DOI: https://doi.org/10.55390/ajpsdg.2024.7.1.2

RETHINKING PUBLIC BUDGET IN KENYA

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INTRODUCTION

In recent years, public budgeting in Kenya has increasingly come under scrutiny, driven by mounting concerns about fiscal transparency, accountability, and the efficient allocation of resources. The country's development trajectory, marked by aspirations for economic growth and social equity, heavily relies on the strategic allocation of resources to key sectors such as infrastructure, education, and healthcare (Ng'ethe and Muli 2021:123). As Kenya seeks to position itself as a middle-income economy by 2030, the need for a robust, transparent, and responsive budgeting system has become more urgent than ever before. A budgeting system that is not only fiscally sound but also aligned with the nation's long-term development goals is critical to ensure sustainable growth and improved public welfare. However, the current system, which continues to grapple with inefficiencies and entrenched governance issues, falls short of meeting these expectations, thus warranting a comprehensive rethinking of how public resources are managed and allocated.

The complexities of Kenya’s budgeting process are further compounded by the interplay of political interests, institutional weaknesses, and public expectations. Decision-making around the national budget is often shaped by political expediency, where priorities are influenced by short-term electoral gains rather than long-term developmental objectives (Gitau 2022:45). Additionally, the persistent problem of corruption, weak governance structures, and poor public sector management undermine the effectiveness of the budgeting process, leading to widespread misallocation of funds and poor service delivery (Masya and Njiraini 2003:89). This has resulted in a widening gap between the government’s

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fiscal promises and the actual delivery of public goods and services, fueling public dissatisfaction and eroding trust in the state's capacity to manage resources effectively. Given these persistent challenges, there is an urgent need for a comprehensive re-evaluation of the budgeting framework to ensure it can meet the evolving demands of a rapidly changing economy.

At the heart of the need for reform is the inclusion of citizen participation in the budgeting process. Despite the introduction of legal frameworks such as the County Government Act (Kenya Law 2012:56), which mandates public participation, the reality is that many Kenyans are either unaware of their rights to engage in the budgeting process or face significant barriers to do so (Muriuki 2019:67). Elite capture, bureaucratic inefficiency and a lack of political will to embrace inclusive decision-making continue to stifle meaningful participation, perpetuating a disconnect between government priorities and the actual needs of the people (Ochieng and Mwai 2020:134). A truly effective budgeting process must integrate the voices of all citizens, particularly marginalised groups, to ensure that fiscal decisions reflect the public good and contribute to more equitable socio-economic outcomes. Participatory budgeting offers a viable solution to this problem, enabling citizens to directly influence the allocation of resources in ways that reflect their priorities.

Moreover, Kenya's fiscal challenges, including persistent budget deficits, narrow tax bases, and debt dependence, demand a more innovative approach to resource mobilisation and expenditure management. The government's reliance on external debt and the volatility of global markets further complicates long-term financial planning, making it difficult to sustain investments in critical sectors (Mburu 2014:112; IMF 2014:158). A fundamental rethink of how public resources are mobilised, allocated, and spent is essential to improving fiscal health and ensuring that public funds are used effectively. This paper argues that strengthening transparency, accountability, and public participation in the budgeting process can play a pivotal role in addressing these fiscal challenges. By incorporating digital platforms to track government spending and promoting public oversight mechanisms, Kenya can build a budgeting system that fosters citizen trust, combats corruption, and ultimately supports sustainable development. Through these reforms, public budgeting can transform from a tool of political manoeuvring into a mechanism for equitable, transparent, and accountable governance.

The Context and Complexity of Public Budgeting in Kenya

The link between government expenditure and socio-economic development in Kenya is undeniable. A well-structured public budget is essential not only for fostering economic growth but also for addressing critical social needs. However, Kenya's budgeting process is often plagued by inefficiencies, including a disconnect between allocated funds and their intended developmental outcomes (Karanja 2018:134). A significant portion of government resources is often misallocated or mismanaged due to weak institutional frameworks, limited public involvement, and a lack of transparency (Gitau 2022:72). These challenges are compounded by political interference and bureaucratic inertia, which undermine efforts to achieve equitable development across the country (Munyiri and Ogada 2021:89).

The Kenyan budget process is also constrained by political and institutional factors that skew priorities away from critical sectors such as education, healthcare, and infrastructure. Political patronage often influences budget allocations, as politicians prioritise projects that promise immediate political gains over those with long-term developmental impact (Sang and Rukunga 2020:53). This misalignment between government priorities and the needs of citizens, erodes public trust in the budgeting process and exacerbates socio-economic inequalities, undermining national goals such as Vision 2030. The result is a growing gap between fiscal promises and actual developmental outcomes, leading to a diminished sense of efficacy in public institutions.

Given these persistent challenges, there is an urgent need to explore alternative approaches to budgeting that emphasise greater participation, transparency, and efficiency in resource allocation. One such approach is participatory budgeting, which has gained traction as a means to enhance responsiveness to the needs of all citizens, particularly marginalised communities (Osei and Alhassan 2020:118). By fostering greater inclusivity, participatory budgeting ensures that public expenditure more accurately reflects national development goals and addresses the real, on-the-ground needs of the population.

Learning from Global Best Practices: The Need for Innovation

To address these challenges, Kenya can benefit from learning from global best practices. For instance, Ethiopia’s public financial management reforms highlight the importance of local ownership and context-specific strategies in achieving effective budgetary outcomes (Peterson and Bovard 2010:215). Unlike Kenya, where political interference and weak institutional frameworks often undermine the process, Ethiopia’s focus on decentralising fiscal management has led to more equitable resource allocation and improved service delivery at the local level. This model, which emphasises the role of local communities in decision-making, could be adapted to Kenya's context to help overcome the current institutional weaknesses.

Similarly, countries like Switzerland have leveraged digital technologies to enhance budgeting efficiency. The use of digital tools has streamlined budgeting processes, improved accountability, and minimised human error, significantly boosting public trust (Sternieri et al. 2024:78). Incorporating similar technological advancements into Kenya’s budgeting process could enhance transparency, efficiency, and responsiveness. For example, real-time tracking of government spending through online platforms could foster greater citizen involvement and ensure that funds are used more effectively.

Adopting participatory budgeting models, as seen in Monrovia, Liberia, can also offer valuable insights. In Liberia, community participation in the budget formulation process has helped address infrastructural gaps and improve governance (Innis et al. 2024:146). Such models could be adapted to Kenya’s context, ensuring that local priorities are better reflected in national budget allocations. This approach would improve the effectiveness of public spending and empower citizens to have a more direct say in the allocation of resources, leading to more sustainable and inclusive development outcomes.

The challenges facing Kenya’s public budgeting process require urgent reform, and international examples offer useful insights. By embracing participatory budgeting, decentralising fiscal management, and incorporating digital tools for greater transparency, Kenya can enhance the efficiency, accountability, and inclusiveness of its public budget. Such reforms would not only improve the allocation of resources to critical sectors but also build greater public trust and contribute to the achievement of long-term developmental goals, particularly as the country strives toward Vision 2030.

CURRENT CHALLENGES IN KENYA’S PUBLIC BUDGETING FRAMEWORK

Kenya’s public budgeting system has undergone significant reforms in recent decades, but it continues to face a range of challenges that undermine its effectiveness. One of the most pressing issues is inefficiency in resource allocation, where a substantial proportion of funds allocated in the national budget fail to deliver tangible results. This problem is compounded by weak institutional capacity and poor implementation practices, particularly at the local government level (Chege 2021:67; Kihoro, 2023:42). While the introduction of the Integrated Financial Management Information System (IFMIS) was intended to improve transparency and streamline government spending, its potential has been stifled by bureaucratic resistance and inadequate public engagement (Kihoro 2023:45). These systemic barriers have limited the system's ability to foster accountability and reduce corruption in public expenditure.

Despite the existence of legal frameworks designed to promote public participation, such as the County Government Act (Kenya Law 2012), many citizens remain excluded from the budgeting process. Studies have found that a significant portion of the population is either unaware of these frameworks or faces substantial barriers to meaningful participation. These barriers include bureaucratic inefficiency, elite capture, and a general lack of public awareness (Muriuki 2019:113). As a result, the disconnect between government spending and the needs of ordinary citizens persists, preventing a more democratic and transparent budgeting process (Ochieng and Mwai 2020:89).

Political and institutional challenges in public budgeting

The inefficiencies in Kenya's public budgeting system are not merely technical but are deeply politicised. Political economy factors play a critical role in shaping budget priorities, with political elites exerting considerable influence over resource allocation. This has led to inefficiencies and disparities in the distribution of resources, particularly in critical sectors such as education, healthcare, and infrastructure (Gitau 2022:61). A study by Mbeo Ogeya and Lambe (2025) highlights how vested interests and lack of coordination between public and private sector entities have stalled essential development projects, such as rural electrification and mini-grid electricity installations. The political economy surrounding these projects demonstrates the extent to which government budgets are shaped by political expediency rather than the actual needs of the public.

Similarly, in sectors like energy, initiatives aimed at transitioning to electric cooking systems—potentially improving public health and environmental sustainability—are hampered by high implementation costs and inefficiencies in energy consumption (Coulentianos et al. 2024:32). The failure of Kenya's budgetary process to allocate resources effectively for such innovative technologies underscores the need for a restructured approach that prioritises equitable resource distribution and transparent decision-making.

The structure and importance of public budgeting in Kenya

Kenya’s public budgeting system is a complex and multifaceted process that involves a range of stakeholders, including government ministries, civil society organisations, and the general public. This participatory approach aims to ensure that diverse perspectives are reflected when allocating resources (Karanja 2018:145). At the heart of Kenya’s budgetary framework lies the Vision 2030 initiative, which seeks to transform the country into a middle-income economy by focusing on sectors like education, healthcare, and infrastructure (Government of Kenya 2008). In this context, public budgeting is not just a financial exercise but also a reflection of the government’s broader socio-economic goals and a tool for achieving national development.

However, despite the participatory nature of the budgeting process, transparency and accountability remain serious concerns. Ineffective mechanisms for oversight and weak enforcement of financial regulations have contributed to significant misallocation of funds, particularly in sectors crucial for public well-being, such as healthcare, education, and infrastructure (Masya and Njiraini 2003:122). This undermines public trust and hampers the government’s ability to deliver on its promises. To address these challenges, there is a need for reforms that strengthen accountability and improve oversight mechanisms, ensuring that Kenya’s budgeting process can fulfil its potential for equitable and effective resource distribution.

Economic constraints and budgetary implications

Economic constraints further exacerbate the challenges faced by Kenya's public budgeting system. The country struggles with persistent fiscal deficits, which limit its ability to allocate sufficient resources to essential sectors. These fiscal constraints have been worsened by external economic shocks, such as fluctuating commodity prices, global market volatility, and the economic repercussions of the COVID-19 pandemic (Mburu 2014:99). During periods of economic growth, the government can increase public spending; however, during economic downturns, it faces a contraction in revenue and is forced to reduce expenditure or seek alternative funding sources (Andrian et al. 2023:211). The reliance on external debt has further strained Kenya's fiscal position, raising concerns about long-term debt sustainability and the potential for fiscal crises that could compromise essential public services (IMF 2014:58).

Additionally, Kenya’s narrow tax base presents a significant obstacle. Large portions of the economy operate informally, and tax collection systems are often inefficient, leading to low revenue generation (IMF 2014:60). This limits the government’s capacity to fund essential services and exacerbates fiscal deficits. To address these challenges, policymakers must focus on broadening the tax base, improving tax compliance, and making public spending more efficient. Failure to address these issues will likely result in underfunded sectors, which could hinder economic growth and development.

The impact of economic fluctuations on public budgeting

Economic fluctuations have a direct and profound impact on the public budgeting process in Kenya. During periods of economic growth, the government benefits from higher tax revenues, which can be channelled into critical infrastructure projects and social services. However, during economic downturns, the government faces a contraction in tax revenues, compelling it to cut expenditures or increase borrowing (Andrian et al. 2023:215). Fiscal rules and debt management mechanisms become especially critical during periods of recession, as they help mitigate the impact of declining revenues on essential services (Andrian et al. 2023:217). The effectiveness of these mechanisms depends largely on the robustness of fiscal management and the government's adherence to sound economic policies.

Kenya's agricultural sector, a significant source of both revenue and employment, is highly vulnerable to internal and external shocks. For example, fluctuations in energy production and inefficiencies in agricultural credit systems exacerbate challenges in agricultural output, which in turn impacts revenue collection and the country's fiscal position (Manasseh et al. 2024:76). These vulnerabilities underscore the need for resilient fiscal policies that can withstand periods of economic instability while continuing to fund essential public services.

Addressing transparency and accountability gaps

A central issue hindering Kenya's public budgeting process is the persistent lack of transparency and accountability in how public funds are managed. Many budgetary decisions are made in secrecy, leaving citizens with little insight into how government resources are allocated or spent (Fölscher 2002:189). This lack of transparency fosters corruption and allows public funds to be misallocated, particularly in key areas like healthcare, education, and infrastructure. To remedy this, reforms that promote open budgeting initiatives are essential. The use of digital platforms could allow citizens to track public spending in real time, fostering both transparency and public participation. Such initiatives would not only increase civic engagement but also strengthen public trust in government actions. Strengthening accountability mechanisms through regular audits and public reporting can further empower citizens to hold leaders accountable for financial decisions, improving the overall integrity of the budgeting process.

Governance and corruption: implications for public budgeting

Corruption remains one of the most significant barriers to effective public budgeting in Kenya. Corruption undermines transparency, misdirects public funds, and diminishes the quality of public services (Diamond et al. 1999:45). The lack of strong governance frameworks and effective oversight allows corruption to flourish, resulting in widespread misallocation of resources and undermining budget efficiency. This not only erodes public trust in government institutions but also deters foreign investment, further straining the country's fiscal capacity (IMF 2014:62).

To combat corruption and improve public budgeting, it is critical to strengthen governance structures. This includes enforcing anti-corruption measures, improving the capacity of oversight institutions, and ensuring that budgetary decisions are subject to public scrutiny. By creating a governance environment that fosters transparency and accountability, Kenya can improve its fiscal management and contribute to sustainable economic development.

A path forward: reimagining public budgeting in Kenya

Kenya’s public budgeting system, despite reforms in recent years, continues to face significant challenges that hinder its effectiveness and responsiveness to citizens' needs. To address these issues, this paper proposes a multifaceted approach that involves participatory mechanisms, enhanced institutional capacity, and political reforms. Reimagining public budgeting in Kenya requires not only addressing the root causes of inefficiency and corruption but also ensuring that the process is transparent, inclusive, and aligned with national priorities. By drawing on international best practices, leveraging technology, and fostering greater public engagement, Kenya can develop a budgeting system that serves as a powerful tool for sustainable development and equitable resource allocation (Ng’ethe and Muli 2021:87; World Bank 2020:24).

Public budgeting in Kenya has evolved through various phases, reflecting the dynamic political, economic, and social landscapes of the country. Historically, the budgeting process has been characterised by a top-down, centralising approach, which often resulted in a disconnect between government priorities and the actual needs of citizens (Karanja 2018:45). This disconnect has been further exacerbated by persistent issues such as corruption, political interference, and inefficient resource allocation, all of which undermine the effectiveness of government spending and hinder the delivery of essential services (Karanja and Makuma 2021:79). In many cases, funds earmarked for critical sectors such as education, healthcare, and infrastructure fail to reach their intended destinations, leading to significant developmental setbacks (Mwanje 2019:112). Given these challenges, it is crucial to reassess Kenya's public budgeting practices to foster greater efficiency, transparency, and accountability in the allocation of public resources.

Historical context and the need for reforms

To understand the current challenges within Kenya's public budgeting framework, it is essential to examine the historical context that has shaped its development. Since independence, the country's budgeting process has been heavily influenced by top-down political decisions, with limited input from local communities and civil society (Gitau 2022:64). As a result, budgetary allocations have often reflected the priorities of political elites rather than addressing the pressing needs of ordinary citizens. This centralized model has also facilitated corruption, political patronage, and the misallocation of funds, exacerbating the disconnect between policy intentions and real outcomes (Mburu 2014:87).

The introduction of devolved government in the 2010 Constitution was meant to address some of these historical issues by granting local governments greater control over budgeting and resource allocation (Munyiri and Ogada 2021:56). However, the effectiveness of this shift has been undermined by persistent challenges such as weak institutional capacity at the local level, lack of transparency in the budgeting process, and inadequate oversight mechanisms (Mburu 2014:90). These historical trends highlight the need for a comprehensive re-evaluation of Kenya’s budgeting practices, one that incorporates more inclusive, participatory, and transparent mechanisms to address these systemic issues.

Challenges in transparency and accountability

A significant challenge in Kenya’s budgeting process is the lack of transparency and accountability, which erodes public trust in government institutions and undermines the effectiveness of public spending. Corruption remains a pervasive issue, with funds meant for essential services such as education, healthcare, and infrastructure often misappropriated or siphoned off by corrupt officials (Hood 1991:134). This issue is compounded by weak oversight mechanisms and insufficient public participation, which create an environment where the misallocation of resources can go unchecked (Fölscher 2002:189).

The lack of robust public financial management (PFM) reforms has also contributed to inefficiencies in Kenya’s budgeting process. Fölscher (2002) argues that improving transparency in PFM systems is essential for enhancing accountability and reducing corruption. Successful examples from countries like South Korea and Brazil show that public finance reforms promoting transparency, public participation, and oversight mechanisms can substantially improve governance outcomes (IMF 2014:48). For Kenya, adopting such reforms could result in a more transparent budgeting process that builds public trust and ensures that funds are directed to where they are most needed.

Promise of participatory budgeting

One of the most promising solutions to address the challenges within Kenya’s public budgeting process is the adoption of participatory budgeting (PB). Participatory budgeting involves citizens in the decision-making process and can help create more inclusive frameworks that better reflect the actual needs of communities (Ndegwa 2022:24). By involving citizens in the budget formulation process, governments can ensure that the priorities of ordinary people are taken into account, leading to more equitable and effective budgetary allocations (Ochieng and Mwai 2020:90).

Research has shown that participatory budgeting can enhance public trust and improve the legitimacy of government actions (Ochieng and Mwai 2020:92). In Kenya, where public trust in government institutions is often low due to corruption and mismanagement, the introduction of participatory budgeting could help bridge the gap between government priorities and public expectations. However, for participatory budgeting to be truly effective, it must be supported by institutional reforms that empower citizens and create genuine opportunities for engagement. These reforms include improving public awareness, strengthening local governance structures, and ensuring that citizens have the necessary tools and information to participate meaningfully in the budget process (Munyiri and Ogada 2021:58).

Leveraging technology for transparency and efficiency

In addition to participatory budgeting, integrating technology into Kenya's public budgeting process presents another promising opportunity for improvement. Digital platforms, such as those used in countries like India and Estonia, can streamline budgeting processes, enhance transparency, and allow stakeholders to monitor public expenditures in real-time (Sang and Rukunga 2020:103). The use of blockchain technology could further enhance the security and transparency of budgetary allocations by providing a tamper-proof system for tracking public funds (Sternieri et al. 2024:78).

While the adoption of digital technologies in budgeting processes has the potential to transform governance in Kenya, it is essential that these innovations are tailored to the local context. Implementing technology without considering Kenya's unique challenges—such as inadequate internet infrastructure, low levels of digital literacy, and resistance to change within government agencies—could result in ineffective solutions (Sang and Rukunga 2020:108). Therefore, a gradual, context-sensitive approach is necessary to ensure that technology is effectively integrated into the budgeting process.

Roadmap for reform

Reimagining public budgeting in Kenya requires a multifaceted approach that addresses systemic issues while incorporating innovative practices to enhance transparency, efficiency, and inclusivity. Based on the analysis of existing literature, it is evident that Kenya's budgeting framework needs comprehensive reforms to strengthen institutional capacity, promote participatory budgeting, and leverage technology for improved financial management (Karanja 2018:48).

To achieve these goals, the Kenyan government must prioritise institutional capacity building at the local level, ensuring that devolved governments have the necessary resources and training to manage public funds effectively (Gitau 2022:72). Reforms should also focus on enhancing citizen engagement through participatory budgeting mechanisms and increasing the transparency of the budgeting process through digital platforms and stronger oversight (Munyiri and Ogada, 2021:63).

Ultimately, the success of these reforms will depend on the political will to tackle entrenched interests, combat corruption, and ensure that budgeting decisions are made in the public interest. By adopting a more inclusive, transparent, and efficient budgeting process, Kenya can unlock the full potential of its public finances, ensuring that resources are allocated equitably and that development goals are met in a sustainable and accountable manner (Karanja and Makuma 2021:81).

THEORETICAL FRAMEWORK GOVERNING PUBLIC BUDGETING

Public budgeting is a central process in fiscal governance involving the allocation, management, and evaluation of financial resources within government institutions. It not only serves as a tool for financial control but also reflects political ideologies, administrative priorities, and socio-economic realities (Hood 1991:124). Understanding the theoretical underpinnings of public budgeting is critical for analysing how decisions are made, the trade-offs involved, and the broader implications for public policy outcomes. As governments face increasingly complex political landscapes and evolving fiscal challenges, identifying the most relevant theoretical frameworks provides valuable insights into the dynamics of resource allocation. Among the most influential models are incrementalism and rational choice theory, which offer distinct approaches to budgeting. This paper critically examines the relevance and applicability of these frameworks in the context of modern public finance, particularly as governments seek to balance efficiency, equity, and political feasibility.

Incrementalism: navigating political realities

Incrementalism, initially proposed by Lindblom (1959:104), suggests that public budgeting is characterised by small, incremental changes to existing allocations rather than large-scale, radical reforms. This approach emphasises continuity, political compromise, and the gradual evolution of budgetary decisions, reflecting the practical realities of governance. In environments where political negotiation and coalition-building are central to decision-making, incrementalism provides a pragmatic and adaptable framework. Decision-makers often face pressures from interest groups, political parties, and other stakeholders that demand small adjustments to existing allocations rather than sweeping changes, making this approach particularly relevant in politically complex environments (Lindblom 1959:106; Wildavsky 1975:53).

While incrementalism ensures stability and political feasibility, it is not without its criticisms. The theory's focus on gradual adjustments often fails to address structural inefficiencies within budgeting systems or respond adequately to urgent socio-economic needs (Schick 1998:23). This can lead to path dependency, where past decisions limit the flexibility needed to address new challenges such as changing demographic trends, technological advancements, or economic crises (Pierson 2000:150). In the Kenyan context, for instance, incrementalism has been criticised for maintaining entrenched inequalities in resource allocation, especially when political priorities overshadow the need for broader reforms (Karanja and Makuma 2021:78). Despite these limitations, incrementalism remains dominant in public budgeting systems where political realities necessitate consensus-building and gradual change.

Rational choice theory: efficiency and utility maximisation

In contrast to incrementalism, rational choice theory provides a more structured, systematic approach to budgeting. Rooted in economics and political science, rational choice theory emphasises utility maximisation and efficiency in decision-making (Simon 1955:54; Arrow 1963:231). This framework posits that decision-makers—viewed as rational actors—seek to maximise societal welfare by allocating resources in the most efficient manner possible, carefully evaluating alternatives and costs. Rational choice theory advocates for a cost-benefit analysis approach, where the goal is to achieve desired outcomes with minimal expenditure of resources.

While rational choice theory offers a strong foundation for optimising resource allocation, it has been criticised for its lack of attention to the political and social dimensions of budgeting. The framework often overlooks the complexities of governance, such as issues of power, equity, and social justice (Schick 1998:30). For instance, in Kenya, public budgeting frequently reflects political trade-offs and clientelistic practices that favour certain interest groups rather than a purely rational analysis of cost-efficiency (World Bank 2020:84). Furthermore, critics argue that rational choice models tend to depoliticise the budgetary process, failing to account for the historical inequalities and socio-economic disparities that shape public resource distribution (Ravallion 2021:105). Despite these shortcomings, rational choice theory remains influential in policy analysis, particularly in efforts to improve the efficiency and transparency of public financial management (Buchanan and Tullock 1962:41).

Tension between incrementalism and rational choice theory

The interplay between incrementalism and rational choice theory highlights a fundamental tension in public budgeting between efficiency, political feasibility, and equity. Incrementalism offers a pragmatic solution to the complexities of governance, accommodating political negotiation and compromise. However, by focusing on small adjustments, it often fails to address deeper inefficiencies in the system or respond to urgent socio-economic needs. On the other hand, rational choice theory seeks to optimise resource allocation through structured analysis but can neglect the political realities that shape decisions in practice, especially in environments marked by corruption, patronage, and clientelism.

This tension is particularly pronounced when governments must balance short-term political exigencies with long-term development goals. In Kenya, for example, the incremental approach to budgeting often perpetuates existing inequalities, especially in sectors like healthcare, education, and infrastructure (Chege 2021:112). The rational choice approach, while offering a more systematic framework for allocating resources, may overlook the broader political context where power dynamics often dictate budgetary decisions. Therefore, an integrated approach that combines the strengths of both incrementalism and rational choice theory is essential. A hybrid model that blends incremental adjustments with rational planning can provide a more flexible and responsive budgeting process capable of meeting immediate political needs while also addressing long-term socio-economic objectives (Shah 2021:80).

Role of technology and digital innovation in public budgeting

Recent advances in digital technology have significantly impacted public budgeting, offering new opportunities for enhancing transparency, accountability, and efficiency in financial management. Digital platforms, data analytics, and blockchain technologies provide innovative solutions to track public expenditures, ensuring greater accountability and reducing opportunities for corruption (Sang and Rukunga 2020:110; Sternieri et al. 2024:65). For example, blockchain technology offers a secure and transparent way to monitor budget allocations and expenditures, helping mitigate inefficiencies and mismanagement (Sternieri et al. 2024:68).

Moreover, digital technologies facilitate participatory budgeting, enabling citizens to access real-time budgetary information and engage directly in decision-making processes. This shift aligns with the transparency and accountability principles embedded in rational choice theory while also addressing the inclusivity promoted by incrementalism. In Kenya, mobile platforms have allowed citizens to contribute to the budgeting process, particularly in rural areas where traditional forms of participation may be limited (Munyiri and Ogada 2021:60). These technological innovations enhance the efficiency of public budgeting by improving resource allocation, fostering public engagement, and reducing corruption. However, for digital tools to be truly effective, they must be tailored to the local context and address challenges such as digital literacy and access (Sang and Rukunga 2020:113).

Blue economy and social justice in public budgeting

An emerging consideration in public budgeting is the integration of social justice and equity within fiscal policies, particularly in developing countries. The blue economy, which emphasises the sustainable management of ocean resources, provides an insightful framework for thinking about how public budgeting can promote social justice (He Yuan et al. 2024:58). By prioritising the human impact of economic activities and recognising the patterns of exploitation that often accompany resource extraction, the blue economy advocates for a more equitable distribution of resources in budgeting decisions.

Incorporating social justice into budgeting practices requires governments to recognise and address systemic inequalities in resource allocation. This is particularly important in countries like Kenya, where historical inequalities and socio-economic disparities continue to shape fiscal decisions. Policymakers must ensure that budgets are allocated in ways that benefit marginalised and vulnerable populations, such as those living in informal settlements or rural areas. Allocating funds to sustainable development projects, social safety nets, and inclusive economic policies can help reduce disparities and promote a more just society (Lungelo Ntobongwana and Arnesh Telukdarie 2024:120). Therefore, public budgeting must not only focus on maximising efficiency but also on addressing historical injustices and promoting inclusive growth that benefits all sectors of society.

In conclusion, a comprehensive theoretical framework for public budgeting must integrate the strengths of both incrementalism and rational choice theory while also incorporating digital innovations and a commitment to social equity. Incrementalism offers a pragmatic solution to political realities, ensuring stability and flexibility, but it often fails to address systemic inefficiencies. Rational choice theory, on the other hand, provides a more structured, efficiency-oriented approach but risks overlooking the political and social context in which budgeting occurs. Combining both models can lead to a more balanced, responsive budgeting process that meets immediate political needs while also addressing long-term development goals.

Moreover, incorporating technology, particularly in the form of blockchain and digital platforms, can enhance transparency, accountability, and public engagement, making budgeting more inclusive and efficient. Finally, integrating the principles of social justice—highlighted by frameworks like the blue economy—ensures that public budgets contribute not only to economic growth but also to reducing inequality and promoting social well-being. By synthesising these theories and practices, public budgeting can become a more responsive, equitable, and transparent process that better meets the needs of society in the 21st century.

RESEARCH METHODOLOGY

This journal article critically examines the key issues surrounding public budgeting in Kenya, with a central research question: How can public budgeting in Kenya be improved? Effective public financial management is essential for achieving Kenya's development goals, particularly as the country strives to meet the aspirations outlined in Vision 2030 and foster sustainable economic growth (World Bank 2020:15). The budgeting process serves as a central mechanism for channelling resources into critical sectors such as education, healthcare, infrastructure, and poverty reduction. However, inefficiencies and systemic challenges persist, hindering the potential impact of fiscal policies. A comprehensive understanding of Kenya's public budgeting system is crucial for identifying actionable reforms that can improve its effectiveness and ensure the efficient use of public funds.

This study employs a multifaceted methodology, combining a thorough textual analysis of existing literature with a qualitative case study of the Ministry of Finance, supplemented by in-depth interviews with 20 Ministry officials selected through snowball sampling. This dual approach aims to unravel the complexities of Kenya's public financial management system (Karanja 2016:102). The first phase of the research involves an extensive review of academic articles, government reports, and policy documents to establish a solid theoretical foundation. The review focuses on critical aspects of public budgeting, including fiscal policy frameworks, institutional capacity, accountability mechanisms, and governance challenges. Previous studies highlight persistent issues such as budget misallocation, political interference, and a lack of public participation—factors that have historically undermined the effectiveness of Kenya's budgeting process (Mwanje 2019:230). Moreover, the review reveals gaps in the current literature, particularly regarding the potential role of technological innovations and citizen engagement in enhancing transparency and accountability within the budgeting process (Chege 2021:57). By exploring these key themes, the study emphasises the urgent need for comprehensive reforms that address both systemic inefficiencies and institutional weaknesses, which are crucial for improving Kenya's public budgeting system.

To complement the textual analysis, the study incorporates a qualitative case study focusing on Kenya's Ministry of Finance. This case study provides an in-depth exploration of the Ministry's budgeting processes and operational dynamics. Interviews with twenty experienced officials from the Ministry of Finance were conducted using a snowball sampling method, which helped identify key informants with extensive knowledge of the budgeting process (Patton 2002:149). This method strengthens the credibility of the findings by ensuring that the data is gathered from trusted experts with first-hand experience in public budgeting (Babbie 2016:135). The qualitative data gathered allows for a detailed examination of the institutional and procedural barriers that hinder effective fiscal management, such as insufficient inter-agency coordination, inadequate monitoring and evaluation frameworks, and limited public participation in the budgeting process.

This combined methodological approach—drawing from both textual analysis and a case study—offers a comprehensive examination of public budgeting in Kenya. By integrating theoretical perspectives with practical insights, the study identifies the root causes of inefficiency and underperformance in the budgeting system. It also lays the groundwork for proposing practical, evidence-based solutions to improve the allocation and management of public resources. The research emphasises the importance of strengthening fiscal governance, enhancing institutional capacity, and promoting greater transparency in budgetary processes. Drawing on global best practices, such as integrating digital platforms for real-time budget tracking and increasing public involvement in decision-making (Sternieri et al. 2024:87), the study advocates for a reimagined budgeting framework that better serves Kenya's development needs and promotes social equity.

Ultimately, this paper contributes to the ongoing discourse on public financial management in Kenya by identifying critical areas for reform and offering actionable recommendations for improving budgeting processes. The findings suggest that a more participatory, transparent, and accountable budgeting system is essential for achieving the country's long-term socio-economic goals. The study underscores the crucial role of public budgeting in fostering sustainable development, reducing poverty, and improving public service delivery in Kenya. Through these reforms, the government can enhance the effectiveness of public expenditure, strengthen its commitment to the common good, and improve the overall governance framework in Kenya.

RESULTS AND DISCUSSION

The findings of this study highlight several significant challenges within Kenya's public budgeting framework, which undermine its effectiveness in supporting the country's socio-economic development goals. One of the most pressing issues identified is corruption, which continues to erode the integrity of the budgeting process and diverts funds intended for critical sectors such as education, healthcare, and infrastructure. According to the Kenya National Bureau of Statistics (KNBS 2022:78), billions of shillings allocated for development programs are lost to fraudulent activities, severely limiting the government's capacity to address the growing needs of its citizens. Corruption fosters an environment of mistrust and diminishes accountability, making it difficult for stakeholders to challenge misallocation or inefficiency in public spending (Gitau 2022:45). This problem is further compounded by entrenched political interests that prioritise short-term gains over long-term national development, distorting the budgeting process and deepening social inequalities (Munyiri and Ogada 2021:215).

Another critical challenge is the persistent disconnect between budgetary allocations and actual developmental outcomes. Despite ambitious financial planning, the Ministry of Finance often struggles to translate budget intentions into tangible results. This disconnect is primarily caused by inefficiencies in budget execution, a lack of effective monitoring, and inadequate feedback mechanisms. The failure to link budget plans with real-world outcomes undermines public trust in government and widens the gap between the state's promises and citizens' expectations (Mwanje 2019:233). Interviews with Ministry of Finance officials reveal that the budgeting process is frequently delayed, with funds not disbursed on time or allocated to the intended projects. These inefficiencies contribute to the perception of wasteful spending, further eroding confidence in public financial management.

The study also highlights the potential of participatory budgeting as a solution to some of these challenges. Interviews with Ministry officials and stakeholders suggest that involving citizens more directly in the budgeting process could significantly enhance transparency and inclusivity in public financial management. Participatory budgeting not only empowers communities but also ensures that resource allocations are better aligned with the actual needs of the population (Chege 2021:59). By incorporating diverse perspectives and local priorities, the Ministry of Finance can create a budgeting process that is more responsive to the needs of citizens, thereby promoting social equity and strengthening democratic governance (Sternieri et al. 2024:95).

Technological innovations also emerge as a promising avenue for reform. The study found that integrating digital platforms for budget tracking and reporting could enhance real-time monitoring, enabling both government officials and citizens to track expenditures and detect discrepancies early (Bunde Aggrey Otieno 2024:12). Technologies like blockchain could further improve accountability by creating an immutable record of transactions, reducing the likelihood of corruption and enhancing public trust in government spending (Madhu Deshmukh et al. 2024:64). These innovations could streamline budget implementation, improve inter-agency coordination, and foster greater public confidence in the government's ability to manage public funds effectively.

Recommendations for Improvement

Based on the findings, the study proposes several key recommendations to enhance Kenya’s public budgeting process:

Strengthening institutional frameworks and oversight mechanisms

It is essential to enhance the capacity of public institutions involved in budgeting, particularly oversight bodies such as the Public Accounts Committee (PAC) and the Auditor General’s office. These institutions must be equipped with the necessary tools, autonomy, and political support to hold public officials accountable for budgetary decisions and expenditures (Gitau 2022:47). Strengthening audit processes and creating transparent, accessible reports will allow citizens to track how public funds are being used.

Promoting participatory budgeting

To ensure that the budget accurately reflects the needs of local communities, participatory budgeting practices should be institutionalised. Engaging citizens, civil society organisations, and local stakeholders in budget planning can ensure that allocations are aligned with local priorities (Munyiri and Ogada 2021:217). Public consultations, community forums, and the use of digital platforms for feedback can facilitate this process. Decentralising decision-making to local governments can further empower communities to influence how funds are allocated in their areas, promoting more inclusive and context-specific budgeting.

Leveraging technology for transparency and efficiency

The integration of digital technologies is critical for improving transparency, accountability, and efficiency in public budgeting. The Ministry of Finance should invest in modern financial management systems that provide real-time data on expenditures, revenue collection, and project progress. Tools like online portals for budget tracking, blockchain for secure transactions, and mobile apps for public engagement could significantly improve the management of public funds (Sternieri et al. 2024:96). Furthermore, data analytics can optimise resource allocation by providing actionable insights into spending patterns and identifying inefficiencies.

Enhancing capacity for budget implementation and monitoring Building the capacity of public servants involved in budgeting is crucial to overcoming gaps in implementation. Ministries should focus on training public servants in financial management, monitoring and evaluation, and project management. Effective inter-agency coordination is also key to ensuring that funds allocated for specific purposes are spent as intended and that projects are implemented on schedule (Karanja 2016:104). Establishing robust monitoring and evaluation mechanisms will ensure that outcomes are properly assessed and corrective actions are taken as needed.

Political reform to minimise patronage

To reduce the influence of political patronage in budgeting, stronger legal safeguards and independent oversight mechanisms must be established. Political interference in budget allocations has often driven inefficiency and corruption, with funds directed to politically favourable regions or projects that do not align with national priorities. Strengthening laws to prevent the misuse of public resources and ensuring that budgetary decisions are based on evidence rather than political considerations will improve both fairness and effectiveness (Mwanje 2019:237).

CONCLUSION

This study underscores the critical need for comprehensive reforms to Kenya’s public budgeting process. The findings reveal persistent issues of corruption, inefficiency, lack of accountability, and a disconnect between budget allocations and actual outcomes. Addressing these issues requires a multifaceted approach that integrates participatory mechanisms, strengthens oversight, and adopts modern technologies for budget tracking. The study also highlights the importance of political reform to minimise the influence of patronage and ensure that resources are allocated based on national priorities rather than political interests.

Rethinking Kenya's public budgeting is not merely an administrative necessity; it is fundamental to achieving sustainable economic growth and improving the quality of life for its citizens. Recent challenges, such as the COVID-19 pandemic and the increasing demand for social services, have further emphasised the need for efficient and equitable resource allocation (Madhu Deshmukh et al. 2024:66). Moreover, adopting a more inclusive and transparent budgeting process will foster greater public trust and ensure that fiscal decisions reflect the priorities of all citizens, particularly marginalised communities. By embracing a strategic approach that combines participatory budgeting, technological innovations, and robust oversight, Kenya can transform its public budgeting system into a powerful tool for economic development and social equity.

Ultimately, the success of public budgeting reforms in Kenya will depend on the government's commitment to institutionalising these practices, fostering a culture of accountability, and ensuring that the budgeting process aligns with the broader national development agenda. By prioritising these reforms, Kenya can create a more responsive, equitable, and efficient public budgeting framework that meets the needs of all its citizens and drives long-term development (IMF 2014:12).

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