

Challenges Facing Local Government in Development in Kenya: The Case of Machakos District, 1950-1974

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Abstract

Local government in Kenya plays an important role in socio-economic development. This role began in the colonial period with the establishment of Local Native Councils (LNCs). Machakos LNC was established in 1925 and took up various socio-economic development functions such as provision of health, education, sanitation and the construction and maintenance of roads. Constitutional changes in 1950 leading to independence came with important challenges to the local government in Machakos. Lack of funds to finance ongoing and new development projects was the main challenge. This paper is an evaluation of those challenges which were carried into independence up to 1974 when the significance of local government declined in Kenya. The reasons for such a decline are also examined in this paper.

1.1 Introduction

Local government in Kenya dates to the early 1920s with the establishment of Local Native Councils (LNCs). The immediate origins of the local government can be traced directly to African opposition and struggle against the colonial order in 1921 to 1922. The colonial government first created LNCs in Central and Nyanza Provinces where such political agitation first manifested itself (Berman: 1990, p.216). These African protests were majorly over land alienation and taxation by the colonial government. The First World War and its aftermath, especially the growing political awareness among Africans in the early 1920s, led to the establishment of Local Native Councils (Burungu: 2010, p.2). However, G.V. Maxwell, the Chief Native Commissioner who was the architect of the authorities, introduced a system which he derived from Fiji and which, therefore, he intended to cover all areas and not merely the ones responsible for the political agitation (Kipkorir: 2007, p.273).

Following the Native Authority (Amendment) Ordinance of May 1924 LNCs were established under the chairmanship of the District Commissioners (DCs). The Ordinance stipulated that the Governor could set up a LNC in any district or part of a district. The LNC in Machakos was established in 1925 and by 1938 there were 22 functioning LNCs in the colony (Berman: 1990, p.216). The LNCs were composed of the DC, the assistant commissioner, headmen (chiefs) and other Africans appointed by the Provincial Commissioner (PC). The LNCs, in a limited sense, gave Africans a chance to democratically participate in the decision-making process in their local areas. The councils had some legislative powers but these were limited in that whatever resolutions passed were subject to the approval of the PC and the Governor.

To the surprise of the colonial administration, the very first African representatives used the LNCs enthusiastically by voting in levies for education. By 1939, save for the Northern Frontier District and to some extent, parts of the Coast, the LNCs were responsible for virtually every important initiative, enterprise and programme affecting African social and economic development. The LNCs therefore took responsibility for all government welfare functions in their areas of jurisdiction (Ibid: p.174).

By 1948, the local authorities in the African areas had evolved beyond the original scope of the LNCs of the 1920s. Significant constitutional changes came after the Second World War as a direct result of an initiative of the Colonial Office. A new policy was introduced, aimed at improving a mode of government that was basically a modification of the theory of indirect rule introduced by Lord Lugard. The policy had as its stated objective the creation of an efficient democratic system of local government. In 1950, the LNCs were renamed the African District Councils (ADC), and given enhanced powers similar to those which applied in the European District Councils (which had been formed under the Local Government (District Councils) Ordinance of 1928 provided District Councils which were the forerunners to the County Councils, in the areas settled by European farmers) (Ibid: p.181). It was in this year that Machakos LNC was renamed Machakos African District Council (<http://masakucountycouncil.com/about-thika/background-information>). By this time, African nationalism was on the rise and colonial policy to enhance local participation was designed to control the increased political agitation.

The peak of devolution in Kenya, however, dates back to the late colonial period where preparation for independence by political parties took divergent views. "Small" communities in Kenya formed political parties that were to promote, protect and pursue their interests against the perceived domination by the bigger communities. The Kenya African Democratic Union (KADU), composed of leaders from the Rift Valley and Coast provinces, was formed along these lines. KADU pushed for devolution and regional governments, while the Kenya African National Union (KANU) pitched for a unitary government. KADU's ideas were a great attempt to promote ethno-regional equity through a decentralised government. The Lancaster Constitution

provided for Lower and Upper houses. KADU party vigorously pushed for the regional governments, *majimbo*, but KANU was never committed to honour the provisions of the *majimbo* constitution regarding decentralisation of power and a unitary system of government was adopted a few months into independence therefore weakening KADU and *majimboism* was never realised (Burungu: 2010, p.2). Government in independent Kenya was changed from a regional government system of devolution with provincial governments and assemblies, to a unitary system headed by a president (Ibid).

The abolition of counties in favour of a centralised government structure had diverse negative effects on the performance of the local government (Stamp: 1986, p.24). The responsibility of financing primary education and public health had important consequences on the performance of local authorities, and for central government attitudes towards them, following 1964. These local authorities performed badly because they had neither the human nor financial resources to carry out their duties. All local authorities carried out development and administrative activities such as sewerage and drainage, street lighting, housing, water supply, markets, roads, slaughterhouses, social services, cemeteries, ambulances and fire control. All functions were subject to the regulatory powers of the Ministry of Local Government, and had to be coordinated with activities of the central operating ministries (Ibid).

It is against this background of lack of financial and human resources as well as stringent control by the central government during the colonial period and after 1963 that this paper evaluates the success and challenges of the local government in Kenya with a specific reference to Machakos District up to 1974. The period analysed in this paper represents the era of local government reorganisation in Kenya. Although local government was undertaking important socio-economic development activities such as education and health since its inception, this period was categorised by unique challenges resulting from the reorganisation thus increased responsibility and diminishing resources to meet the responsibilities.

1.2 The Development Agenda of the Local Government in Machakos District.

The last session of the Machakos LNC was held on 26 to 28 October 1949 and the agenda of this meeting was not any different from that of the previous meetings which concerned African development especially socio-economic improvement. A new Council, renamed the African District Council, was appointed in Machakos in March 1950. Members of the ADC were now able to carry out the deliberations of the four customary meetings in a year without the presence of the DC and in most cases deal with all committee reports. Thus it was hoped that Africans would one day be able to govern themselves adequately (KNA/DC/MKS/1/1/30).

Machakos ADC in general showed a responsible and progressive attitude to its work and the affairs of Machakos. It passed an Educational Building Rate of two shillings a head (and one shilling for the Kikumbulyu Reserve) in 1952 which had considerable results in the following few years. The ADC also applied for a £15,000 government loan and rebuilt the Kangundo Hospital whose buildings were old and could not accommodate all the patients treated there. The Council also passed by-laws providing for the proper control, cleanliness and revenue from markets and introduced charges in maternity wards. The previously weak financial status of the ADC was improved in 1953 with rigorous cuts and economics but the Agricultural Betterment Fund went unfunded. It passed the vital Sisal By-Law and took a government loan of £5,000 in 1953 for financing the ADC's Sisal Scheme (KNA/DC/MKS/1/1/31).

Sisal planting in the Machakos District was an initiative of the Machakos LNC when in 1937 the Council passed a resolution which made it mandatory for all Africans in the reserve to plant sisal along the hedges of their farms but in the early 1950s this crop had become the most important cash crop in the District leading to the economic improvement of the general population of the residents. The production and sale of sisal was controlled by the Sisal By-Law and sisal was seen as a cash crop for strengthening the economic basis of the Kamba and providing funds for social and economic betterment (Ibid). The ADC set up the Sisal Marketing Organisation which was important for the economic development of the District. This was partly through the sisal cess collected by the ADC which led to an increase in the balance in revenue in that total revenue was £92,474 against a total expenditure of £56,360 in 1952.

The financial situation of the ADC in Machakos was not good enough though. The financial position of the Council at the end of 1952 was weak, and in 1953 all extraordinary and a good deal of the ordinary expenditure had to be cut. Most of the drastic measures necessary to avoid bankruptcy had been put in force. By the beginning of 1954 there was an opening balance of £15,000 instead of the £3,000 or £4,000 which had been expected. Thus the financial situation was better. At the end of the year the balance was £18,000 partly owing to a handsome cess from a good wattle crop. A certain amount of borrowing was approved, but only for projects that would pay for themselves as the DC stated "We cannot afford any more Kangundo Hospitals..." (KNA/DC/MKS/1/1/32). Once again tax was under collected by some £4,300 owing to the large number of people who paid in Nairobi or other municipal centres. These funds were not remitted to the Machakos ADC in time for budgeting. The financial situation at the end of the year was much less favourable than at the end of 1951 when the Agricultural Betterment Fund received £33,000 from the sisal cess. There was a shortfall in

revenue collection of £14,000. Total revenue was £73,500 as against a total expenditure of £84,500. There was thus an introduction of fees at dispensaries in 1954 to increase revenue and to make the people more responsible towards local government establishments. The profits of sisal sale were affected by falling world market prices from 1954 leading to a decrease in the overall Council revenue.

Towards the end of 1954, the Machakos ADC became responsible for the running of the Adult Literacy Scheme. A scheme was approved for setting up a Water Account and drilling of boreholes in the main markets where the water was sold. This account began with a loan of £20,000. At every meeting, the Council continued to add new areas of land to its Forest Estate. This was in the face of increasing independent African participation in the ADC. The DC, who was the Chairman, was at many times not present in the meetings or at times present but inactive but the African vice-chairman and the other members ran the business of the Council smoothly.

Financial mismanagement was a great concern in 1956. Audit reports indicated that large scale misappropriation had taken place (KNA/DC/MKS/1/1/33). The Criminal Investigation Department was given the papers and after a year officials such as the Secretary, the Cashier and District Foreman's clerk were sentenced in court (*Ibid*). This financial situation was made much worse by the falling world market sisal prices which meant that the Council was making minimum profits. The Council was working with a European Financial Adviser during this time and up to independence. With the ever growing volume of work thrown upon the DC it was impossible for him to exercise a detailed scrutiny and control over ADC offices. There was also lack of reliable African staff and thus assistance of the European financial adviser was vital particularly if the development of the local government was to forge ahead.

ADC rates changed from time to time depending on the world economy. This rate was increased by three shillings to sixteen shillings of which thirteen represented the General Rate, two shillings Education Building Rate and one shilling Locational Rate (*Ibid*). The General Rate was collected first from the taxpayer followed by the Education Building rate and the Locational Rate. This had the disadvantage that achievement of the educational plan of opening new intermediate and primary schools was handicapped by slowness in collecting the ADC's Educational Rate from the taxpayers.

A ranch (Simba Ranch) was set up in Emali and was fully operational during 1956. The aim of the ranch was to help in the destocking of the Reserve. To ensure a rapid turnover of capital, young stock was taken and fattened over a period of six months then sold to up-country farms. A Simba-Emali Ranch Committee was set up in 1955 for the management of the ranch. The Ranch continued to be an integral part of the District development scheme of providing tsetse fly barrier for the southern locations, provide a grazing area on which the Kamba sold their surplus immature livestock and to provide a reserve of Sahiwal crosses which in furtherance of District animal husbandry policy were sold to approved Kamba farmers (KNA/JA/A/641). ADC water undertakings continued to develop and new boreholes were equipped in Tala and Tawa as well as Masii, Kilala and Mbumbuni. Sub-surface dams were built in many locations from funds partly subscribed by the government and partly by the Council. This was through the Machakos Betterment Scheme, a renewed effort to restore fertility to the eroded Kamba areas by use of tractors and bulldozers in terracing and dam construction (*Ibid*).

The Council paid its executive staff and salary increments were discussed and approved by the Full Council after they were brought to it by the Financial and General Purposes Committee. Personnel situation and organisation was also improved with the strengthening of the subordinate staff by engagement of an Assistant Treasurer. The finance office was now occupied by an individual with suitable educational qualifications due to the bulk of the financial work of the Council. The Council however, relied on government officers to supervise its Public Health, Road Works and welfare activities (KNA/DC/MKS/1/1/34). The foundation stone for the new Council offices and Chamber was laid in 1958. The new Council buildings, chamber and hostel, were opened on the 27 August, 1959 by Governor Sir Evelyn Baring. A book of remembrance of those who died in the Second World War was ordered and placed at a central place in the Chamber (*Ibid*).

Traders' licences as well as African Court revenues were taken over by the central government based on the proposals contained in the White Paper on Financial Relationships between the Government and African District Councils. Complaints by the ADCs were forwarded to the concerned offices through the provincial administration (central government). These included the DC, the Provincial Local Government Officer and the Provincial Commissioner. The Machakos ADC received a supplementary grant of £9,067 in 1958 (the largest for any ADC) as a result of the loss sustained in changing over to the new financial structure (*Ibid*). This was due to the increased cost of education to be borne by the Council and the net loss African Courts' revenue of approximately £11,000. The Council increased its overall levy by shs.4 to shs.23 in 1958 (KNA/BY/21/3).

Although revenue during 1959 was generally buoyant, the collection of the poll rate did not reach the estimate (KNA/DC /MKS/1/1/34). Food shortage and unemployment contributed to this. There was no doubt, however, that the ever increasing Poll Rate together with Government taxation had reached a total which was beyond the peasant cultivator in the drier areas of the District where valuable cash crops could not be obtained. Thus, either the cost of expanding services had to be met by increasing the fees or by the introduction of a

graduated poll rate so that the rich paid more than the poor. Expenditure on primary and intermediate schools as well as public health services and road maintenance increased alarmingly every year. Expenditure on public health staff, dispensaries, health centres and maternity services continued to mount and in the year 1959 the Council spent £32,783 on these services for which it received a government grant of £14,763 (*Ibid*). Thus there was an increase of the education rate by four shillings which was inevitable under the terms of the Government White Paper which gave no benefit to councils increasing their school fees. It was well advised that the Council had to be cautious about any expansion of these expensive activities in the face of financial constraints (*Ibid*).

The Machakos ADC suffered acutely during 1960 and 1961 from the effects of drought, famine and an irresponsible attitude towards the payment of rates (KNA/PC/EST/2/3/1). During the year 1961, for example, a total of 15,000 people from an estimated total of 100,000 taxpayers contributed to the ADC. In April, the figure of those who had paid was 400, which did not even approach the number of employees of the Government and the Council, leaving aside the 1,500 teachers working in the District (KNA/PC/EST/2/1/17). Strenuous efforts were directed towards extracting rates from employees first and then later to the general populace. Much time was however taken in the distribution of famine relief which did not leave much opportunity for vigorous action to collect rates. It was also considered that with an accumulated three years of shortages it was possible that too active chasing of rates and taxes would only have the effect of filling jails and detention camps. The ADC therefore went into a financial decline which continued to the end of the year.

Consequently, cuts were made in the estimated payments to various departments, a number of untrained teachers were discharged, the roads staff was reduced as were the community development and health staff. The ADC agreed that they would not call full meetings of the Council and would conduct their business through a caretaker committee, to save expenses on travelling and attendance fees. This committee was elected in August 1961. All of these reductions were however of little avail in the face of the people's inability to pay their rates. Towards the end of the year, a loan of £25,000 had to be negotiated with the Local Government Loans Authority to keep existing services, even in their reduced state, going until the end of the year (*Ibid*). £14,000 of this sum went towards ADC's subvention to the District Education Board, and the remainder towards the running of water supplies, particularly in the Makueni areas which would have otherwise been closed.

A large grant was obtained from the Ministry of Local Government because of the Council's critical financial position. This was due to large shortfalls in the collection of rates. The ADC wrote to all the big firms in the District requesting them to collect rates on behalf of the Council. The DC also wrote to all heads of departments in the district requesting them to also collect rates. There was a meeting held between the ADC councillors, chiefs and the leading politicians of the District to discuss payment of ADC rates. It was concluded that there was a need to preach need for the ADC rates to the public with the hope of better collections. Immediate steps were taken to reduce the Councils expenditure, increase income and conserve existing balances (LG 5/24).

At the end of the year the ADC faced a desperate situation. Practically every cent of accumulated savings had been used which meant that the new year was faced with nothing in the bank and desperate measures required to obtain funds quickly to sustain recurrent expenditure (KNA/PC/EST/2/3/1). A suggestion was made by the Ministry of Local Government that if the ADC could not put its house in order and show ability to finance itself, the Council was to be wound up and their business conducted by a commission. As precautionary measures, plans were laid for implementation early in the year to issue dismissal notices to all teachers and drastic cuts in community development as well as maternity and other health services. It was hoped that the people of Machakos would realise that their ability and willingness to pay rates gauged the measure of progress that they can demand from the ADC (*Ibid*).

The ADC of Machakos entered the year 1962 at its lowest financial position ever with the threat of dissolution hanging over its head if there was no improvement. The reason for this financial crisis was the failure of majority of ratepayers to pay their rates in 1960 and 1961. This can be attributed to the diminishing colonial control and the misguided view that the ADC was part of oppressive colonial rule. There was also lack of an aligned African administration system in Kenya. The main reason was however the political feelings among Africans that with independence all services would be given free of charge by the independence government and thus there was no need to pay rates at the time. To illustrate this, in 1960 £26,000 was collected compared with the revised estimate of £50,000 and in 1961 only £16,000 was collected. A conservative estimate of the amount lost in two years was £60,000. During 1962 there was a considerable improvement and around £50,000 was collected (KNA/PC/EST/2/3/1).

In view of this improvement dissolution did not take place but nevertheless several services were drastically cut and the Council continued to operate on a reduced scale. The Council had received a letter in February 1962 from the Permanent Secretary, Ministry of Local Government which stated that unless there were substantial collections of rate before May of that year the Council was not to continue as a Local Authority. The Council would thus be dissolved according to the provisions of the African District Councils' Ordinance [Section 58 (1)] (KNA/JA/1/317). Members of the caretaker committee therefore deliberated on the measures

they would undertake to avert dissolution. Parents were informed that production of 1961 rate receipt was a condition of entry to primary and intermediate schools for the second term. Permanent staff was given precautionary notice to terminate services in May if necessary. These notices would, however, be withdrawn if collection of rates was favourable before May 1962 (*Ibid*).

Expenditure on all services was reduced to the basic requirement and welfare services such as community development and maternity (other than emergency cases) were discontinued. Health services were reduced by shs. 60,000 per year. This was the expenditure incurred above the maximum allowed for government grant and this reduction meant further closure of dispensaries and commencement of the running down of health centres and maternity services. It was also resolved that arrears of rates prior to 1962 be compounded at a lesser amount than the total rates due to relieve the load of debt from those taxpayers considerably in arrears. This was done according to one's ability to pay (KNA/JA/1/317). There was a reduction of roads' expenditure by dismissing more than fifty labourers. This reduction as not good though it was essential so as to keep within the approved estimates of 1962 since no supplementary estimates would be approved. Thus work was confined mostly on secondary roads as there were no funds to deal with minor roads. Alternatives for dismissing these employees included an unemployment relief to enable the people to continue in some form of employment (KNA/PC/EST/2/3/1).

Veterinary, forestry and agricultural services were reduced and thus a reduction of nursery labourers and forest rangers as well as veterinary scouts. Payment of gratuities was suspended. The Council normally paid service gratuity to its employees who worked for a period of ten years and above. A number of employees who were dismissed were entitled to such gratuity. The Council however, was not able to financially pay the gratuities until such a time when its financial position improved. Council staff salaries were reduced by five percent with effect from March 1962 only to be restored when the Council's financial position improved. Coffee nurseries were handed over to coffee growers' associations. Thus, the ADC coffee nurserymen were discharged at the end of March 1962. The nurseries were sold to coffee co-operative societies. The societies refunded the Council the total amount worth the coffee which was estimated by the District Coffee Officer before the end of November 1962. In Mbitini Location there was no coffee society and the Location Council made its own arrangements to manage and pay for the coffee nurseries in the location (KNA/JA/1/317).

The affairs of the Council continued to be managed by a caretaker committee with the Full Council meeting once in September to pass the 1963 estimates. The caretaker committee functioned extremely well and the members aided considerably in the partial financial recovery by impressing the ratepayers the necessity of paying rates. A number of dispensaries were closed down and community development employees were discharged leaving only four community development assistants to help with keeping the stores' equipment together waiting for either complete closedown or revival. Adult literacy scheme was discontinued. In addition, administrative staff was also reduced to the minimum and the administration was nearly breaking down due to lack of sufficient staff. All Location Councils' funds were frozen and their normal activities were almost stopped due to the said financial difficulties (KNA/JA/1/641). As such no capital expenses incurred in 1962 and none proposed for 1963.

Despite these challenges, the Council was able to carry out some important works. Discussion on the compensation for crops destroyed during the construction of both the Kangundo-Machakos and Machakos-Makueni roads was made. As such requests for compensation were forwarded to the Road Authority for a grant through the Ministry of Works. Repair works on secondary roads were carried out such as widening of escarpment corners at Makongo which were dangerous along the Machakos-Makueni Road. There was also discussion and approval of additional plots in markets as well as isolated plots in the locations. There was also the establishment of new markets in Mbiuni and Mbooni Locations. Hawkers' licences were not approved. This was because the items they sold were available in shops and thus a conflict of interest among traders from whom the Council required payment of annual rates. Maize price structures were also discussed to enable those who had surplus maize to sell so as to be able to pay their rates in time (KNA/JA/1/317).

1.3 Post-Colony and Further Challenge to Local Governance, 1963-1974

The peak of devolution in Kenya dates back to the late colonial period when preparation for independence by political parties took divergent views. "Small" communities in Kenya formed political parties that were to promote, protect and pursue their interests against the perceived domination by the bigger communities. Kenya African Democratic Union (KADU) composed of leaders from the Rift Valley and Coast provinces, was formed along these lines. KADU pushed for devolution and regional governments, while Kenya African National Union (KANU) pitched for a unitary government. The Lancaster Constitution provided for Lower and Upper houses. KADU party vigorously pushed for the regional governments, *majimbo* (Burungu: 2010, p.2).

Regional elections took place at the end of May 1963 and voting took place for the House of Representatives, the Senate and the Regional Assembly. Local Government elections were held in October. There was less enthusiasm shown than for the national elections and only 40% of the electorate voted as

compared to 90% who participated in the national elections. The first meeting of the County Council of Masaku took place on 6 November 1963 (KNA/PC/EST/2/3/1). None of the elected members had any previous experience in local government. Regional boundaries led to an enlargement of the area covered by the County Council to include settled areas formerly under the Nairobi Council as well as large areas of the Thika District.

But KANU was never committed to honour the provisions of the *majimbo* constitution regarding decentralisation of power and a unitary system of government was adopted a few months into independence therefore weakening KADU and *majimboism* was never realised (Burungu: 2010, p.2). Government in independent Kenya was changed from a regional government system of devolution with provincial governments and assemblies, to a unitary system headed by a president (*Ibid*). The abolition of regions in favour of a centralised government structure had diverse negative effects on the performance of the local government (Stamp: 1986, p.24). The responsibility of financing primary education and public health had important consequences on local authorities and for central government attitudes towards them, following 1964. These local authorities performed badly because they had neither the human nor financial resources to perform their duties. All local authorities carried out development and administrative activities such as sewerage and drainage, street lighting, housing, water supply, markets, roads, slaughterhouses, social services, cemeteries, ambulances and fire control. All functions were subject to the regulatory powers of the Ministry of Local Government, and had to be coordinated with activities of the central operating ministries (*Ibid*).

Local government in Kenya entered the independence era amidst great financial difficulties (Bewayo: 1978, p.101). These as well affected the operations of County Council of Masaku. Collection of revenue by the Council became complicated with the abolition of the local rate on Poll Tax and Hut Tax and by the introduction of the Graduated Personal Tax (GPT) which was a “pay-as-you-earn” tax. This led to the issuance of a notice by the Council’s treasurer towards the end of 1963 concerning its collection to the general public in Machakos District. The Council gave employers within its jurisdiction the regulations for the collection of this tax. All persons including women who paid remuneration to others for services including employers of domestic staff, had to deduct tax from these payments starting with the salary or wage paid for January 1964. The employer had to list all his or her employees including women and domestic staff. GPT cards were then to be issued to the employer before 31 January 1964 based on the information obtained in the list of employees. It was therefore important that registration was done quickly.

At the end of each month a GPT stamp had to be purchased from the County Council of Masaku for the value of the deduction made and affixed to the card. A scale on the front of the GPT card would tell the amount to be deducted. Stamps had to be purchased from the County Council’s offices and postal applications were not acceptable. If one was self-employed or unemployed procedure for the payment of tax would be the same but the person would hold the tax card and purchase stamps every month. Alternatively, one would pay tax for the whole year whose amount would be determined by an assessment of the previous year’s income. To avoid penalty, all taxes had to be paid before 30 April 1964. If one opted to pay monthly though, the tax payment had to commence on the 31 January 1964 (KNA/JA/1/317).

In June 1964 a meeting of the County Council was addressed by the District Commissioner. He noted that he had read in papers and reports and the progress of the Council was not encouraging at all and in a recent report of the County Councils of Eastern Province Masaku was listed as the worst of all. There were many things that needed to be done in the District but with the Council’s unencouraging financial status nothing could be done. Some services had been curtailed, some staff discharged, heavy plans for roads maintenance halted because no funds were available to maintain them (KNA/PAD/1/5).

It is worth noting that tax collection for the year 1964 was the poorest ever recorded in the District. Regionalisation at independence placed the responsibility of tax collection in the hands of the County Councils all over the country. The County Council of Masaku had neither the proper machinery nor the time for collection. Several times the Council was faced with the difficulty of finding enough money to pay salaries to the teachers. It just managed to keep the services barely moving till the end of the year and thus a threat to discontinue some of the services (KNA/PC/EST/2/3/1). In addition, the rapidity of transmission of responsibilities immediately prior to independence placed a sudden and huge burden upon them and thereby left a difficult legacy for post-independence local government. The burden of financing primary education and public health had important consequences on the performance of the County Council of Masaku and for the central government attitude towards the Council. Given responsibilities for which it had neither the human resource nor financial resources, the Council were forced into a position of bad performance (Stamp: 1986, p.23).

Failure to collect the GPT led to closure of schools and dispensaries and thus the Council became less popular (KNA/PC/EST/2/3/1). Consequently, the GPT was less paid and the Council deteriorated to near insignificance. The fact that taxes were paid better during the colonial period is proof that Africans viewed the local government as a burden on their shoulders and not as a benefit for the socio-economic development. It was, however, the Councillors responsibility to make themselves and the Council popular to the people to ensure that GPT was being paid. Another issue with the collection was that the responsibility had passed to the Provincial

Administration especially chiefs.

Conflict arose because the Councillors told the people they must not pay by force whilst the Chiefs had no option but to use force to collect the GPT. The Chiefs were also resentful to the Council since they had been denied chairmanship of the Local Councils (*Ibid*). Indeed, even the standard of debates in Committees and Full Council were quite low. Councillors regarded themselves as politicians and therefore tended to waste time in long fruitless arguments. Most of them did not know their responsibility and very often interfered with the administrative matters. Councillors, who were to be policy makers, turned to executive matters thus disrupting the running of the County Council. Councillors also were looking for personal gain (KNA/JA/1/317). For instance, allowances to councillors were a topic never absent in any meeting.

Machakos County Council and its administration took over the entire responsibility of collecting (GPT) in 1965 after the Council was seriously faced with a financial crisis since its formation in 1963. This take over together with the effort of the administration staff saved the Council from collapsing and possible dissolution by the Ministry of Local Government. During this year the Council for the first time had a good year GPT collection since independence when 100% (£162,500) of the estimated GPT was collected. The challenge of the County Council revenue lay with water revenue whereby, for example, in Yatta only eight persons out of the total 8,000 paid their rates. Parishioners of Yatta Division for many years defied requests to pay their rates to the County Council. This attitude towards payment of rates made the Council take an unprecedented step of closing down the water supply. It was hoped that by doing so the population would be forced to pay rates so that the supply could be opened. This led to an observation that a by-law was required to govern the payment of rates and especially to cover important development aspects of the district. Unfortunately, the approval of the Ministry of Local Government and the Attorney General led to a delay in the implementation of policy by the County Council (KNA/PC/EST/2/3/1).

By close of the year some disturbing aspects of administration of county Council finances were revealed (*Ibid*). Some employees were paid salaries far in excess of their maxima. This increased to the financial problems of the County Council. This was following a discussion of financial mismanagement in December 1963. The financial adviser reported that the police were making investigations regarding unascertained loss of Council's funds by Mr. Richard K. Mackenzie (revenue clerk in the Council's headquarters). He stated that Mr. Mackenzie had been interrogated by the police a week before then but his whereabouts were unknown (KNA/JA/1/317). Positively however, the standard debates in the County Council improved with the change of Chairmanship to Hon. Malu who commanded a great deal of political influence and following in Machakos District in general (KNA/PC/EST/2/3/1).

County Council's financial problems also affected the running of the Machakos Urban Council. It became difficult for the Urban Council to maintain certain services such as drainage. The County Council collected Shs.5 per taxpayer on behalf of the Urban Council but were unwilling to give the money back to the Urban Council in the form of grants. The County Council still expected the Urban Council to carry out the services for the rate payers and yet the money paid was tightly kept in the County Council's purse (*Ibid*). The Council was able to recover in 1966 when its financial position was a lot better than it was in 1965. This was mainly due to a better collection of GPT by the Provincial Administration including the District Officers, Chiefs, Sub-Chiefs and Administrative Policemen. The administration collected £130,019 of the whole District collection – 63% of the total 99% collection. Comparatively, the estimated GPT collection for 1965 was £ 140,000 and the actual collection was £169,730 approximately 121% collection, whereas in 1966, the estimated collection was £207,000 and the actual collection was £204,000 approximately 99% collection. Another factor that added to the better financial position of the Council was the poll tax rate. This was raised from Kshs.10 of 1965 to Kshs 20 in 1966 (KNA/PC/EST/2/3/1).

Total expenditure for the year (excluding expenditure by Local Councils) amounted to £755,725 compared to £720,246 of 1965 (*Ibid*). The over expenditure of £34,479 emanated mainly from education. More classes of schools run by the Council were opened and more and better qualified teachers were taken on. Education alone took £31,000 of the £34,479 and the rest went to increased staff and purchase of drugs for free medical services. Health centres were also built at a cost of £115,000 through joined action of the County Council and the public with money granted by the central government. There was also increased co-operation between the County Council and the Central government during 1966 (KNA/JA/1/317). A Kshs 43,000 bridge was constructed at Matiliku with central government grant and Kshs 2,000 contributed by the Council. In addition, five culvert bridges financed by the Ministry of works were constructed using Council's labour. Kshs 25,000 was spent in the construction of dams of which 5,000 was the Council's contribution.

1.4 Path to Decline

This strong financial situation of the Council was, however altered in 1967 when there was an over expenditure of £30,000 due to the poor collection of GPT. GPT collection dropped to 84%, that is, £168,000 against the estimated £207,000. There was no clear explanation to this drop. Water rates were not paid properly. This was

due to an increment in the rates from Kshs 10 per gallon to Kshs. 25 per gallon. People with limited incomes in the District were unable to pay these rates even after they were reduced to Ksh. 15. Further contributing to the poor financial stand was the handing over of the Simba Ranch by the Council to Nguu Ranching Co-operative in May of 1967. This ranch was a major source of income to the Council (KNA/PC/EST/2/3/1). All expenditure during the year was incurred on the recurrent items such as administration, maintenance of roads and bridges, maintenance of boreholes as well as education and health. Only one new project was undertaken, that is, the extension by installation of bigger pipes, the Athi River Water Supply.

GPT collection continued to be low and in 1968 GPT collected was £130,726 against an estimated £168,000 (KNA/JA/1/317). As such, there was a shortfall in the collection of GPT amounting to £50,000 in 1969. Thus the Council experienced financial difficulties which were managed through spending of the Renewals and Development Fund to provide the normal services throughout the year. There was the introduction of school fees in County Council schools from November 1968. This was as a measure to increase revenue as well as ensure the delivery of services in the schools. Thus a total of £170,000 was collected as school fees in 1968 and there was a great increase in this collection. In 1969 for example, £378,855 was collected against the estimated £357,500 thus a surplus of over £21,000 to fund education (KNA/PC/EST/2/3/1). No major works were carried out in the two years. In fact, if it were not for a government grant in 1969 of £385,000 plus a further £34,000 to pay teacher's salaries, the County Council of Masaku would have been in a serious financial crisis (*Ibid*). There were many responsibilities but the Council clearly lacked adequate funds to finance the same.

Notably however, is that from 1 January 1970 the County Council of Masaku was notified, just as all other local authorities in Kenya, of the transfer of certain functions to the central government (Himbara, 1994: p. 130). These included health, education and roads. This led to a decline in the importance of the Council. Local Government progress was no longer included or even mentioned in the DC's annual reports. Three major County Council Committees were dissolved. These were Education and Bursaries Committee, Public Health Committee and Roads and Works Committee. The Ministry of Local Government and the local authorities countrywide had, by 1969, declined to the extent that they hardly functioned. Almost every county council was in financial difficulties and most were on the verge of collapse. The major reason for the deterioration in administration and finance was, among other things, incompetence of staff. The coming of independence saw the departure of many qualified and experienced financial officers. It soon became apparent that there was a very serious shortage of accountants. Promotion of local training and qualification was at its minimal.

During the 1970s, there was nothing much going on in the County Council of Masaku. Lack of funds as well as financial mismanagement made the Council decline to near levels of no significance. For instance, a Commission of Inquiry was set up early in 1970 to investigate the deficit of the County Council funds where two chief officers, that is, the County Clerk and the County Treasurer were summarily suspended and were forced to take compulsory leave pending the outcome of the investigations performed by acting persons in these posts (KNA/PAD/1/56).

GPT was abolished in 1974 and replaced by a Poll Rate on every adult male and female having independent means resident or owning property within the County Council's jurisdiction. A notification about the collection of this rate was put in the Official Gazette on 17 January 1975. The rate could be paid at Chiefs' offices in the whole District as well as the Council's offices. The Ministry of Local Government was very categorical to the County Council of Masaku over its estimates of revenue and expenditure. This was due to the poor financial position of the Council. Estimates were to be as comprehensive and as realistic as possible. All heads of spending departments worked as a team and involved themselves in the drawing up of the estimates in co-operation with the treasurer to the Council. The treasurer worked with the Provincial Local Government Officers at all stages and their advice was accommodated where major variations were proposed (LG 5/21). The Central Government through the Ministry of Local Government was intricately involved in the affairs of the Council due to its history of poor performance.

1.5 Conclusion

The ADC of Machakos was faced with great financial constraints and was thus not effective in carrying out its mandate up to independence. In fact the ADC of Machakos could not afford to finance its meetings from 1961 and thus a caretaker committee of the Council was appointed to carry out its functions. This was the poor financial situation which was inherited by the independent County Council of Masaku. Thus a discussion of the ADC in Machakos is an evaluation of its challenges rather than success. Local government in Kenya entered the independence era amidst great financial difficulties. These as well affected the operations of County Council of Masaku. The collection of revenue by the Council became complicated with the abolition of the local rate on Poll Tax and Hut Tax and by the introduction of the GPT which was a "pay-as-you-earn" tax. The Council was unable to collect GPT. Several times it was faced with the difficulty of finding enough money to pay salaries to the teachers.

County Council of Masaku and its administration took over the entire responsibility of collecting GPT

in 1965 after the Council was seriously faced with a financial crisis since its formation in 1963. There was improvement in the collection of the GPT and in 1966 the Council was not only able to finance recurrent expenditure but also undertook some development work on roads, water, health and construction of school and dispensaries. This was short-lived and from 1970 the central government took over major Council's functions such as health, roads and education. The Council was further weakened in 1974 with removal of its major source of revenue, the GPT, which was replaced by a sales tax. Thus the Council's influence and work declined to levels that were of no significance.

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