigation projects and fish farming projects. From the reviewed studies it is evident that there is need for more studies on other effectiveness of other economic stimulus projects (Fig. 1).

## 2.5 Conceptual Framework

**Figure 1**  
**Conceptual Framework**

Independent Variables

Dependent Variable



**Table 1**  
**Operationalization of the Variables**

<b>Category of Variable</b>	<b>Variable</b>	<b>Indicator</b>	<b>Measurement</b>	<b>Measurement Scale</b>	<b>Questions</b>
Independent Variable	Stakeholder Participation	Trained community members	No of community members trained, No of local SMEs supplying construction materials	Nominal Ordinal	Section A
Independent Variable	Management practices	Existence of management committee	No of management committee meetings	Nominal Ordinal	Section B
Independent Variable	Procurement process	Existence of tender committee	No of tender issued	Nominal Ordinal	Section C
Independent Variable	Support Infrastructure	Road network, water facilities	Availability of access to roads, electricity, water and land	Nominal Ordinal	Section D
Dependent Variable	Effectiveness	Fresh market produce	Returns to beneficiaries, Completion and operation of markets	Nominal Ordinal	Part 1 question5, 6,7

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### ***3.1 Introduction***

This chapter describes the research design and methodology that was used in this study. The chapter covers the following sections: research design, target population, sample and the sampling procedures, description of the research instruments, validity of research instruments, reliability of the research instruments, data collection procedure and data analysis procedure.

#### ***3.2 Research Design***

The study employed a descriptive study design. Descriptive study design describes and report the way things are. This design was used because allowed the study to determine the factors that influence the effectiveness of economic stimulus projects.

#### ***3.3 Target Population***

The target population provided a solid foundation and first step towards building population validity of the study. The Target population of the study were market stalls in 47 counties and specifically focused on market stalls in 3 counties and with a target of 15 completed market stall projects in the three counties. The 3 counties were selected because of convenience and also due to the reason that they have the highest number of completed markets among the counties. The unit of analysis were the project beneficiaries (retailers, project management committee and county development officers).

**Table 2**  
**Target Population of the Study**

Target Population	Market
Machakos County	6 markets
Kiambu County	6 markets
Kajiado County	3 markets
<b>Total</b>	<b>15 markets</b>

### *3.4 Sample and Sampling Techniques*

A sample is a smaller group or sub-group obtained from the accessible population (Mugenda and Mugenda, 2010) and consists of project beneficiaries. The sample size of the study was expected to be 381. The study used purposive sampling to select the project beneficiaries in each constituency. This sampling procedure was used because the sample size was not known and therefore it allowed for the selection of respondents who provided the information to meet the objectives of the study.( Table 3).

**Table 3**  
**Sample Size of the Study**

Markets	No per market/county	Units	Total
Retailers	20	15 markets	300
Committee members	5	15 markets	75
County development officers	2	3 per county	6
<b>Total</b>			<b>381</b>

*Source (Researcher) 2015*

### *3.5 Data Collection Instruments*

The study used primary data collected through the use of a questionnaire. Data was collected from the respondents through a self-administered semi-structured questionnaire

with both open and closed ended questions. Each respondent received the same set of questions in exactly the same way. The questionnaires were attached to a cover letter from the researcher explaining the purpose of the study. The questionnaire was administered to the beneficiaries of the fresh produce market.

The questionnaire is appropriate tool for collection of data from a cross-section of respondents. The questionnaire was divided into six sections. The first section sought to capture the background information for each respondent. The second section covered information on the management practices that influenced effectiveness of ESPs. Section 3 captured information on the procurement practices that influenced effectiveness of ESPs. Section four on the other hand covered information on the stakeholder participation and its influence on effectiveness of ESPs. Section five captured information on the support infrastructure and effectiveness of ESPs and the last section covered the effectiveness of ESPs.

### ***3.6 Validity and Reliability of the Research Instruments***

The questionnaire to be used for data collection was pretested for its face validity through a pilot study that was carried out among 40 respondents .This helped gain respondents view on the validity and reliability of the questionnaire. The selected respondents were not be allowed to participate in the main study. In addition the pilot results will help the researcher to fine tune the questionnaire for objectivity and efficiency of the process. Expert views and suggestions of supervisors was also included in the questionnaire during the development and fine tuning of the questionnaire.

Pre-testing also helped to assess whether the respondents are able and willing to provide the needed information. Pre-testing was conducted in circumstances that are as similar as possible to actual data collection and on population members as similar as possible to

those that will be sampled. As a result of the pilot test, changes in the research instrument were made to improve the reliability and validity of the research instrument. The instrument was subjected to reliability test using the Cronbach alpha (test. An alpha (value of  $f = \geq 0.7$  was interpreted to mean the instrument is reliable.

### **3.7 Data Analysis**

Data analysis refers to examining what has been collected in a survey or experiment and making deductions and inferences (Kombo and Tromp, 2006). Data collected was edited and checked for completeness and comprehensibility; summarized; coded for easy classification and tabulated. The tabulated quantitative data was then analyzed by using Statistical Package for Social Sciences (SPSS) software to establish the patterns, trends and relationships using both descriptive and inferential statistics. SPSS was used because the study used simple regression model that is easier to analyze with the statistical software. In particular, frequencies and means, regression was used to examine the relationship between the factors and financial performance. The proposed model took the form below:

$$(i) (Y) = \beta_0 + \beta_1 (X1) + \beta_2 (X2) + \beta_3 (X3) + \beta_4 (X4) + \epsilon$$

Where,

$Y_i$  = Effectiveness of ESPs

$X_1$  = Stakeholder Participation

$X_2$  = Management Practices

$X_3$  = Procurement Process

$X_4$  = Support infrastructure

$\epsilon$  = representing the error term

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  are the coefficients of the independent variable

### ***3.8 Ethical Considerations***

The researcher first sought for a permit from the KCA University and national science of technology to provide explanation and permission that was shared with the study respondents thus enabling the data collection process. The researcher also sought for permission from national commission for science, technology and innovation and the county government. The researcher did seek for individual consent and assent from the participating employees with the study participants assured of confidentiality and privacy. The responses given were kept confidential. The responses were used for academic purposes only. All citations were referenced to avoid the problem of plagiarism.

## CHAPTER FOUR

### PRESENTATION OF FINDINGS

#### *4.1 Introduction*

The study was conducted in three counties and focused on the factors affecting the effectiveness of economic stimulus programmes. The results of the study are presented in the sections below.

#### **4.2 Reliability Tests**

The researcher carried out a pilot test among 40 selected respondents from markets in Nairobi County. The reliability score was done based on the each objective and according to various sections. The reliability scores on each objective indicated that the cronbach's scores were all above 0.70 thus indicating that the questions were reliable.

**Table 4**  
**Reliability Test**

<b>Questions</b>	<b>Cronbach's Alpha Scores</b>
Stakeholder Participation	0.75
Management Practices	0.78
Support Infrastructure	0.82
Procurement Process	0.85

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Source (Researcher) 2015

#### *4.2.1 Response Rate*

Data was collected from a sample target respondents of 385 from the three selected counties, with 330 completed questionnaires and this gives a response rate of 86 %. This

is above 70% that is the minimum completion rate that is allowed for analysis. The data collected was thus suitable for analysis. This is presented in Table 5.

**Table 5**  
**Position held by the respondents**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Retailers	286	86%
Committee Members	40	12%
County Development Officer	4	2%
Total	331	100

Source (Researcher) 2015

The study was conducted in the areas shown in Table 4.3 below to assess the factors that influence the effectiveness of Economic Stimulus Programme in Kenya among the fresh produce markets in different Counties. 33% of the respondents were from Kiambu markets, 30% of the respondents were from Machakos markets and 37% of the respondents were from Kajiado markets (Table 6).

**Table 6**  
**Study Sites**

<b>Markets</b>	<b>Frequency</b>	<b>Percentage</b>
Kiambu	110	33
Machakos	100	30
Kajiado	121	37
Total	330	100

Source (Researcher) 2015

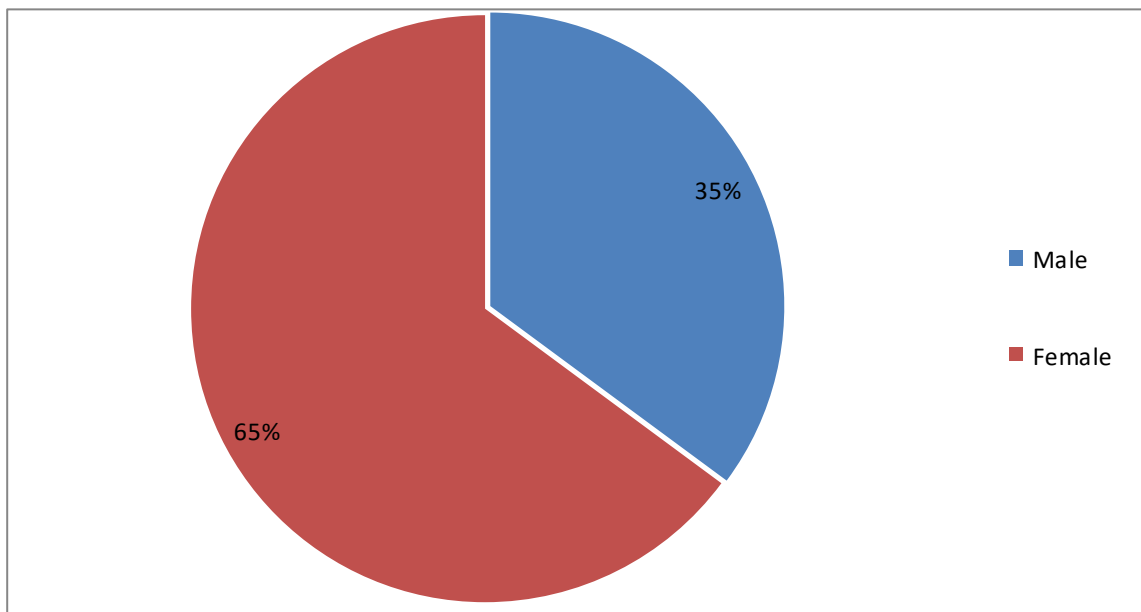
### **4.3 Demographic characteristics**

Demographic characteristics determine the level to which beneficiaries can benefit from public projects thus an analysis on gender, age, level of education was performed in the study with the results presented in the continuing sections.

#### **4.3.1 Gender of the respondents**

Gender is a key determinant of the beneficiaries in public projects thus gender analysis was carried out among the respondents. Figure 2 shows the distribution of respondents based on their gender. Majority of them (65%) were female and 35% were male. This explains to a greater extent the reason that majority of small-scale traders in retail markets are women. The study results compare well and are consistent with the findings of Zaherawati (2010) which found out those respondents in retail industry is predominantly dominated by female (Figure 2).

**Figure 2**  
**Gender of Respondents**



Source (Researcher) 2015

### **4.3.2 Age of the respondents**

The study sought to establish the age of the beneficiaries of the economic stimulus projects considering that different person of carrying ages benefit differently from any public projects. The results of the distribution of the respondents based on their ages were as presented in Table 7 below. Most of the respondents were above 26 years old, only 8% were 25 years and below. 25% were above 41 and above years, 24% were between 31-35 years, 23% were between 26-30 years, 20% were between 36 and 40 years. The results indicate that beneficiaries of the economic stimulus projects include both youths and adults thus the ESPs can impact on both youth and adults (Table 7).

**Table 7**  
**Age of the respondents**

<b>Age</b>	<b>N</b>	<b>%</b>
41 and above years	83	25%
31-35 years	78	24%
26-30 years	74	23%
36-40 years	67	20%
25 years and below	27	8%
Total	329	100%

Source (Researcher) 2015

### **4.3.3 Level of Education**

The study sought to establish the level of education of the beneficiaries with the findings indicating that almost all the respondents had some level of education with majority (58%) having secondary education, 25% with primary education and 12% had college education. A few of them (5%) had no education at all. These findings indicated that majority of retailers tend to have lower level of education. This is because small scale is not associated with some technical skills (Table 8).

**Table 8**  
**Respondents Level of Education**

<b>Highest level of education</b>	<b>N</b>	<b>%</b>
Secondary	191	58%
Primary	83	25%
College	41	12%
None	15	5%
<b>Total</b>	<b>330</b>	<b>100%</b>

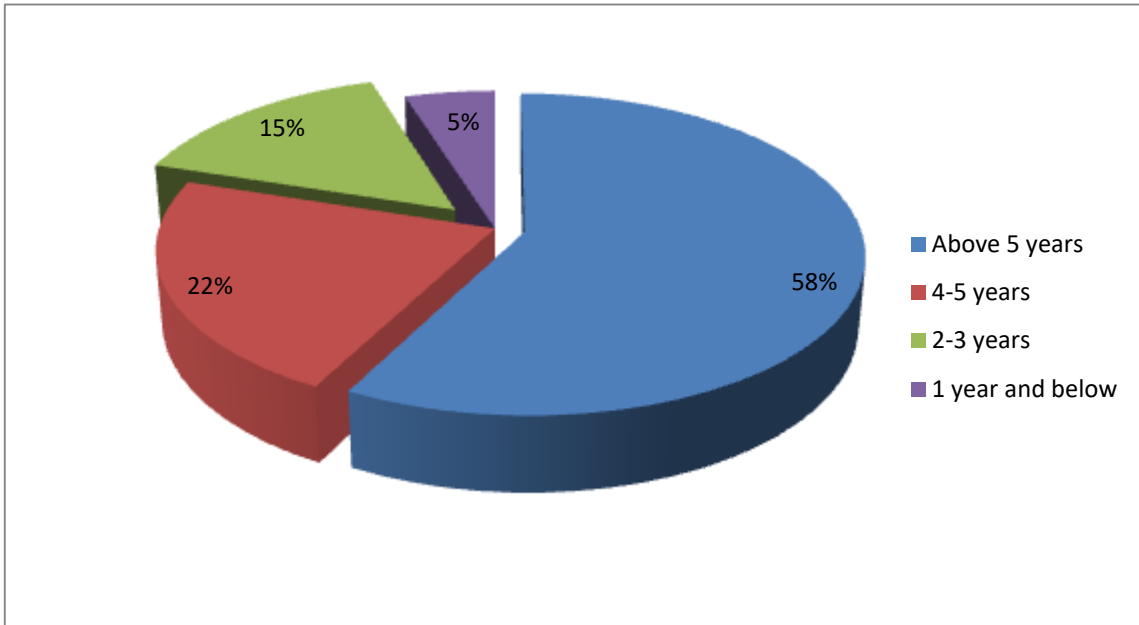
Source (Researcher) 2015

#### ***4.3.4 Year of Operation***

The study sought to establish the years to which retailers have been engaged in selling produce in local markets. Majority of the respondents (58%) had worked in the retailing industry for over five years, 22% had worked for between four to five years, 15% had worked for between two and three years and 5% for less than one year. These results indicate that the establishment of ESP market did not necessarily lead to more persons engaged in selling of produce since majority of retailers had been engaged in selling of agricultural produce in local markets (Fig 3).

**Figure 3**

**Year of Operation**



Source (Researcher) 2015

**4.3.5 Degree of Completion and Operational**

The study sought to establish whether the market stalls in the constituencies were completely constructed and operational. Majority of the respondents (62%) agreed that the market stalls in their respective areas had been completed, while 34% did not agree and 4% were not sure. Among the completed stalls, 68% were operational while 32% were not operational. These findings show that the implementation of ESP projects was affected by a number of factors that contributed to the completion and operationalization of fresh produce market stalls (Table 9).

**Table 9**  
**Market completion and Operational**

<b>Aspect</b>	<b>Response</b>	<b>N</b>	<b>%</b>
Market completion	Yes	204	62%
	No	112	34%
	Not sure	12	4%
	Total	328	100%
Market operational	Yes	138	68%
	No	66	32%
	Total	204	100%

Source (Researcher) 2015

#### **4.3.6 Benefit of Fresh Market Produce**

The study sought to find out the degree to which the beneficiaries of fresh market produce perceive the fresh market produce as beneficial to them. Regarding the extent to which the stalls benefits the community, 60% and 7% agreed that it was beneficial to a great and a very great extent, while 22% pointed it was to some extent. Further 9% believed that it was beneficial to a little extent and 2% believed that it was not beneficial at all (*Table 10*).

**Table 10**  
**Extent to which fresh produce market is beneficial to the community**

<b>Extent to which fresh produce is beneficial to community</b>	<b>N</b>	<b>%</b>
To a great extent	197	60%
To some extent	71	22%
To a little extent	29	9%
To a very great extent	24	7%
To no extent	7	2%
Total	328	100%

Source (Researcher) 2015

#### ***4.4 Effects of Stakeholder participation on the effectiveness of fresh produce markets***

One of the objectives of this study was to determine the influence of stakeholder participation on the effectiveness of Economic Stimulus Project. Most of them (85%) believed that lack of stakeholder participation was a hindrance to the effective implementation of ESP projects in their respective areas while 8% felt that sometimes it does affect, 3% were not sure of the influence lack of stakeholder participation could have against the implementation of the ESP projects. Other respondents, 2% each didn't know at all or didn't believe that lack of stakeholder participation was a hindrance to the implementation of ESP projects (*Table 11*).

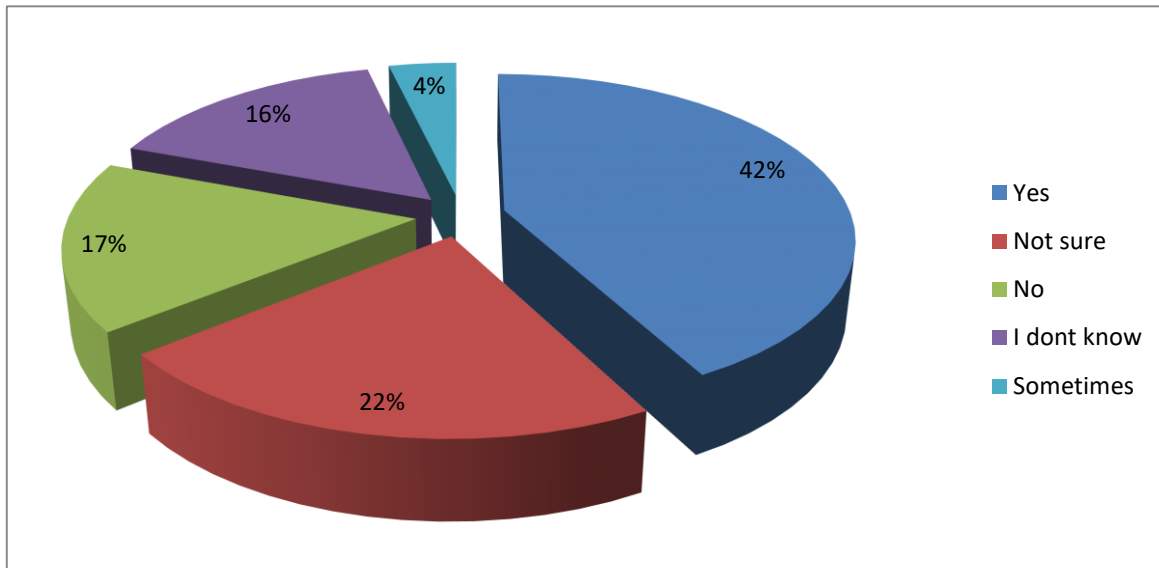
**Table 11**  
**Lack of Stakeholder Participation**

<b>Lack of stakeholder participation</b>	<b>N</b>	<b>%</b>
Yes	273	85%
Sometimes	24	8%
Not sure	11	3%
I don't know	7	2%
No	5	2%
<b>Total</b>	<b>320</b>	<b>100%</b>

Source (Researcher) 2015

The research further sought to find out whether some community members had been trained on ESP projects where 42% believed some community members had been trained and 17% said no members of the community had been trained. However, a significant population, 22% were not sure, 16% did not know and 4% believed that some community members had sometimes been trained (*Fig. 4*).

**Figure 4**  
**Economic Stimulus Programme Community training**



Source (Researcher) 2015

Between one and twenty community members had been trained according to 69% of the respondents, while 22% believed that between 21 to 40 members had been trained and 9% and 1% believed between 41 and 60 and 61 to 80 members had been trained on ESP projects (*Table 12*).

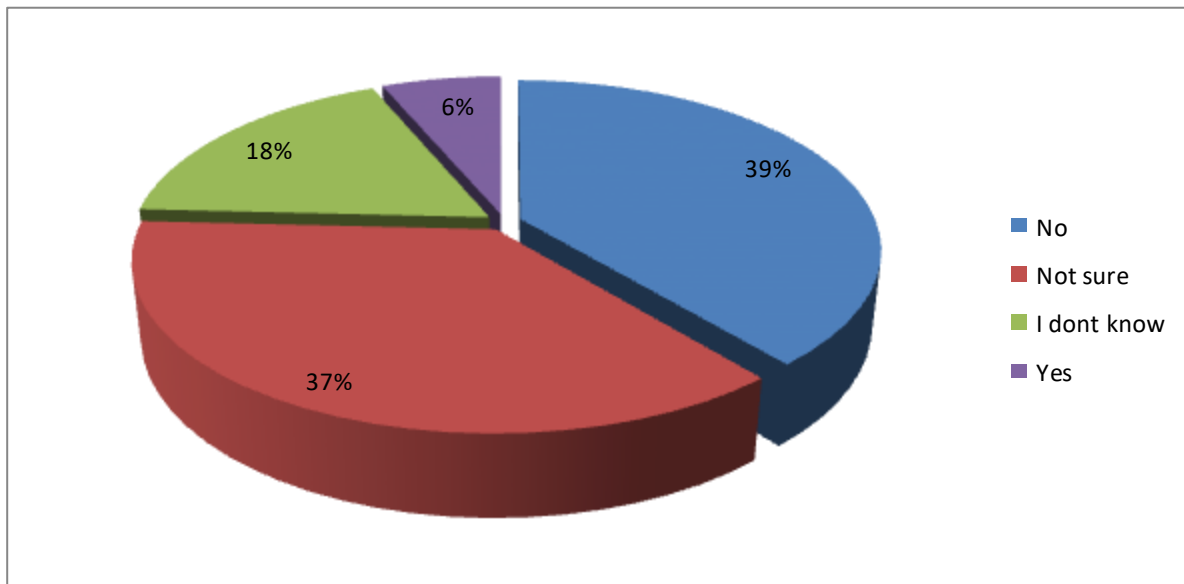
**Table 12**  
**Number of community members trained on ESP projects**

<b>Number trained</b>	<b>N</b>	<b>%</b>
1-20 members	98	69%
21-40 members	31	22%
41-60 members	12	9%
61-80 members	1	1%
<b>Total</b>	<b>142</b>	<b>100%</b>

Source (Researcher) 2015

Further the project sought to find the involvement of the local SMEs in the construction of the ESP projects. Only 6% believed that the local SMEs had been involved in supplying the construction of the markets in their respective constituencies (Fig. 5). The other respondents, 39% felt that local SMEs had not been involved while 37% were not sure and 18% did not know at all whether the SMEs in the area were part and parcel of the implementation of the ESP projects. These findings indicate that training is still limited to only few community members (Figure 5).

**Figure 5**  
**Local SMEs Involvement**



Source (Researcher) 2015

To this end, 75%, 11% and 10% of the respondents believed that stakeholder participation influenced the effectiveness of fresh produce market to a great, a very great extent and to some extent respectively. Very few of the respondents, 4% and 1% believed that the influence was to a little and no extent at all respectively. Therefore, it is concluded that the community feels that stakeholder participation in the implementation of the ESP projects was paramount in ensuring their effectiveness and success (Table 13).

**Table 13**

**Extent stakeholder participation on effectiveness of fresh produce market**

<b>Extent of stakeholder participation influence on effectiveness of FP market</b>	<b>N</b>	<b>%</b>
To a great extent	234	75%
To a very great extent	33	11%
To some extent	32	10%
To a little extent	11	4%
To no extent	2	1%
<b>Total</b>	<b>312</b>	<b>100%</b>

Source (Researcher) 2015

The respondents were required to show their level of agreement (where 1 is strongly agree, 2 is agree, 3 is undecided, 4 is disagree and 5 strongly disagree) with various statements regarding stakeholder participation and effectiveness of the fresh produce market. The respondents agreed (mean=2) that minimal participation of stakeholders and community's management of the markets had affected their effectiveness and success. In addition, they agreed (mean=2) that lack of stakeholder participation had led to disruption of market activities. Respondents, however, were undecided (mean=3) regarding the influence of stakeholder participation on termination or stalling of construction and wrangles in the allocation of space to the market participants (Table 4.11). The study therefore deduced that stakeholder's participation is a critical determinant to the effectiveness of fresh produce markets. These findings support the results of Limaris (2015) who established that stakeholder participation contributed to effectiveness of economic stimulus programmes (Table 14).

**Table 14**

**Level of respondents' agreement on the influence of stakeholder participation**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Minimal stakeholder participation has affected effectiveness of FP market stalls	328	2	0.935
Community participation in the management of the markets has been lacking and this has affected success of markets	327	2	0.752
Lack of stakeholder participation has resulted in disruption of market activities	326	2	0.874
Minimal involvement of stakeholder participation has led to stalling or termination of construction of markets	328	3	1.35
Minimal involvement of stakeholders has led to wrangles in allocation of space	326	3	1.287

Source (Researcher) 2015

***4.4.1 Relationship between Stakeholder Participation and Effectiveness of Economic Stimulus Programmes***

In a correlation test between one of the factors, operational success of markets and stakeholder participation was tested and the results presented in Table below. It shows that there was a significant relationship between stakeholder's participation and effectiveness of ESPs. This was indicated by a p-value of 0.0064 and  $r = 0.246$  which was less than 0.05 hence significant at 0.01 level. These results demonstrated that stakeholder participation has a relatively weak relationship with effectiveness of economic stimulus projects. This can be attributed to the nature of public project where local leaders such as MP's play a major role in stakeholder involvement. This finding supports the results of

Limaris (2015) who established that stakeholder participation influences the effectiveness of economic stimulus projects (*Table 15*).

**Table 15**  
**Relationship between Stakeholders Participation and Effectiveness of ESP**

	Market returns to traders	
Correlations	0.246	
Stakeholders Participation	Correlation Coefficient	0.246
	Sig.	(2-tailed)
	0.0064	

\*\* Correlation is significant at the 0.01 level (2-tailed).  
Source (Researcher) 2015

#### ***4.5 Management Practices***

The study sought to establish the influence of management practices on the effectiveness of Economic Stimulus projects. A number of questions were asked with responses presented. To establish the influence of management practices the study sought to find out if there exists management committees. Almost all the respondents (96%) believed that there existed a management committee to oversee the market projects in the constituency. Only 2% each were not sure or did not believe that such a committee existed. The study also found out that the management committee met once a month according to 57% of the respondent, and once in three months as was highlighted by 38% of the respondents. Others 5% and 1% believed that their respective management committees met once in six months and annually respectively (*Table 16*).

Furthermore, 94% of the respondents believed that there were management practices that affected the effectiveness of fresh produce markets while 6% believed otherwise (*Table 16*). These findings demonstrate that management committee exists in economic stimulus programmes in line with the public funds management act 2004 (MOF, 2005) (*Table 16*).

**Table 16**  
**Management practices in Fresh Produce Markets**

<b>Management practices</b>	<b>Response</b>	<b>N</b>	<b>%</b>
Presence of a management committee to oversee market projects in the constituency	Yes	312	96%
	Not sure	6	2%
	I don't know	7	2%
	Total	325	100%
How often the management committee meets	Once a month	161	57%
	Once in three months	106	38%
	Once in six months	13	5%
	Once a year	3	1%
	Total	283	100%
Management practices	Yes	298	94%
	No	19	6%
	Total	318	100%

Source (Researcher) 2015

The study sought to find the respondents perception on the extent of the influence of management practices. Majority of them (71%) believed it influenced to a great extent, 16% to some extent, 10% to a very great extent and 3% to a little extent. Less than 1% felt that management practices of the markets had no influence at all (Table 17).

**Table 17**  
**Extent to which management practices influence effectiveness of fresh produce market**

<b>Extent of management practices</b>	<b>N</b>	<b>%</b>
To a great extent	222	71%
To some extent	51	16%
To a very great extent	32	10%
To a little extent	8	3%
To no extent	1	0.3%
Total	314	100%

Source (Researcher) 2015

Management practices statements were also presented to the respondents in order to give their level of agreement. It was clearly stated that poor management skills affected the effectiveness of the fresh produce market. Respondents cited that management committee's inefficiencies had affected the contribution of market stalls to development of the constituency. Further, lack of representation of the minority groups such as the disabled and women in the management committees had hindered the impact of the market to all community members (Table 17). However, the respondents believed that constant wrangles in the management committee had hindered the completion of fresh produce markets in the constituency. It can thus be deduced from the results that management practices influences the effectiveness of economic stimulus programmes as demonstrated in the findings of Gachoni (2012) (Table 18).

**Table 18**  
**Management practices and Effectiveness of Fresh Produce Markets**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Poor management skills affect effectiveness of FP market	324	2	0.819
Management committee inefficiency has affected the contribution of market stall to development	325	2	0.949
Lack of representation of minority groups in management committee has hindered the limited impact of the market to all community members	325	2	1.051
Constant wrangles in the management committee has hindered the completion of fresh produce markets in the constituency	319	3	1.163

Source (Researcher) 2015

#### ***4.5.1 Relationship between Management Practices and Effectiveness of Economic Stimulus Programmes***

In a correlation test between one of the factors, operational success of markets and management practices was tested and the results presented in Table below. It shows that

there was a significant relationship between management practices and effectiveness of ESPs. This was indicated by a p-value of 0.00 and  $r = 0.654$  which was less than 0.05 hence significant at 0.01 level. From the findings it can be deduced that management practices influences the effectiveness of economic stimulus programmes, albeit with a weak relationship since management practices is dependent on other control factors such as funds availability. These findings align themselves with the results of Roman (2010) who found out that management practices influences effectiveness of economic stimulus projects to a small extent (Table 19).

**Table 19**  
**Relationship between Management Practices and Effectiveness of Fresh Produce Markets**

Correlations	Market returns to traders	
Management practices	Correlation Coefficient	.229
	Sig. (2-tailed)	0.000

\* Correlation is significant at the 0.01 level (2-tailed).

Source (Researcher) 2015

#### ***4.6 Support infrastructures influence on effectiveness of ESP***

Support infrastructure such as road networks, electricity, water, land and mobile telephony plays an important role on successful implementation of projects. A massive 86% of the respondents believed that lack of support infrastructure has been a hindrance to the effectiveness of ESP projects in their areas of residence and 13% believed it does sometimes while only 1% believed it does not influence at all (Table 20).

**Table 20**

**Support Infrastructure's Influence on Effectiveness of Fresh Produce Markets**

<b>Lack of support infrastructure has been a hindrance to the effectiveness of ESP</b>	<b>N</b>	<b>%</b>
Yes	157	86%
No	1	1%
Sometimes	24	13%
Total	182	100%

Source (Researcher) 2015

Most of the support infrastructures were deemed available by most respondents with a whopping 99% agreeing that electricity is available to support the implementation of the projects, 86% cited that there is land and 65% water. Concerning the road networks in the constituency 81% and 89% believed that there were tarmac and murrum road networks in place (Table 21).

**Table 21**

**Support infrastructure**

<b>Aspect</b>	<b>Response</b>	<b>N</b>	<b>%</b>
Electricity	Yes	325	99%
	No	5	2%
	Total	330	100%
Land	Yes	285	86%
	No	45	14%
	Total	330	100%
Water	Yes	213	65%
	No	117	36%
	Total	330	100%
Tarmac road network	Yes	266	81%
	No	64	19%
	Total	330	100%
Murrum road network	Yes	294	89%
	No	36	11%
	Total	330	100%
Mobile telephony services	Yes	320	97%
	No	10	3%
	Total	330	100%

Source (Researcher) 2015

Owing to the above perceptions of the respondents, all believed that inadequate infrastructure had affected the effectiveness of fresh produce market to certain extents. Sixty-six per cent cited that the influence was to a great extent while 18%, 10% and 7% believed to have affected to some extent, little extent and very great extent respectively. These findings indicate the crucial role that support infrastructure plays in development by acting as a linkage between the consumers and producers in the market (Table 22).

**Table 22**

**Extent of Support infrastructure on Effectiveness of Fresh Produce Markets**

<b>Extent to which inadequate infrastructure affect effectiveness of FP markets</b>	<b>N</b>	<b>%</b>
To a great extent	148	66%
To some extent	41	18%
To a little extent	22	10%
To a very great extent	15	7%
Total	226	100%

Source (Researcher) 2015

Respondents were ambivalent regarding the fact that poor roads had made accessibility of the market a challenge. Further, they were unsure that there is poor communication infrastructure in their respective regions. They also negated the fact poor road access had made the completion of the market a challenge. However, they agreed that frequent power or water shortages in the region had hindered effectiveness of the markets to some extent. This agrees with the above results that support infrastructure were verily available. From these findings it can be deduced that some types of infrastructure have limited the effectiveness of economic stimulus programmes. These are similar to the findings of Kiema (2014) who found out that roads and electricity are the main support infrastructure that affect the performance of economic stimulus programmes (Table 23).

**Table 23**

**Support infrastructure and Effectiveness of Fresh Produce Markets**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Poor roads has made the accessibility of the market ta challenge	328	3	1.2
Poor communication infrastructure	326	3	1.092
Frequent power shortages has hindered the effectiveness of the markets	326	2	0.926
Poor access to roads has made the completion of the markets a challenge	326	4	1.111

Source (Researcher) 2015

**4.6.1 Relationship between Support Infrastructure and Effectiveness of Economic**

**Stimulus Programmes.**

In a correlation test between one of the factors, operational success of markets and support infrastructure was tested and the results presented in Table below. It shows that there was a significant relationship between support infrastructure and effectiveness of ESPs. This was indicated by a p-value of 0.00 and  $r = 0.254$  which was less than 0.05 hence significant at 0.01 level. These findings show that support infrastructure has limited effect on the effectiveness of ESPs. This can be attributed to the reason that most of the fresh produce markets were constructed in urban centres where there exists relatively good support infrastructure unlike in rural areas.

**Table 24**

**Relationship between Support Infrastructure and Effectiveness of Fresh Produce Markets**

Correlations	Market return to traders	
Support infrastructure	Correlation Coefficient	.265
	Sig. (2-tailed)	0.000

\* Correlation is significant at the 0.05 level (2-tailed).

Source (Researcher) 2015

#### ***4.7 Procurement process***

The study also intended to establish whether the procurement process influenced the effectiveness of fresh produce markets. Majority of the respondents (90%) agreed that there were tender committees in their respective constituencies that managed the construction of fresh produce markets while 4% believed it did sometimes. This confirms that the construction of fresh produce markets have followed the laid down procedure on economic stimulus programmes requirements (Table 25).

**Table 25**  
**Procurement process**

<b>Tender committee</b>	<b>N</b>	<b>%</b>
Yes	289	90%
Sometimes	13	4%
I don't know	9	3%
Not sure	5	2%
No	4	1%
<b>Total</b>	<b>320</b>	<b>100%</b>

Source (Researcher) 2015

The tender committees were believed to have awarded one tender as was cited by 46% and between two and three tenders as mentioned by 23% (Table 26). A significant population of the respondents (31%) did not know the number of tenders the tender committee had awarded.

**Table 26**  
**Tenders awarded by tender committee**

<b>Number of tenders awarded by tender committee</b>	<b>N</b>	<b>%</b>
One tender	131	46%
I don't know	89	31%
Between 2 and 3	66	23%
Between 4 and 5	1	0.3%
<b>Total</b>	<b>287</b>	<b>100.0%</b>

Source (Researcher) 2015

Procurement process was seen as a hindrance to the implementation of the fresh produce market projects by 79% of the respondents while 5% believed it did hinder sometimes. The rest were not sure or did not agree (Table 27).

**Table 27**  
**Procurement process**

<b>Procurement process as a hindrance</b>	<b>N</b>	<b>%</b>
Yes	245	79%
I don't know	21	7%
No	18	6%
Sometimes	15	5%
Not sure	13	4%
<b>Total</b>	<b>312</b>	<b>100%</b>

Source (Researcher) 2015

This was seen to have affected to a great extent by 61%, to some extent by 25% and 6% to a very great extent. Few of the respondents 8% believed it did not affect the effectiveness of the markets at all or it did to a little extent. (Table 28).

**Table 28**

**Extent of procurement process influence on the effectiveness of the fresh produce markets**

<b>Extent of procurement process affect effectiveness</b>	<b>N</b>	<b>%</b>
To a great extent	187	61%
To some extent	76	25%
To a very great extent	18	6%
To no extent	10	3%
I don't know	10	3%
To a little extent	7	2%
<b>Total</b>	<b>308</b>	<b>100%</b>

Source (Researcher) 2015

Lengthy procurement processes had led to delay in completion of projects as the respondents agree. In addition, contractor selection processes had reduced the effectiveness of ESP projects. However, respondents were uncertain about the influence of the wrangles in the tender committee on the termination of fresh produce market stalls. This finding indicates that the choice of procurement process in the implementation of economic stimulus projects affects the effectiveness of the programmes (Table 29).

**Table 29**

**Procurement processes and Effectiveness of Fresh Produce Markets**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Lengthy procurement process has led to delay in completion of projects	321	2	0.897
Wrangles in tender committee at constituency level has led to termination of market	320	3	1.183
Contractor selection process has reduced the effectiveness of economic stimulus projects	318	2	0.857

Source (Researcher) 2015

**4.7.1 Relationship between Procurement Process and Effectiveness of Economic Stimulus Programmes**

In a correlation test between one of the factors, operational success of markets and management procurement process was tested and the results presented in Table below. It shows that there was a significant relationship between procurement process and effectiveness of ESPs. This was indicated by a p-value of 0.00 and  $r = 0.226$  which was less than 0.05 hence significant. The study findings indicate that procurement process has a positive and weak relationship on the effectiveness of economic stimulus programmes. These results are similar to the findings of Mokongi *et al* (2015) who established that procurement process affects the effectiveness of devolved funds such as economic stimulus programmes (Table 30).

**Table 30**  
**Relationship between Procurement Process and Effectiveness of Fresh Produce Markets**

Correlations	Market returns to traders	
Procurement process	Correlation Coefficient	.226
		0.00
	Sig. (2-tailed)	0

\*\* Correlation is significant at the 0.01 level (2-tailed).

**4.8 Relationship between the Factors and Effectiveness of Economic Stimulus Programmes**

An analysis was performed on the relationship between the factors and effectiveness of ESPs. The study assumed a linear relationship between the factors and Effectiveness of ESPs and used the Ordinary Least Square (OLS) method of estimation in seeking the line of best fit. Before the regression analysis, the data was subjected to assumptions of

regression analysis, with no violation being observed. The linear relationship was modelled into equation (1) below.

$$\text{Pr}(Y_i) = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \quad \text{equation (ii)}$$

The estimators in equation (1) were defined as;  $\alpha_i$  was the estimate of the intercept showing the financial performance in the absence of the factors and  $\epsilon$  was the error term related with this equation,  $\beta_1$  was the beta coefficient of Stakeholder participation ( $X_1$ ),  $\beta_2$  was the beta coefficient of management practices ( $X_2$ ),  $\beta_3$  was the beta coefficient of support infrastructure ( $X_3$ ) and  $\beta_4$  was the beta coefficient of procurement processes ( $X_4$ ).

Following a linear regression analysis the ANOVA output presented in ANOVA Ta From this table, the model was significant (p-value = 0.000) at 0.05 level in explaining the linear relationship between the factors and financial performance (Table 31).

**Table 31**  
**ANOVA Table**

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	18.017	4	4.504	24.667	0.000
Residual	46.014	252	0.183		
Total	64.031	265			

Source (Researcher) 2015

**Predictors:** (Constant), procurement process, stakeholder communication, management practices and support infrastructure

**Dependent Variable:** market return to traders (*Table*

**Table 32**  
**Model Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std Error
	0.53	0.281	0.27	0.427

a. Predictors: (Constant), Stakeholder participation, procurement process, Infrastructure, Management Practices

b. Dependent Variable: market returns to traders

Source (Researcher) 2015

In Table 33, the model had a coefficient of determination ( $R^2$ ) = 0.281 indicating that 28.1 % of the variation in effectiveness of ESPs was explained by the model leaving 78.1% of the variations in performance unexplained and thus explained by other factors which are not part of the model. The model therefore provides a weak fit (Table 33).

**Table 33**  
**Regression Co-Efficient Table**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std. Error	Beta	B	Std. Error
Constant	0.699	0.173		4.041	0
Stakeholder participation	0.073	0.051	0.091	1.428	0.0154
Management practices	0.101	0.041	0.505	2.457	0.015
Support infrastructure	0.342	0.039	0.505	8.844	0.
Procurement practices	0.054	0.0036	0.0880	1.49	0.138

Source (Researcher) 2015

The results of regression model indicate that all the factors have had a significant positive relationship effectiveness of ESPs. In order to obtain the regression implications of the

independent variables, the percentage data was regressed with the following results obtained.

An interpretation of the coefficients in Table 4.28 shows all the factors except procurement process had a significant relationship with ESP. This was indicated with p-values of 0.0154, and 0.015. Procurement process had a non-significant coefficient with a p-value of 0.138.

From the estimated regression equation;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where  $\beta_0$  is the constant,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  are parameter for estimation of the independent variables; the fitted regression equation of the model becomes;

$$Y = 0.699 + 0.073X_1 + 0.101 X_2 + 0.342 X_3$$

It is evident from the above regression model that if all factors were to be held constant then a unit change in management practices, stakeholder participation and support infrastructure would result in a 0.6999 change in effectiveness of ESPs.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATION

#### *5.1 Introduction*

This chapter presents a summary of research findings, conclusions and recommendations on the factors that influence the effectiveness of Economic Stimulus Programme in Kenya among the fresh produce markets in different Counties.

#### *5.2 Summary of the findings*

The study was guided by the following specific objectives: to determine the effect of stakeholder participation on the effectiveness of economic stimulus programmes in Kenya; to determine the effect of management practices on the effectiveness of economic stimulus programmes in Kenya; to establish the effect of procurement process on the effectiveness of economic stimulus programmes in Kenya; and to establish the effect of support infrastructure on the effectiveness of economic stimulus programmes in Kenya.

The study established that stakeholder participation in the implementation of the ESP projects was necessary in ensuring their effectiveness and success. This finding was arrived at, following that 75%, 11% and 10% of the respondents believed that stakeholder participation influenced the effectiveness of fresh produce market to a great, a very great extent and to some extent respectively. Very few of the respondents, 4% and 1% believed that the influence was to a little and no extent at all respectively. The research further sought to find out whether some community members had been trained on ESP projects. The findings revealed that majority (42%) believed some community members had been trained and 17% said no members of the community had been trained. However, a significant population, 22% were not sure, 16% did not know and 4% believed that some community members had sometimes been trained. This implies there is need to train

community members on ESP projects for their successful implementation. The findings of the study also indicated that there was a relationship between stakeholder participation and effectiveness of ESPs. This was indicated by a p-value of 0.0064 and r-value of -0.246. This is consistent with the findings by McCommon (2003) who noted that lack of stakeholder participations affected the effectiveness of public projects. McCommon (2003) noted that most community members were illiterate and lacked requisite skills so as to be fully involved in the implementation process.

The study also found out that the presence of effective management practices affected the implementation of ESP projects. A majority of the respondents (94%) believed that there were management practices that affected the effectiveness of fresh produce markets while 6% believed otherwise. Moreover, the study found out that a majority (71%) believed that management practices influenced the implementation of ESP projects to a great extent, 16% to some extent, 10% to a very great extent and 3% to a little extent. Less than 1% felt that management practices of the markets had no influence at all. The study results also revealed that there exists a significant relationship between management practices and effectiveness of ESPs. This was indicated with a p-value of 0.000 and an r-value of 0.653. These findings are aligned with those from the study conducted by Otundo (2012) on factors influencing effective implementation of projects in public secondary schools in Nyamira District and where it was evident that management skills, criteria used to allocate and utilize resources and stakeholders support influenced the implementation of projects. The findings also correspond to those of Gathoni (2012) who found out that 92% of respondents indicated that poor knowledge on key concept of management contributed to the ineffectiveness of the committee members in executing their roles in ESP projects.

Further, the study established that procurement process significantly influenced the implementation of ESP projects. A majority of the respondents (79%) believed that Procurement process was a hindrance to the implementation of the fresh produce market projects while 5% believed it did hinder sometimes. The rest were not sure or did not agree. The procurement process was seen to have affected to a great extent by 61%, to some extent by 25% and 6% to a very great extent. Few of the respondents 8% believed it did not affect the effectiveness of the markets at all or it did to a little extent. Lengthy procurement processes had led to delay in completion of projects as the respondents agree. In addition, contractor selection processes had reduced the effectiveness of ESP projects. However, respondents were uncertain about the influence of the wrangles in the tender committee on the termination of fresh produce market stalls. The study findings also established that procurement process is significantly associated with effectiveness of ESPs. This was indicated by p-value of 0.000 and r-value of 0.226.

The study revealed that support infrastructure such as road networks, electricity, water, land and mobile telephony plays an important role on successful implementation of projects. A massive 86% of the respondents believed that lack of support infrastructure has been a hindrance to the effectiveness of ESP projects in their areas of residence and 13% believed it does sometimes while only 1% believed it does not influence at all. Moreover, the study established that 66% of the respondents believed that support infrastructure influenced implementation of ESP projects to a great extent while 18%, 10% and 7% believed that it affects to some extent, little extent and very great extent respectively. The research also found out that the infrastructure was available to facilitate effective implementation of ESP. The study findings also established that there exists a significant relationship between support infrastructure and effectiveness of ESPs. This was indicated with a p-value of 0.000 and r-value of -0.265. This corresponds with

Martinez (2008) who argues that good quality of infrastructure influences to some extent the effective implementation of Economic Stimulus Projects. The findings of this study on infrastructure align with Williams (2000) who observed that transport infrastructure helped to improve the growth and expansion of various projects. These findings are also similar to the findings of Munyiri (2013) who found that good quality of infrastructure influences to some extent the effective implementation of projects. The findings of this study on infrastructure are also in agreement to those of Gathoni (2012) who observed that transport infrastructure helped to improve the growth and expansion of various projects.

### ***5.3 Discussion***

The study sought to answer four research objectives from data collected, and a discussion based on the four research objectives has been provided in the sections below.

#### **5.3.1 Stakeholders Participation**

It was established from the study that stakeholder participation has a positive, albeit weak relationship with the performance of fresh produce markets. This is explained by the reason that stakeholders play a significant role in the project process with the continued involvement of stakeholders improving trust on the government and the handling of the project not only during implementation but also during the operation of the project. The findings of this study align themselves with Kirimi & Njeru (2015) who established that lack of stakeholder involvement at the initial phase of ESP project affects the success of fish farming. However unlike the study by Kirimi & Njeru (2015) which established a strong relationship this study established a weak relationship. This could be attributed to the nature of project with the other study focusing on fish project and the current study focusing on fresh produce markets. Similarly the findings of the study confirm the

findings of Maina (2013) who established a significant positive weak relationship with the success of economic stimulus projects, with the study focusing on education project unlike the current study focus on fresh produce markets.

### **5.3.2 Management Practices**

The study revealed that there was a strong significant relationship between management practices and the effectiveness of fresh produce markets. This strong significance could be attributed to what Kerzner (2009), mention as management practices key role in the success of any public project. This according to him is because management practices determines the degree of stakeholder involvement and the play a role in procurement process thus minimizing any conflicts that may arise thereon. These findings align themselves to the results of Wangui(2012) who established that there exist a strong relationship between management practices and effectiveness of economic stimulus programmes in the education sector. Through the study on education sector was focused at implementation stage the current study focused on the effectiveness of economic stimulus projects, with both studies showing strong significance on management practices. This is explained by the crucial role that management committee have been given in economic stimulus projects right from implementation and success of the projects.

### **5.3.3 Support Infrastructure**

This study also has established that support infrastructure influence the effectiveness of fresh produce markets. However, it was established that there exists a weak relationship with this possibly been attributed to the reason that the fresh produce markets were constructed in urban centres where there is relatively good infrastructure as compared to the rural areas. These findings are corresponds to the results of Munyiri (2013) who

found that support infrastructure influences to a great extent the effective economic stimulus projects. On the same note the findings agree to those of Gathoni (2012) who observed that transport infrastructure helped to improve the success of economic stimulus projects. Of importance is the realization that the current study indicated a weak relationship while other mentioned studies demonstrated a strong relationship. This could be explained by the reason that other studies were carried out in predominantly rural areas where infrastructure is relatively poor than the urban centres where the study was carried out.

#### **5.3.4 Procurement Process**

Finally the study established that procurement process has a weak significant relationship with the effectiveness of fresh markets produce. This could be attributed to the reason that procurement process play a major role on only the implementation process and with a relatively limited role on the operational of economic stimulus projects. These findings are supportive of the findings of Njagi & Ndolo (2015) who established that procurement process affect the implementation of economic stimulus programmes more than the performance of such programmes.

#### **5.4 Conclusion**

Based on research findings and summary, the following conclusions were made on the factors influencing the implementation of ESP in the two constituencies: Support infrastructure influences the overall management and effectiveness of ESP markets in Kajiado, Kiambu and Machakos. This is because support infrastructure provides access to the markets thus providing further market linkages to the community members and other beneficiaries. Thus improvement in support infrastructure is crucial for the successful realization of goals of ESPs.

Poor support infrastructure has also been noted in the findings of this study as being a major challenge affecting the effectiveness of ESP either to a greater extent or to some extent. Consistent power shortages, high cost of land, poor water supply and poor road and communication networks have all been noted to hinder ESP implementation process. In conclusion all these slowed the effectiveness of Economic Stimulus Project (s) in Kiambu, Kajiado and Machakos.

Despite the fact that there are a few members of the community involved in the implementation process, more needs to be done to ensure more participation by the community members. The lack of training and awareness among the community members has contributed to the community being less involved in the implementation process. This has been noted to slow down the effectiveness of ESP and hindered projects sustainability and ownership by the community.

Poor project management has also been raised to influence negatively the effectiveness of ESP in Kajiado, Kiambu and Machakos County. Some of the managerial shortcoming issues were due to lack of training, poor knowledge and skills, political influence on the appointment of managers involved in the implementation process, lack of cooperation from the government officials, lack of coordination by the necessary stakeholders and delays in the signing of payment vouchers. This affected to a greater extent the effectiveness of the management committee in the implementation of ESP in the region.

Communication within the context of procurement plays a critical role in effective projects implementation. Specifications have to be communicated to the procurement unit through an efficient communication system. Clear communication between Procurement, Finance, users, legal department, top management and external stakeholders, including suppliers, are of critical importance in project implementation. Communication is

enhanced through participation of all stakeholders both internal and external. Many projects would suffer failure simply on account of lack of involvement of the organizational staff by offering them the opportunity to express their opinions and expectations of the project. The necessity to incorporate their views during the whole process of procurement cannot be overstated. Their participation at all the procurement stages including planning, choice of procurement method, preparation of materials specifications, evaluation of tenders, and inspection and acceptance of delivered goods and services is no doubt absolutely imperative.

### ***5.5 Recommendations***

On Stakeholder participation the study recommends the need for both national government and county government to develop a public engagement plan that will allow for public participation in the implementation and operation of public projects. This ought to be in line with the constitution that advocates for public participation in the budget process both at county and national government.

It is therefore important to Train project management team and beneficiaries in management, leadership and technical skills. The improvement on the requisite training is important for the realization of the goal of economic stimulus programmes.

There is need for government to develop an overarching policy that integrates key infrastructure in all the development programmes. This should be harmonised at both the county and national government.

Procurement process which played the biggest role is impediment to timely completion of projects. The enhancement of community awareness schemes and processes to ensure overall participation and enhanced involvement by the community which are keys in enhancing community ownership and enhancing project sustainability.

### ***5.6 Areas for Further Research***

The researcher recommends further research in other procurement practices that have ramifications for project implementation such as pre-qualification of suppliers, evaluation of tenders, tender committee and procurement committee meetings, inspection & acceptance of goods, storage of goods and supplier payment. This would enable a more adequate response in addressing the myriad procurement challenges affecting projects implementation in the public sector in Kenya.

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## APPENDIX

### *QUESTIONNAIRE*

You are invited to participate in this research on Factors influencing the effectiveness of fresh produce market in your constituency. The information you provide is meant for academic purpose only. Thank you for your willingness to participate.

#### **PART I: Background Information-** tick (√) where appropriate

1. Gender a) Male  b) Female

2. Age Bracket a) 25 years and below  b) 26-30 years  c) 31-35 years  d) 36-40 years  e) 41 years and above

3. Highest Level of Education

a) No Formal Education  b) Primary Level of Education  c) Secondary level of Education  d) College level of education

4. No of Years as a retailer

a) 1 year and below  b) 2-3 years  c) 4-5 years  above 5 years

5. Has the market in your constituency been completed?

(a) Yes  b) No  c) Not sure  d) Do not know

6. If yes in above is the market operational

(a) Yes  b) No  c) Not sure  d) Do not know

7. To what extent can you say that the fresh produce market has improve the returns of community members in the constituency?

a) To very great extent  b) To a greater extent  c) To some extent  d) To a little extent  To no extent  I don't know

## **PART TWO**

### **SECTION A: Influence of Stakeholders Participation on Effectiveness of Economic Stimulus Projects.**

1. Has lack of stakeholder participation been a hindrance to the effective implementation of Economic Stimulus project in this area?

a) Yes  b) No  c) Not sure  d) Do not know  e) Sometimes

2. Are there any community members that have been trained on Economic Stimulus Programme Yes  b) No  c) Not sure  d) Do not know  e) Sometimes

If Yes in above approximately how many community members have been trained

1-20 members  b) 21-40 members  c) 41-60members  d) 60-80 members  e) above 80 members

2. Has the local SMEs been involved in supplying the construction of markets in the constituency

Yes  b) No  c) Not sure  d) Do not know

3. To what extent has stakeholder participation affected the effectiveness of Fresh produce market stall in the constituency?

a) To very great extent  b) To a greater extent  c) To some extent  d) To a little extent  to no extent  I don't know

3. By use of a tick (✓), please indicate whether you strongly agree (SA= 1), agree (A=2), Undecided (U=3), disagree (D=4) or Strongly Disagree (SD=5) to the various statements regarding the stakeholder participation and effectiveness of fresh produce markets.

Statement	5	4	3	2	1
There has been minimal involvement of stakeholder and this has affected the all effectiveness of fresh produce market stalls					
Community participation in the management of the markets has been lacking thus affecting the success of the markets					
Lack of stakeholders participation has resulted in disruption of market activities					
Minimal involvement of key stakeholders has led to the stalling/ termination of construction of markets					
Minimal involvement of stakeholders to wrangles in the allocation of space in markets					

**Section B: Management Practices and Effectiveness of Fresh Produce Markets**

1. Is there management committee that manages the market projects in the constituency

Yes [ ] b) No [ ] c) Not sure [ ] d) Do not know [ ]

2. How often do management committee meet in the constituency

Once in a month [ ] Once in three months [ ] Once in six months [ ] Once a Year [ ]

3. Are there any management practices that have affected the effectiveness of fresh produce market projects in your constituency?

a) Yes [ ] b) No [ ]

4. To what extent has management practices affected the effectiveness of fresh produce markets in the constituency?

a) To very great extent [ ] b) To a greater extent [ ] c) To some extent [ ] d) To a little extent [ ] To no extent [ ] I don't know

3. By use of a tick (√), please indicate whether you strongly agree (SA=1), agree (A=2), Undecided (U=3), disagree (D=4) or Strongly Disagree (SD=5) to the various statements regarding the management practices and effectiveness of fresh produce markets.

Statement	5	4	3	2	1
Poor management skills has affected the effectiveness of fresh produce markets					
Management committee inefficiency has affected the contribution of market stall to the development of the constituency					
Lack of representation of the minority groups in management committee has hindered the limited the impact of the market to all community members					
Constant wrangle in the management committee has hindered the completion of fresh produce markets in the constituency					

### Section C: Influence of Infrastructure on Implementation of Economic Stimulus

Statement	Tick
Electricity	
Land	
Water	
Tarmac Road Network	
Murram Road Network	
Mobile Telephony services	
Others(s).....	

#### Projects

1. Has the lack of support infrastructure been a hindrance to the effectiveness of Economic Stimulus project in this area?

- a) Yes [ ] b) No [ ] c) Not sure [ ] d) Do not know [ ] e) Sometimes [ ]

2. Among the following infrastructure which one are available in the constituency?
3. To what extent has inadequate infrastructure affected the effectiveness of fresh market stalls in the constituency?
- a) To very great extent [ ] b) To a greater extent [ ] c) To some extent [ ] d) To a little extent [ ] To no extent [ ] I don't know
4. By use of a tick (✓), please indicate whether you strongly agree (SA=1), agree (A=2), undecided (U=3), disagree (D=4) or strongly disagree (SD=5) to the various statements regarding the support infrastructure that affect the implementation of fresh produce markets.

Statement	5	4	3	2	1
Poor roads has made accessibility of the market a challenge thus affecting the performance of fresh market produce					
The region has poor communication infrastructure and this has hindered to some extent effectiveness of fresh produce markets					
Frequent power or water shortages in the region hinder to some extent the effectiveness of fresh produce markets					
Poor access road has made the completion of fresh produce market a challenge					

#### Section D: Procurement Process and Effectiveness of Fresh Produce Markets

1. Is there a tender committee that managed the construction of fresh produce markets
- Yes [ ] b) No [ ] c) Not sure [ ] d) Do not know [ ] e) Sometimes [ ]
2. How many tenders have been issued by the tender committee

b) One tender  c) between 2 and 3  d) between 4 and 5  e) I don't know

3. Has the procurement process been a hindrance to the effectiveness of fresh produce market projects?

b) Yes  b) No  c) Not sure  d) Do not know  e) Sometimes

4. To what extent has procurement process affected the effectiveness of fresh market stalls in the constituency?

a) To very great extent  b) To a greater extent  c) To some extent  d) To a little extent  To no extent  I don't know

5. By use of a tick (✓), please indicate whether you strongly agree (SA=1), agree (A=2), undecided (U=3), disagree (D=4) or strongly disagree (SD=5) to the various statements regarding the support infrastructure that affect the implementation of fresh produce markets

<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
The lengthy procurement process has led to delay in the completion of the projects					
The wrangles in tender committee at the constituency level has led to the termination of fresh produce market stall					
The contractor selection process has reduced the effectiveness of economic stimulus projects					

**THANK YOU AND GOD BLESS YOU**