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BETA: Normative to Positive Statements in Kenya

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Abstract

The support of economic models to a country's economic agenda and vice versa is not well defined in most developing economies. However, some empirical findings suggest that with commercially viable avenues and practical economic models, sector-led economic and social development could be stimulated by adopted economic models. This study identifies the impact of bottoms up economic models on the Kenyan development trajectory. The five pillar industries: agriculture, industry, housing, healthcare and MSME are used as variables of results. Discussions on the bottoms up and top down models are employed. The period (2023-2025) is used for analytical discussion. With a response rate of 60% from the targeted 28275 households, the results show that although resources distributed through BETA model were stimulants to the five pillars, sectoral specific initiatives incorporating aspects of top down approaches were vital. The study further shows that resource and output of the BETA agenda were affected by time lags. The study recommends that the government could adopt a blended model specific for the different sectors and industry within the pillars and promote effective management of STIIR as this had a positive multiplier effect on all the pillars.

Keywords: Research: Technology: Innovation: bottom up economic transformation agenda: synergy, top down, STIIR

INTRODUCTION

The Kenya kwanza administration came to government in September 2022. The government adopted a citizen aligned manifesto supported by the bottom up economic transformation agenda (BETA). This approach to economic development is not new but stems from the critique of SDG attainment. Despite reaching half of the 2030, SDG targets

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still face achievement challenges. The SGDs are off-track and 67% are stagnated (The sustainable development report, 2023). According to Warleigh (2006) most countries have not been able to sustainably address these goals due to development models adopted: given the different economic environments and sectoral compositions. The shortfall to attain SDGs and the different countries national goals has prompted urgent concerns for policy makers and governments to focus on the economic thinking.

Though well-articulated and documented the concept has disjointed and a fragmented body of literature on its applicability. The literature is further critiqued for shortfalls in analysis. Since its inception in Kenya the model has been politically critiqued due to lack of success case studies in sub Saharan Africa and seems domesticated on an implementation framework of normative statements and plans. This study employs the analysis of the BETA model and its effect in the priority areas articulated in the promised model.

Purpose of the study

The study sought to establish the impact of bottom up economic agenda on the five pillar industries: agriculture, industry, housing, healthcare and MSME for the period 2023-2025.

Research Question

The study was guided by the following research question i)Does bottom up economic agenda had an impact on the five pillar industries: agriculture, industry, housing, healthcare and MSME on the Kenyan economy for the period 2023-2025.

LITERATURE REVIEW

The new Economic Agenda Top Down and Bottoms up economic Agenda

The discussion of the neo-classical economists could be the basis of emergence of bottoms up economic models (Narayan, Pritchetl, & Soomya, 2009). The school of thought argue that state intervention with approaches that are broader economy looking in an aggregate way, distorted the factor as well as the commodity market. The model discouraged private investment and gave rise to parallel markets in terms of economic growth and development. Proponents of this school of thought argue that the state was captive to the elite and capitalists and therefore ended not creating broad based development, variable geometry and involving the households and firms to form the future.

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The concept of variable geometry provided a development strand of approach. It provided the rationale for the design of projects and policies that acknowledged many parts of the whole and the thinking that no policy developer, political scientist or economist could comprehend the full context of the system. The concept underscores micro level solutions and participatory rural appraisal. Moyo (2010) presents this model by supporting the participants of the local community whom resources need to target and claim ownership. The other arguments based on lesson drawing examples of structural adjustment programs (SAPs) of the 1970s and 80s that were top-down looking identify the wide interactions that were not addressed.

Though the critism of development from up claimed that created institutions became the greatest hindrance, the firms were also0 criticized for taking advantage of the various packages of state protection instead turning out to be capital intensive and inefficient (Sanyal, 2025)

Shankav (2025) study on Indian community development with a focus on grass root initiative, local governance and community participation emphasized the importance of local participation in driving sustainable and inclusive development. The study established that empowering households and leveraging unique strength and resources in economic endeavors lead to effective and context-specific solutions for development citing little (1982) Omete (2023) study in healthcare financing models in Siaya county, found that although down up models contributed to rural developments and equity distribution of resources, an important lesson was that if the economy at the top stagnated, the economy at the bottom stagnated as well. The author further argues that this was the case as the top had more economic distribution powers than the bottom politically. The study concludes by recommending that the two models could be applied to specific markets and industries. For instance, the study illustrates that top down models were good for industrialization and economic matters while bottom up models were good for rural development and distribution related matters.

Shahidulla (2020) comparative study on bottom up and top down approaches with the Asian context bring out the success case studies for India and china for top down approaches in resources distribution contexts. The study legitimizes the case of using this approach for relief operations as the case of Pakistan and Bangladesh. Illustrating that bottoms up approaches could not be replicated on large scale projects, the study proposes the use of bottoms up approaches for development activities addressed by NGOs and faith based organizations. The successful cases are drawn from Poland, South

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Africa and Phillipines. The author finds that financial aid instituted top down have not been successfully compared to poverty reduction programs particularly in poor countries.

Breisinger,et al (2022) carried out a study on beta in Kenya. Using a RIAPA model to assess the economic outcome of the model on specific 90 subsectors found that growth acceleration of the model lead to a rise in incomes and employment. The results analysis illustrated expected GDP increase by ksh 35000 per person by 2022. The study recommended that the success of the model also depends on the collaboration between the national and county governments.

METHODOLOGY

The author reviewed the bottom up economic model using the major country's economic blocs. a detailed key pillar sub sectoral online questionnaire was used to make inquiry into the performance of the pillars after the implementation of bottoms up economic approach. From the major economic blocs 28,275 households were selected based on the Finaccess Household report (2024). The Total household population was distributed among the economic 51 community health volunteers (CHVs) represented the number of counties in the blocs. The CHVs formed WhatsApp groups which were used to distribute Google form questionnaires. Based on the comprehensive review and drawing from the respondents' opinion, the authors established the key pillar subsector growth rates and the spillovers during the period 2023-2025.

Table1: Major Economic Blocs in Kenya and Populations In Millions

Economic bloc	**Household Population (in millions)**	**Percentage**
Lake region economic bloc	14	26.17
North rift economic bloc	7.5	14.02
Jumuiya Ya Kaunti Za Pwani	5	9.35
Frontier counties development council	6.5	12.15
South eastern kenya	4.5	8.41
Mount Kenya and aberdares economic bloc	16	29.91
Estimated total population	**53.5**	**100**

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Table 2: Distribution of the household within the regional blocs

Economic bloc	Percentage	Household distribution	No of counties	Community health volunteers
Lake region economic bloc	26.17	7,399.57	14	14
North rift economic bloc	14.02	3964.16	8	8
Jumuiya Ya Kaunti Za Pwani	9.35	2643.71	6	6
Frontier counties development council	12.15	3435.41	10	10
South eastern Kenya	8.41	2377.93	3	3
Mount Kenya and aberdares economic bloc	29.91	8457.05	10	10
Estimated Total population	**100**	**28,275**	**51**	**51**

FINDINGS

Sixteen thousand, nine hundred and sixty-five (16,965) responded to the questionnaire tool. This represented a Response rate 60%.

BETA Alignment and Economic Visions

First the study sought to establish whether the BETA structural transformation was aligned to the Kenyan vision and African vision 2063.This sought to establish whether the agenda aided Kenya to achieve a higher mid income status. The results are presented in table 3.

Table 3: Beta and Alignment with Kenyan Economy

Issue	Frequency	Percentage
Fully aligned	8991.45	53
Partly aligned	3393	20
Nor aligned	4580.55	27
Total	**16965**	**100**

Fifty-three percent (53%) of the respondents was in agreement that the agenda was aligned to the local and regional economic visions and that Kenya was on the right track of economic development. Twenty Percent (20%) were of the opinion that beta partly aligned Kenya while 27% thought otherwise. The findings corroborate the results

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of KIPPRA (2020) which illustrates that creating an enabling plan was to promote inclusive growth for Kenya.

BETA and Sectoral Growth

The study further sought to establish whether the model envisaged sectoral growth in the five pillars of articulated by BETA. The results are shown in the table 4:

Table 4: BETA vision and sectoral growth

Issue	Frequency	Percentage
Strongly agree	7294.95	43
agree	3901.95	23
Neither agree or disagree	2035.8	12
disagree	2205.45	13
Strongly disagree	1526.85	9
Total	**16965**	**100**

Forty-three percent (43%) of the respondents were in agreement that BETA promoted sectoral growth. Twenty-three (23%) percent agreed while 12% were ambivalent.21% of the respondents disagreed that BETA visions in Kenya prompted sectoral; growth. Findings are corroborated by the view expressed by Shahidulla (2020). According to the author BETAs do not only handle impacts on households' firms and sectoral structures by disrupting the traditional balance of power. It also has an impact on interaction between sectors when it comes to policy making and operations.

BETA and MSMEs

The study sought to establish whether the plan empower micro, small and medium enterprises. The results are shown in Table 5.

Table 5: BETA and empowerment of micro, small and medium enterprises

Issue	Frequency	Percentage
Empowered	5089.5	30
Not sure	2205.45	13
Did not empower	9670.05	57

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Total	**16965**	**100**

Fifty-seven percent (57%) of the respondents were of the opinion that the bottoms up approach adopted by Kenya did not promote MSMEs. Thirty percent (30%) supported empowerment of the model while 13% were not sure. County Aggregation industrial parks were identified as a major promoter of small business networks while most of the respondents cited the high tax rates targeting businesses to be a major hindrance to business expansion.

BETA and Credit Access

The study sought to establish whether access to credit was enhanced. The results are presented in table 6:

Table 6: Beta and Credit Access

Issue	Frequency	Percentage
Enhanced access to credit	6446.7	38
Not sure	4241.25	25
Did not enhance access to credit	6277.05	37
Total	**16965**	**100**

Thirty-eight percent (38%) of the respondents were of the opinion that the model opened up access to credit. thirty-seven (37%) were of the opinion that it did not while 25% were not sure. Most of the respondents highlighted the hustler fund as an effort to access households to credit.

BETA and value chains

The study sought to establish whether the plan supported export value chains. The findings are presented in table 7:

Table 7: BETA and Support of Value Chains

Issue	Frequency	Percentage
Supported exports	10857.6	64
Not sure	2714.4	16

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Did not support exports	3393	20
Total	**16965**	**100**

Sixty-four percent (64%)of the respondents were in agreement that BETA supported production for export. Twenty percent (20%) thought that the model did not create structures for export leaned production while 16% were not sure. Some of the efforts highlighted included fertilizer subsidy programs, crop and livestock insurance and BETA priority value chain interventions.

BETA and Affordable Housing

The study sought to establish the bottoms up model sought to provide cheap and affordable housing to most household. The results are presented in the table

Table 8: BETA and Affordable Housing

Issue	Frequency	Percentage
Provide cheap and affordable housing	11536.2	68
Not sure	2035.8	12
Did not provide cheap and affordable housing	3393	20
Total	**16965**	**100**

Sixty-eight percent (68%) of the respondents were in agreement that BETA had scored well on the provision of affordable housing, 20% of the respondents were of the opinion that it did not while 12% were not sure. Ranking high in further explanation was that most household in Kenya did not need houses away from home in the villages.

Inter sectoral Efforts and Spillover Effects

The study sought to establish whether the model inter-sectoral efforts had spillover effects on other pillars of the model. The results are presented in table 9

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Table 9: Inter sectoral Efforts and Spillover Effects

Issue	Frequency	Percentage
Provide cheap and affordable housing	12045.15	71
Not sure	1526.85	9
Did not provide cheap and affordable housing	3393	20
Total	**16965**	**100**

Seventy-one percent (71%) of the respondents thought that the inter sectoral efforts had positive spillover effect on other pillars of the model. Twenty percent (20%) thought otherwise while 9% were not sure.

BETA and health care

The study sought to establish whether the bottom up economic model support easy and equitable access to healthcare services. The results are shown in table

Table 10: BETA and Health Care

Issue	Frequency	Percentage
The model support easy and equitable access to healthcare services	4580.55	27
Not sure	2035.8	12
The model did not support easy and equitable access to healthcare services	10348.65	61
Total	**16965**	**100**

Sixty-one percent of the respondents were of the opinion that the model did not provide equitable access to healthcare. Twenty-seven percent (27%) thought it provided equitable access while 12% were not sure. Most of the respondents cited financing models and healthcare labor market challenges to be the major hindrances to healthcare access.

BETA and digital technology

The study sought to establish whether the model promoted and supported easy entry for providers of digital technology. The results are presented in table 11.

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Table11: Ease of entry of digital technology in economy

Issue	Frequency	Percentage
provide resources and policy attracting providers into the market	12384.45	73
Not Sure	1696.5	10
did not provide resources and policy attracting providers into the market	2884.05	17
Total	**16965**	**100**

Seventy-three percent of the respondents thought that the model provided easy entry to providers of digital technology,17% thought otherwise while 10% were not sure. Most of the respondents lauded the government effort of providing electricity and wide fiber optic technology as major promoters of digital investment.

STIIR Multiplier Effect

The study sought to establish the role played by science, technology, innovation, information and research (STIIR) in promoting the sectoral growth and the five pillars. The results are presented in Table 12.

Table12: STIIR had a multiplier effect on the five pillars of BETA

Issue	Frequency	Percentage
STIIR had a multiplier effect on the five pillars of BETA	13063.05	77
Not Sure	1017.9	6
STIIR had no multiplier effect on the five pillars of BETA	2884.05	17
Total	**16965**	**100**

The findings show that effective management of STIIR was a major determinant of competitiveness of the five pillars and sectors in the Kenyan economy. Major milestones cited by the respondents included policy and regulatory framework for STIIR, the creation of universal innovation modes and innovation activities indicators. Other respondents cited the draft STI and information bill, research fund establishment by NACOSTI, KONZA conferencing facility, JITUME program, the digital media city, national

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data centre, national media city, Kenya advanced institute of science and technology. The full attainment of all this projects is a major milestone that will technically lower costs, increase coverage and create competitiveness for Kenyan households, industry and government in the long run.

CONCLUSION AND POLICY RECOMMENDATIONS

Policy Recommendations

The BETA economic model is establishing a strong economy as illustrated in the Kenyan findings. The economic impacts of bottoms up approaches aligned to different pillars seem significant. However, more could still be achieved. Sustainable Development required synergetic effort made at both the top and the bottom harnessing the comparative advantage of each other. The sectoral injections have a knock on effect on all the pillars but the implementation seems fine-tuned to election campaign with insignificant effort towards direct job creation, full employment of factor markets, broad-based growth, business confidence, security, health, good governance and able state and education funding. The central, local government and STIIR play an integral part in the implementation of the bottoms up economic model. This implementation has time lags. Moreover, the Kenyan economy needs to implement its model in consultation with the variable geometry theory. The government could also adopt a blended model specific for the different sectors and industry within the pillars. It is true that bottoms up approaches assigns a key role to private entrepreneurs in the process of transformation and economic recovery but non-governmental and faith based organization support and rural development could be supported bottom up while industrialization and welfare good be left in the hands of the central government and approached top down.

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