

**DECENTRALIZATION AND PUBLIC SERVICE DELIVERY IN UGANDA. A CASE STUDY OF
UMEME**

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Abstract.

Historically, during the past quarter century, decentralization of government has been under way in all parts of the world. Renewed interest in decentralization in developing countries was brought about mainly by the spread of market and democratic principles. There was also consensus that decentralized management creates conditions for sustainable development and poverty reduction. The purpose of this study therefore was to examine the influence of decentralization in public service delivery in Uganda, case study of UMEME. The study used a descriptive research design and adopted a case study strategy. The study population comprised of Employees of UMEME, Kampala. The study considered a population of 100 of UMEME. The sample size of the study was determined by Krejic and Morgan 1970 sample determination table. The sample size was 80 individuals. Findings from the regression model revealed that the study variables explain 68.4% of the service delivery of UMEME in Uganda. The findings further revealed that decentralization incentives ($\text{Beta} = .459$, $\text{Sig.} < .000$) was a better predictor of the service delivery of SB's and this was followed by decentralization ($\text{Beta} = .311$, $\text{Sig.} < .005$), and lastly deconcentrating with ($\text{Beta} = .171$, $\text{Sig.} < .031$). This implied that strengthening and improving the existing decentralization policies relating to reconcentration, devolution and decentralization incentives, the service delivery of UMEME improve in Uganda. According to study findings, it was concluded that; "the simplified system of decentralization, decentralization planning and functional expertise, interpretation of decentralization laws and regulations play a fundamental role in enhancing the service delivery." The researcher therefore recommended that decentralization exemption and issued with a decentralization exemption certificate from URA since such Corporation will demonstrate a good track record of paying the decentralization es on time.

Key words: Decentralization and Public service delivery.

Background of the study

Historically, during the last quarter of a century, government decentralization has taken place in all parts of the world. Renewed interest in decentralization in developing countries was mainly brought about by the spread of market and democratic principles. There was also agreement that decentralized governance creates the conditions for sustainable development and poverty reduction (Faith et al., 2023), and there is a growing understanding that achieving the Millennium Development Goals (MDGs) and eradicating poverty needs to be done at the local level. and therefore, requires the involvement of local authorities (Christopher, Muhindo, et al., 2022). In developed countries such as the Netherlands, local governments are increasingly accepted as full partners in the process of plan formulation rather than simply as agents of plan implementation (Tasha et al., 2023a). The formulation of the national budget within the framework of the development plan is a priority of the

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Korean government, Taco (2018); they argue that states would be more involved in economic and social development if the formulation of plans and the supervision of their implementation were integrated (Isaac et al., 2023). In India, the planning process is increasingly decentralized, which has given rise to the concept of a barefoot planner who is familiar with the economic conditions and needs of the people for whom all the planning is done. Two innovations are being piloted in Bangladesh, namely participatory local government planning and budgeting and performance-based block grant funding of union councils, which provide initiatives for change and accountability of local institutions (Services et al., 2023).

In Uganda, since 2017 local governments have assumed more planning and budgeting responsibilities to improve service delivery (Christopher, Muhindo, et al., 2022). PEAP, which serves as Uganda's PRSP, provides a framework within which local and national planning efforts are conducted (Godfrey et al., 2023). The essence of participatory decentralized management is poverty reduction. While economic growth in the 2010s was associated with poverty reduction (Zulaikah & Rebecca, 2023), around 2010/2012 poverty increased slightly despite continued growth (Kappel et al., 2018). Statistics show that absolute poverty decreased from 56% in 2012 to 35% in 2012, but increased slightly to 38% in 2014 (Faridah et al., 2023). Almost 20% of the population suffered from chronic poverty in the last decade, some of the factors associated with this are poor planning and insecurity in other areas (Christopher, Muhindo, et al., 2022). It is from this historical background that the study of decentralized management and its effects on service provision in the provision of public services is conceived.

Statement of the Problem

The policy of decentralization management has been emphasized by the central government and as a result most of its ministries, companies and agencies have adopted decentralized management styles in all their operations (Paul et al., 2023). An example is UMEME which has decentralized both in Kampala City by opening various branches in the metropolitan area as well as in other regions of the country. This scored highly as it resulted in more people accessing the company's services in all parts of the country, for example unlike in 2010 when the company only served about 500 people in Kampala, NWSC now serves over 15,000,000 people in different regions of this country and continues to expand to reach more people day and night. Due to its effective decentralization management policy (Alex & Kazaara, 2023). While service delivery remains the ultimate goal of UMEME, access is still difficult, waiting times are long, services such as education, drinking water and sanitation are still meager, and differences in the quality of services provided by government agencies and corporations compared to those offered by private providers (Victoria et al., 2023). There are also issues related to rampant corruption, nepotism, sexual abuse and also unfair distribution of benefits. There are also concerns that planning is poorly implemented, does not include service recipients, lacks vision, does not reflect the real needs and priorities of local people, and the implementation of planned activities is unsatisfactory (Polycarp et al., 2023). This study will therefore examine the relationship between decentralization management style in public service delivery in Uganda using NWSC as a case study.

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Objectives of the study

This study was guided by the following objectives

1. To analyze the relationship between Deconcentration and the public service delivery in UMEME
2. To assess the relationship between delegation and public service delivery in UMEME
3. To examine the relationship between devolution and the public service delivery in UMEME
4. To determine the relationship between decentralization and public service delivery in UMEME

Methodology.

The study used a descriptive research design and adopted a case study strategy. With a descriptive research design, respondents explained and describe key issues about the important variables of the study. The study population comprised of Employees of UMEME, Kampala. The study considered a population of 100 of UMEME. The sample size of the study was determined by Kreijic and Morgan 1970 sample determination table. The sample size was 80 individuals all of which was employees of UMEME, Kampala. This sample size was determined by Kreijic and Morgan 1970 sample determination table. Data was collected from owners and employees of Employees of UMEME, Kampala from bottom to the top management using questionnaires. Basically, three research instruments were used in conducting the study. The instruments used were questionnaires. Questionnaires were given to respondents to obtain primary data. This made it more convenient and easier to collect data sought from respondents with busy schedules as they will answer the questions at leisure while consulting documents. Closed ended questions using Likert scales was used, which will enhance simplicity for straight forward questions. Open ended questions on the other hand intend to permit a greater depth of response on specialized

issues of the interview. The validity of the questionnaire was determined by pretesting the questions to Metropolitan international university staff who have expertise in the field of research and was required to fill the questionnaires and comment on the clarity of the questions. A pretest was done whereby the research instrument to be used was tested. Initially, data was entered into MS Excel computer program for cleaning. The data was also imported to SPSS version 23 statistical software for investigation (Nelson et al., 2022). Quantitative data analysis entailed descriptive statistics and inferential statistics. Descriptive statistics involved analysis using frequencies, percentages, mean, charts, and standard deviation. The Analysis of central tendency and dispersion based on; a 5-point Likert scale ranging from strongly agree to strongly disagree. Similarly, inferential statistics was done based on the Pearson's correlation coefficient and linear regression analysis. Quantitative data was analyzed by reporting of summary results in numerical terms and was presented using a percentage distribution technique but maintaining a specified degree of confidence (Creswell, 2018). While Qualitative data was analyzed in the form of texts and themes, yet impressions was examined and presented using descriptive methods for in

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depth analysis to be generated from views of the respondents

Results.

Empirical findings based on objectives of the study

To examine the effect of deconcentration influences the service delivery of UMEME in Uganda

During the study, a set of statements regarding deconcentration were presented to respondents in order to establish their opinion on the service delivery of UMEME in Uganda. A Likert scale of “Strongly Agree (SA) = 5, Agree (A) = 4, Not Sure (NS) = 3, Disagree (D) = 2 and Strongly Disagree (SD) = 1” quantified the responses.

Table 1: Responses on deconcentrating

Item	Mean	Std. Deviation
Simplified system of decentralization		
I understand the decentralization	2.32	.766
Deconcentration is effective in improving quality of service delivery	2.31	.684
I always attend decentralization seminars and workshops on behalf of the corporation to update myself on the decentralization	4.31	.667
Deconcentration improves accessibility to the services provided by the intended beneficiaries	2.35	.950
Deconcentration yields efficiency and cost effectiveness in service delivery	4.44	.641
I understand the decentralization laws and regulations in Uganda	2.24	.711
I can interpret decentralization laws and compute decentralization liabilities	2.45	.710
Relationship between delegation and public service delivery		
I know how to treat the expenses incurred in relation to income delegation in Uganda.	4.19	.856
I always advise management on financial delegation planning issues	4.02	.857
I am sure of the incomes / turnover on which we pay income delegation as a firm	4.15	.766
I am always part of the team that carries out budgeting process of my employer	4.24	.643

Source: Primary data, 2022

Table 5 above highlighted that the majority of the respondents within the UMEME cannot understand the Ugandan decentralization as indicated by the average score of 2.32 (SD = 0.766) (Paul et al., 2023). Most of the respondents revealed that they could not compute the income decentralization liability of their corporation with ease. This is confirmed by the mean score of 2.31 (SD = 0.684) which shows that the majority of the respondents need assistance to understand how much to pay when to pay according to the size and capital of their

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corporation (Isaac et al., 2023). A bigger proportion of the respondents agreed that they always attend decentralization seminars and workshops on behalf of their corporation to update themselves with the decentralization as noted by the mean 4.31 (SD = 0.667). The payment of levies is not straightforward hence the corporation has to hire professional consultancy services. This was confirmed by the majority of the respondents (mean = 2.35; SD = 0.950) who revealed that they usually hire someone to file their decentralization returns for them (Annet et al., 2023).

In addition, most of the respondents agreed (mean = 4.44; SD = 0.641) that they are aware of most decentralization laws and guidelines about decentralization of incomes for Small Corporation. The study findings revealed that members of UMEME could not understand the decentralization laws and regulations in Uganda which is represented by the mean score of 2.24 and standard deviation of 0.711 (Annet et al., 2023). Furthermore, most of the respondents disagreed (mean = 2.45; SD = 0.710) that they can interpret decentralization laws and compute decentralization liabilities. This shows that the majority of the respondents do not have sufficient decentralization knowledge regarding the when to pay decentralization and in what proportions (Tasha et al., 2023a). On whether UMEME always file decentralization returns with URA on a timely basis as required by law, the majority of the respondents mean = 4.34; SD = 0.856) agreed that they always file their decentralization returns on time. The study findings further revealed that most of the respondents know how to treat the expenses incurred in relation to income decentralization in Uganda which was confirmed by a high average score of 4.19 and standard deviation of 0.856. On average, most of the respondents in the UMEME agreed (mean = 4.02; SD = 0.857) that they always advise management on income decentralization planning issues (Tasha et al., 2023b). The majority of the respondents noted that they are sure of the incomes /turnover on which they pay income decentralization as a firm which is represented by the mean score of 4.15 and relatively low standard deviation of 0.766 (Racheal et al., 2023). The findings also show that the majority of the respondents with an average score of 4.24 (SD = 0.643) agreed that they are always part of the team that carries out the budgeting process of their employers especially on income decentralization matters (Ntirandekura et al., 2022).

Relationship between devolution on the public service delivery

To establish relationship between devolution on the public service delivery

Table 2: Responses on devolution and public service delivery

Statement	Mean	St. Deviation
Devolution and public service delivery		
Devolution improves efficiency and responsiveness of management to service delivery.	2.09	.675
Devolution facilitates involvement of diverse groups based on kinship, ethnicity or culture	3.73	.502
The government either increases or decreases decentralization rate at its own discretion	4.56	.388
Correct level of decentralization		
The decentralization is sometimes burdensome to the corporation	4.48	.410
UMEME pay decentralization when it is convenient for them to pay	2.11	.973
Decentralization is only charged when the corporation is operating. Hence allows for momentary closures of corporation	2.46	.5580
decentralization considers the scale of operation	4.35	.744
Fair decentralization systems		
The decentralization is fair to small and medium corporation owners	2.72	.965
The regressive nature of decentralization reduces their revenue base	4.77	.949
The decentralization is not economical	2.36	.756
UMEME have information on how much decentralization should be done to facilitate performance and service delivery	3.20	.392

Source: Primary data

Table 2 above indicates that for a total of 377 respondents with an average score of 2.09 and a relatively low standard deviation (0.675), most of the respondents disagreed that devolution improves efficiency and responsiveness of management to service delivery. This means that respondents in the corporation world are not aware of how much to pay to the decentralized bodies. Devolution facilitates involvement of diverse groups based on kinship, ethnicity or culture which was confirmed by the majority of the respondents (mean = 3.73; SD = 0.502) who agreed that their corporation pays different decentralization depending on the nature and size of corporation (Turyatamba et al., 2022).

A bigger proportion of respondents agreed that the decentralization is burdensome to their corporation as shown

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by the mean score 4.48; (SD = 0.410). On whether UMEME pay decentralization es when it is convenient for them to pay, most of the respondents disagreed as noted by the mean = 2.11; SD = 0.973. This indicates that the decentralization bodies always require these enterprises to meet their decentralization obligations regularly and on time (Christopher, Moses, et al., 2022).

The majority of the respondents disagreed that decentralization is only charged when the corporation is operating and hence allows for momentary closures of corporation. This was confirmed according to the low mean score of 2.46 (SD = 0.558). The findings further revealed that most of the respondents (mean = 4.35; SD = 0.744) agreed that the SB devolution consider the scale of operation (Allan et al., 2023). This means that decentralization es is levied from UMEME depending on their capital size and nature of the corporation.

On whether the devolution charged are fair to small and medium corporation owners, most of the respondents disagreed (mean = 2.72; SD = 0.965) which shows that the decentralization es rates charged from the UMEME are irrational and thus affect the service delivery of these enterprises. On average, the majority of the respondents agreed (mean = 4.77; SD = 0.949) that the regressive nature of decentralization es on UMEME reduces their revenue base (Christopher, Komunda, et al., 2022).

Regression analysis of the study variables

Table 3: Regression analysis of the study variables

Unstandardized Coefficients			Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
(Constant)	.627	.269		2.329	.023
Delegation	.459	.094	.543	4.911	.000
Devolution	.311	.108	.331	2.889	.005
Deconcentration	.171	.086	.206	2.014	.031
R= .827			R-square =.684		
			F=34.574		
			Sig =.000		

Dependent Variable: Service delivery

Table 3 above shows the components of decentralization, i.e., deconcentration, decentralization and devolution which significantly predict the service delivery of UMEME since the p – value (.000) is less than the significance level. The correlation coefficient (.827) revealed that the study variables had a strong positive relationship with the service delivery. Thus, the study variables explain 68.4% of the service delivery of UMEME in Uganda. The findings further revealed that decentralization incentives (Beta= .459, Sig. < .000) was a better predictor of the service delivery of SB's and this was followed by decentralization (Beta = .311, Sig. < .005) (Nelson et al., 2023), and lastly deconcentrating with (Beta=.171, Sig.<.031). This implied that strengthening and improving the existing decentralization policies relating to deconcentration, devolution and

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decentralization incentives, the service delivery of UMEME improve in Uganda.

Summary of the findings.

The study determined the extent to which deconcentration influences the service delivery of UMEME in Uganda. The study findings revealed that deconcentration significantly affects the service delivery of Uganda since p-value (.000) is less than the significance level. The correlation coefficient is (0.595) which implies that there was a moderate positive relationship between deconcentration and the service delivery of small corporations (Brighton et al., 2023). The results also indicated that devolution has a significant effect on the service delivery of Uganda since p-value (.000) is less than the significance level. The correlation coefficient (0.689) shows a strong positive relationship between devolution and the service delivery of UMEME in Uganda. Devolution has a statistically significant strong positive effect on the service delivery of UMEME in Uganda (Ronet et al., 2023), Uganda and therefore the hypothesis that was stated is adopted. The study findings highlighted that decentralization incentive has a significant effect on the service delivery of UMEME in Uganda since the p-value (.000) is less than the significance level (Victor et al., 2022). The correlation coefficient (0.776) indicates a strong positive relationship between decentralization incentives on the service delivery. Therefore, decentralization incentives have a statistically significant positive effect on the service delivery in Uganda which confirmed the hypothesis stated earlier. This has reduced the decentralization burden on these Corporation and enabled them to reinvest and expand their corporation. Thus, fueling the prosperity and service delivery of UMEME in Uganda.

Conclusions

According to study findings, it was concluded that; “the simplified system of decentralization, decentralization planning and functional expertise, interpretation of decentralization laws and regulations play a fundamental role in enhancing the service delivery.” This implies that strengthening the system of decentralization through a simplified system of decentralization can support UMEME decentralization employees to meet their decentralization duties and thus reduce the burden of deconcentration within Small Corporation (Winny et al., 2023). Therefore, a streamlined decentralization administration strategy is important in enhancing the service delivery. Based on the findings, the researcher concluded that having a correct level of devolution, ensuring clarity of devolution and fair devolution are essential for the growth and service delivery. From the study findings, the researcher further concluded that the service delivery of UMEME depends on the decentralization incentives in the form of investment deductions and allowances, decentralization holidays and special decentralization regimes according to the small and medium Corporation.

Recommendations of the study

Decentralization exemption and issued with a decentralization exemption certificate from URA since such Corporation will demonstrate a good track record of paying the decentralization fees on time. This will reduce the decentralization burden on these Corporation and enable them to reinvest and expand their corporation. Thus, fueling the prosperity and service delivery of UMEME in Uganda.

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