Revenue Mobilization, Political Gridlock and Service Delivery in County Governments within Lake Region Economic Bloc in Kenya

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ABSTRACT

Revenue mobilization is a key driver of long-term transformation and democratization, particularly in developing countries striving to improve public service delivery under conditions of constrained fiscal capacity and widespread poverty. In Kenya, despite the expansion of county budget allocations under devolution, counties within the Lake Region Economic Bloc continue to experience persistent challenges in mobilizing adequate resources and translating fiscal capacity into effective service delivery. This study examined the effects of revenue mobilization, tested the moderating role of political gridlock on the relationship between revenue mobilization and service delivery. The study adopted a correlational research design under a pragmatism philosophy, anchored on Soufflé Theory. The target population comprised 435 respondents drawn from County Executive Committee Members, Chief Officers, County Revenue Directors, County Assembly Budget and Appropriation Committee Members, and Revenue Service Clerks, from which a sample of 208 was determined using the Yamane Taro formula (1968). A mixed-method approach was employed, combining structured questionnaire and interview schedules. Reliability was established through a pilot test using Cronbach's alpha, while validity was ensured through expert review for content and face validity. Data was analyzed using descriptive and inferential statistics, with correlation and regression analyses used to determine relationships between variables, while qualitative data were analyzed thematically. Moderating effects were tested using the Baron and Kenny (1986) approach. The findings revealed that revenue mobilization has a positive but statistically insignificant relationship with service delivery ($\beta = 0.192$, $p > 0.05$), with own-source revenue perceived as more effective than equitable share allocations. Political gridlock negatively affected service delivery but did not significantly moderate the relationship ($\beta = 0.160$, $p > 0.05$). The study concludes that while revenue mobilization and governance processes collectively influence service delivery, their effectiveness is largely dependent on implementation strength and institutional efficiency. It recommends strengthening own-source revenue systems, enhancing enforcement of public finance regulations, improving participatory and data-driven budgeting, strengthening implementation systems, and addressing political gridlock through institutional coordination reforms. The study contributes to public finance, governance, and decentralization literature by clarifying how fiscal autonomy interacts with governance structures to shape service delivery outcomes in devolved systems.

Keywords: revenue mobilization, service delivery, political gridlock, county governments, and fiscal autonomy.

INTRODUCTION

Most cities in developing countries depend largely on central government transfers, as property taxes and service fees provide only minimal income (Provazníková et al., 2021). Central governments retain control over lucrative streams like income, sales, and business taxes, often used to subsidize metropolitan areas (Slack, 2017). Local authorities sometimes resist tax hikes due to fear of political backlash (Sbragia, 2019).

Consequently, significant vertical disparities persist in distributing fiscal duties, as central governments remain reluctant to decentralize responsibilities (Janoušková & Sobotovičová, 2019).

According to the World Bank, 95% of democracies have devolved budgetary authority to subnational governments (Gjika, 2018). Developed nations such as the United States, United Kingdom, and Canada (Ahmad, 2020), alongside emerging economies like Mexico, Brazil, Bolivia, South Africa, and Nigeria, have embraced fiscal autonomy (Slavinskaite et al., 2022). The World Bank endorses this trend as central to poverty alleviation (Munyua et al., 2020), while in Africa, countries including Kenya, Ghana, Ethiopia, and South Africa have decentralized service delivery (Dickovick, 2013). Within Europe, fiscal autonomy underpins integration, with regional governments strengthened in Belgium, France, Italy, and Spain (Díaz-Serrano & Rodríguez-Pose, 2015; Tselios & Rodríguez-Pose, 2020).

Motsitsi and Hendriks (2023) found that in South Africa's Northern Cape Department of Health, improved financial management failed to enhance service delivery due to inadequate funding, weak controls, and political interference. Similarly, Goryakin et al. (2020) noted that inefficiencies and rising disease burdens undermine health outcomes despite reforms. Kimutai (2022) noted revenue generation and transfers improve services, while borrowing harms outcomes. Broader evidence Njoroge et al., 2017; Gemmell et al., (2013) shows decentralization's mixed growth effects, stressing stronger fiscal accountability.

Political gridlock refers to a state of stalemate or deadlock in a political system where opposing parties or factions are unable to reach consensus or compromise on key issues. Gridlock often arises when political actors have divergent interests, ideologies, or priorities, leading to a breakdown in communication and cooperation. As a result, decision-making processes can become paralyzed, hindering the government's ability to address pressing problems or enact new policies (Gehl, & Porter, 2020).

Young et al. (2019) looks at the issues that human service organizations faced as a result of Illinois's inability to pay essential human services during the state's 2015–17 budget stalemate. The investigation demonstrates the way in which political struggles impeded social services by diverting limited non-profit resources towards organizational survival. It revealed how the deadlock exacerbated the divide between public administration and politics, stifled development and creativity, and left organizations saddled with large reconstruction bills.

Heo (2016) examines from the standpoint of overlapping political conflicts among multi-scalar actors, the legislative gridlock that emerged during the South Korean government's efforts to pass the Bill of Financial Consumer Protection, starting in July 2012. Empirical evidence indicates that the government's aim to modify financial supervisory governance engendered two divisions among multi-scalar stakeholders due to their enduring political attachment to the Bill. In the history of Korea's financial supervision, the cleavages overlapped and were presented as a single, major issue, which exacerbated the dispute and contributed to the deadlocks.

Faguet (2017) found that political gridlock had little effect on the relationship between financial autonomy and performance in Colombia, while Nguyen and Do (2022) reached similar conclusions in Vietnam. In contrast, Isufaj (2017) showed fiscal autonomy in Albania improved infrastructure, services, tax compliance, and intergovernmental relations. However, Kapidani (2018) noted Albanian municipalities still rely heavily on transfers, limiting autonomy. Verdier et al. (2022) highlighted weak tax revenues in the Middle East and Central Asia due to exemptions and poor compliance. Lewis (2016) further observed that political gridlock in Europe undermines autonomy's benefits, showing constraints across diverse contexts.

Statement of the Problem

Fiscal autonomy is pivotal for long-term transformation and democratization, particularly in developing countries as it enhances local government operations and improve public service delivery. However, in Kenya, decentralized governance models have struggled with service delivery as evidenced by Auditor General Reports highlighting issues such as delays in exchequer disbursements, project completion delays, and substantial pending bills. These challenges, including poor budgetary control and performance, have led to underfunding and ineffective service delivery, impacting public satisfaction, particularly in the Lake Region where 53% of residents report dissatisfaction. Despite the importance of fiscal devolution and local financial autonomy, current empirical measures for assessing and comparing fiscal autonomy remain underdeveloped. Research often focuses on revenue sources but neglects broader issues such as bureaucratic obstacles and political space. While decentralized structures show some responsiveness to local needs, significant challenges persist. Evidence suggests that revenue decentralization affects public service accessibility more significantly than poverty levels, with ineffective budget implementation, and corruption exacerbating these issues. This context highlights a gap in understanding the relationship between fiscal autonomy and service delivery. Therefore, this study aims to investigate the relationship between fiscal autonomy, political gridlocks and service delivery in the devolved units within the Lake Region Economic Block in Kenya.

THEORETICAL REVIEW

The study was guided by Souffle Theory as presented

The theory was introduced by Parker (1995) which asserts that administrative decentralization is the component of decentralization. The soufflé theory is a metaphorical concept used to describe the delicate and sometimes precarious nature of managing public finances, especially in decentralized governance structures like federal systems or where fiscal autonomy is significant.

Revenue mobilization is a delicate process, akin to baking a soufflé, requiring meticulous planning and execution to ensure sustainable and sufficient revenue sources to meet expenditure needs (Farooq et al. 2008; Laryea-Adjei, 2006). A fruitful decentralization program must blend institutional components to enhance rural development, emphasizing that county governments should diversify revenue bases rather than overly relying on central transfers, as this strengthens fiscal autonomy and resilience (Wagana, 2017). Similarly, the budget-making process mirrors preparing a soufflé, where precise alignment of revenue projections with expenditure priorities, while considering fiscal rules and economic conditions, is crucial (Sutherland, Price, & Joumard, 2005). Just as timing and temperature are vital for a soufflé, budget decisions are affected by political dynamics, stakeholder interests, and public expectations, necessitating inclusive processes and clear fiscal rules for transparency and accountability (Ribot, 2002).

Implementing the budget requires meticulous execution, akin to handling a soufflé with care to prevent collapse (Laryea-Adjei, 2006). In the Lake Region Economic Block (LREB) counties, effective budget implementation depends on strong procurement processes, project management, and adherence to regulatory frameworks (Manor, 1999). The regulatory framework acts as the recipe for managing public finances, encouraging fiscal discipline and adaptability to economic changes while ensuring transparency and accountability (Parker, 1995).

The theory is without criticism; like a soufflé, public finances can collapse under pressure from economic shocks, mismanagement, or political instability (Saito, 2001, Wagana, & Iravo, 2017). Fragility in revenue streams or inadequate budget oversight can lead to financial instability. Unlike baking, managing public finances involves adapting to dynamic economic conditions and evolving regulatory requirements. The theory’s analogy may oversimplify the challenges of balancing fiscal discipline with responsiveness to public needs.

The soufflé theory offers a creative perspective on the nuances of revenue mobilization, budgeting, and public finance management. It underscores the importance of precision, balance, and resilience in navigating the complexities of fiscal governance, particularly in decentralized systems where effective management is critical for sustainable development and service delivery. The metaphor highlights the need for careful, precise management in public finance and decentralization contexts. Counties in the Lake Region Economic Block, like many decentralized entities, must delicately balance revenue mobilization, budgeting, implementation, and regulatory compliance to achieve sustainable development and effective service delivery.

EMPIRICAL REVIEW

The literature was reviewed according to the objective

Revenue Mobilization and service delivery

Revenue mobilization in the context of counties within the Lake Region Economic Block (LREB) refers to the process and efforts undertaken by these counties to generate income and funds from various sources to finance their operations, projects, and services (Sililo, 2021).

Verdier et al. (2022) examined strategies to increase tax revenue while fostering inclusive and resilient growth in the Middle East and Central Asia, using a mixed-methods approach with data from national accounts, government budgets, and international financial sources. The study found that tax collection in the region lags behind global benchmarks, especially when hydrocarbon revenues are excluded, with fragile and conflict-affected states facing unique mobilization challenges. Contributing factors included low tax rates, widespread exemptions, poor compliance, and uneven progressivity in personal income tax systems. However, geographic gaps were not as the study focused on the Middle East and Central Asia rather than Kenya, while methodological gaps emerge from reliance on secondary data without localized primary evidence contrary to the current study. Additionally, population gaps result from targeting national-level contexts rather than devolved county structures, and contextual gaps exist as service delivery outcomes central to the current study in the Lake Region Economic Bloc were not examined.

Igbokwe-Ibeto and Osakede (2023) investigated revenue mobilization and rural development in Ngor Okpala Local Government Area of Imo State, Nigeria, using structural functionalism theory and a survey design with both primary and secondary data collected through simple random sampling. Data were analyzed using frequency tables and T-tests. The study found that a lack of financial autonomy hindered revenue generation and rural development, and revealed a significant correlation between revenue mobilization and service delivery. However, geographic gaps arise because the study was conducted in Nigeria rather than Kenya, while methodological gaps emerge from the absence of mixed-method triangulation an endeavour the current researcher is seeking to explore. In addition, population gaps exist due to the focus on a single local government area, and contextual gaps occur as the study did not consider multi-county governance structures like those in Kenya’s Lake Region Economic Bloc, which the current study addressed.

Scott (2018) examined how Ghana’s District Assemblies’ revenue mobilization methods affect service delivery, using a mixed-methods approach that included questionnaires, interviews, focus groups, and document analysis. A multi-stage selection technique was used to sample 34 districts out of 170, with responses from 1,020 citizens and 612 assembly officials. Qualitative data were analyzed thematically, while quantitative data were assessed using regression and descriptive statistics. The study found that income mobilization strategies significantly and positively improved service delivery and recommended auditing automated revenue systems, expediting fund disbursements, penalizing mismanagement, and streamlining fiscal governance legislation. However, geographic gaps arise because the study was conducted in Ghana rather than Kenya, methodological gaps result from limited inferential analysis beyond regression only, population gaps emerge from excluding larger regional administrative units as those in Kenya hence the need for the current study.

Namara (2023) examined the effect of revenue mobilization on the revenue performance of local governments, focusing on Nansana Municipal Council in Wakiso District, Uganda. The study sought to assess the effects of tax education, tax assessment, and revenue source identification on revenue performance. A cross-sectional research design and quantitative approach were adopted to establish the causal relationship between revenue mobilization practices and revenue performance. Data were collected from 36 employees of Nansana Municipal Council selected through simple random and purposive sampling techniques from a target population of 40 employees. Primary data were gathered using structured questionnaires and analyzed using SPSS version 20 through descriptive statistics, correlation analysis, and regression analysis. The findings indicated that tax education, tax assessment, and revenue source identification each had a positive and statistically significant effect on revenue performance. The study concluded that effective revenue

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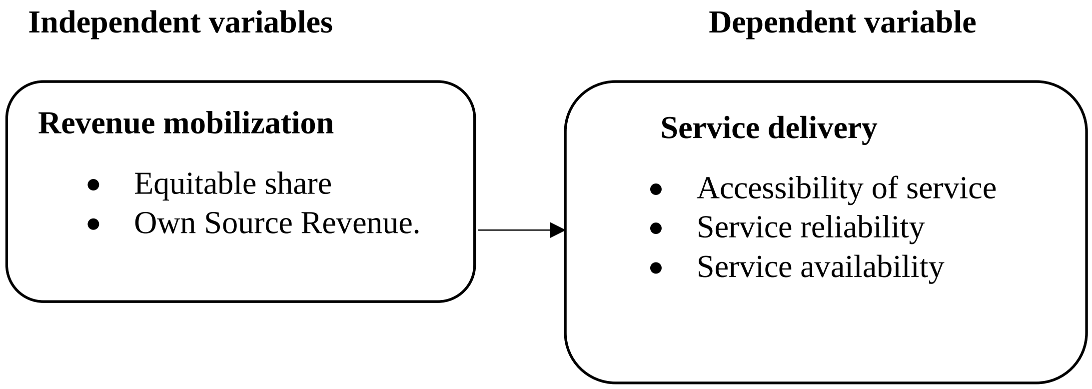
mobilization enhances revenue performance, which in turn supports infrastructure development, service delivery, poverty eradication, and economic transformation. However, the study focused on revenue performance as the dependent variable rather than service delivery, thereby creating a conceptual gap regarding how revenue mobilization directly influences service delivery outcomes. Furthermore, the study examined revenue mobilization through tax education, tax assessment, and revenue source identification, while the current study focuses specifically on equitable share and own-source revenue as key dimensions of revenue mobilization. Methodologically, the study relied on primary data collected from a small sample of employees within a single municipal council, limiting the generalizability of its findings. Contextually, the study was conducted in Uganda's local government system, whose fiscal and administrative structures differ from those of Kenya's devolved county governments. Therefore, the current study seeks to address these conceptual, methodological, and contextual gaps by examining the relationship between revenue mobilization, measured through equitable share and own-source revenue, and service delivery in county governments within the Lake Region Economic Bloc (LREB) in Kenya.

Matovu (2018) examined the impact of local revenue mobilization on service delivery in Bukomero Town Council, Uganda, focusing on revenue enhancement strategies, implementation, and fiscal oversight mechanisms. Using both qualitative and quantitative methods within a cross-sectional and correlation survey design, the study sampled 124 out of 176 participants through purposive and simple random sampling, collecting data via questionnaires, interviews, and documentary reviews. The results revealed a weak and unfavorable correlation between delayed revenue enhancement planning and effective revenue management, while a moderate positive correlation was found between equitable tax assessments, timely enforcement, and improved revenue collection. Additionally, a weak negative correlation was observed between deficiencies in expenditure controls such as fund misallocation and delayed audits and service delivery. However, geographic gaps arise as the study was conducted in Uganda rather than Kenya, methodological gaps stem from limited geographical scope, population gaps result from the small sample size, and contextual gaps exist as multi-county governance contexts, such as those in Kenya’s Lake Region Economic Bloc, were not examined.

Robert (2018) examined the effect of Kampala Capital City Authority’s revenue mobilization processes on service delivery, focusing on budgetary support for drainage system functionality, community awareness of tax compliance for better health outcomes, and monitoring of revenue receipts to ensure the provision of clean, safe water. Using a cross-sectional survey design with a sample of 139 respondents from a population of 214, the study employed simple random and purposive sampling, collecting both primary data via questionnaires and secondary data through document reviews. Analysis using SPSS version 20 revealed a strong and statistically significant positive correlation between revenue mobilization and service delivery. However, geographic gaps arise as the study was conducted in Uganda rather than Kenya, methodological gaps stem from reliance on a single design without mixed-method triangulation dissimilar to the current study, population gaps emerge from the limited city-level focus, and contextual gaps exist as multi-county governance contexts, such as those in Kenya’s Lake Region Economic Bloc, were not examined.

Figure 1: Conceptual Framework



Source; Researchers’ conceptualization (2026)

Research Design

The correlation design was used for the study since it allows the researcher to evaluate whether and to what extent there is a relationship between two or more variables. This is especially effective when studying complicated interactions between variables (Dannels, 2018). Further, correlational research design provides numerical measures (correlation coefficients) that indicate the strength and direction of relationships between variables which allows for a more precise understanding of how changes in one variable are associated with changes in another (Schober, Boer, & Schwarte, 2018).

Study Area

The study was carried out among the counties in the Lake Region Economic Bloc in Kenya. The Lake Region Economic Bloc (LREB) is made up of the following 14 counties: Bomet, Bungoma, Busia, Homabay, Kakamega, Kericho, Kisii, Kisumu, Migori, Nandi, Nyamira, Siaya, Transnzoia, and Vihiga surrounding Lake Victoria. Similar to other economic blocs in the country, LREB was founded with the understanding that, even while the decentralized form of government appears to alleviate persistent political issues with inclusive governance. Moreover, creating policies and initiatives to broaden and improve member nations' collaboration in the economic, industrial, social, technological, and scientific domains for their mutual advantage is part of their coming together under one bloc.

Target Population

The target population comprised 435 respondents, including County Executive Committee Members, Chief Officers, Revenue Directors, Revenue Service Officers, and County Assembly Budget and Appropriation Committee members. A sample of 208 respondents was determined using the Yamane Taro formula and selected through purposive and stratified sampling techniques. Data were collected using structured questionnaires and virtual interviews, with quantitative data analyzed through descriptive statistics, Pearson correlation, and multiple regression, while qualitative data were analyzed thematically. The study assessed revenue mobilization alongside public finance management regulatory framework, budget-making processes, and budget implementation in explaining service delivery. Instrument reliability was established through a pilot study, yielding an overall Cronbach’s alpha of 0.860, while validity was assessed through expert review. Diagnostic tests confirmed normality, homoscedasticity, absence of autocorrelation, and no multicollinearity.

RESULTS AND DISCUSSIONS

The study achieved a high questionnaire response rate, with 179 of the 188 targeted respondents completing and returning the questionnaires, representing 95.2%. In addition, all 21 targeted key informants participated in the interviews, yielding a 100% response rate. The demographic findings showed that males constituted 54.7% of respondents, while females accounted for 45.3%, indicating a relatively balanced gender distribution.

Regarding age, the largest proportion of respondents (31.8%) were aged 36–40 years, followed by 29.1% aged 31–35 years and 24.0% aged 26–30 years, suggesting that most participants were within the active mid-career age groups. In terms of academic qualifications, 67.0% held degree-level qualifications, 17.9% had college-level qualifications, while 15.1% possessed master’s-level qualifications, indicating generally adequate educational preparation for understanding the study issues.

Concerning professional experience, 53.1% had worked for 3–5 years, 22.3% for 6–8 years, 9.5% for 9–11 years, 8.4% for 0–2 years, and 6.7% for more than 11 years. Overall, the high response rates, balanced demographic representation, appropriate educational qualifications, and substantial professional experience indicate that the respondents were adequately positioned to provide reliable information for the study

Descriptive statistics for the Revenue Mobilization

The descriptive statistics were derived from the Likert-scale questionnaire items used in the study. Responses were measured on a five-point scale ranging from 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Neutral

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(N), 4 = Agree (A), and 5 = Strongly Agree (SA). The distribution of responses is presented in terms of frequencies and percentages for each category.

In addition, mean scores and standard deviations are used to provide further statistical insight. The mean indicates the central tendency of responses, where values closer to 5 imply stronger agreement and values closer to 1 indicate stronger disagreement. The standard deviation (SD) measures the variability of responses; a lower SD indicates consensus among respondents, whereas a higher SD reflects divergence in opinions. Together, these statistics provide a comprehensive understanding of both the direction and consistency of respondents' perceptions.

Statement	**5 (SA)**	**4 (A)**	**3 (N)**	**2 (D)**	**1 (SD)**	**Mean**	**Std. Dev**
The equitable share allocation among county governments effectively supports local development priorities and needs	13 (7.3%)	113 (63.1%)	1 (0.6%)	49 (27.4%)	3 (1.7%)	3.47	1.02
Equitable share allocations have significantly improved the quality of services in our county	24 (13.4%)	61 (34.1%)	32 (17.9%)	59 (33.0%)	3 (1.7%)	3.25	1.10
The county government's ability to generate own-source revenue has positively impacted the quality of services in our county	45 (25.1%)	106 (59.2%)	10 (5.6%)	11 (6.1%)	7 (3.9%)	3.96	0.95
Own-source revenue generation has effectively supported the improvement services and opportunities within the county	58 (32.4%)	85 (47.5%)	24 (13.4%)	10 (5.6%)	2 (1.1%)	4.04	0.89
The county government's efforts to diversify sources of own-source revenue have positively influenced the quality and availability of social services	56 (31.3%)	88 (49.2%)	25 (14.0%)	6 (3.4%)	4 (2.2%)	4.04	0.89
The county government's strategies to increase own-source revenue align well with local priorities for improving public services such as water supply and sanitation	58 (32.4%)	92 (51.4%)	23 (12.8%)	4 (2.2%)	2 (1.1%)	4.12	0.80

Source; Field Data (2026)

Revenue mobilization in county governments refers to the structured processes of generating and managing financial resources from both intergovernmental transfers and internal sources to support service delivery (Sililo, 2021). The findings in Table 4.5 demonstrate that revenue mobilization mechanisms significantly shape service delivery outcomes in the county, though with varying levels of effectiveness depending on the source and institutional efficiency.

The first indicator shows that equitable share allocation moderately supports local development priorities (Mean = 3.47; SD = 1.02). This suggests that while respondents acknowledge the importance of national fiscal transfers, their effectiveness is perceived as inconsistent. This aligns with Verdier et al. (2022), who argue that intergovernmental transfers often face inefficiencies arising from structural constraints, weak compliance systems, and administrative bottlenecks.

Interview evidence strongly supports this finding. Most County Executive Committee members (CEC 1–7) emphasized that equitable share funds provide the core fiscal base but are undermined by delayed disbursement and conditional release structures. For example, CEC 3 stated:

"We depend heavily on equitable share, but delays from the national treasury affect timely execution of development projects."

Similarly, County Officers (CO 2, CO 4, and CO 6) observed that rigid procurement procedures and bureaucratic approval systems delay fund utilization, reducing the effectiveness of allocated resources. Director D 5 further confirmed that disparities in departmental absorption capacity explain why some sectors benefit more than others. These observations align with Igbokwe-Ibeto and Osakede (2023), who found that weak financial autonomy and institutional inefficiencies significantly constrain revenue effectiveness and service delivery outcomes.

The second indicator shows that equitable share allocations have a lower perceived impact on service quality (Mean = 3.25; SD = 1.10). This high variability indicates divergent perceptions among respondents. CEC 6 noted that although funds are received, "implementation efficiency remains a major challenge due to delayed approvals and weak monitoring systems." Likewise, CO 1 highlighted that "budget execution gaps often prevent funds from translating into visible service improvements." This supports Scott (2018), who established that inefficiencies in revenue management systems weaken the translation of fiscal transfers into tangible service delivery outcomes.

The third indicator shows that own-source revenue (OSR) positively impacts service delivery (Mean = 3.96; SD = 0.95). This indicates strong agreement among respondents that OSR is a more effective and reliable revenue source. This finding aligns with Matovu (2018), who established that effective local revenue systems significantly enhance fiscal performance and service delivery.

Interview responses strongly corroborate this result. CEC 1 and CEC 5 emphasized that digitalization of revenue systems has significantly improved efficiency and reduced leakages. CEC 1 stated:

"Automation of revenue collection has increased transparency and improved our own-source revenue performance."

Similarly, Director D 7 noted that OSR enables timely financing of essential services such as waste management, water provision, and maintenance of public infrastructure. These findings are consistent with Robert (2018), who found a strong positive relationship between revenue mobilization systems and service delivery efficiency when monitoring systems are strengthened.

The fourth indicator shows that OSR supports improvement in services and opportunities within the county (Mean = 4.04; SD = 0.89). This reflects strong agreement and low variability, indicating consensus among respondents. CO 3 and CO 7 explained that internally generated revenue provides flexibility for funding urgent local priorities without dependency on national release schedules. CO 3 stated:

"Own-source revenue allows us to respond faster to local service needs compared to equitable share funds."

This supports Chumba (2019), who found that modernization and reform of revenue systems significantly improve service delivery through enhanced fiscal responsiveness.

The fifth indicator shows that diversification of revenue sources positively influences service quality and availability (Mean = 4.04; SD = 0.89). This indicates strong agreement among respondents that expanding revenue streams improves fiscal resilience. CO 6 explained that counties have diversified revenue through land rates automation, parking management systems, and business permits digitization. CO 6 noted:

"Diversification has reduced our overreliance on national transfers and strengthened fiscal stability."

Director D 2 further added that diversification enhances predictability in financing service delivery programs. These findings align with Torome (2013), who established that improved revenue mobilization strategies significantly enhance local government performance.

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The sixth indicator shows the highest level of agreement that revenue mobilization strategies align with local development priorities (Mean = 4.12; SD = 0.80). This suggests strong consensus that fiscal strategies are increasingly linked to development planning frameworks. CEC 2 and CEC 7 confirmed that revenue strategies are aligned with County Integrated Development Plans (CIDPs), particularly in sectors such as water supply, sanitation, and healthcare. CEC 7 stated:

“Our revenue priorities are now directly tied to CIDP objectives, especially in essential service sectors like water and health.”

However, CO 5 cautioned that although alignment exists at policy level, implementation gaps persist due to limited enforcement capacity. This supports Kiambi et al., (2022), who found that while revenue mobilization positively influences service delivery, institutional capacity constraints moderate its effectiveness. The integrated evidence shows a clear pattern: equitable share allocations provide essential but inconsistently effective fiscal support, while own-source revenue and diversified revenue streams are more strongly associated with improved service delivery outcomes.

The qualitative interviews strongly validate the quantitative results by explaining that inefficiencies in intergovernmental transfers, delayed disbursements, and weak absorption capacity reduce the effectiveness of equitable share funds. In contrast, OSR is perceived as more reliable due to its flexibility, digitalization, and direct linkage to service delivery priorities. These findings extend existing literature by situating revenue mobilization within devolved county governance structures in Kenya’s LREB context, where fiscal outcomes are shaped not only by revenue availability but also by institutional efficiency, administrative capacity, and alignment with development planning frameworks.

Correlation Analysis

Correlation analysis was conducted using Pearson’s product-moment correlation coefficient to determine the strength and direction of the relationship between revenue mobilization, public finance management regulatory framework, budget making process, budget implementation, political gridlock, and service delivery. The coefficients range from -1 to +1, where positive values indicate a direct relationship, negative values indicate an inverse relationship, and significance is assessed at the 0.01 level ($p < 0.01$).

Table 2: Pearson Correlation Analysis

		RM	SD
RM	Pearson Correlation	1	.116
	Sig. (2-tailed)		.122
	N	179	179
SD	Pearson Correlation	.116	1
	Sig. (2-tailed)	.122	
	N	179	179

The results indicate that revenue mobilization (RM) has a moderate positive and statistically significant relationship with service delivery is weak and not statistically significant ($r = .116$, $p > .05$), implying that revenue mobilization alone does not directly translate into improved service outcomes without effective intermediary governance mechanisms.

Simple Linear Regression Analysis

Simple linear regression was applied to examine the direct relationship between each independent variable and service delivery. Multiple regression analysis was then used to determine the combined effect of the predictors on service delivery within county governments in the Lake Region Economic Bloc, Kenya. For each hypothesis, interpretation follows a structured approach beginning with model fit (R^2), followed by ANOVA (F-test), and finally regression coefficients to determine the nature and significance of relationships.

Hypothesis

H_01: There is no statistically significant relationship between revenue mobilization and service delivery at county governments within Lake Region Economic Bloc in Kenya.

To test the first hypothesis, a simple linear regression model was estimated to determine whether revenue mobilization significantly predicts service delivery outcomes in county governments within the Lake Region Economic Bloc.

Table 4.12: Revenue Mobilization and Service Delivery

Model Summary	**R**	**R-square**	**Adj. R-Square**	**Std. Err.**	
1	.116	.013	.008	.85129	
ANOVA	**SS**	**Df**	**MS**	**F**	**Sig.**
Regression	1.748	1	1.748	2.412	.122
Residual	128.272	177	.725		
Total	130.020	178			
Coefficients	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
Constant	2.854	.475	—	6.004	.000
RM	.192	.124	.116	1.553	.122

The model summary indicates a very weak relationship between revenue mobilization and service delivery, with an R value of .116. The coefficient of determination ($R^2 = .013$) further shows that revenue mobilization explains only 1.3% of the variation in service delivery. It implies that service delivery outcomes in the studied counties are largely influenced by other institutional or governance-related factors rather than revenue mobilization alone.

The ANOVA in Table 4.12 results show that the regression model is not statistically significant ($F = 2.412$, $p = .122$), as the p-value is greater than the 0.05 significance level. This indicates that the model does not provide sufficient statistical evidence to conclude that revenue mobilization significantly influences service delivery.

At the coefficient level, revenue mobilization has a positive but weak effect on service delivery ($\beta = 0.192$). However, this effect is not statistically significant ($p = .122$), meaning that changes in revenue mobilization do not produce meaningful or reliable changes in service delivery performance within the sampled counties. Previous studies largely report a positive and statistically significant relationship between revenue mobilization and service delivery outcomes. For instance, Igbokwe-Ibeto and Osakede (2023) found that improved revenue generation significantly enhances rural development and service delivery. Similarly, Scott (2018) established that effective income mobilization strategies positively influence service provision, while Robert (2018), Torome (2013), Chumba (2019), and Kiambi et al. (2022) all reported strong positive correlations between revenue mobilization and service delivery in different contexts. These studies collectively suggest that increased financial resources enhance the capacity of local governments to deliver services efficiently.

However, the current study departs from these findings by revealing that revenue mobilization does not have a statistically significant influence on service delivery within the Lake Region Economic Bloc. This inconsistency may be attributed to contextual and structural differences, particularly the complexities associated with devolved governance systems in Kenya. Unlike many prior studies that focused on single counties or localized administrative units, the present study adopts a multi-county perspective, which may better capture variations in institutional capacity, financial management practices, and governance frameworks. This finding aligns partially with Matovu (2018), who reported weak relationships between revenue mobilization and service delivery due to inefficiencies in revenue planning, financial controls, and expenditure management.

Additionally, the findings support the argument advanced by Verdier et al. (2022), who identified systemic challenges in revenue mobilization, including inefficiencies in tax systems, low compliance levels, and structural weaknesses that limit the effectiveness of revenue collection. Although Verdier et al. (2022) did not directly examine service delivery, their findings provide a useful explanation for why increased revenue does not necessarily translate into improved outcomes. In the context of this study, it suggests that the mere availability of financial resources is insufficient without effective institutional mechanisms to ensure proper allocation, utilization, and accountability.

The study underscores the importance of governance and institutional factors as critical intervening variables in the relationship between revenue mobilization and service delivery. While previous studies emphasize revenue generation as a key determinant of performance, the current findings indicate that its impact is conditional upon the efficiency of public financial management systems, transparency, and accountability structures. This reinforces the need for a more integrated approach that goes beyond revenue mobilization to include governance reforms, thereby addressing the contextual and methodological gaps identified in earlier studies

Based on these findings, the null hypothesis (H_01), which stated that there is no statistically significant relationship between revenue mobilization and service delivery, is not rejected. This confirms that revenue mobilization, in isolation, does not significantly determine service delivery outcomes in county governments within the Lake Region Economic Bloc.

The implication of these findings is that enhancing service delivery requires more than improving revenue mobilization efforts. While revenue generation is essential for fiscal capacity, its impact on service delivery appears to be indirect and likely dependent on other governance mechanisms such as budget execution efficiency, financial management systems, and institutional accountability structures.

SUMMARY OF THE FINDINGS

Relationship between revenue mobilization and service delivery

The first objective examined how revenue mobilization influences service delivery in county governments, with a focus on equitable share allocation and own-source revenue generation. The findings indicate that equitable share allocations are perceived to moderately support local development priorities, but their effectiveness in improving service delivery remains inconsistent. Respondents expressed mixed views, suggesting that although these intergovernmental transfers are essential for funding county operations, their impact is not uniformly realized across different counties. This points to underlying inefficiencies in the allocation, management, and utilization of these funds.

In contrast, own-source revenue mobilization is widely perceived as a more reliable and effective mechanism for enhancing service delivery. Counties' efforts to generate internal revenue, diversify revenue streams, and align revenue strategies with local priorities are viewed positively and consistently. These findings suggest that internally generated revenue offers greater flexibility and responsiveness to local needs, making it a more impactful tool for improving service provision. Overall, the results highlight a clear distinction between externally sourced funds and internally generated revenue in terms of perceived effectiveness. Therefore, there was no statistically significant relationship between revenue mobilization and service delivery ($\beta = 0.192$, $P>0.05$).

CONCLUSIONS

The study concludes that while revenue mobilization is an important component of county financing, it does not independently and significantly determine service delivery outcomes. Although own-source revenue is perceived as more effective and aligned with local priorities, the overall statistical relationship between revenue mobilization and service delivery is weak and not significant. This implies that the effectiveness of revenue mobilization depends largely on complementary governance factors such as financial management efficiency, accountability systems, and institutional capacity.

RECOMMENDATIONS

Based on the first objective, study recommends that county governments should strengthen their own-source revenue mobilization strategies by enhancing revenue diversification, improving collection efficiency, and aligning revenue initiatives with local development priorities. At the same time, there is a need to improve the management and utilization of equitable share allocations through stronger financial oversight, transparent budget execution, and accountability mechanisms. Emphasis should be placed on integrating revenue mobilization with broader governance reforms to ensure that financial resources translate effectively into improved service delivery outcomes.

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