

CRA

Monthly



QUICK FIRE!

WITH KATANA
LAWRENCE

DEBT

IMPLICATION OF RISING
DEBT ON EQUITABLE
REVENUE SHARING

MANHOOD & FATHERHOOD

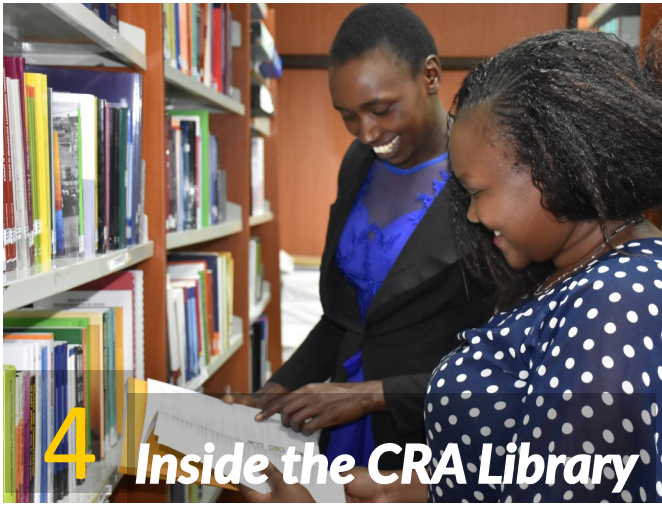
AN INTERVIEW WITH
GEORGE OCHIENG

LIBRARY:

A LOOK INSIDE
THE CRA LIBRARY

Prof. Peter Kimuyu

CONTENTS



3 **Editor's Note**

How is manhood defined in today's society? What is different today compared to previous generations? How can a man succeed in today's workplace?

10 **Interview with George Ochieng, Finance Officer**

Does fatherhood change a man? Is having a daughter different than having a son? How does one raise a boy-child in today's society?

14 **Implication of Rising Debt on Equitable Revenue Sharing**

There is need to reconsider what is sustainable debt to ensure that public debt repayments do not take up a significant proportion of shareable revenues

17 **Dear Dad**

If you were told to write a letter to your father, what would you say?

David Shikumo, shares his thoughts...

Men's Edition

How would you define a man? What does being a man in today's society mean? What are the qualities and values that today's men should have? In this end-year edition, we focus on what it means to be a man in today's society. Through interviews with men in the Commission, we paint a picture of the experiences, challenges and successes men face as they navigate their way through today's society.

Debt levels have been rising rapidly in recent years. In this edition, we examine how this increase affects equitable sharing of revenue. Is there need to re-consider what constitutes sustainable debt so that public debt repayments do not take up a large proportion of the revenue that can be shared among counties?

We also take a look into the CRA library and discover the interesting books and publications available to staff. Did you know that there are online services that you can easily access?



Ronald Ng'eno
Editor

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A Look Into the CRA Library



Librarian Assistant, Ms. Nelly Muse, arranges books in the CRA library.

Our Library has so many interesting books. As a Librarian I am not biased to a particular title but I can say there is a variety of categories that can interest all users.

We have many many nice inspirational and leadership books by great authors. We have books for research as well as reference texts for key disciplines including economics, finance, decentralisation, marginalisation, procurement, legal, management, PR and communication. etc

The entire collection is built by the book requests the staff submit to the library.

What Is Unique about the CRA Library?

The CRA library has become a go-to place for most staff to refresh and rejuvenate away from their desks. This is a very unique feature as they come not only to read and borrow books, but to

momentarily enjoy the silence.

What online services/ resources are available?

The library has subscribed to e-journals and e-books to supplement the print resources available. We are also working to increase databases that are of interest to our niche as CRA.

These resources can be accessed from OPAC (Online Public Access Catalogue) linked to the CRA website.

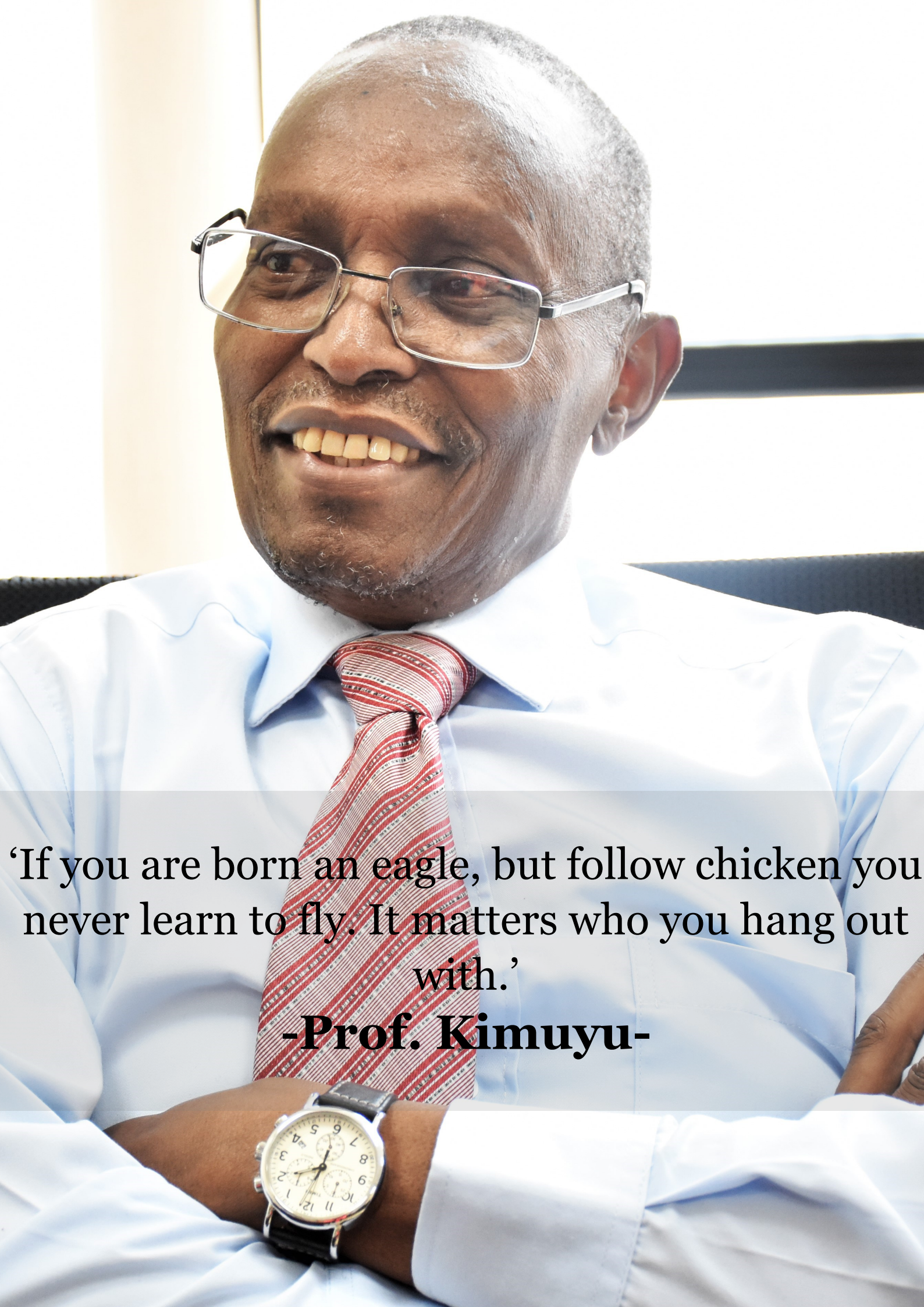
<http://cralibraryopac.crakenya.org/>

Staff can also access and monitor their library accounts from the OPAC.

What are the Activities to look out for:

The library intends to carry out book donations activities Interactive information literacy sessions to enable us to maximise use of the resources available.

Suggestions on how we can add value to our library are always welcome. Keep them coming.



‘If you are born an eagle, but follow chicken you never learn to fly. It matters who you hang out with.’

-Prof. Kimuyu-

Interview with Prof. Peter Kimuyu



A *s a man of faith, and a former chairman of the Elder's Court at the Nairobi Baptist Church. How has your faith helped you in your career?*

When you have a relationship with God, it changes the context in which you live at home, as you study and even as you work. The important thing is that you look at people differently because you recognize that people are special; they are unique and no person has a duplicate. This means that there is something only you can do on planet earth and if you don't do it nobody else will.

You also realize that when you are shaken thread-bare, we are just equals. Sometimes we bring distinctions which have no basis at all because before God we are all equal and that is how He makes us. We are all equal without losing our distinctiveness because your thumb-print is peculiar to you. This changes your perspective on things; you work harder, and you also find a reason to be disciplined in your work environment because you are not working for yourself. You just don't happen to be there, there is someone one who placed you there, He doesn't

bring you there just to fool around, but to work, enjoy impacting your colleges and your friends. This is what changes the context.

As humans, we are seeking to develop and improve. Is there anything about yourself that you're working on improving?

I am very thankful that God opened my eyes to see myself the way he sees me and also opened my mind to understand a little bit of economics. At this point when somebody says that this guy is a professor, they think that the professor knows everything but actually one burden that professors carry is knowing how little they know because by the time you become a senior scholar, you do so by digging deep in one small area and you are aware of how much more you've left behind. If I had a couple of life times, I'd go back and try to catch up in this areas. But then you trust God over the things you do. Faith plays all over my life in my case.

I am a very private person, I don't enjoy exposure, I don't enjoy interacting with politicians. However, since I came, I have had chance to interact. This has been one of my growth areas: just figuring out how to interact with politicians and also dismantling some of my biases against them, because the impression I have had is that most of the politicians are self-seekers who think they know it all and they don't give people a chance. However, there are some who listen to you and want to know more, of whom they are probably few and far between, but then you



begin to realize that even if you have just one percent, you have a chance of impacting, passing on information and of building knowledge in somebody that can use it for the purpose of designing policies.

How did your parents/guardian (especially your father/male figure) influence you growing up? What lessons did you learn from him?

I found out that my dad was a gem and because I could read anything that I came across, if he found a book that I could read or someone told him that this book is good for your son he went and bought it for me. Most important I learnt life skills from him. One of these skills is learning how to cook and iron shirts those little things that people think they are not important but actually are, I can tell you now.

When I look back now and when I had my own sons I made sure that they learnt how to cook. I made sure that I made my presence in the kitchen so that they could see me.

The other thing I learnt from my dad is about finances. He had a shop and he was storing shoes for

Bata and this one time I saw a very attractive shoe, so I told him ‘can I have a pair’. He said ‘you just don’t pick a pair like that’. He instructed me to go to a near river and grow tomatoes. He gave me the tomato seeds and in three months the tomato would have grown so I was to sell the tomatoes and get the money to buy the pair of shoe. I was not happy but you know within three months I had much more than I needed for the shoes and I have never forgotten this lesson.

You have written several books, articles and discussion papers, how have you been able to spend time with your family at the same time publish and work full time?

There is no conflict between publishing and spending time with your family. When we had small kids, I prayerfully committed to never missing dinner unless I was out of town. I made up for this by waking up early, sometimes as early as 3 am to write and read before I went to teach.

It is a question about priority really, as scholarship can be slavery and if you are not careful you can actually lose your family. You have to determine upfront that yes, this is the thing God has called me to do, but I don’t want it to be too costly. I want to walk the straight and narrow road where my family never gets to miss me, but at the same time I am making progress in my education. I can tell you that God comes through and we were able to go for holidays together even as I was in the thick of things (teaching, pursuing my studies and research).

What makes the difference is what you do in your spare time. You can write books, publish articles, make yourself available for church, etc. However, I have seen some of my colleagues divorce as they were

trying to publish a book, but how foolish! The only reason you are working is for your family. If you lose your family because of publishing, what is the point?

What is the biggest obstacle you have had to overcome in life as a man? How did you master it?

My faith comes in handy because then I can talk to God about those challenges and what I find about challenges is that they are never meant to break us, in fact if anything they make us better. Sometimes you meet different people in life who challenge you and since I came to the Commission, I have been in quite a number of boards.

Here is peculiar because it's a bunch of people who are full time so you are engaging all the time and they are diligent people which means that they will challenge you. What the challenge does is that it becomes like a growth area for you because when you are done after a term, you'll be a better person. You develop an attitude towards challenges

because you realize they are part of life. Even in the scriptures James 1:2-3 says "my brethren, count it all joy when you fall into various trials, knowing that the testing of your faith produces patience." God is using trials to produce character. All of us are works in progress because between here and 'there', there is a place he is taking us because we are not 'there' yet, so in between He has to continue challenging us and He

does so through challenges of life.

What is your vision for the future? Where do you see yourself in 10 years?

I would like to catch up with a little bit of writing and I have a few projects pending but I need to create a conducive environment when I can write, as writing is lonely. I may write an autobiography, but not in the usual way. I think society needs to benefit from knowledge that is an outcome of our efforts and experiences. I would like to write on foundational issues on our value system, worldview etc. We are dealing with deep issues such as corruption which are foundational and in order to deal with them you need to take a deep dive and flush out the underlying issues and develop a system of intervention.

Final comments?

After we are born, the way to proceed is to fol-

low others. But it matters who you follow. It is said if you are born an eagle, but follow chicken you never learn to fly. So it matters who you hang out with. We are always following other: in research we read other people's work to assess where the gaps are and then develop a proposal that attempts to fill this gap. So if my story can be of some help, I appreciate that.

'What the challenge does is that it becomes like a growth area for you because when you are done after a term, you'll be a better person.'

Quick Fire: Katana Lawrence



If you could buy yourself anything, what would you buy?

The most valuable things to me can't be bought, these are success happiness and most importantly family.

Where is the worst place you could get stuck?

In a building that is under attack by terrorists.

What would you do if you were famous for a day?

I would touch lives and change them for the better.

What is the one thing you own you wish you didn't?

Some friends.

If you could be any nationality what would it be?

Just a Kenyan. The place where my hopes and

dreams begin and end.

If you could talk to the President what would you talk about?

The Kenyan identity. The fundamental values that identify Kenyans.

What have you done that you are most proud of?

Building a house for my parents.

What is your best childhood memory?

Fishing at the river near home.

How do you define happiness?

Being at peace within myself.

Two things you would change about yourself?

I would want to focus more on people as opposed to things.

Favourite memory?

Meeting Lorenza Bernasconi, Chairlady of Child of Africa Organisation at their Gede Offices. She offered me Secondary and University sponsorship.

What would you do if you didn't have to work tomorrow?

Writing down a journal of the most eventful moments in my life.



‘Fatherhood is leadership in my view and involves providing that leadership to family by living a good example and leading them in the right direction.’

-George Ochieng-

MANHOOD & FATHERHOOD

How would you define a Man? What does being man mean to you?

A man is one who is supposed to take actions guided by rational thought that would lead to excellence in every aspect of life - that is my definition of a man. So manliness is simply meaning being the best a man can be.

What do you think are the differences between being a man today as you experience it and what you perceive in previous generations?

Our forefathers viewed a man as a warrior. One who would defend the society and the culture. The men were being trained right from the time they were boys to be warriors.

So the roles were very clear during the olden days but in today's world the roles are a bit fluid in the sense that what traditionally has been marked as a man's role you now find women performing them, so that is the difference.

If you have children, what does fatherhood mean to you? Fatherhood is leadership in my view and involves providing that leadership to family members and living a good example and leading them in the right direction. So the father figure is actually the head of the family and is supposed to provide leadership to the family in all aspects.

What have you learnt from your children?

One key thing that children have taught me is to be patient and be able to accommodate weaknesses of other people in my place of work, social life and staff like that so I have been able to really learn that every child has a different gift, different ability, different talent and I have been able to connect with them at their point of weaknesses and to be able to train them. This has made me a better person in the sense that I have understood more of people's weaknesses.

Is having a daughter a different experience from having a son?

I am not sure whether my experience cuts across but I have learnt that daughters have a lot of expect-



Finance Officer, George Ochieng

tations in terms of how you react when they make mistakes, how you reward them when they do good, and how you praise/congratulate them. Their expectations is a little bit higher than the boy child. The boy child doesn't seem to care so much about if he has done something but for my girls what I say matters a lot to them especially in school performance. I am very careful what I say to them when results are out.

How has having a father made you a better person?

I have lived with my father all my life. I just left as an adult but I am still in his compound and I have learnt a lot. My father really influenced and shaped the way I look at things. First of all, my father is a clergy; a retired pastor and he taught me to know God such that when I met God in a personal way, I actually realized what Mzee was teaching me is the best thing in life.

He led me to know Christ and when I got to know Christ and the purpose of life, that forced me to live a certain kind of life.

MANHOOD & FATHERHOOD

He is a good story teller so I have known stories of my great-great-great grandfathers and what they did in the past and the warriors of our ethnic community, our clans and how they conquered land and also stories about the Bible that has shaped me to be who I am today.

Looking back as a father, is there anything that fills you with regret?

Yeah, when I started my family I had my own standards and my own expectations but as the children started growing up I realized that it is important to allow children to make mistakes. I never used to allow them to make mistakes yet through mistakes they get to grow. They learn more from mistakes. My first children found a very strict father and I learned that I should give them room to make mistakes so that I correct them. They learn from those mistakes.

How do you raise a boy to navigate this world between good and evil? What advice would you give to parents on raising a good man?

If you look at the role of a man in society, it is actually the role of leadership and this is biblical. God created a male before creating a female into positions of responsibility. A man has a bigger role in society in providing leadership. In my view, the way I would raise a boy-child is to actually train him to take leadership in whatever thing he does. Take leadership and as I said manliness is being the best a man can be. Take actions guided by rational thought that would lead to excellence in every aspect of life. That is how to raise a boy child.

What's the secret of a happy marriage?

I am a born-again Christian and when I discuss matters of marriage I think biblical foundations of marriage is what makes marriage successful. We find God giving instructions to both the man and the woman and this is important to note. One of the principal responsibility that is given to a man from the scriptures is to love the Word. Just love the Word unconditionally. So if

that is the case observe that principal.

I have tried my best to observe that biblical principal of loving my wife and forgiving her. People always make mistakes. I have learnt to forgive and I even forgive in advance so that even right now before she makes a mistake, I am prepared and have forgiven her, such that by the time she makes that mistake I am fine. So that way it has helped me to really have a happy marriage.

We always speak about women when it comes to work life balance, do you think this also applies to men growing up professionally?

You see there is a philosopher who once said that you will never be fully satisfied by work until you are satisfied by life yet there are people who value work



MANHOOD & FATHERHOOD

more than life itself. I used to have a boss in my previous workplace who told me that if I want to grow in your career put work above everything else. Yes, he put his work above everything else but even as we speak he doesn't have a family. Yes, he is a very senior manager but to me I think he was wrong because life is not all about work.

Life means a lot more than just working so work-life balance is very important because you may have work, yes but we also have families, friends and relatives. Man is a social being so we need to find time to work and also to socialize and find time in God. If you are a believer, it is not all about work, work-life balance is very important. That is why there are breaks. People are given leave so that you go and freshen up.

What lessons have you learned in your years working for various institutions as far as attaining professional success?

What I have learnt is that the labour market pays for skills. The market pays for what they need. Skill is most important, so one should learn to sharpen their skills very well and with the right attitude you can grow in your career.

It involves your ability to be flexible at work and not to refuse tasks. You see there are people who refuse tasks that are not specifically related to their role and they like complaining a lot, that is a wrong attitude in life, we should not complain a lot. You should learn to take more responsibility and that means having a good attitude. Love taking more responsibility and doing it well then you can grow in your career.

What about masculinity would you say is toxic or poisonous?

I think that is a misplaced thought. Men are needed in this society and if you ask me a woman needs a man and a man needs a woman. God created a pair and the people who believe they can just go about life without a partner or without a man or a woman I think are misguided. I will still take you to the scripture that says two is better than one. If you are a man you need a woman and if you are a woman you need a man but the point is that what causes a problem is when someone does not play their role. Like one gender does not play his role in the partnership as God planned, then that can cause a big problem whether a man or a woman. Not every man is a bad man and not every woman is a bad woman

'If you look at the role of a man in society, it is actually the role of leadership and this is biblical. God created a male before creating a female into positions of responsibility. A man has a bigger role in society in providing leadership.'

How do you look after your health and fitness?

I don't always go to gym but what I love most is walking. It has helped me a lot sometimes I choose not to board a car or drive to certain places but I just walk during my free time and to me that I think has kept me fit.

What are your parting remarks?

There are a lot of changes from my 20s and 30s. A lot of changes because in my teens, in my 20s and maybe 30s the way I used to look at life is very different and the experiences I have gone through have also shaped me to look at life very differently usually a young man has a lot of expectations in life. When I was young I used to be a little bit impatient. I wanted things done instantly. I wanted jobs that are paying so well. I used to be very selective. I used to think life will just flow the way I want it to, but over time I have learnt that in life you may not get everything that you want so you need to exercise a little more patience and a lot of focus then you can achieve your goals.

Implication of the Rising Debt on Equitable Revenue Sharing

Devolution and fiscal decentralization took effect in the country in the financial year 2013/14. During this period, total public debt stood at Ksh. 2.4 trillion, however by March 2019 total public debt stood at Kshs. 5.4 trillion equivalent to 57 per cent of the Gross Domestic Product (GDP) up from 48 percent of GDP in 2013. The increase in total public debt from 2013 to March 2019 was 124 per cent equivalent to an annual increase of 14% during this period.

The public debt composition by March 2019 consists of Kshs. 2.7 trillion in external debt which is 25.6 per cent of the GDP up from Kshs. 1.1 trillion in 2013/14 while domestic debt consists of Kshs. 2.7 trillion which is 24.7 per cent of the GDP up from Kshs.1.3 trillion in March 2013/14. External debt in 2013/14 was composed of 17 per cent in concessional loan and 20 per cent in commercial loan, in the FY 2018/19 this was 23 per cent in concessional loan and 22 per cent in commercial loan, this therefore shows that the strategy in debt composition is moving towards the more expensive commercial loans which has implications on the cost of debt.

Article 203(1) (b) requires the Commission to take into account public debt and other national obligations when determining the equitable share. In line with this, the Commission has over



**Ag. Director Research,
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**Senior Fiscal Analyst,
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the years netted public debt obligations from shareable revenues.

This brief seeks to establish the implication of public debt on equitable sharing of revenue in Kenya. From the data, it is evident that public debt has been rising steadily since devolution and so has debt service. The analysis has shown that as the share of debt service to ordinary revenues rises, the share of country allocations to ordinary revenues has been declining. This is in contrast to the shares of the other provisions in Article 203(1) to ordinary revenues that have not changed by more than 3 per cent since devolution.

For example, the share of ordinary revenues allocated to debt service increased from 17.5 percent in 2013/14 to the expected 2018/19 levels of 42 percent. In 2013/14, the share of county allocations to ordinary revenues stood at 20.7 percent. The difference between the share to debt and the share to county allocation was not significantly different (3 percentage points). However, by 2017/18, the difference was 11 percentage points and this is expected to widen further to over 20 percentage

Implication of the Rising Debt on Equitable Revenue Sharing

points if projected debt service of Kshs.637 million is realized. Should this trend continue, there is a risk of undermining service delivery at county level as resources are diverted to debt repayment.

The analysis has further shown that the shortfall in revenue collection has widened since 2013/14. Considering that the Commission's recommendation on the vertical allocation of equitable share is pegged on revenue projections from Treasury, it emerges that unless Treasury can give realistic revenue projections on which to base the recommendations on, there will always be disagreements on the division of revenue.

The National Treasury's fall back defense line has always been that the public debt ratio to GDP is below the IMF threshold of 74 percent although the Debt Sustainability Analysis of 2018 shows that Kenya faces a moderate risk of Debt distress. There is therefore need to reconsider what is sustainable beyond IMF's definition and in light of ensuring that public debt repayments do not take up a significant proportion of shareable revenues.

While section 15(2) (d) of the PFM Act of 2012 provides that public debt and obligations be maintained at sustainable levels as approved by parliament for the national government, there is need to explicitly define what constitutes sustainable levels in the Act given the observed trends of increasing ratios of debt service to ordinary revenues alongside declining ratios of county allocation to ordinary revenues.

As the country matures in the devolution space, there is need to focus on strengthening fiscal responsibility at county level to facilitate revenue decentralization alongside expenditure decentralization.

There is need to re-examine the projects for which additional debt is being procured annually to justify additional borrowing.

There is need to review the other items stated in Article 203(1)(b) as items of national interest and which are also a first charge on shareable revenues as they too reduce the equitable shareable revenue. Furthermore, it is important to clarify the relative weights of these items and make a case for applying them alternatively rather than concurrently.

“There is need to focus on strengthening fiscal responsibility at county level to facilitate revenue and expenditure decentralization.”

CRA BIRTHDAY PICTORIAL



Dear Dad

As I write this letter to you, this will mark 15 years since you left us.

Nevertheless, I knew you to be always loving and nurturing, to be warm-hearted and soft, to be caring and thoughtful. This not only makes me proud, but also makes me cherish all the gifts life has bestowed upon me. There are no words to describe my immense love for you.

As a child, you helped me develop important values and skills. You taught me the value of being honest in all circumstances, always telling the truth, regardless of whether people around me like it or not.

In academics, it was a blessing to have you as my teacher as my Dad. You taught me the need of doing my best. Currently, I hold a Bachelor of Commerce degree (Banking and Finance option), first class honours from Egerton University, Master of Science in Finance from University of Nairobi. In addition, I am a Certified Public Accountant (CPA) and a member of Institute of Certified Public Accountants of Kenya (ICPAK).

Although I acquired all these in your absence, this was possible due to the values you installed in me.



David Shikumo

Finally, I would like to thank you for the crucial role you played in my life.

Rest in Peace Dad until we meet again.

Your Loving Son,

David H. Shikumo.



COMMISSION ON
REVENUE ALLOCATION

Merry Christmas!

**We wish all
commissioners, staff,
stakeholders and the
public a peaceful
and blessed 2020!**