

Assessing the Level of Awareness of the Legal and Policy Frameworks on Cess Revenue Collection in Busia County Government

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Abstract:- Own Source Revenue (OSR) is a key source of revenue for local governments across the globe, and has been since 2013, an important compliment to National Government financing streams such as Conditional Grants and Equitable Share of the revenue. An important part of successful OSR collection and administration is the clearly communicated policies and legislations which presupposes stakeholders' awareness of such instruments has a positive correlation with policy implementation. This research paper examined the levels of awareness of policies regulating agricultural products in Busia County, aiming to uncover disparities in awareness across different stakeholder groups. The study analyzed responses from Revenue Collection Officers, Revenue Collection Enforcement Officers, Revenue Administrators, Tax Payers (both transit and non-transit). The paper interpreted findings through the lens of the theory of fiscal decentralization, emphasizing adaptable public services and efficient decision-making. The findings of the results indicate significant variation in policy awareness across stakeholder groups. While many revenues collection officers, Enforcement Officers, and Administrators show awareness, a substantial portion of Tax Payers - Non-Transit lack awareness, highlighting the need for targeted awareness campaigns. Awareness of the National OSR Enhancement Policy and the Busia County Cess Act also varies, emphasizing the importance of tailored communication strategies. Participation in county development processes is diverse, with higher engagement among Revenue Collection Officers, Enforcement Officers, and Administrators. Tax Payers - Transit show low involvement, suggesting a need for targeted engagement strategies. Additionally, the study examines training and sensitization efforts, revealing that a majority have not been trained on county policies. In conclusion, this research underscores the significance of addressing awareness disparities to enhance policy adaptation and effectiveness, in alignment with the principles of fiscal decentralization. By fostering inclusive and informed decision-making, Busia County can create a more efficient and responsive policy landscape, catering to the unique needs and preferences of its diverse stakeholders and improve the uptake of the Cess Policy.

Keywords:- Busia County, Own Source Revenue, Cess, Awareness, Policy and Legal Framework.

I. INTRODUCTION

The past 25 years have witnessed a notable trend towards fiscal decentralization, with more than 75 nations globally adopting this approach for local and subnational governance, as highlighted by the World Bank (2018). By the late 1990s, around 80% of these countries had embarked on various forms of decentralization, aiming to enhance the efficiency of public goods and services delivery in alignment with the changing political and economic dynamics of the Post-Cold War era. Europe has been at the forefront of fiscal decentralization, with countries like Australia, Germany, Switzerland, Belgium, Italy, and Spain leading the way, as elucidated by Munyua, Muchina & Ombaka (2018). In the United States, a shift towards fiscal decentralization is evident through the delegation of services like welfare, Medicaid, legal services, housing, and job training to regional governments (Munyua, Muchina & Ombaka, 2018, p. 48).

The African continent, including sub-Saharan Africa, has embraced fiscal decentralization, with countries like Botswana, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nigeria, South Africa, Tanzania, Uganda, and Kenya adopting mechanisms to decentralize fiscal responsibilities, primarily aimed at broadening the tax base (Munyua, Muchina & Ombaka, 2018). This strategy has been linked to substantial economic growth in sub-Saharan Africa, registering an average annual increase of 5.66% between 2004 and 2013 (Munyua, Muchina & Ombaka, 2018, p. 48). Notably, the significant growth observed in East Africa has been attributed to decentralized taxation policies that curbed tax evasion and expanded the taxation scope to previously untapped areas (Adam Smith International, 2020).

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Kenya transitioned from a centralized to a devolved governance system in March 2013, inaugurating 47 independent Local/County Governments alongside the national government. The 2010 Constitution of Kenya decentralized fiscal functions to the County Governments through Schedule Four, granting them executive and legislative authority for budgeting and law-making (Development Initiatives [DI], 2018). However, these County Governments often grapple with insufficient funding from the national government, necessitating effective generation of own-source revenue (OSR) to sustain local public services. The Constitution of Kenya's Article 202 stipulates equitable sharing of nationally raised revenue with County Governments, while Article 203 mandates that at least 15% of national revenue collections be allocated as equitable share. The specifics of each County's equitable revenue are determined by the County Allocation of Revenue Act (CARA), formulated by the Commission for Revenue Allocation (CRA) (Government of Kenya [GoK], 2020). Apart from equitable shares, County Governments also derive funds from national government grants, the Equalization Fund, loans, grants, and OSR (Development Initiatives, 2020; CRA, 2019).

While studies on tax policies and revenue collection have delved into areas like tax reforms, effects of such reforms in various jurisdictions, challenges in policy implementation, and legislative authorization processes, a critical gap exists in comprehensively understanding the levels of awareness of key policies and legislations addressing challenges at the finance and taxation policy implementation stages, particularly pertaining to generating own-source revenues (Adam Smith International, 2020; Bartle, Kriz, & Morozov, 2011; May, 2011; Nwanne, 2015; Odusola, 2006).

The concept of own-source revenue (OSR) collection is widely recognized as a pivotal element in sustaining decentralized systems, a consensus underscored by Abdile (2022). However, the sustainability of such systems depends on a nexus of variables, including adept training in revenue collection techniques, enforcement of revenue-related regulations, and perhaps most crucially, the presence of well-structured legal and policy frameworks guiding the intricate processes of revenue collection, training, and administration. Adam Smith International posit that the stakeholders concerned with implementing such policies and laws must be aware of them, calling upon duty-bearers to extensively and in a targeted manner communicate such instruments. In a macro-scale analysis of OSR in Kenya, Development Initiatives (2018) finds that despite existence of such instruments, it cannot be said that concerned stakeholders understand the essence of them, something which obviously negatively influence uptake of OSR policies. Consequently, the paramount objective of this paper is to investigate the levels of awareness of the legal and policy frameworks that underpin a specific facet of OSR – the Cess revenue – within Busia County.

The foundation of OSR collection finds its roots in the Constitution of Kenya (CoK) of 2010. Within Schedule Four of the CoK (2010), the framework for devolved functions is laid out, enumerating the responsibilities designated to County Governments. Article 209 of the CoK constitutes the conduit through which these devolved functions are operationalized, providing the avenue for resource mobilization at the county level. Notably, Article 209 (3) constitutes the bedrock of fiscal decentralization in Kenya, empowering counties to levy property taxes, entertainment taxes, and other taxes sanctioned by parliamentary Acts. Furthermore, counties are authorized to levy charges for services rendered.

However, this power is regulated by Article 209(5) of the CoK, which mandates County Governments to impose taxes, levies, and charges in a manner that aligns with national economic policies and preserves the flow of economic activities across county borders. Paradoxically, in their pursuit of augmented OSR, counties have promulgated an array of regulations designed to bolster revenue generation via multiple licenses and permits (Development Initiative, 2018). To give substance to Article 209(3), counties enact specific legislations such as annual county finance acts that grant the authority for tax collection and revenue receipt. Additionally, they establish sector or source-specific regulations such as trade licensing, liquor control, and property rating/valuation laws, thus wielding the ability to oversee distinct sectors through licensing and fee-based permits. Evidently, this intricate landscape beckons a scientific exploration into the mechanics of implementing these legal frameworks, appraising the strides made and the hurdles encountered by Counties thus far, a chasm this study aims to bridge.

The Public Finance Management Act (PFMA) of 2012 assumes a pivotal role in the domain of OSR (GoK, 2012). As elucidated by Namuju (2021), the PFMA orchestrates parallel yet converging planning and budgeting processes at both county and national echelons, with the division of national revenue as the fulcrum. Notably, this act is designed to orchestrate and regulate county-level public finance management, a function in line with the formation of County Revenue Funds (CRF) in each county. The CRF operates as a central repository for pooling resources from various streams, with OSR being a key constituent. Furthermore, the PFMA prescribes guidelines for managing county revenues, inclusive of banking protocols and the appointment of revenue receivers and collectors (Development Initiatives, 2018).

A vital dimension is added to this narrative by the County Government Act of 2012 and the Urban Areas and Cities Act of 2011. In an effort to actualize Article 209(3) of the CoK, counties introduce specific statutes, exemplified by annual county finance acts, which furnish the mandate for tax collection and revenue acquisition. Moreover, these counties enact targeted laws pertinent to particular sectors, exemplified by trade licensing, liquor control, and property rating/valuation regulations, enabling them to supervise diverse domains through the issuance of licenses and fee-

based permits. Nonetheless, a discernible gap emerges in the implementation of these laws, with only a subset of counties having actualized them; a manifestation of the research void this study seeks to fill.

To address some of these challenges, the proposed County Governments (Revenue Raising Regulations Process) Bill 2017 is anticipated to proffer a legal framework governing the procedures counties must follow to institute, modify, or exempt taxes, fees, levies, and other charges. However, this legislation necessitates political goodwill at executive and parliamentary levels, alongside support from county governors for expeditious enactment and implementation. Correspondingly, the County Governments Act of 2012 mandates counties to develop tariff and pricing policies for public services, promoting equitable fee application and enhancing access for vulnerable groups. Regrettably, the operationalization of these policies remains elusive, potentially leading to regressive fee adjustments and inadequate revenue generation, hampering service quality.

Crucially, both the PFM Act and the County Government Act outline provisions for public participation in the management of county resources, intending to engender taxpayer involvement and ownership of revenue-raising strategies. However, disparities persist across counties in terms of the presence of public participation laws, policies, or guidelines, resulting in deficient consultations regarding OSR-related matters. The envisaged Public Participation Bill 2018 endeavors to invigorate robust citizen engagement, aligning with the spirit of the CoK. Evidently, cultivating trust between county governments and citizens constitutes an indispensable facet in ensuring meaningful public participation.

In summation, an assemblage of legislations and policies has been crafted at both national and county levels, with the intent to fortify OSR mobilization. Yet, the gaps underscored in the legal and policy architecture could conceivably divert counties from their OSR mobilization targets. Nevertheless, only a handful of studies have undertaken a comprehensive cross-sectional analysis of stakeholders' viewpoints on the practical application of these frameworks as well as their levels of awareness. This study thus discerns the Busia County Government as an exemplary case study, endeavoring to unravel the nuances of this multifaceted subject.

II. THEORETICAL FRAMEWORK

The theoretical framework underpinning this study is the theory of fiscal decentralization (TFD) proposed by Professor Wallace Oates, as elaborated in his work "Theory and Practice of Fiscal Decentralization" (Wallace, 2006). While a plethora of literature exists on TFD (Courchene et al., 2006), this study specifically adopts Oates' (2006) perspective due to its comprehensive consolidation and analysis of the theory's concepts.

Oates (2006) posits that fiscal decentralization is grounded in the notion of improving the allocation of public resources. He delineates four key assumptions of TFD (p. 2): i) Regional or local governments possess the capacity to tailor public services to their constituents' preferences and specific circumstances, in contrast to centralized solutions that assume a uniform approach fits all. ii) In a scenario of mobile households, individuals can opt for jurisdictions offering services aligned with their preferences, thereby augmenting the benefits of decentralized public service provision. iii) Contrary to the central government's monopolistic position, decentralized government levels encounter competition from neighboring jurisdictions, prompting budgetary restraint and driving efficient public service delivery. iv) Lastly, decentralization fosters experimentation and innovation as local jurisdictions are free to adopt novel public policy approaches, thus serving as a valuable testing ground for fiscal experiments.

These assumptions bear relevance to this study's exploration of strategies implemented at the county level, specifically within the framework of the OSR policy. The emphasis on innovative mechanisms aligns with the collection of Cess revenue, which can be examined through the lens of these fiscal decentralization principles to meet the study's objectives. By understanding and applying these four main assumptions, the study gains insight into policies related to revenue collection and administration, including the Public Finance Management Act (PFMA), County Government Act (CGA), and the National OSR Policy.

The implementation of the Constitution of Kenya (CoK) 2010 and related laws and policies, particularly the OSR Policy, has granted counties the autonomy to tailor revenue collection and administration to their specific contexts. This flexibility has enabled the formulation of legislations like the Cess Act by Busia County Government (BCG), aimed at guiding revenue collection and administration for agricultural products. This is particularly pertinent given that agriculture constitutes a significant revenue source and economic activity, especially for the vast rural population accounting for over 87% of the populace. Hence, the theory of fiscal decentralization becomes a valuable analytical tool in investigating the utility of these policies within the county's context.

III. RESEARCH METHODOLOGY

This section outlines the research methodology for the study, focusing on addressing three main questions: the methods chosen for the study, how they were executed, and why these methods were preferred over alternatives.

The study employs a case study design to investigate the generation of own revenues by Busia County, specifically the Cess revenues (Kothari, 2004). This unique choice is influenced by the distinctive implementation of the Cess Act by the county government, making it an appropriate subject for in-depth exploration. The case study design allows for the collection of both qualitative and quantitative data. The study takes place in Busia County,

known for its emphasis on agriculture. The county's adoption of the Cess Act to boost agricultural revenue justifies its selection. The downward trend in revenue collection by the county government also highlights the importance of investigating revenue generation methods.

The study targets Busia residents engaged in agricultural activities, tax revenue collectors, and revenue administration officers. This stratified approach ensures comprehensive coverage of stakeholders involved in the revenue generation process. The study's sample size is determined using the Fischer's et al. (1998) formula, designed for larger populations (over 10, 000). Based on this, a population size of 384 was arrived at. Stratified sampling is employed to ensure representation across different categories. Both quantitative and qualitative data are collected.

A mixed-method research strategy was adopted, incorporating both qualitative and quantitative approaches (Stakes, 2006). Secondary data was gathered from relevant sources, while primary data is collected through closed self-administered questionnaires, key informant interviews, in-depth interviews, and focus group discussions. This strategy enabled the study ensure reliability through careful planning, pre-testing both the key informant interview guides ecological considerations, and triangulation of data. To ensure validity, a pre-test was conducted to refine the data collection tools, and a wider range of participants is sampled including tax collectors, tax payers – further stratified as transit and non-transit tax payers, tax collection reinforcement officers and finally tax administrators.

Qualitative data was analyzed using thematic content analysis, while quantitative data processed using SPSS. The findings are presented using frequency tables, graphs, pie charts, cross-tabs, and histograms. The integration of qualitative and quantitative data enabled comprehensive and nuanced analysis.

The study adhered to ethical guidelines, seeking proper authorization and ensuring participant confidentiality, anonymity, and well-being. The study emphasizes the long-term benefits of its findings in guiding policy reforms and benefiting both local and regional communities. In summary, this section describes the chosen research methodology, which includes a case study design, stratified sampling, mixed-method approaches, and ethical considerations to comprehensively explore the generation of own revenues in Busia County.

IV. RESULTS AND DISCUSSIONS

In the pursuit of effective local governance and revenue generation, the awareness of policies regulating agricultural products and their implications play a pivotal role in shaping policy adaptation, implementation, and community engagement. This chapter delves into the awareness levels of different stakeholder groups regarding agricultural policies, aligning the findings with the theoretical framework of fiscal decentralization. As

proposed by Professor Wallace Oates (2006), fiscal decentralization emphasizes the adaptability of public services to local circumstances, fostering competition, efficient service provision, and community participation.

This chapter unfolds through various sections, each shedding light on distinct aspects of policy awareness among participants. It begins by contextualizing the agricultural sub-sectors from which participants hail, setting the stage for understanding the diverse economic landscape. Drawing insights from the theory of fiscal decentralization, this section explores how tailoring revenue collection and administration strategies to different agricultural sub-sectors can contribute to more effective outcomes.

Building upon this foundation, the chapter moves to investigate variations in awareness of general policies or legislations regulating agricultural product collection and administration. The alignment of these findings with the theory underscores the importance of informed decision-making and competition among decentralized government levels, emphasizing the need for heightened awareness to facilitate effective policy implementation. Continuing the exploration, the chapter delves into variations in awareness of the National OSR Enhancement Policy among different respondent designations. The implications of these awareness disparities are examined through the lens of fiscal decentralization, highlighting the significance of targeted communication strategies to enhance awareness, promote informed decision-making, and encourage engagement within local communities. Furthermore, the chapter examines respondents' awareness of the Busia County Cess Act and its implications for fiscal decentralization. The theory's emphasis on customizable revenue collection and administration strategies underscores the importance of stakeholders' awareness of county-specific policies, driving the need for innovative communication approaches to ensure comprehensive understanding among diverse groups. Finally, the chapter delves into participants' involvement in general county development processes, aligning these findings with fiscal decentralization's core principles of inclusive decision-making and community engagement. The implications of varying participation rates are discussed within the framework of fostering efficient policy implementation through holistic local governance.

A. Socio-Demographic Variables

The sub-section on socio-demographic analysis provides a comprehensive exploration of the diverse characteristics and backgrounds of the study participants, as elucidated by the frequency tables. These indicators, including gender distribution, respondents' designations, marital status, sub-county representation, disability status, employment status, monthly income, level of education, and access to government support, collectively form a rich collection of insights that are pivotal for contextualizing and understanding the nuances surrounding the implementation of the national policy on enhancing county governments' own-source revenue in Busia County. The demographic composition of the respondents, captured through these indicators, holds immense significance in illuminating the

varied perspectives and experiences that shape individuals' interactions with revenue policies. This sub-section thus serves as a foundational cornerstone for interpreting the subsequent analysis of the study's objectives and research questions, ensuring that policy recommendations and insights are well-informed and considerate of the multifaceted socio-demographic dimensions that influence policy implementation and outcomes within the county.

➤ *Gender of Respondent*

The distribution of gender among the respondents in this study reveals an interesting demographic aspect. The results show that there was a higher participation of female

respondents, accounting for 60.7% of the total sample, while male respondents constituted 39.3%. This gender distribution highlights the inclusion of a diverse range of perspectives, crucial for a comprehensive analysis of the implementation of the national policy on enhancing county governments' own-source revenue. The higher participation of females may reflect broader trends in the county or the specific roles and responsibilities within the domain of revenue generation and administration. However, a balanced representation across genders is essential to ensure policy recommendations and conclusions are sensitive to the needs and perspectives of all stakeholders.

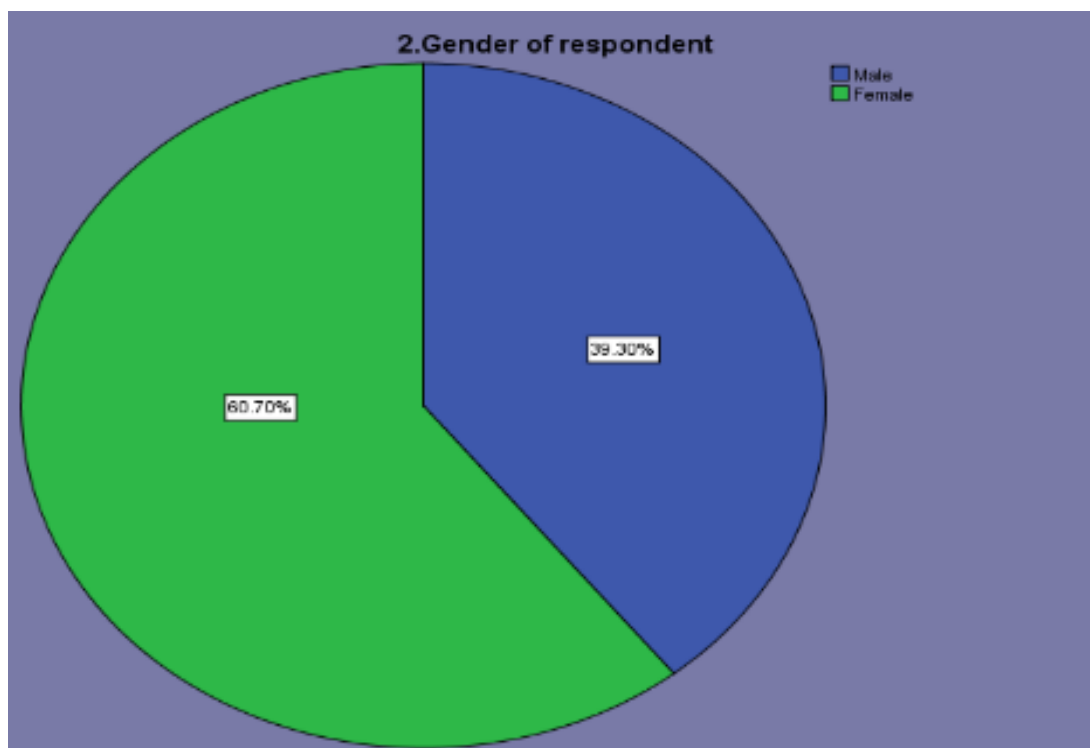


Fig 1 Gender of Respondent
Source: Survey Data (2023).

➤ *Designation of Respondent*

The designations of respondents provide a glimpse into the professional diversity of those engaged in this study. The distribution across different designations reveals that a significant portion (65.1%) of respondents identified as "Taxpayers - non-transit," indicating a substantial involvement of individuals who are not directly part of the revenue collection process within the county government. Meanwhile, 24.7% of respondents were "Revenue collection officers," and the remaining respondents represented other

roles such as "Revenue collection enforcement officer," "Revenue Administrator," and "Taxpayers - transit." This varied representation underscores the importance of considering insights from both those directly involved in revenue collection and administration and those impacted by these policies as taxpayers. The differing perspectives of these groups could contribute to a more holistic understanding of the implementation challenges and opportunities related to enhancing county governments' own-source revenue.

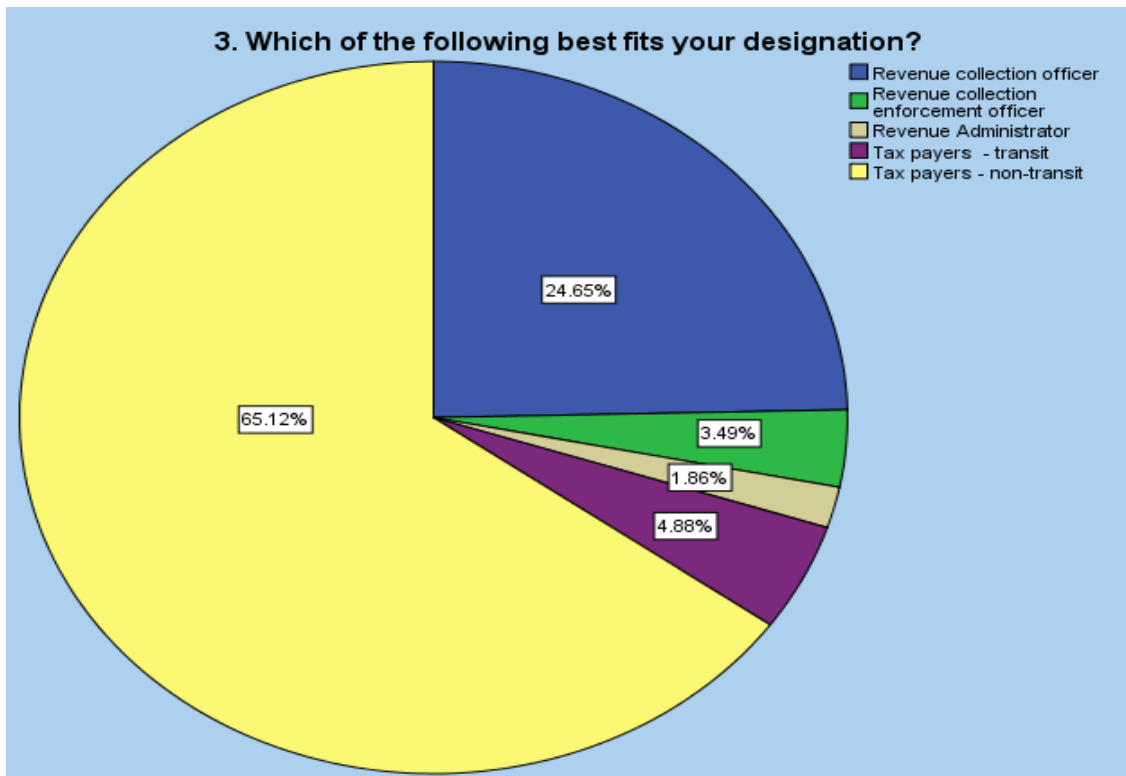


Fig 2 Designation of Respondent
Source: Survey Data (2023).

➤ *Marital Status of Respondent*

The marital status of the respondents showcases a balanced distribution between married and single individuals. With 49.3% of respondents identifying as "Married" and 48.8% as "Single," the study captures insights from individuals with varying family responsibilities and commitments. This distribution suggests that the study is representative of individuals from different marital statuses,

which could have implications for how they perceive and engage with county government policies, including those related to own-source revenue. Additionally, the small percentages of respondents identifying as "Widowed" (1.2%) or "Separated" (0.7%) indicate a smaller proportion of individuals who may face unique economic and social circumstances that could influence their perspectives on revenue policies.

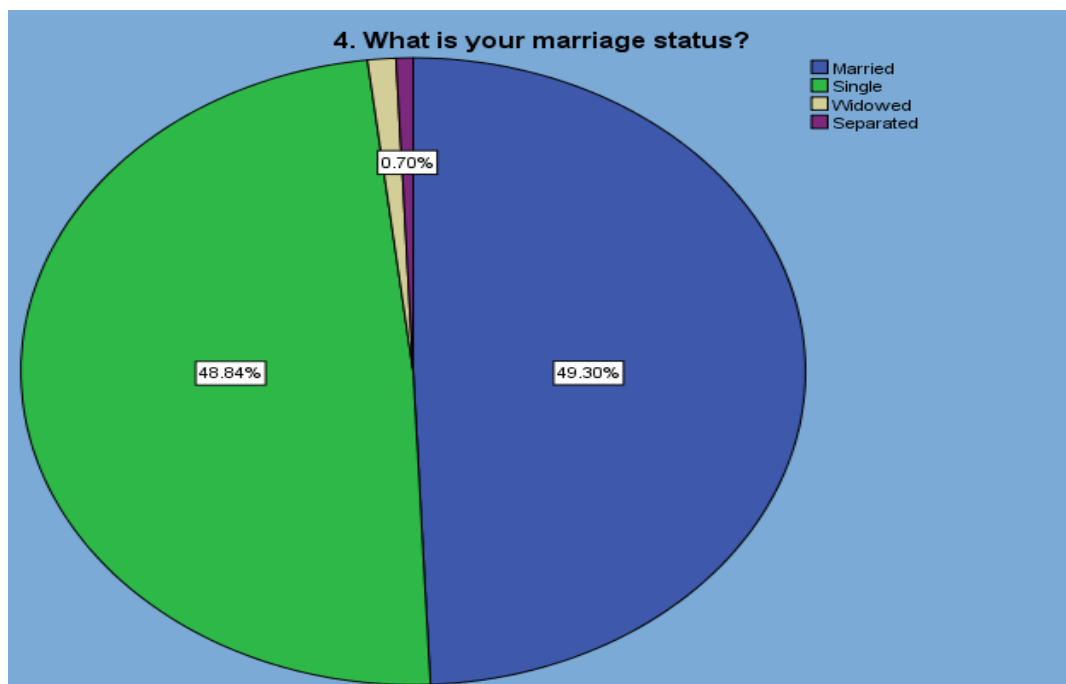


Fig 3 Marital Status of Respondent
Source: Survey Data (2023).

➤ *Sub-County of Respondent*

The distribution of respondents across different sub-counties reflects an attempt to capture perspectives from various administrative divisions within Busia County. The sub-county distribution appears relatively even, with the highest representation in "Teso South," "Teso North," and "Bunyula" sub-counties, each accounting for around 14% of the total sample. This balanced representation is crucial for providing a comprehensive view of the implementation of the national policy on enhancing county governments' own-source revenue, as it ensures that insights are not skewed towards a particular sub-county's experiences or challenges. The inclusion of a "Non-resident" category (3.7%) also suggests that the study acknowledges individuals who may have affiliations with the county but reside outside of its administrative boundaries, potentially bringing diverse perspectives shaped by their interactions with the county's revenue policies.

➤ *Disability Status of Respondent*

Figure 4 reveals that 19.8% of respondents identified themselves as persons with disabilities, while the majority (80.2%) did not report having a disability. This distribution reflects a commitment to inclusivity in the study, providing a platform for voices that might otherwise be marginalized or underrepresented in policy-related research. By acknowledging and involving individuals with disabilities, the study has the potential to uncover insights into how the implementation of the national policy on enhancing county governments' own-source revenue impacts this particular group. The findings from this group could highlight areas where revenue policies need to be more inclusive and considerate of the needs and challenges faced by persons with disabilities. Furthermore, this representation contributes to a more comprehensive understanding of the overall effectiveness and equity of revenue policies within Busia County.

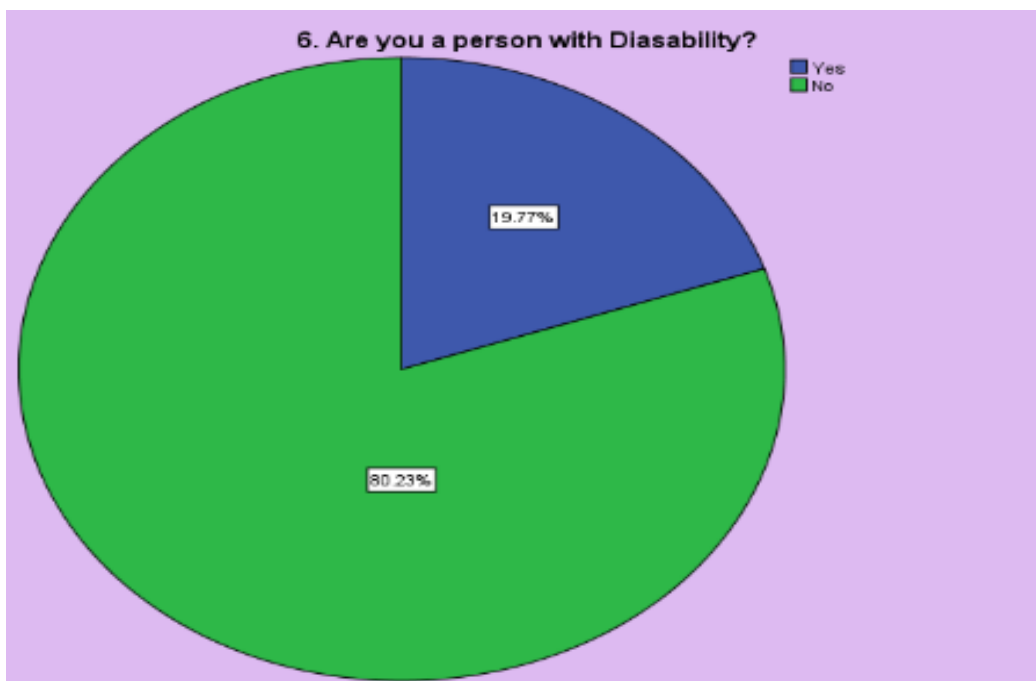


Fig 4 Disability Status of Respondent
Source: Survey Data (2023).

➤ *Type of Disability*

Among those respondents who identified themselves as persons with disabilities, the majority did not specify their disability type (80.7%). This highlights the need for sensitivity in data collection and analysis when dealing with potentially sensitive and personal information. However, within the specified types of disabilities, "Physical" disabilities were the most prevalent (9.8%), followed by "Hearing" disabilities (8.6%). This distribution could imply that individuals with physical and hearing disabilities felt more comfortable or empowered to disclose their specific

disability type. Nevertheless, the high percentage of respondents who did not provide a specific type underscores the importance of respecting privacy and providing appropriate options for respondents when collecting information about disabilities. The information collected from individuals who did specify their disability types could potentially shed light on how specific types of disabilities intersect with the implementation of revenue policies, contributing to a nuanced understanding of inclusivity and accommodation in revenue-related activities.

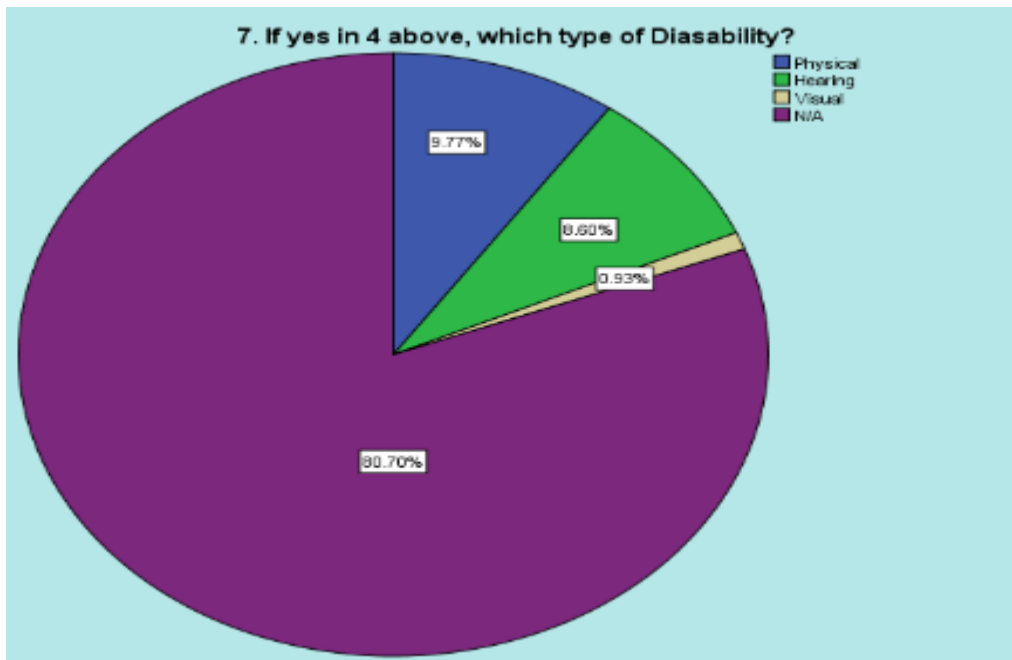


Fig 5 Type of Disability
Source: Survey Data (2023).

➤ *Employment Status of Respondents*

The distribution of respondents across various employment statuses reveals a diverse range of occupational backgrounds. Notably, the largest proportion of respondents engaged in the "Informal/Juakali Sector" (33.7%), followed by "Farming" (21.2%) and "Salaried but on Contract" (20.9%). This diverse distribution indicates that the study captured insights from individuals with varying economic backgrounds and employment arrangements. The inclusion of informal sector workers and farmers is particularly

significant, as they often form a substantial portion of the county's population and contribute to economic activities that could be affected by revenue policies. Moreover, the varying employment statuses could influence how respondents perceive the impact of the national policy on enhancing county governments' own-source revenue, based on their economic stability and livelihood sources. This diversified perspective enriches the study's ability to provide nuanced insights into the broader socioeconomic implications of revenue policies.

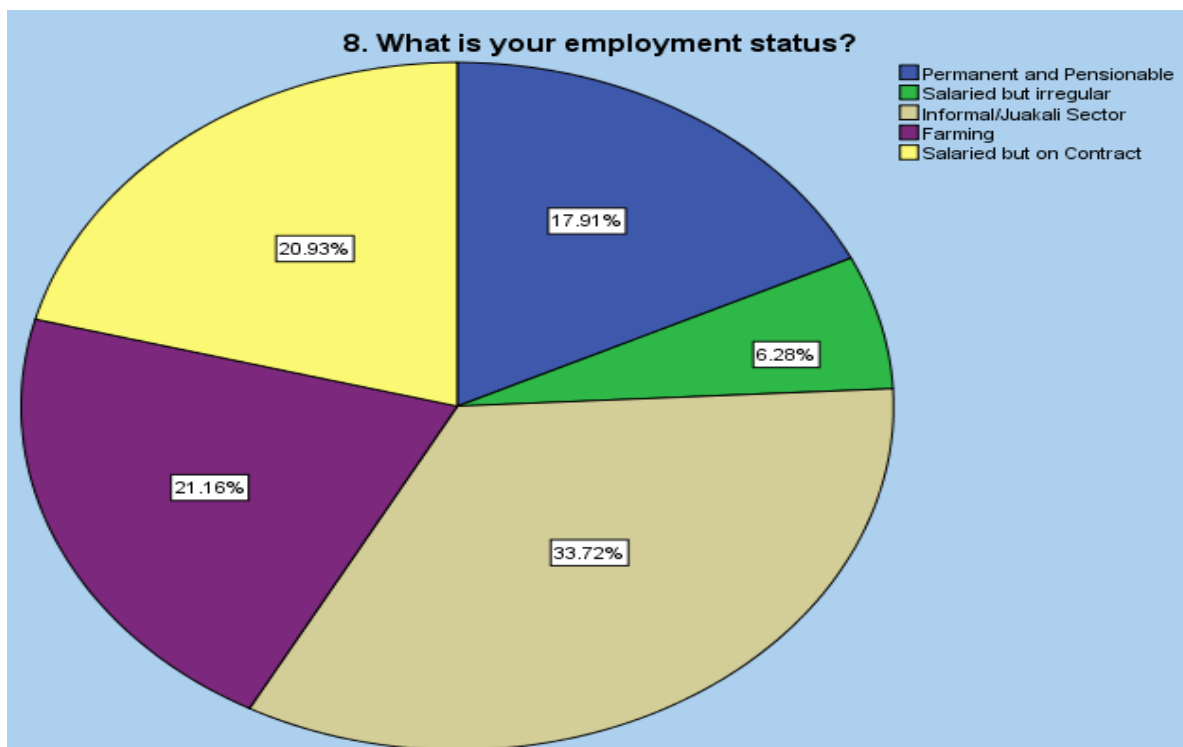


Fig 6 Employment Status of Respondents
Source: Survey Data (2023).

➤ *Monthly Income of Respondents*

The distribution of respondents' monthly income underscores the economic diversity among study participants. The majority of respondents fell within the income range of "10001 - 30000" KES (37.7%), followed by "5001 - 10000" KES (32.6%) and "0 - 5000" KES (13.0%). This distribution reflects the economic realities within Busia County and provides context for analyzing how revenue policies impact individuals across different income brackets. The prevalence of respondents within the "10001 - 30000"

KES income range suggests that a significant portion of the population may be within the middle-income bracket. This income distribution is essential for understanding the financial capacity of individuals to pay taxes or contribute to own-source revenue initiatives. It also highlights potential challenges faced by lower-income individuals in meeting revenue obligations, and the study's findings could provide insights into equitable revenue collection strategies that consider various income levels.

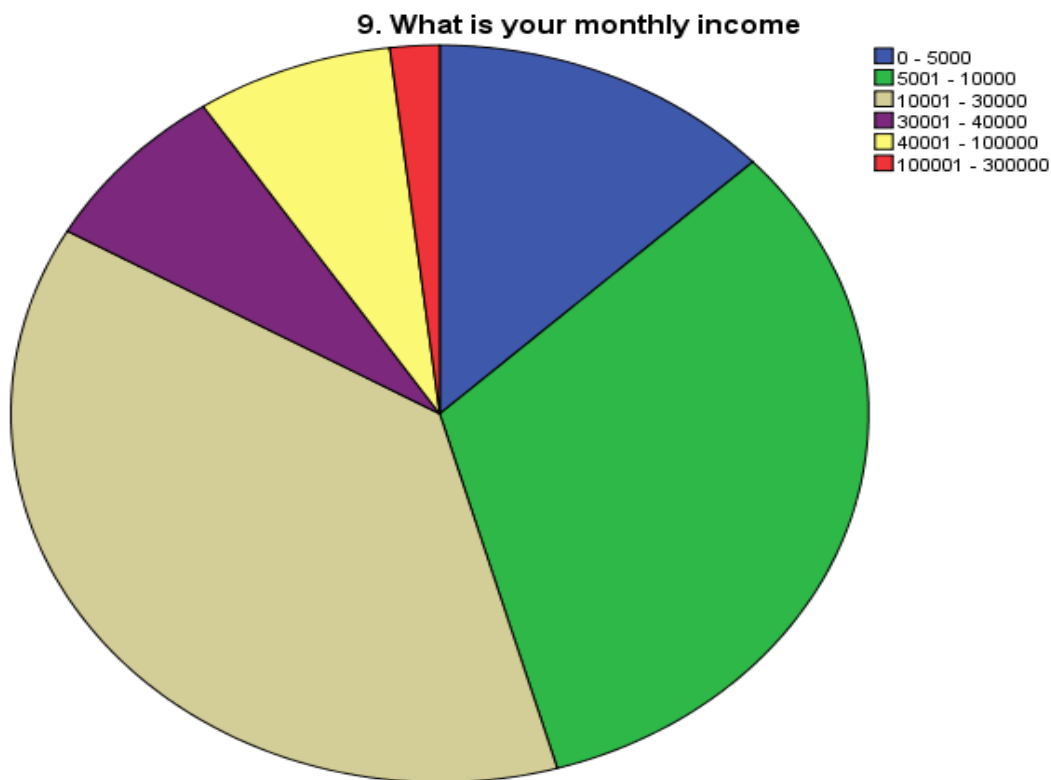


Fig 7 Monthly Income of Respondents
Source: Survey Data (2023).

➤ *Level of Education of Respondents*

The distribution of respondents' level of education demonstrates the educational diversity within the sample. Notably, "Primary completed" (29.3%) and "Secondary completed" (27.4%) were the most common educational levels, followed by "College/university completed" (17.2%). This distribution signifies a relatively broad range of educational backgrounds, reflecting the diverse educational landscape in Busia County. The higher prevalence of individuals with primary and secondary education suggests

that the study captures insights from individuals with varying degrees of formal education. The inclusion of respondents with college or university education is crucial, as they may offer more specialized perspectives on revenue policies and their impact. The educational diversity presented in this table enhances the comprehensiveness of the study's analysis, enabling a multi-dimensional exploration of the relationship between education levels and perceptions of the implementation of the national policy on enhancing county governments' own-source revenue.

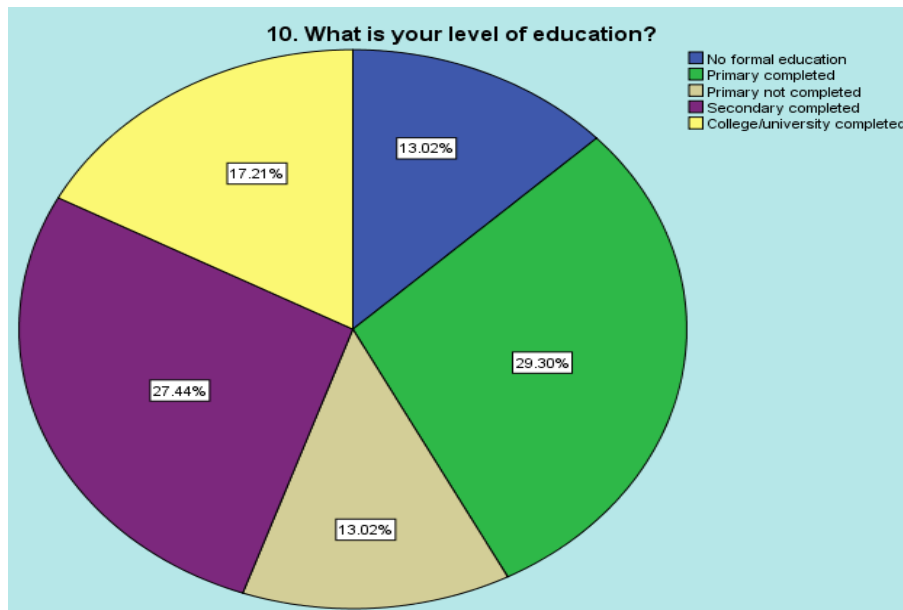


Fig 8 Level of Education of Respondents
Source: Survey Data (2023).

➤ *Ownership of a Permanent Shop*

The distribution of respondents' access to a permanent agricultural shop provided by the county government provides insights into the availability of government support for specific economic activities. Notably, the majority of respondents (52.1%) indicated that they did not have access to such a shop, while 13.0% reported having one. Additionally, a considerable portion of respondents (34.9%) did not respond to this question. This distribution highlights the variations in access to government-provided resources among the sample. The existence of respondents who did not respond might indicate the need for more precise question framing or the potential sensitivity of the topic. The disparities in access could influence how respondents perceive the effectiveness of revenue policies, particularly those related to agricultural produce. This table's insights

can contribute to a deeper understanding of how government support mechanisms align with revenue policies and how equitable access to resources might impact revenue generation among different groups.

Incorporating these insights from the frequency tables provides a comprehensive and nuanced understanding of the respondent profiles, shedding light on various demographic and contextual factors that could influence their perceptions of and interactions with the national policy on enhancing county governments' own-source revenue. These findings serve as a foundation for the subsequent analysis of the study's specific objectives and research questions, enabling a holistic examination of the policy's implementation within the unique context of Busia County.



Fig 9 Ownership of a Permanent Shop
Source: Survey Data (2023).

B. Awareness of Policies Regulating Agricultural Products in Busia County

This section presents the actual findings of the study. The levels of awareness of relevant policies and legislations are examined across different population strata to reveal variations in awareness across different strata, stakeholders concerned with Cess revenue collection and administration.

➤ *Agricultural Sub-Sector and Designation*

To set the stage for this objective, the study endeavoured to underscore the agricultural subsectors participants came from. The majority of participants come from the "Plant" 182(42.3%) agricultural sub-sector,

followed by "Livestock"49(11.4%), general sales/transport 21(4.9%) and "Aquaculture." 14(3.3%). To Revenue collection officers, Revenue collection enforcement officers and Revenue Administrators, this was not applicable question. Different agricultural sub-sectors are represented among the participants, with the "Plant" sub-sector being the most prominent. This finding may imply to actions for Cess policy tailoring revenue collection and administration strategies to different agricultural sub-sectors can lead to more effective results. Secondly, efforts should be made to ensure accurate categorization to better target policies and strategies.

Table 1 Respondents Designation by Sub-sector

Agricultural Sub-Sector	Revenue Collection Officer	Revenue Collection Enforcement Officer	Revenue Administrator	Tax Payers - Transit	Tax Payers - Non-Transit	Total
Livestock	0 (0%)	0 (0%)	0 (0%)	0 (0%)	49 (11.4%)	49 (11.4%)
Plant	0 (0%)	0 (0%)	0 (0%)	0 (0%)	182 (42.3%)	182 (42.3%)
Aquaculture	0 (0%)	0 (0%)	0 (0%)	0 (0%)	14 (3.3%)	14 (3.3%)
N/A	106 (24.7%)	15 (3.5%)	8 (1.9%)	0 (0%)	35 (8.1%)	164 (38.1%)
General Sales/Transport	0 (0%)	0 (0%)	0 (0%)	21 (4.9%)	0 (0%)	21 (4.9%)
Total	106 (24.7%)	15 (3.5%)	8 (1.9%)	21 (4.9%)	280 (65.1%)	430 (100%)

Source: Survey Data (2023).

Table 1 presents a breakdown of respondents' designations by different agricultural sub-sectors, offering insights into the alignment of roles with various agricultural domains. Within the context of the theory of fiscal decentralization, which emphasizes the adaptability of public services to local circumstances, the distribution of respondents across sub-sectors becomes crucial. Notably, a substantial portion of Tax Payers - Non-Transit (65.1%) are engaged in the Plant sub-sector, aligning with the theory's assumption of mobile households seeking out jurisdictions that provide services suited to their preferences. This suggests that the Plant sub-sector may hold a significant role in contributing to revenue and fostering economic activity, underpinning the rationale for its focus.

Additionally, the relatively low engagement of respondents in the Livestock, Aquaculture, and General Sales/Transport sub-sectors indicates areas where there might be untapped potential for revenue collection and economic growth. Since fiscal decentralization encourages competition among decentralized levels of government, there's an opportunity for Busia County to harness the potential of these sub-sectors by promoting policies that stimulate their development and align with local preferences. In line with the theory's emphasis on efficient service provision through decentralization, policymakers should consider tailored strategies to engage stakeholders

within specific sub-sectors, fostering innovation and competition while catering to localized needs.

➤ *Variations in Awareness of General Policies or Legislations and Designation*

The summary cross tab 2 below, shows that a significant portion of 171(39.8%) participants were aware of policies or legislations that regulate the collection of agricultural products, while 259 (60.2%) participants are not aware. All 106(24.7%) Revenue collection enforcement officers were aware, all 8(1.9%) Revenue administration were aware. On the other hand, only 5(1.2%) of revenue collection enforcement officers were not aware, 254(59.1%) Tax payers non transit were not aware. Awareness levels vary among participants, with a notable number being aware of such policies. However, a considerable number of participants are not aware of these policies. These findings pose two key implications for Cess policy in Busia County: strengthening communication and training initiatives can increase awareness of policies related to agricultural product collection and administration, and targeted awareness campaigns can help bridge the gap in awareness among different groups. This study examined if the respondents were aware of any policies or legislation that regulate the collection of agricultural products. It was found out that a majority of 259(60.2%) were not aware as a handful of 171(39.8%) were aware.

Table 2 Variations in Awareness of Policies or Legislations and Designation

Are You Aware of Policies?	Revenue Collection Officer	Revenue Collection Enforcement Officer	Revenue Administrator	Tax Payers - Transit	Tax Payers - Non-Transit	Total
Yes	106 (24.7%)	10 (2.3%)	8 (1.9%)	21 (4.9%)	26 (6.0%)	171 (40.0%)
No	0 (0%)	5 (1.2%)	0 (0%)	0 (0%)	254 (59.1%)	259 (60.0%)
Total	106 (24.7%)	15 (3.5%)	8 (1.9%)	21 (4.9%)	280 (65.1%)	430 (100%)

Source: Survey Data (2023).

The cross-tabulation provided above examines the awareness of policies among different participant categories, aligning with the theory of fiscal decentralization's assumption of competition and efficient service provision through informed decision-making. It's evident that a substantial proportion of Tax Payers - Non-Transit (59.1%) are not aware of policies, potentially limiting their capacity to make informed decisions or engage in processes that contribute to effective policy implementation. This contrasts with Revenue Collection Officers (24.7%), Revenue Collection Enforcement Officers (2.3%), and Revenue Administrators (1.9%), who exhibit higher levels of awareness, implying that these roles are more connected to policy-related information, aligning with the theory's idea of decentralized decision-making.

The theory's emphasis on adapting services to local circumstances is reflected here, as awareness of policies is essential for counties like Busia to effectively tailor policy implementation to the specific needs and preferences of their constituents. The observed disparities in awareness highlight a potential need for targeted training programs to ensure equitable dissemination of policy information among all stakeholder groups. Such efforts could bridge the gap between those who are informed and those who are not, fostering competition between counties through well-informed decision-making, and ultimately leading to the more efficient and locally-responsive provision of public services. Incorporating the theory's assumptions of experimentation and innovation, informed stakeholders are more likely to engage in policy discussions, propose innovative solutions, and experiment with new approaches, thereby contributing to a valuable "laboratory for fiscal experiments." However, the findings indicate that a significant portion of Tax Payers - Non-Transit lacks this awareness. Policymakers should consider targeted awareness campaigns to ensure all stakeholders are informed, creating an environment where diverse perspectives can contribute to more effective policy implementation, thus aligning with the theory's principles of fiscal decentralization.

➤ *Variations in Levels of Awareness of the National OSR Enhancement Policy by Designation of Respondents*

The table 3 illustrates the variations in awareness of the National Cess Policy among different designations of respondents. The data reveals interesting insights into the levels of awareness among various groups. Among Revenue Collection Officers, none are aware of the National OSR Policy, resulting in a 0% awareness rate within this category. Similarly, for Revenue Collection Enforcement Officers, the awareness rate is also 0%, indicating a lack of knowledge about this policy aspect among these professionals. Among Revenue Administrators, a minor level of awareness is evident, with 1.9% indicating that they are aware of the Policy. Although this percentage is low, it demonstrates that the Revenue Administrators have familiarity with the policy, something which is expected being that they interact with the policy on a daily basis.

Surprisingly, among Tax Payers - Transit, there is also a complete absence of awareness, suggesting a need for targeted efforts to disseminate information about the National Cess Policy among this particular group. In contrast, among Tax Payers - Non-Transit, the awareness rate is notably higher, at 36.0%, indicating that a significant portion of this designation is informed about the policy. For those who responded 'No' to participation in county development processes, the awareness rates show variations across different designations. Among Revenue Collection Officers, 24.7% are aware of the National OSR Policy, while only 3.5% of Revenue Collection Enforcement Officers and 1.9% of Revenue Administrators are aware. Among Tax Payers - Transit, the awareness rate is 4.9%, whereas among Tax Payers - Non-Transit, a substantial 59.1% demonstrate awareness of the policy. These findings highlight the critical importance of targeted communication strategies to enhance awareness and understanding of the National OSR Policy, particularly among Revenue Collection Officers, Revenue Collection Enforcement Officers, and Tax Payers - Transit, where awareness levels are considerably low. Improving awareness can contribute to more effective policy implementation, better collaboration, and increased revenue generation, aligning with the principles of fiscal decentralization that emphasize localized adaptability and responsiveness to community needs and preferences.

Table 3 Variations in Awareness of the National OSR Enhancement Policy by Designation of Respondents.

Participation in County Development Processes	Revenue Collection Officer	Revenue Collection Enforcement Officer	Revenue Administrator	Tax Payers - Transit	Tax Payers - Non-Transit	Total
Yes	0 (0%)	0 (0%)	8 (1.9%)	0 (0%)	26 (6.0%)	155 (36.0%)
No	106 (24.7%)	15 (3.5%)	0 (0%)	21 (4.9%)	254 (59.1%)	275 (64.0%)
Total	106 (24.7%)	15 (3.5%)	8 (1.9%)	21 (4.9%)	280 (65.1%)	430 (100%)

Source: Survey Data (2023).

➤ *Awareness of the Busia County Cess Act by Respondents' Designation*

This table presents a comprehensive overview of the awareness levels among respondents from various designations regarding the Busia County Cess Act. The data sheds light on the extent to which different groups within the study population are informed about this specific county-level policy. Among the revenue collection officers, 22.6% demonstrate awareness of the Busia County Cess Act, suggesting that a significant proportion of those responsible for revenue collection are knowledgeable about this local policy. However, a notable portion of this group (24.2%) is not aware of the policy, underscoring the need for focused efforts to bridge the awareness gap. For the revenue collection enforcement officers, 3.5% are aware of the Busia County Cess Act, while the remaining individuals in this category do not possess knowledge of this policy. The relatively low level of awareness among this designation highlights a potential gap in information dissemination or training efforts, requiring targeted interventions to enhance their understanding of county-specific policies. However, all the revenue administrators show full awareness of the Busia County Cess Act, with all of them (1.9%) indicating familiarity with the policy. The presence of awareness within this group is noteworthy, suggesting that there might be opportunities in effectively communicating county-level policies to key administrative personnel.

Among the tax payers on transit, none of the respondents' report awareness of the Busia County Cess Act, whereas 4.9% are aware of the National OSR Policy. This discrepancy emphasizes the need to address the lack of awareness about local policies within this category, especially given their apparent familiarity with broader national policies. Among the taxpayers' non-transit, respondents also display a lack of awareness of the Busia County Cess Act, with 65.1% being unaware of both national OSR Policy of the county-specific policy. This substantial difference highlights the challenge of ensuring that stakeholders are informed about both national and local policies, particularly among groups that might be more familiar with broader policy discussions.

In total, 10.9% of the respondents across all designations demonstrate awareness of the Busia County Cess Act, while a substantial majority (89.1%) lack knowledge of this policy. The findings underscore the importance of tailored communication strategies, especially targeting Revenue Collection Enforcement Officers, Revenue Administrators, Tax Payers - Transit, and Tax Payers - Non-Transit, to ensure that county-specific policies are well understood and effectively communicated across all relevant stakeholders.

Table 4 Awareness of the Busia County Cess Act by Respondents' Designation

Awareness of County Policies	Revenue Collection Officer	Revenue Collection Enforcement Officer	Revenue Administrator	Tax Payers - Transit	Tax Payers - Non-Transit	Total
Yes	24 (22.6%)	15 (3.5%)	8 (1.9%)	0 (0%)	0 (0%)	47 (10.9%)
No	82 (24.2%)	0 (0%)	0 (0%)	21 (4.9%)	280 (65.1%)	383 (89.1%)
Total	106 (24.7%)	15 (3.5%)	8 (1.9%)	21 (4.9%)	280 (65.1%)	430 (100%)

Source: Survey Data (2023).

➤ *Involvement in General County Development Processes*

The findings regarding participants' engagement in county development processes reveal a significant contrast in involvement. Out of the total 430 participants, 275 individuals (64.0%) acknowledged that they have not taken part in any county development activities, while 155

participants (36.0%) confirmed their engagement. The cross-tabulated analysis, presented in Summary Cross Tab 15, sheds further light on this distribution across different participant categories.

Remarkably, all 106 (24.7%) of the Revenue Collection Officers have participated in county development processes, indicating their active involvement in shaping local development initiatives. Similarly, the entire cohort of 15 (3.5%) Revenue Collection Enforcement Officers reported participation, demonstrating their commitment to contributing to county development efforts. Furthermore, all 8 (1.9%) Revenue Administrators have participated, underlining their integral role in the decision-making processes that influence county development.

However, the dynamics shift when considering the taxpayer categories. Notably, none of the Taxpayers in the transit category indicated participation, whereas only 26 (6.0%) of the Taxpayers in the non-transit category have been involved. This discrepancy suggests a potential gap in engaging taxpayers, particularly those in the transit group, in county development processes.

Most strikingly, a significant portion of 254 (59.1%) Taxpayers in the non-transit category have never engaged in any county development processes. This finding underscores the need to cultivate greater awareness and active involvement among this taxpayer segment, potentially through targeted outreach initiatives and inclusive platforms for engagement. In sum, the results highlight the diversity in participation rates across different participant groups, with Revenue Collection Officers, Enforcement Officers, and Administrators showing higher engagement compared to the taxpayer segments. This insight accentuates the importance

of inclusive strategies to involve all stakeholders, particularly taxpayers, in county development processes for more holistic and effective local governance.

➤ *Awareness, Training, and Sensitization of Key Sectors on Cess-specific Issues*

The study investigated if at all the respondents had been trained/sensitized/made aware of any county policies, legislation on agricultural processes. As shown in table 5 below, it was found out that majority 335(77.9%), had never been trained as only 95(22.1%) had been trained on the agricultural processes. The summary cross tab 5 below shows, however, that this position varied with according to the strata. 49(11.4%) Revenue collection officers have been sensitized/trained of county policies/legislation on agricultural processes as 57(13.3%) have never. 2(0.5%) of Revenue collection enforcement officers have been sensitized as 13(3.0%) have never been sensitized. Revenue Administrators all 8(1.9%) have been sensitized. None of the 21(4.9%) of the Taxpayers transit have been trained/sensitized. Only 36(8.4%) of Tax Payers non-transit have been trained as 244(56.7%) have never been rained/sensitized.

- *Have you ever been trained/sensitized/made aware of any county policies, legislations, etc., on Cess-specific policies? * 3. Which of the following best fits your designation? Cross-tabulation Count*

Table 5 Training, Sensitization, and Awareness Creation on Key Cess-specific Issues

Ever Been Trained/Sensitized/Aware of County Policies?	Revenue Collection Officer	Revenue Collection Enforcement Officer	Revenue Administrator	Tax Payers - Transit	Tax Payers - Non-Transit	Total
Yes	49 (46.2%)	2 (13.3%)	8 (100%)	0 (0%)	36 (12.9%)	95 (22.1%)
No	57 (53.8%)	13 (86.7%)	0 (0%)	21 (100%)	244 (87.1%)	335 (77.9%)
Total	106 (24.7%)	15 (3.5%)	8 (1.9%)	21 (4.9%)	280 (65.1%)	430 (100%)

Source: Survey Data (2023).

In our discussions with revenue administrators and revenue enforcement officers, it has become evident that the theory of fiscal decentralization underscores the importance of local governments' capacity to tailor public services according to the unique preferences and local conditions. However, our findings reveal a noteworthy discrepancy in the awareness levels of county policies, particularly those pertaining to agricultural processes. This disparity in awareness has the potential to impede the effective adaptation of policies at the local level. As emphasized by the theory, this adaptability is crucial for the efficient delivery of services that cater to the specific needs of communities, in this case the tax-payers.

Aligned with the theory's principle of fostering competition and promoting efficient service provision, it is imperative to address the prevailing disparity in access to information and training related to agricultural policies. To fully realize the potential benefits of fiscal decentralization, concerted efforts must be directed towards ensuring that all stakeholders have an equal opportunity to comprehend and contribute to policy development. Our findings underscore the necessity for policymakers to initiate targeted training initiatives. These programs would not only facilitate comprehensive understanding but also empower all relevant actors, including revenue administrators and enforcement officers, to actively participate in local policy adaptation and innovative strategies.

Drawing on the theoretical framework of fiscal decentralization, our study highlights the need for substantial improvement in achieving uniform awareness of county policies across various participant groups. It is essential to recognize that addressing this imbalance has the potential to enhance the efficiency of policy implementation. By promoting an equitable understanding of policies among different stakeholders, local communities can better harness the principles of fiscal decentralization, leading to a more adaptive and effective policy landscape that aligns with the unique context of each county.

V. CONCLUSIONS

This paper explored the levels of stakeholder awareness of policies regulating agricultural products among different designations, considering the implications through the lens of the theory of fiscal decentralization. The chapter is structured into several sections, each focusing on a specific aspect of policy awareness among participants. The findings presented in this paper offer valuable insights into the levels of awareness among various stakeholder groups and highlight the potential implications for policy implementation and local governance. The presentation began by examining the agricultural sub-sectors represented by the participants. The study revealed that the "Plant" sub-sector is the most prominent among participants, followed by "Livestock," "Aquaculture," and "General Sales/Transport." Notably, different agricultural sub-sectors are represented among participants, suggesting a diverse landscape of economic activities. The theory of fiscal decentralization emphasizes the adaptability of public services to local circumstances, suggesting that tailoring revenue collection and administration strategies to different agricultural sub-sectors could lead to more effective outcomes. However, the accurate categorization of participants is crucial for targeted policy development.

The study then investigated variations in awareness of policies regulating agricultural product collection and administration. A significant proportion of participants (60.2%) are not aware of these policies. Awareness levels vary among different designations. Revenue Collection Enforcement Officers, Revenue Administrators, and some Tax Payers - Non-Transit demonstrate higher levels of awareness. This finding emphasizes the importance of strengthening communication and training initiatives to increase awareness and bridge the gap among different groups. The theory of fiscal decentralization underscores the need for informed decision-making and competition among decentralized levels of government, making awareness a key factor in effective policy implementation.

The awareness of the National OSR Enhancement Policy is examined across various respondent designations. Revenue Collection Officers and Revenue Collection Enforcement Officers display low awareness rates, while Revenue Administrators exhibit minor awareness. Tax Payers - Transit show a complete lack of awareness, and Tax Payers - Non-Transit demonstrate follow after the transit category trend, interviews revealed this was due to

their dis-exposure to broader policy discussions. These variations underscore the importance of targeted communication strategies to enhance awareness, aligning with the principles of fiscal decentralization that stress informed decision-making, competition, and community engagement.

The study then explores awareness of the Busia County Cess Act among different respondent designations. Awareness levels are low across various categories, particularly among Tax Payers - Non-Transit. The theory of fiscal decentralization suggests that local jurisdictions have the leeway to customize revenue collection and administration, making awareness of county-specific policies crucial. The findings highlight the need for innovative communication strategies to ensure all stakeholders, including Revenue Collection Enforcement Officers, Revenue Administrators, and Tax Payers - Transit, are informed about local policies.

Through examination of participants' engagement in county development processes. While Revenue Collection Officers, Enforcement Officers, and Administrators demonstrate high involvement, Tax Payers, particularly those in the non-transit category, show varying levels of participation. The theory of fiscal decentralization emphasizes inclusive decision-making, suggesting that efforts should be directed towards involving all stakeholders in county development processes to ensure holistic and effective local governance.

The paper concludes by investigating respondents' awareness of county policies and legislation related to agricultural processes. A majority of participants have never been trained or sensitized on these issues. This lack of awareness can hinder effective policy adaptation and implementation at the local level. The theory of fiscal decentralization highlights the importance of tailored public services, making targeted training initiatives essential to foster understanding and active participation in policy development. Initiatives to address this imbalance can enhance the efficiency and adaptability of policy implementation, aligning with the core principles of fiscal decentralization.

Summarily, this examination provides a comprehensive analysis of policy awareness among different stakeholder groups, aligning the findings with the theory of fiscal decentralization. The results highlight the significance of tailored communication, training, and awareness campaigns to ensure effective policy implementation, informed decision-making, and inclusive local governance. The chapter emphasizes the theory's principles of adaptability, competition, and community engagement, offering valuable insights for policymakers to enhance policy dissemination and engagement strategies.

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DECLARATION OF CONFLICT OF INTEREST

I declare no conflict of interest.

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