

How Do Kenyans Prioritize at the Sector Level? Comparing Public and Government Preferences

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BACKGROUND: KENYAN PRIORITIES

This is the time of the year when Kenyans are meant to debate which sectors are most important to them. We begin the formulation of the budget for the coming year (in this case, 2017/18) by deciding whether to prioritize health, agriculture, education, or other sectors. The process is initiated by national and county governments, which release their proposals for the coming year's sector distribution in the form of Budget Review and Outlook Papers (BROPs). These are then debated through a set of sector hearings and finalized in the Budget Policy Statement (BPS) at national level and County Fiscal Strategy Papers (CFSPs) at county level.

In determining sector allocations, the national and county governments are expected to consider the views of the public directly, and through the County Budget and Economic Forum at the county level. The public's representatives in Parliament and the county assemblies have the last word on these sector ceilings when they approve the BPS or CFSPs. In reality, however, there has been relatively little discussion with the public about sector priorities. The public's views are not a major factor in determining which sectors will receive larger or smaller shares of the budget in the coming year than they received this year. Indeed, very little is even known about how Kenyans think about sector priorities.

To begin to fill this gap, IBP Kenya worked with a Kenyan survey research firm, Infotrak Research & Consulting, to carry out a national survey of attitudes about sectors and sector preferences. The field work was carried out in August 2016 across the 47 counties. We asked respondents what they thought the sector distribution of the national budget should be, and what they believed the actual allocation to be. We wanted to find out which sectors were most important to Kenyans, and how much they knew about sector spending.¹

¹ The full results of the survey are available online at: <http://bit.ly/IBPKInfotrakReport>

SECTOR PREFERENCES AMONG THE PUBLIC

Table 1 shows the average (mean) share of the budget that respondents allocated to each of the ten key national sectors and the proposed sector allocation for 2017/18 in the most recent Budget Review and Outlook Paper, released to the public in October 2016.² What does this comparison reveal?

TABLE 1. COMPARING BROP 2016 SECTORS TO PUBLIC PREFERENCES (AUGUST 2016)

Sector	2017/18 BROP Sector Share	Mean Citizen Sector Share	Difference (Citizen-BROP) % points	Difference (Citizen/BROP) Ratio
Agriculture & Rural/Urban Devt.	2.80%	13.80%	11.00%	4.9
Energy/Infrastructure/ICT	29.40%	11.20%	-18.20%	0.4
Economic and Commercial Affairs	1.20%	7.40%	6.20%	6.2
Health	3.70%	14.80%	11.10%	4.0
Education	21.20%	16.80%	-4.40%	0.8
Governance/Justice	11.70%	6.30%	-5.40%	0.5
Public Administration/International Relations	14.30%	6.50%	-7.80%	0.5
National Security	7.60%	9.70%	2.10%	1.3
Social Protection/Culture	2.70%	5.80%	3.10%	2.1
Environment/Water	5.40%	8.20%	2.80%	1.5
Total	100%	100%		

Source: National Treasury, Budget Review and Outlook Paper 2016; Infotrak 2016

Four key points emerge from comparing current sector priorities with the public's sector priorities:

1. **The public wants less investment in the energy and infrastructure sector than the government.** While the government has proposed to allocate nearly 30 percent of the total budget to energy and infrastructure, the public would like to allocate only about 11 percent.
2. **At the same time, the public wants higher spending on health and agriculture than the government has proposed.** The public wants to put nearly five (5) times as much into agriculture and four (4) times as much into health as the government.
3. **The public wants more spending on the economic and commercial affairs sector, and less in the governance and public administration sector.** Respondents would give half as much to

² The document is dated September 2016

public administration as the government is proposing, and six times as much to economic and commercial affairs.

4. **The public would also give less to education (about 80 percent of what government has proposed) and more to security (about 30 percent more), environment and water (50 percent more) and social protection (double) than the BROP proposes for 2017/18.**

INTERPRETATION

How should we interpret these results? One perspective would take these preferences at face value and argue that the government's preferences are far removed from public preferences. According to this view, there would be a need for government to radically reassess its priorities to ensure they align with those of the public.

An alternative perspective is that these results are not meaningful, because the public is not well informed about what it costs to run government services. If they understood more about the public sector, they would have more "realistic" preferences.

A third perspective might be that the public's views should be seen as "directional" rather than literal. In other words, if the public says it wants to see four times as much of the national budget going to health, we should understand this to mean that they believe health gets too little of the budget, but not take the actual figures too seriously. According to this perspective, the public is not informed enough to give exact numbers, but have stable priorities and are signaling the direction of those priorities.

How should we assess these perspectives?

The first perspective assumes that the public is well informed enough to generate meaningful proposals about the actual share of the budget that should go to different sectors. It seems unlikely that most people, in Kenya or elsewhere, are well informed about technical matters such as the exact costs of government or how much financing their government requires to deliver a particular level of service.

We do not have a lot of information about how well or poorly informed citizens are, but our survey asked members of the public to tell us what they believed to be the actual sector distribution of the budget. On average, the public appears to believe that the current budget is distributed in a manner very similar to their own preferences, and very far from the actual distribution. Table 2 below shows us this. The public

believes that far more funding goes to agriculture, health, environment, and social protection than the actual figures in the budget. They also vastly underestimate the share of the budget going to energy and infrastructure.

TABLE 2. WHAT CITIZENS WANT COMPARED TO WHAT THEY BELIEVE THE GOVERNMENT IS DOING

Sector	Mean Citizen Sector Share	Expected Government Share	Difference
Agriculture & Rural/Urban Devt.	13.80%	12.50%	1.30%
Energy/Infrastructure/ICT	11.20%	11.80%	-0.60%
Economic and Commercial Affairs	7.40%	7.60%	-0.20%
Health	14.80%	13.70%	1.10%
Education	16.80%	15.90%	0.90%
Governance/Justice	6.30%	7.00%	-0.70%
Public Administration/International Relations	6.50%	7.10%	-0.60%
National Security	9.70%	9.60%	0.10%
Social Protection/Culture	5.80%	6.10%	-0.30%
Environment/Water	8.20%	8.10%	0.10%

Source: Infotrak 2016

Note: "Mean Citizen Sector Share" is the mean allocation proposed by citizens in the survey, while "expected government share" is what they believe the government is currently allocating to each sector

This suggests that the public is not well informed about the overall budget and the costs of government. This is not surprising, as there is little effort by government to explain these costs. Current budget documents provide minimal justifications for the current distribution of the budget and the government spends little time explaining its choices beyond the production of essential budget documents.³

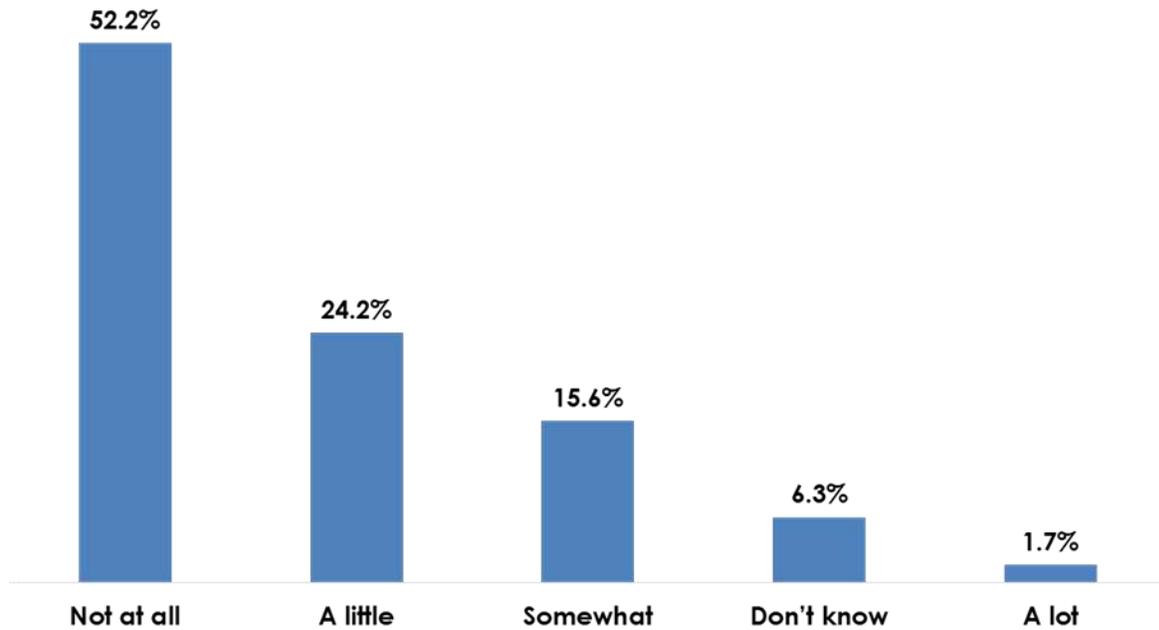
Citizens may also have little incentive to use the scanty information available as they do not believe that their views matter much in the decision-making process.⁴ Our survey also asked respondents whether they believe the national government takes their views into account when making decisions about sector spending. As can be seen in Figure 1 below, 52 percent of respondents said "not at all," while another 24 percent said "a little." Overall, this suggests little confidence that public views matter in budget decision-making, and little corresponding incentive to be well informed. It is rather surprising, therefore, that even

³ We have examined the quality of justifications for the sector distribution of the budget elsewhere; see *Deliberating Budgets*

⁴ Anthony Downs developed the concept, since expanded upon, of "rational ignorance" to refer to cases where the costs of obtaining more information are too high relative to the benefits of being informed. See Anthony Downs, *An Economic Theory of Democracy*, Harper and Row, 1957.

as Kenyans do not believe their views are taken into account, they do believe that government's sector priorities are already quite aligned with their views.

FIGURE 1. THE PUBLIC'S PERCEPTIONS OF THEIR INFLUENCE



When the national government makes decisions about the sector allocation of the budget, it listens to *wananchi* like me:

Source: Infotrak 2016

If the public does not understand much about the true costs of government and the reasons for making certain trade-offs, this suggests that the current process of public participation in the budget is flawed. Under these circumstances, taking sector preferences of the public as they were revealed in an opinion survey literally could be a mistake. We cannot endorse perspective one.

Perspective two is attractive because it suggests that we should ignore the findings of the survey, but that it would be possible for people to learn more and give more credible answers if they were better informed. It is certainly plausible that in a democracy, the public can deliberate on policy choices and come to more

reasoned choices when they are well informed. This idea underpins contemporary moral philosophy and theories of deliberative democracy.⁵

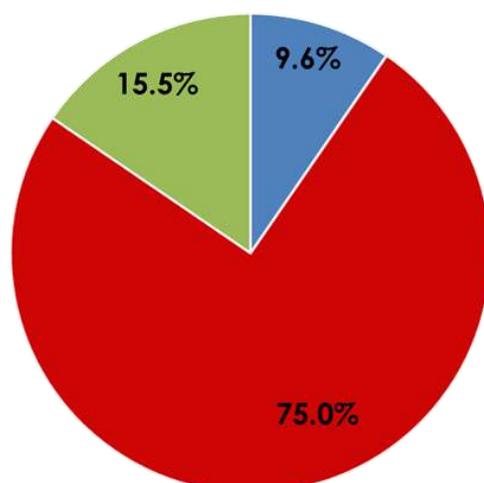
However, there is a danger in ignoring public views on the grounds that they are uninformed. As a rule, modern democracies do not demand that voters prove they are informed before they vote, and each of us is likely to be ill-informed about some issues. While people may be ill-informed about public policy, we cannot assume that their views are only or even mainly determined by their level of information. Nor should we assume that if people were better informed, they would change their views. A survey is not a particularly good tool for studying these complexities, but we did tell our respondents the actual distribution of the budget proposed by the government earlier in 2016 and asked them if they would change their views after receiving that information.⁶ Interestingly, the vast majority of respondents said they would not change their views (Figure 2); the small share of people that would change them were only willing to change them by a very small amount. This can be seen in Figure 3, which compares the sector shares for those who changed their views before and after they did so. There is some minor shift in sector shares toward government figures, particularly in the case of energy and infrastructure, but the stability of preferences, even among the minority of respondents willing to change their views, is most remarkable.

From this data, it remains unclear whether a more informed public would actually change their views. It is also unclear in what ways they would change them. Given that most respondents continued to believe that their original views were correct, even after learning more about government spending, we might conclude that we should not simply dismiss these views as uninformed. Of course, learning about government spending patterns without any justifications from government may be inadequate to change people's views, and legitimately so. But the conviction with which many respondents stuck to their original views suggests that they were not simply random numbers. This means that perspective two, which would see the public's uninformed views as information we should dismiss until such time as they are better informed, is also not tenable.

⁵ We discuss this in *Deliberating Budgets*, op. cit.

⁶ We used the proposed shares in the Budget Policy Statement 2016 for purposes of this survey question. We also asked this question in an alternative format where instead of telling respondents the "national government" has proposed, we told them "some people" have proposed, to avoid possible bias by respondents who are opposed to the national government. The results were not substantially different in the aggregate.

FIGURE 2. WILLINGNESS TO CHANGE SECTOR ALLOCATIONS AFTER LEARNING OF GOVERNMENT PROPOSALS



■ Yes ■ No ■ Don't Know

The National Government has proposed that the allocation for next year to the ten sectors be as follows: Now that you know, would you insert changes in the allocations you have proposed

TABLE 3. CHANGE IN PUBLIC PREFERENCES FOR SECTOR ALLOCATIONS BEFORE AND AFTER BEING INFORMED OF GOVERNMENT'S PROPOSED ALLOCATIONS

Sector	Public initial proposal per sector	Public revised proposal after informed of government proposal	Difference	Proposed government allocations (BPS 2016)	Initial proposal compared to actual allocations	Revised proposal compared to actual allocations
Education	16	16	0	23	7	7
Health	14.9	15	0.1	4	-10.9	-11
Agriculture & Rural/Urban Development	14.7	14	-0.7	4	-10.7	-10
Energy, Infrastructure, and ICT	10.3	12	1.7	24	13.7	12
National Security	9.3	10	0.7	8	-1.3	-2
General Economic and Commercial Affairs	7.5	7	-0.5	1	-6.5	-6
Public Administration & International Relations	6.7	7	0.3	18	11.3	11
Governance, Justice, Law and Order	6.5	7	0.5	11	4.5	4

Social Protection, Culture, and Recreation	5.6	5	-0.6	2	-3.6	-3
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Source: Infotrak 2016, N=72

This leaves us with the third perspective, which accepts that many respondents are uninformed, but suggests that we should see public views as legitimate signals of public preferences. To be sure, information is important, and we share the belief expressed in perspective two that when respondents are better informed, they will change their views. We are waiting for the results of some focus groups and other deliberative sessions to confirm this. Anecdotally, we have observed in several such sessions that when people are made aware that the health function has been devolved to counties, they tend to reduce their initial allocations to the national government for health. Separate deliberations we carried out in 2014 on revenue sharing also found a capacity for deliberation and shifts in opinion as more information was provided to participants.⁷

Nevertheless, we also believe that many respondents, in spite of their lack of information, do intend to signal stable and meaningful relative priorities with the sector shares they choose. While they are not informed enough to choose specific numbers, they are capable of making trade-offs. For example, in one focus group conducted as part of this research, respondents were adamant that there has been enough investment in heavy infrastructure in recent years and there was now a need for more investment in health and other sectors. The precise sector shares chosen by respondents might be arbitrary, but they appear to be sending signals about relative priorities that should not be ignored.

While more research is needed, we believe that our survey results suggest that the public does have concerns about the emphasis of government spending on energy and infrastructure relative to agriculture, health, environment and water, and social protection. While the public is not fully informed about the cost of government or able to provide exact sector allocations, their preferences are meaningful and should be given weight in the decision-making process.

⁷ These deliberations were captured in our film, "A Measure of Fairness" available here: <http://www.internationalbudget.org/publications/measure-of-fairness/>