

**EFFECT OF LIBERALIZATION ON THE PERFORMANCE OF
VETERINARY MEDICAL SERVICES IN NAKURU COUNTY, KENYA**

**BY
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**Thesis Submitted to Graduate School in Partial Fulfillment of the Award of
the Degree of Master in Business Administration of Egerton University**

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DECLARATION AND RECOMMENDATION

Declaration

This Thesis is my original work and has not been submitted or presented for examination in this or any other university, either in part or as a whole.

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Recommendation

This Thesis has been submitted for examination with my approval as the university supervisor.

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DEDICATION

This work is dedicated to my Parents whose love and passion for education of their children has brought me this far in life. My wife and children has been a source of inspiration and encouragement in course of my studies.

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My sincere gratitude goes to God for seeing me throughout the course of my studies. I would like to thank Egerton University for giving me the opportunity to pursue master's degree. Special gratitude goes to my supervisor Dr. Daniel Auka Ph.D. for his supervision, encouragement and support to the completion of this research project. Much appreciation to the Director of Veterinary services, Kenya, Dr. Peter M. Ithondeka PhD, MBS for his personal encouragement during the course. Thanks also to my parents whose sacrifice, hard work and inculcation of family discipline has brought me this far. My wife and children encouraged and gave me moral support all along during the study. Lastly thanks to the MBA class of 2006/07 for their inspiration.

ABSTRACT

Since the establishment of Kenya colony up to 1963 veterinary clinical services were carried out by the private sector in commercial farms and private ranches. However, upon attaining independence the service was taken over by the public sector so as to serve all Kenyans. The government then embarked on massive training of veterinary doctors and veterinary paraprofessionals to be employed by the government. This continued until 1988 when the government stopped automatic employment of graduates from universities and colleges with the intention of liberalizing the service to enable private sector growth for more efficient services. Despite all the efforts in liberalization, the Department of Veterinary services and farmers still complained of inadequate access to professional veterinary services, increased livestock diseases incidences, inadequate supply of veterinary inputs and decline in Artificial insemination numbers leading to heavy economic losses to farmers. This research study therefore sought to determine the effect of Liberalization on performance of Veterinary Medical services in Nakuru County. The main objective of this study was to evaluate the effect of liberalization on the performance of Veterinary Medical services in Nakuru County. The specific objectives were; to determine the effect of offloading of services, legislation and credit on performance of Veterinary Medical services in Nakuru and lastly to establish the combined effect of offloading, legislation and credit on performance of Veterinary medical services in Nakuru County. A survey research design was adopted for the study. The target population was the 34 private Veterinary medical practitioners in Nakuru County. Data was collected using structured questionnaires which were administered to the Practicing Veterinarians. Data collected was analyzed using means and standard deviation; and presented in form of tables. Inferential statistics using Pearson correlation coefficients were established to help researcher draw various conclusions on the relationship between independent and dependent variable. Multiple regression analysis was used to examine the effect of Liberalization on performance. The results showed that the joined effect of Liberalization factors on performance of veterinary Medical services was significant. Among the independent variables Legislation had biggest relationship with performance and had the strongest contribution to performance. From the study the combined effect of the liberalization factors on performance was quite significant. The research concludes that though legislation has the highest contribution to performance, offloading and credit should also be combined for better improvement in performance.

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LIST OF ABBREVIATIONS AND ACRONYMS

AHA	Animal Health Assistant
AI	Artificial Insemination
ASAL	Arid and Semi-Arid Lands
CAHWs	Community Animal Health Worker
CBAWs	Community Based Animal Health Workers
CVO	Chief Veterinary Officer
DVO	District Veterinary Officer
DVS	Director of Veterinary Services
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
KMC	Kenya Meat Commission
KVA	Kenya Veterinary Association
KVAPS	Kenya Veterinary Association Privatization Scheme
KVB	Kenya Veterinary Board
MBA	Masters of Business Administration
MBS	Moran of the Burning Spear
NGOs	Non Governmental Organizations
PARC	Pan African Rinderpest Campaign
PHD	Doctor of Philosophy
PPP	Public Private Partnership
SAP	Structural Adjustment program me
SPSS	Scientific Package for Social Science
USAID	United States Aid for International Development

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A world-wide era of liberalization has been picking up momentum in recent decades, making it a fairly new trend in the area of economic policy. The modern idea of privatization as an economic policy was pursued for the first time by the Federal Republic of Germany in 1957, when the government eventually sold majority stake of Volkswagen to private investors. The next big move in privatization came in the 1980s with Margaret Thatcher's privatization of Britain Telecom and Chirac's privatization of large banks in France. Privatization spread to other continents as Japan and Mexico privatized government owned communication companies (Megginson, Nash, Randenborgh, 1996). Another major contribution to the world-wide process of privatization has been the fall of the communist regime in Eastern Europe and the former Soviet Union. In recent times, countries like China and Cuba, as well as many other developing countries have begun to implement privatization in the hope of stimulating economic performance. Over the period of 10 years between 1984 and 1994, there has been a world-wide shift of \$468 billion in assets from the public sector to the private sector.

1.1.1 Liberalization of Veterinary services

According to Gathuma et al (2004), conventional Veterinary services in Kenya started in 1890 when the British colonial administration established the Department of Veterinary Services to provide comprehensive public veterinary provision in high potential areas. The large-scale dairy farms and beef ranches in the White Settler highlands had the best services, provided by both the public sector and by private foreign veterinarians. During the 1950s the demand for veterinary services increased as high producing dairy and beef animals were introduced into native African farmers.

On attainment of independence in 1963, the Kenya government inherited the veterinary structures which had operated during the colonial administration Gathuma et al (2004). Most of the private veterinarians who had served the White Settlers were non-Kenyan and they left. The government needed to respond to the increased demand created by changes in land holding, livestock-rearing and the extension of services to the population.

The Kenya government greatly expanded the veterinary service to respond to the demand that was created. Hubl et al, (1998) reports that during the 1960s and 1970s, the government was able to support a high level of public sector delivery due to the prevailing healthy economy and the generosity of various donors. Government set up new veterinary centers', the first of which was commissioned in 1974 and built with donor funds. By 1992, the number of centers' had risen to 297 but fell back slightly to 284 by 1995. The centers' were staffed by government veterinarians and/or Animal Health Assistants (AHAs), and were mainly located in the high potential areas of the Rift Valley. The centers provided services either free of charge or at highly subsidized levels, with farmers paying for the drugs but not for the consultation. The government provided free dip services, and also artificial insemination (AI).By mid eighties this of level of subsidy in delivery of services was no longer sustainable and the Kenya Government embarked on Liberalization of services by transferring Artificial insemination, Clinical services and Distribution to the private sector and sharing some services with the private sector with mixed levels of success. Turkson and Brownie (1999) identifies the major obstacles to liberalization and privatization of veterinary services as non-conducive physical environment, high delivery costs due to poor infrastructure, lack of appropriate support structures e.g. credit, too many illegal operators, difficult in communication, low cash economy, unfair competition from Government practice, lack of efficient control on drug supply and drug application and lastly displacement of farmers due to insecurity during election cycles.

1.1.2 Performance of veterinary medical services.

According to Umali et al (1992), successful liberalization has been recorded in central Africa Republic which offers an interesting example of a private, almost exclusively user-run, animal health care system through a national herder's organization which supplies producers with inputs and provides training in use of inputs. The same applies to Morocco (Leonard, 1993) where the liberalization process saw an increase from two private veterinarians in 1985 to 76 in 1989 and increase to 93 by end of 1991 which was estimated to be one third of Morocco veterinary graduates.

1.2 Statement of the Problem

According to Kebede et al. (2014) poor livestock health services remain one of main constraints to livestock production in many developing countries and there is need to identify the existing status and constraints of Animal health service delivery and thus recommending possible alternatives for its sustainable development. The same report states that sustainable improvement of animal health service delivery needs increased awareness for all stake holders and a well regulated private service in order to mitigate constraints in service delivery. Previous studies has shown that development of private veterinary services has been very slow (AU/IBAR,2003). In Kenya, liberalization of veterinary services has taken several models depending on ecological zones (Mochabo et al (2005) to improve performance of private veterinary services to its farmers. However, this strategy is still faced with several challenges (Wamukoya et al 1995) with many complaints of; inadequate access to professional veterinary services, increased livestock diseases incidences, inadequate supply of veterinary inputs and decline in Artificial inseminations leading to heavy economic losses to farmers due to reduced production (Gathura et al (2004). Therefore, this study sought to investigate the effect of liberalization on performance in Nakuru County.

1.3 Objective of the Study

The general objective of the study was to evaluate the effect of liberalization on performance of veterinary medical services in Nakuru County. The Specific Objectives of the Study were as follows

- i) To determine the effect of Offloading of services on performance of Veterinary Medical services.
- ii) To determine effect of the Legislation on performance of Veterinary Medical services.
- iii) To determine the effect of Credit on performance of Veterinary Medical services.
- iv) To establish the composite effect of liberalization on performance of veterinary Medical services.

1.4 Research Hypotheses

This research sought to test the following hypothesis of Veterinary Medical services.

H₀1 Offloading of services has no significant effect on performance of Veterinary Medical services.

H₀2 Legislation has no significant effect on performance of Veterinary Medical services.

H₀3 Credit has no significant effect on performance of Veterinary Medical services.

H₀4 The combined effect of Liberalization factors (legislation, offloading and credit) do not have a significant effect on performance.

1.5 Justification of the Study

These findings from the study are important to policy makers and stakeholders in Veterinary medical services to guide policy direction to effect liberalization. Beneficiaries mostly farmers will benefit by getting quality veterinary services by the process of offloading of services. In addition, constant update of legislation will provide for an enabling environment for private practitioners and therefore provide for accessible, available and affordable services. Credit will also contribute to growth and development of veterinary service therefore strengthening liberalization efforts of the government. Moreover, Researchers and scholars will benefit from the study as they will use the finding as source of information. Finally, the findings from the study will also contribute to the existing body of knowledge on Liberalization and performance of veterinary services.

1.6 Scope and Limitation of the Study

1.6.1 Scope of the Study

The study was intended to find out the effect of liberalization on performance of veterinary Medical services within Nakuru county, Kenya. The study was conducted during the period of February to March 2012.

1.6.2 Limitation of the study

There may be some reluctance getting crucial with competitors and Government agencies.. However this limitation is taken care of by assurance of confidentiality in the introduction letter. The study was done in one county and therefore generalization was done with caution.

1.7 Assumptions of the Study

It is assumed that the respondents will answer the interview questions in an honest and truthful manner, the respondents have adequate experience in liberalization and sincere interest in participating in the research.

1.8 Operational definition of Terms

Performance- is the action or process of carrying out or accomplishing an action, task, or function.

Effect- is a change that is a result or consequence of an action or other cause.

Offloading of service– Partial or total transfer of some functions and services from the public to the private sector.

Legislation- laws, considered collectively.

Credit- the ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future.

Veterinary medical service-is defined as prevention, diagnosis and treatment of disease, disorder and injury in non-human animals. The scope of veterinary medicine is wide, covering all animal species, both domesticated and wild, with a wide range of conditions which can affect different species.

Evaluation-is making of a judgment about the amount, number, or value of something; assessment.

Liberalization-to reduce public sector control over the economy, specifically by means that increase the freedom of the market, e.g. reduction or lifting of restriction on domestic or

external trade; or allowing producers, suppliers, distributors and vendors more access to veterinary inputs and their market.

Privatization-is the transfer to the private sector of activities, functions, responsibilities or property that has rested with the public sector.

Restructuring- is changing the organizational structures and/or the job descriptions of staff.

Structural Adjustment-a set of measures applied in response to dysfunctional macro-economic conditions within the domestic economy and aimed at reducing deficit spending by governments, reducing inflation rates, increasing the competitiveness (by currency devaluation) of domestic industries, and other measures.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical perspective of the study. It gives a review of the concept of liberalization and also looks at past research relevant to the study. The Chapter further presents a general model that places liberalization factors in the context of performance measures. It discusses the interrelationships among the factors focusing on how liberalization affects performance of veterinary medical services and presents a conceptual framework.

2.2 Theoretical perspective

This study is guided by the liberalization theory as embedded in the Coase Theorem. Ronald Coase theorizes that the private sector is effective in solving the problem of externalities, through costless bargaining, driven by individual incentives.

According to the Coase Theorem, individual parties will directly or indirectly take part in a cost-benefit analysis, which will eventually result in the most efficient solution (Mankiw, 2001). Thus, Coase Theorem argues the role of the legal system is to establish rights that would allow the private sector to solve the problem of externalities with the most effective solution. A major implication of the Coase Theorem is the fact that the initial allocation of rights does not affect the outcome as long as the rights are well-defined. There are many theoretical economic benefits that are connected to the process of privatization. One of the main reasons why countries pursue liberalization and privatization is in order to reduce the size of the existing government, based on the idea that many governments have become too large and overextended, consisting of unnecessary layers of bureaucracy.

Liberalization can have a positive secondary effect on a country's fiscal situation. As Easterly (2001) discusses, liberalization and privatization should not be used to finance new government expenditures and pay off future debts. Instead, privatization enables countries to pay a portion of their existing debt, thus reducing interest rates and raising the level of investment. By reducing the size of the public sector, the government reduces total expenditure and begins collecting taxes on all the businesses that are now privatized. This

process can help bring an end to a vicious cycle of over-borrowing and continuous increase of the national debt. Furthermore, state ownership leads to crowding-out of investment from the private sector. In order to retain a monopoly in a particular industry, state enterprises prevent the private sector from getting to credit (Cook & Uchida, 2003). Additionally, privatization leads to an increase in foreign direct investment which can potentially play a significant factor in the quest for performance. Foreign investment has “positive spillovers of improved technology, better management skills, and access to international production networks” (World Bank, 2002). Easterly (2001), stresses the importance of the possible benefits from technological improvements as well as the spillover effect created from new innovations. Easterly, presents the theory and examples of how underdeveloped countries might have an advantage over developed countries when it comes to new technology.

According to Poole, (1996) Liberalization, which is a method of reallocating assets and functions from the public sector to the private sector, appears to be a factor that could play a serious role in the quest for performance. In recent history, liberalization /privatization has been adopted by many different political systems and spread to every region of the world (Poole, 1996).

The idea behind privatization is largely dependent on understanding the concept of property rights. In order to develop an expanded, specialized market system, a society must have an efficient way of dealing with numerous transactions that take place in a specialized economy. Specialization and allocation of resources depends on low transactions costs, which are dictated by prices in market economies. Competitive markets, in which transactions are effectively handled by market prices, rely heavily on formal, well-defined property rights (Mankiw, 2001). De Soto explains, “To be exchanged in expanded markets, property rights must be ‘formalized’, in other words, embodied in universally obtainable, standardized instruments of exchange that are registered in a central system governed by legal rules”.

Soto, (1996) argues that the lack of formal property rights is “the missing ingredient” that is keeping underdeveloped countries from sustaining long-term performance. Furthermore, the lack of property rights limits the amount of goods and services that can be exchanged in the market. An important implication of well-defined property rights is that it creates strong individual incentives, which, is a significant factor in the quest for long term performance. By

creating strong incentives, property rights lead to an increase in investment since people are certain and secure about the ownership of their property. Furthermore, individuals gain an access to credit since they can use their formal titles as collateral for loans, ultimately leading to an increase in investment. Finally, property rights give people an incentive to pursue long-term rather than short term economic goals. In the case of land ownership, individuals who have secure and well-defined ownership will invest in their land instead of continuously draining new land (Soto, 1996).

From the above review, the process of Liberalization can be an effective way to bring about fundamental structural change by formalizing and establishing property rights, which directly create strong individual incentives. This chapter has given an insight into the literature by scholars and researchers on studies that are related to the effects of liberalization on performance. It has reviewed the literature that is related to the objectives of this study. In addition the theoretical framework, success stories and a critical review on the major issue and gaps of the past available reviews and results from other researchers in the same field of study are given, also the conceptual framework model is also presented after the review of the literature. Finally, the gaps and conceptual framework is given

2.3 Empirical literature of the study

This section looks at literature of the variables under study. In addition it also examines past studies to understand other researchers findings of the variables under study with the intention of shedding light on the importance of the study objectives to performance.

2.3.1 Liberalization and Performance

According to Wamukoya et al, (1995) Privatization of Veterinary services in Kenya is an old process which was being practiced in commercial farms and ranches up to 1963 when the government took over delivery of the service only to attempt to give it back to the private sector from 1988. However for the strategy to succeed, due to many inherent challenges, National legislation and its effective implementation appear to be one of the solutions to some of the problems which have been variously identified. There is need to reassess existing legislation in Kenya and no doubt this will be a continuing process. To have a way

forward on privatization there is need for situation analysis of Animal health delivery and then propose appropriate improvement strategy bench marked against best world practices so as to get prevailing problems, weaknesses and constraints hindering privatization (Hubl, et al 1998). Achoja et al (2010) showed that though in Delta state of Nigeria, the veterinary services delivery was structured into public and private sectors majority (60.9%) of the commercial poultry farmers demanded and obtained veterinary services from the public sector. However it was concluded that it is much more difficult to encourage private professional practice in ASAL areas (Holden & Chema, 1996).

Private veterinary services had always been available in the 'white highlands' and after independence, private practice continued to be permitted if not actively encouraged. In 1994, the Kenya Veterinary Association Privatization Scheme (KVAPS) was officially launched, funded by the European Union (EU) PARC Kenya Programme. KVAPS was intended to spearhead privatization, its main objective being to provide loans to assist veterinarians to go into private practice. By 1998, out of the 1,800 veterinarians working in Kenya, 250 were in private practice, of whom 60 had gone into practice under the KVAPS scheme; around 1,000 were in pharmaceutical industry. Initially, KVAPS did not assist veterinarians to set up agro veterinary shops, but people then realized that in most cases, clinical practice alone was not viable. Most practices are in high potential areas, the majority in the former Central Province.

The major obstacles to privatization of veterinary services are seen as firstly as non-conducive physical environment, secondly high delivery costs due to poor infrastructure, thirdly lack of appropriate support structures e.g. credit, fourthly too many illegal operators, fifth difficult in communication, sixth low cash economy, seventh lack of efficient control on drug supply and drug application and lastly displacement of farmers due to insecurity during election cycles. Up to now, where veterinarians have been helped to set up a private practice in the country, this has mainly involved extension of credit from pharmaceutical firms (Turkson & Brownie 1999).

Unfair competition from Government practice is reported to be a main obstacle to successful private practice. Private Veterinarians may be worried by competition and feel their businesses may be seriously compromised by unfair competition from government veterinarians. The problem is that Government-employed veterinarians sell their services to

farmers either within or outside of government hours. As civil servants they have few or no overheads and can easily undercut the fees of the private veterinarian. There is argument that if this is not possible then the activities of state veterinarians should be restricted to regulatory work only(Wamukoya, et al., 1995).

Nearly all veterinary related activities are highly dependent on a regular and assured availability of quality inputs. In many African countries, input procurement and distribution have been a monopoly of the government veterinary services. With the restriction of operational budgets, both procurement and distribution have been limited. This situation has given rise to implementation of cost recovery and revolving funds for both private and public goods and services. These programmes, implemented within the government veterinary services, have met with varying success in terms of equity, sustainability and motivation of public service veterinarians to meet the palpable demands of their public employer versus those of their producer-client (FAO, 1994).

An alternative approach is to liberalize procurement and distribution of inputs through the private sector (Cheneau, 1984). Pharmaceutical distributors have generally responded favorably to input liberalization by supporting veterinarians and pharmacists to provide remedies, chemicals, equipment and some vaccines to the public. Experience to date indicates that sales of quality inputs by private providers have increased while availability of substandard inputs has declined in regard to (de Haan and Bekure, 1991; Angniman, 1996).Nonetheless the state should retain ultimate responsibility for oversight of those functions designated as public and should delegate only their execution (Schillhorn and de Haan, 1995; Mehraban et al 1996; Sidahmed, 1995).

2.3.2 Offloading of Veterinary Services and performance

The logic and rationale for the creation of each component, as well as assigning specific tasks and responsibilities, are based on economic, biological and social principles (FAO 1997).It is not has been recognized that there are technical limits to the scale of losses that can be avoided just as there are diminishing returns from increasing expenditures on disease prevention (McInerney et al., 1992). Thus, improved delivery and assured access to appropriate livestock goods and services including health, husbandry, management and

extension advice, are predicted to improve livestock productivity to more economic levels. Schreuder *et al.* (1995) reported beneficial animal health and financial effects resulting from access to a basic animal health service in southern Afghanistan. In districts with access to basic services and remedies compared to districts without, mortality was reduced on an average of 26 percent and 43 percent in young and adult ruminants, respectively. The basic services consisted of readily available clinic-based and part-time field-based auxiliary animal health staff, vaccines, remedies, and curative treatments. The estimated annual net benefits of the programme were in the order of 500 percent of the costs involved and amounted to some US\$120600 per district. Over the years countries throughout the world have implemented structural adjustment programmes to refocus government services and improve efficiency. In Africa where agriculture and livestock are so vital to the national economy in many countries, animal health and the delivery of veterinary services have been particularly important components of this process.

Numerous publications (Cheneau, 1985, FAO/RNEA, 1994; FAO/RLAC, 1992; OIE, 1995; Umali et al 1992,; Schillhorn and de Haan, 1995; Leonard, 1987, 1993, FAO 2012) have considered the distribution of the different animal health functions performed by the public and private sectors. A list of services, derived from these and other publications, was considered and modified at the Technical Consultation held by FAO in March 1997. This is intended as a guide for consideration by governments; it gives functions that could be considered as falling under the responsibility of the private sector, remains under the responsibility of the public sector, or are candidates for shared responsibility and shared execution. The consultation recognized the primary responsibility of the livestock producer for the health of his/her animals various countries (FAO 1997). Ensuring the health of the national herd including disease surveillance, compliance monitoring, quarantine, quality control of remedies and vaccines, planning for emergencies and reporting to international bodies and neighboring countries; oversight of food safety, import and export inspection and certification according to international standards; regulation, monitoring and support of other partners in the animal health care system; accreditation of personnel; creation of an enabling environment for the private sector; and general formulation of livestock development policy. Disease diagnosis and reporting; compulsory testing; accreditation; tick and tsetse control; food hygiene and inspection; continuing education and training; diagnostic support; animal

welfare; notifiable disease control; disease emergency response; zoonosis control; research; and advice and extension (FAO 1997).

Public veterinary services are generally targeted towards identifiable clients (Ashley et al 1996), but the clients vary according to country. Chief veterinary officers (CVOs) in European countries tend to view the urban public and food processing industry as their main clients for regulatory and quality control services that protect public health, guarantee quality and avoid fraud. In African countries, CVOs see the smallholder livestock owner as their primary client with the aim of preventing losses from disease. Restructuring of public veterinary services may sooner or later be the inevitable result of economic reforms. One major intention of restructuring is to allocate costs where benefits are expected, e.g. increased production is to be paid for by the livestock owners while overall environmental and public health aspects remain under government responsibility (FAO 1991). One way to achieve this is by focusing on what each party is best able to contribute, i.e. livestock owners raising livestock; health care providers delivering appropriate services; and government agencies securing overall stability through regulation, monitoring and the provision of an enabling environment (FAO, 2012). This means that a private practice veterinarian should debit livestock owners' the full cost of examination and diagnosis, medicines, economically motivated preventive vaccinations, surgery, husbandry advice, and other services provided, together with his or her time and transportation costs (Leonard, 1987).

2.3.3 Veterinary service Legislation and Performance

In 1994, government started to withdraw from providing clinical services in areas where private veterinary practices had been established. During 1996-7 several workshops were convened to clarify public/private distinctions, and these discussions are ongoing (Leonard, 2000). Currently animal health services operate under several legislations which have not been reviewed to reflect new challenges and changes; enforcement of the Veterinary Surgeons Act Cap 366, has been a major problem as, for example, in efforts to control illegal practice by Paraprofessionals under the Pharmacy and Poisons Act Cap 242, the pharmacy profession acquired control of trade in all drugs and poisons. The Act is implemented by a Pharmacy and Poisons Board chaired by a medical doctor and with only one vet out of a board membership of seven. Veterinarians are not allowed to stock large quantities of drugs

unless a registered pharmacist controls the premises though pharmacists can stock and sell veterinary drugs without employing a veterinarian. Veterinarians are not included in the drug inspectorate (Leonard, 2000).

The new professional philosophy is that the public veterinary service needs to: first focus on monitoring delivery of commercialized tasks to ensure that the public interest is fairly served, thus calling for a skilled, well-paid, non-corruptible civil service able to take on a regulatory role to ensure quality; second market and deliver effectively specific professional services generally recognized as non-contestable public goods, but for which the consent of the governed is continually required; third deliver high-quality and effective services and foster good public relations in order to maintain public support and funding; fourth provide effective in-service training for new public veterinary service staff and for those whose work is reoriented to ensure their ability to deliver effective services to the public; fifth encourage veterinary professional associations to take on additional responsibilities for the continuing education of members and for promoting codes of ethics; and lastly strengthen the regulatory body, the Kenya veterinary Board, to protect the interests of all stakeholders, including consumers (Leonard, 1993).

According to Umali and Schwartz (1994) the private sector thrives best in environments without government interference. According to Umali and Schwartz (1994), encouraging private sector participation implies promoting private sector investment. According to Leonard (1993) Legislation on the registration and quality control of veterinary drugs should conform to the recommendations for international regulations and lastly, Catley, A. (2002) argues that livestock institutions should focus more clearly on the needs and aspirations of poor people as a central facet of poverty alleviation. This requires institutions to realign current ways of working to ensure that communities are actively involved in the reform of policies and legislation which affect their lives and livestock

2.3.4 Veterinary Service Credit and Performance

Funding agencies, advisers, and international organizations need to support the change in the role of the public as well as the private veterinary services for privatization to be effected. In most respects, privatization should be seen as a process that refocuses government veterinary

activities on achieving better services for the public and not necessarily as a vehicle for reducing the real magnitude of government expenditures and responsibilities (Ilemobade, 1996).

Capital may be available as government loans, government-backed bank loans or private capital. Freezing the automatic hiring of all veterinary graduates gives a potent stimulus for the emergence of private veterinary practices, while removal of unfair competition by the public sector is crucial to their early viability (Ilemobade, 1996). However, private practitioners may offer better concrete access to animal health services even in these conditions, but such an outcome depends critically on the way in which privatization is implemented (Wamukoya et al, 1995). Experience to date suggests that government decision-makers need not be too concerned with the availability of credit provided overall enabling policies are in place (Fassi & Bakkoury, 1995). According to Ahmed, (2004) providing support to professional veterinarians and commercial enterprises is the main option normally considered as an entry for the process of privatization.

2.4 Literature Gap

Though Soto, (1996) argues that the lack of formal property rights is “the missing ingredient” that is keeping underdeveloped countries from sustaining long-term performance, Ronald Coase proposes that the private sector is effective in solving the problem of externalities, through costless bargaining, driven by individual incentives. Achoja et al (2010) indicates that though Delta state of Nigeria, offers both private and public veterinary services a huge number still relies on public services .In addition, Veterinarians are not included in the drug inspectorate (Leonard, 2000) with proof from Umali and Schwartz (1994) that the private sector thrives best in environments without government interference (Fassi & Bakkoury, 1995).

The above stated arguments and others within the literature are all important to liberalization. However none of this studies have emphasized on liberalization and performance with objectives of credit, legislation and offloading of services in consideration. Therefore this study looks at these objectives for the purpose of improvement of performance of veterinary services.

2.5 Conceptual Framework

In this study the independent variables are offloading of veterinary services, legislation and credit while the dependent variable is performance of veterinary medical services. These variables are related as illustrated in figure 2.1 below.

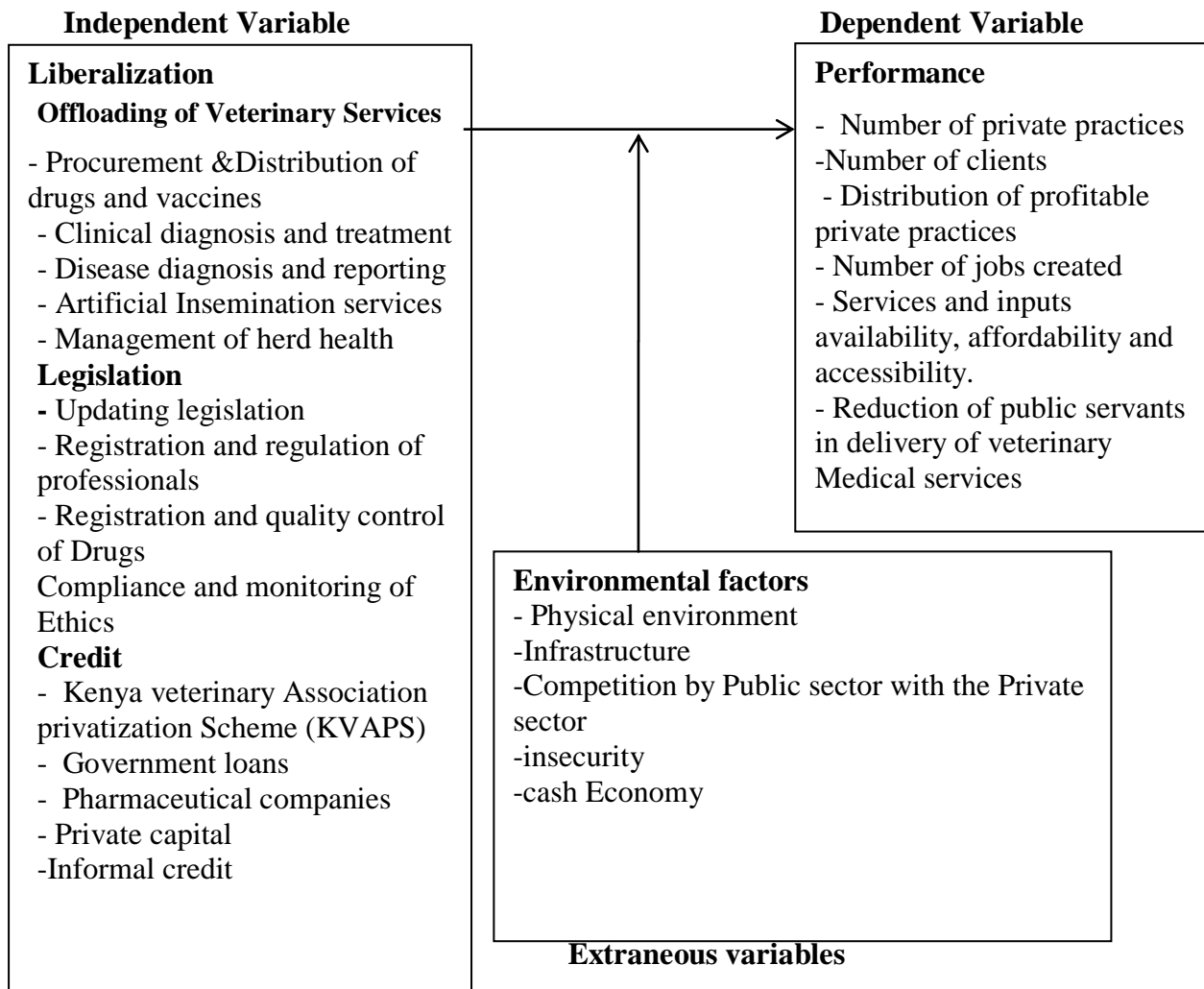


Figure 2. 1: Relationship between Liberalization, Environmental Factors and performance

As shown in Figure 2.1, there exists a relationship between independent and dependent variables in the study. These variables are affected by extraneous factors such as non-conducive physical environment, high delivery costs due to poor infrastructure, competition from the public sector, insecurity and low cash economy (Turkson & brownie, 1999).

Liberalization should be effected through appropriate processes that will allow liberalization to take place through offloading of Veterinary services, legislation, and availability of credit eventually affecting performance of Veterinary Medical services.

The extraneous factors can either slacken or facilitate the liberalization process impacting on performance. Various factors such as non-conducive physical environment, high delivery costs due to poor Infrastructure, difficult in communication unfair Competition by Public sector with the Private sector, insecurity and poor cash Economy are major constraints to liberalization and influencing performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in the study. The chapter introduces the place where the study was conducted, the population surveyed and the population sampled by the researcher. It states the data collection method, analysis and presentation of the results that were to be used in the study.

3.2 Research Design

The study used Survey research design. This design was the most appropriate for obtaining factual and attitudinal information or for research questions about self-reported beliefs, opinion, characteristics and present or past behaviors (David and Sutton, 2004; Neumann, 2000). According to McMillan and Schumacher, (1993) A survey research design involves the selection of a sample of respondents and administering questionnaires or conducting interviews to gather information on variables of interest. Data was collected from respondents about their opinions and experiences for the purpose of generalization of findings to the population the sample will intend to represent (Gall, Borg and Gall, 1996).

3.3 Target Population

The population of the study comprised the 34 Veterinary Medical Practitioners in Nakuru County. The study was a census study

3.4 Study Location

The study area was restricted to Naivasha, Bahati, Nakuru town, Njoro, Molo sub counties of Nakuru County, Kenya.

3.5 Data Collection

The study used primary data. This consists of original data gathered by the researcher for the specific purpose of the study being undertaken (Mugenda & Mugenda,1999). Data was

collected by use of questionnaires administered by the researcher. The use of questionnaires is the most effective and affordable way of collecting information from a small sample within a short time. The unit of analysis was the veterinary practice and data was collected at the Practice. The respondents were the veterinary practitioners running the practice.

3.6 Measurement of Variables

In this study, the independent variable is liberalization while the dependent variable is performance of veterinary medical services. The study used a five point Likert questionnaire to collect data. The Likert scale is more relevant because it's easier to compile than any other scale since it can be used for multi-dimensional attitudes. It also consists of statements where by the respondents have to indicate the degree to which they agree or disagree with its content. Some statements will represent a positive attitude, whereas others will represent a negative attitude (Wellman and Kruger, 2005). Kiess and Broomquist (1985) articulate that the use of a questionnaire is advantageous since it presents an even stimulus potential to large number of people simultaneously and provides an easy accumulation of data. The questionnaire was explained to the respondents and left to be filled and collected after one week. A follow was made with the respondents for questions that were not be understood.

3.6.1 Validity of the Study

Validity refers to the accuracy and meaningfulness of inferences which are based on research results (Mugenda & Mugenda).The validity of the questionnaire was enhanced through supervisor assistance. According to Bory and Gall (1983), validity of an instrument is better improved by expert judgment. The validity evaluated was construct validity which refers to assessment of suitability of questionnaire in the study to measure the performance of Veterinary medical services. This was done through development of scales with the help of experts in the Faculty of Commerce, Egerton University.

3.6.2 Reliability

According to Develis (1991), reliability is the extent to which the measurement is random error free and produces the same results on repeated trials.it also refers to the consistency of

scores obtained by the same test on different occasions, or with different sets of equivalent items or under other variables examining conditions.

The reliability of the instrument was tested using the Cronbach reliability Coefficient because it helps to establish the internal consistency of the responses from the questionnaires. Cronbach alpha is a coefficient of internal consistency used as an estimate of reliability and it ranges from 0-1. If the values exceed the standard of 0.7 then the reliability of the model was considered accurate enough (Nunnally, 1978). The results of the overall reliability for all the items of all the constructs and individual constructs are as in table 3.1.

Table 3.1: Cronbach alpha coefficients for the measurement scales for the constructs

Construct measured	Number of items	Alpha
Legislation	4	0.922
Offloading	5	0.888
Credit	5	0.722
Performance	6	0.852

From table 3.2 the alpha reliability coefficient of the factors in each objective of the study was appropriate since they ranged from 0.722 to 0.922 hence above the threshold of 0.7. This means that questionnaires contents had internal consistency and therefore used for subsequent analysis.

3.7 Data Analysis

The data collected from the respondents was recorded, edited, coded and tabulated to ensure completeness and accuracy. Statistical package for social science (SPSS) was used as a tool of analysis. Data that was obtained from the research questionnaire was summarized using

descriptive statistics. Pearson's Correlation product was used to test relationships and multiple regression analysis used to test for the effect of each aspect of liberalization on performance.

The following regression model was used:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where:

Y = Performance

α = Constant where the regression line intercepts the Y axis

X_1 = Offloading of services

X_2 = Legal framework

X_3 = Availability of credit

β_1 , β_2 , and β_3 = Regression coefficients which represent the amount the difference variable Y changes when the corresponding independent variable changes by one unit.

ϵ = Estimate error term measuring the effect of other factors not in the model.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter outlines the results and discussions of the results of the study. The presentation of the results is based on objectives. The chapter starts with the descriptive statistics of the study variables, correlation analysis and test of hypothesis. Finally, the chapter presents the discussion of the results of the study.

4.2 Demographic Data

This section describes the personal information of respondents under study. The enquiries seek to classify the veterinary surgeons by Gender, Age, number of years in practice, and status of veterinarians in the practice, preferred status, Level of profitability, business training undertaken, and practice specialization.

4.2.1 Gender

Table 4.1: Gender of Respondents

	Frequency	Percentage
Male	32	94.1
Female	2	5.9
Total	34	100

The researcher sought to establish the gender of respondents. The results are as per table 4.2 that indicates a high number of male respondents with 94.1% and female 5.9%.

4.2.2 Age

Table 4.2: Classification of veterinary Surgeons by Age

	Frequency	Percent	Valid Percent	Cumulative Percent
25-32 years	8	23.5	23.5	23.5
33-40 years	7	20.6	20.6	44.1
41-48 years	6	17.6	17.6	61.8
49-56 years	5	14.7	14.7	76.5
Over 56years	8	23.5	23.5	100.0

Table 4.3 show the age of respondents: Majority of respondents were between age of 25-32years and over 56 years both at 23.5%.

4.2.3 Number of Years in Private Practice

Table 4.3: Number of Years in private practice

	Frequency	Percent	Valid Percent	Cumulative Percent
1-7 years	13	38.2	38.2	38.2
8-14 years	7	20.6	20.6	58.8
15-21 years	8	23.5	23.5	82.4
22-28 years	6	17.6	17.6	100.0
Total	34	100.0	100.0	

Table 4.3 indicates number of years the veterinarians had served in private practice. Majority 38.2% having practiced for 1-7 years, 20.6% for 8-14 years, 23.5% for 15-21 years, and 17.6% for 22-28 years.

4.2.4 Status of the Veterinarians in the Practice.

Table 4.4: Status of the Veterinarians in the Practice

	Frequency	Percent	Valid Percent	Cumulative Percent
sole proprietor	21	61.8	63.6	63.6
Employee	5	14.7	15.2	78.8
part time employee	2	5.9	6.1	84.8
Director	6	17.6	20.5	100.0
Total	33	97.1	100.0	
Total	34	100.0		

From the table 4.4 majority of the respondents (63.6%) were sole proprietors, 15.2% are employees, 6.1% are part time employees and 15.2% are Directors

4.2.5 Preferred status in practice

Table 4.5: preferred status in practice

	Frequency	Percent	Valid Percent	Cumulative Percent
private practitioner	20	55.9	57.6	57.6
part time	4	11.8	12.1	69.7
limited Director company	11	32.3	35.2	100.0
Total	34	97.1	100.0	

Table 4.5 shows that Majority of the veterinarians (57.6%) who responded preferred being private practitioners, 12.1% part time 30.3% limited company directors.

4.2.6 Level of private practice profitability

Table 4.6: Level of Private Practice profitability

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	10	29.4	29.4	29.4
Agree	16	47.1	47.1	76.5
Uncertain	6	17.6	17.6	94.1
Disagree	1	2.9	2.9	97.1
strongly disagree	1	2.9	2.9	100.0
Total	34	100.0	100.0	

Information was sought on what the respondents thought of level of private profitability. With reference to table 4.7, 29.4% strongly agreed that private practice was profitable, 47.1% agreed, 17.6% were uncertain, 2.9% disagreed and 2.9% strongly disagreed. This implied that most of the private practices are profitable.

4.2.7 Business training undertaken

Table 4.7: Business training undertaken

	Frequency	Percent	Valid Percent	Cumulative Percent
Masters	1	2.9	3.3	3.3
bachelor's degree	3	8.8	10.0	13.3
postgraduate certificate	2	5.9	6.7	20.0
Seminars	19	44.1	50.0	70.0
None	9	26.5	30.0	100.0
Total	34	88.2	100.0	

This refers to the business training undertaken by the respondents after attaining professional Veterinary qualification to improve their business skills.

The data collected showed that 3.3% had masters, 10% bachelor’s degree, 6.7% post graduate certificate, 50% had attended seminars. This implies that most practitioners had attended business trainings as in table 4.8.

4.2.8 Practice specialization

Table 4.8: Practice specialization

	Frequency	Percent	Valid Percent	Cumulative Percent
clinical services	16	47.1	47.1	47.1
Distributing veterinary inputs	11	32.4	32.4	79.5
consultancy services	7	20.5	20.5	100.0
Total	34	1000	100.0	

From the table 4.8 majority of the respondents (47.1%) were specialized in clinical services, 32.4% in distributing inputs and 20.5 % in consultancy services.

4.3 Variable Findings

In the research analysis the researcher used Likert scale rating of 5 to 1; where 5 is the highest and 1 the lowest. Opinions given by the respondents were rated as follows, 5 = Strongly Agree, 4 = Agree, 3 = Uncertain, 2 = Disagree and 1= Strongly Disagree to measure the Variable’s statements.

4.3.1 Liberalization of Services

The study examined offloading of veterinary service functions to the private sector. This was done using means and standard deviations. The results of the analysis are presented in Table 4.9.

Table 4.9: Mean and Standard Deviations for Measures of Liberalization of Veterinary services

	N	Mean	Std. Deviation
Liberalization of procurement and distribution of veterinary products	34	3.69	1.32
Cost recovery by public sector in delivery of services	33	3.24	1.17
Support by manufacturers of veterinary products	34	3.68	1.36
Service delivery through membership organisations	33	3.58	1.12
Overall Mean		3.55	

As shown in Table 4.10, the item of ‘liberalization of procurement and distribution of veterinary products’ (M = 3.69, Std. Dev. = 1.32). The item with the lowest mean score is ‘cost recovery by public sector in delivery of services’ (M = 3.24, Std. Dev. = 1.17). The overall mean for offloading is 3.55. The results are interpreted to mean that the respondents agreed that Liberalization of veterinary services to a great extent.

4.4.2 Offloading of Services

The study examined offloading of veterinary service functions to the private sector. This was done using means and standard deviations. The results of the analysis are presented in Table 4.10.

Table 4.10: Mean and Standard Deviations for Measures of offloaded Veterinary services

	N	Mean	Std. Deviation
Offloading of distribution of drugs and vaccines by public sector influences performance	34	3.71	1.47
Offloading of clinical diagnosis and treatment to private sector influences performance	34	3.71	1.43
Offloading of disease diagnosis to reporting to private sector influences performance	33	3.00	1.52
Offloading of Artificial insemination services to private sector influences performance	34	3.85	1.33
Offloading herd health management to private sector influences performance	33	3.61	1.35
Overall Mean		3.58	

As shown in Table 4.10, the item of ‘offloading with the highest mean score is offloading of Artificial insemination services’ (M = 3.85, Std Dev = 1.33). The item with the lowest mean score is ‘offloading of disease diagnosis to reporting to private sector influences performance’ (M = 3.00, Std. Dev. = 1.52). The overall mean for offloading is 3.58. The results are interpreted to mean that the respondents agreed that offloading of veterinary services functions have been offloaded to a great extent.

4.3.3 Veterinary Services Legislation

The study examined the legal framework of veterinary services to support the private sector. This was done using means and standard deviations. The results of the analysis are presented in Table 4.11.

Table 4.11: Mean and Standard Deviations for Measures of Veterinary legislation

	N	Mean	Std. Deviation
Updating legislation	34	3.44	1.26
Registration and regulation professionals	34	3.62	1.46
Registration and quality control of drugs	34	4.00	1.41
Compliance to monitoring and ethics by government	34	3.50	1.35
Overall Mean		3.64	

As shown in Table 4.11, the item of ‘registration and quality control of drugs influences performance’ (M = 4.00, Std. Dev. = 1.41). The item with the lowest mean score is ‘Updating legislation influences performance’ (M = 3.00, Std. Dev. = 1.41). The overall mean for veterinary legislation is 3.64. The results are interpreted to mean that the respondents agreed that veterinary services have been legislated to a great extent.

4.3.4 Credit Sources

The study described the credit sources to veterinary services. This was done using means and standard deviations. The results of the analysis are presented in Table 4.12.

Table 4.12: Mean and Standard Deviations for Measures of credit sources

	N	Mean	Std. Deviation
Credit from KVAPS	33	3.39	1.27
Loans from government	34	3.15	1.40
credit from pharmaceutical firms	33	3.97	1.26
Private capital sources	33	3.76	1.23
Credit from informal sources	33	3.64	1.06
Overall Mean		3.58	

The results in Table 4.12 show that the item with the highest score is ‘credit from pharmaceutical firms’ (M = 3.97, Std. Dev. = 1.26). The item with the lowest mean score is ‘Loans from government’ (M = 3.15, Std. Dev. = 1.40). The overall mean for credit sources is 3.58. The results are interpreted to mean that the respondents agreed that they were able to access credit from the sources indicated to a great extent.

4.4.5 Performance Measures

The study analysed the performance of veterinary medical services. This was done using means and standard deviations. The results of the analysis are presented in Table 4.14.

Table 4.13: Mean and Standard Deviations for Measures of performance veterinary medical services

	N	Mean	Std. Deviation
Growth in number of private practices	34	3.71	1.59
Number of clients	33	2.97	1.45
Distribution of professional private practices	34	3.26	1.29
Increased number of jobs	34	3.24	1.42
Service availability, affordability and accessibility	34	3.38	1.28
Reduction in public servants in delivery of Veterinary services	34	3.50	1.21
Overall Mean		3.34	

The results in Table 4.13 show that the item with the highest score is ‘growth in number of private practices’ (M = 3.71, Std. Dev. = 1.59). The item with the lowest mean score is ‘number of clients’ (M = 2.97, Std. Dev. = 1.45). The overall mean for credit sources is 3.34. The results are interpreted to mean that the respondents agreed that there was growth in performance of veterinary services.

4.5 Hypotheses Testing

This section discusses the results of hypothesis testing in relation to the research hypothesis. The study examined how the variables of the study; offloading, legislation and credit were related to performance of veterinary Medical services .The analysis was done using Pearson's correlation matrix. The results were presented in Table 4.13.

Table 4.14: Pearson Correlation Matrix for offloading, Legislation, Credit on Performance

		OFFLOADING	LEGISLATION	CREDIT	PERFORMANCE
OFFLOADING VETERINARY SERVICES	Pearson Correlation	1	.729**	.600**	.672**
	Sig. (2- tailed)		.000	.000	.000
	N	34	34	34	34
LEGISLATION	Pearson Correlation	.729**	1	.620**	.723**
	Sig. (2- tailed)	.000		.000	.000
	N	34	34	34	34
CREDIT	Pearson Correlation	.600**	.620**	1	.547**
	Sig. (2- tailed)	.000	.000		.001
	N	34	34	34	34
PERFORMANCE	Pearson Correlation	.672**	.723**	.547**	1
	Sig. (2- tailed)	.000	.000	.001	
	N	34	34	34	34

** . Correlation is significant at the 0.01 level (2-tailed).

4.5.1 Hypothesis One

H₀1: Offloading has no significant effect on performance of Veterinary Medical services.

The results of the correlation analysis indicate that there was a significant positive relationship between offloading of veterinary services and performance ($r = 0.672, p < 0.05$). Therefore the decision was to reject null hypothesis. This was because there was enough evidence to support that offloading was related to performance.

FAO (2012), noted that a government's operational capacity and effectiveness can be improved by rationalizing the delivery of public good veterinary services while divesting those services that can be commercialized and that benefit individual owners of livestock which is supported by findings from this study.

4.5.2 Hypothesis Two

H₀2: Legislation has no significant effect on performance of Veterinary Medical services.

The results of the correlation analysis indicate that there was a significant positive relationship between legislation and performance ($r=0.723, p < 0.01$) . Therefore the decision was to reject the null hypothesis. This finding is in line with the report by Umali and Schwartz (1994) that the private sector thrives best in environments without government interference. The same report notes that governments can help by creating and ascertaining conditions and regulations that support private initiative and private sector operation.

4.5.3 Hypothesis Three

H₀3: Credit has no significant effect on performance of Veterinary medical services.

The results of the correlation analysis indicate there was a significant positive relationship between availability of credit and performance ($r=0.547, p < 0.01$). Therefore the decision was to reject null hypothesis. This finding is in line with Ahmed, (2004) who observed that providing credit support to professional veterinarians and commercial enterprises is the main option normally considered as an entry for the process of privatization. Typically, a limited amount of loan money is provided to a few veterinarians to support them while they undertake drug purchase and sale and animal treatment practices. An environment of full-cost recovery would be essential for this activity. Otherwise, the private veterinarians may not survive in the business.

4.5.4 Hypothesis four

H₀4 The Combined effect of Liberalization factors (Legislation, offloading and credit) do not have a significant effect on performance.

The study sought to establish the combined effect of liberalization on performance using multiple regression analysis. According to table 14, R square value was (0.572).The result indicates offloading, legislation and credit had a significant effect on performance. The R square value of (0.572) means that the predictors attributes 57.2% variability in the domain and 42.8% is a result chance, error or other variables not discussed in this study. The decision was to reject the null hypothesis since there was a strong relationship between composite effect of offloading, legislation and credit on performance.

Table 4.15: Multiple regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.757 ^a	.572	.530	.72564

a. Predictors:(Constant),CREDIT,OFFLOADING, LEGISLATION

Table 4.16:ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.148	3	7.049	13.388	.000 ^a
	Residual	15.797	30	.527		
	Total	36.945	33			

a. Predictors: (Constant), CREDIT, OFFLOADING, LEGISLATION

b. Dependent Variable: PERFORMANCE

Table 4.17: Coefficients^a

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.600	.546		1.099	.280
	OFFLOADING	.254	.164	.281	1.551	.131
	LEGISLATION	.393	.158	.459	2.485	.019
	CREDIT	.115	.194	.094	.592	.558

A. Dependent Variable: Performance

The ANOVA demonstrates test for the combined effect of the factors Of Liberalization on performance of Veterinary medical services. The Anova result show that the model was significant ($F=13.3888$, $p<0.05$).This indicates that the combined effect of Offloading, legislation and credit had a significant effect on Performance.

The standard coefficients show that the effect of legislation on performance is positive and significant ($\beta = 0.459$, $t = 2.485$, $p< 0.05$),the effect of offloading was positive and insignificant ($\beta =.281$, $t= 1.551$, $p>0.05$) ,the effect of credit is positive and insignificant ($\beta =0.094$, $t =0.594$, $p>0.05$).

This indicates that Legislation has the greatest effect on performance ($\beta = 0.459$, $t = 2.485$, $p< 0.05$). This shows that policy makers should prioritize enacting laws and policies that will enable growth of the private sector.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is a presentation of the summary of the research findings, conclusions and recommendations of the study. The chapter discusses summary of the findings regarding the research objectives, hypothesis and conclusions of the study. Finally, the chapter discusses implications of the study to strategic management and proposals for further research.

5.2 Summary of the findings

The first objective was to find out the effect of offloading on performance of Veterinary Medical services. The findings reveal a positive significant relationship between offloading and performance, hence H_01 was rejected.

The second objective of the study was to determine the effect of legislation on performance of Veterinary Medical services; the findings indicate a strong positive relationship between legislation and performance. Therefore H_02 was rejected.

The third objective of the study was to determine the effect of credit on performance of Veterinary Medical services. The findings of the study show a positive relationship between credit and performance. Therefore H_03 was rejected.

The fourth objective of the study was to determine the combined effect of offloading, legislation and credit on performance. The hypothesis was tested using multiple regression analysis indicating that the combination of the variables contributed only 57.2% to performance. Hence there are more factors contributing 48.2 %. Therefore H_03 is partially rejected.

From this analysis Legislation has the greatest effect on performance followed by offloading with Credit having the least effect.

5.3 Conclusion

The study has revealed that the process of liberalization contributes to performance. It can be concluded that a strong link between legislation and performance of veterinary medical services and that legislation is the highest contributor to performance. This therefore implies that continuous updating of existing legislation will create an enabling environment for all practitioners with improved performance, compliance and monitoring of ethics will ensure that there is a level playing ground that will remove unqualified people from practice. Registration and regulation of professionals will ensure that practitioners are closely monitored hence ethical conduct to avoid professional sanctions. Registration and quality control of drugs will ensure that there will be no unfair competition in the market from substandard products.

The results also showed that offloading through procurement and Distribution of drugs and vaccines, disease and clinical diagnosis, treatment, Artificial insemination services, management and reporting of herd health is crucial for performance. From the findings of this study these are services that have over time been carried out by the public sector and continuous offloading will lead to improved performance.

The study also found that credit to Veterinary practitioners from the Kenya privatization scheme, government, Pharmaceutical companies, private capital and informal sources are necessary for improved performance. However the contribution of credit is insignificant

Finally, the combined effect of legislation Offloading and credit when put into consideration results to an increase in: available, affordable, accessible services and inputs, the number and distribution of profitable private practices, employment rates; and reduced over reliance on public servants.

This study shows that policy makers should prioritize providing an enabling environment by enacting necessary legislation to improve performance.

5.4 Recommendations of the study

The study was done to determine the effect of offloading of various veterinary services provided by public sector to the private sector, effect of various legislative factors that affect performance and effect of the various credit sources on performance. The Study also determined the combined effect of the three Liberalization factors on performance. The findings of the study conducted in Nakuru County have various implications on public policy direction as expounded below.

5.4.1 Recommendations for Policy and Practice

This study has implications on policy and Practice. First the study confirmed a positive relationship between legislation and performance. This implies that legislative issues are essential for increased performance. Policy makers should therefore carry out situation analysis on all legislative issues that contribute to the liberalization process to encourage more participation of the private sector in delivery of services so as to improve performance. In addition, the public sector should be encouraged to continuously transfer more functions still held as public good to the private sector. This will enable more practitioners to take up private practice hence strongly influencing delivery of Veterinary medical services. With adequate enabling legislation and more functions transferred to the private sector, credit sources will be more attractive to private practitioners with improved performance of services.

Lastly the results show that the joint effect of Legislation, offloading of functions to the private sector and availability of credit has a lesser impact on performance than legislation on alone. This implies that to enhance performance, policy makers need to concentrate on a legal framework that creates an enabling environment to improve performance.

5.4.2 Recommendation for Further Study

Since the study findings reveal that the combined effect of legislation, offloading and credit contribute to only 57.2% on performance, its therefore necessary that future research examines the effects of other factors such as competition, infrastructure, physical environment, insecurity and cash economy identified in the literature which may be

contributing to the remaining 42.8 % of the performance of veterinary Medical services. It is also recommended that other research studies on performance of Veterinary services should be carried out among farmers and other beneficiaries of Veterinary services for a more inclusive analysis.

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APPENDICES

Appendix1: Research questionnaire

Good morning / afternoon. Thank you for taking the time to be a part of this research that seeks to evaluate the effect of liberalization on the performance of veterinary medical services in Nakuru county. The questionnaire has sections A, B and C. Your participation is highly appreciated and voluntary.

Section A: Background Information

1.what is your gender

Male

Female

2.What is your age bracket

i) 25-32 years

ii) 33-40 years

iii) 41-48 years

iv) 49-56 years

v) Over 56 years

3. How long have you been in Private Veterinary practice?

i) 1-7 years

ii) 8-14 years

iii) 15-21 years

iv) 22-28 years

v) Over 28 years

4. What is your status in the Practice?

i) Sole proprietor

ii) Partner

iii) Employee

iv) Part time employee

v) Director

5. What would be your preferred status in Practice?

- i) Private Practitioner
- ii) Public service employee
- iv) Partnership
- iv) Part time
- v) Limited company director

6. What is your level of agreement that private practice is profitable and satisfying?

- i) Strongly agree
- ii) Agree
- iii) Uncertain
- iv) Disagree
- v) Strongly disagree

7. What Business management Training have you undertaken

- i) Masters
- ii) Bachelor's Degree
- iii) Post graduate certificate
- iv) Seminars
- v) None

8. What is your practice specialization?

- i) Clinical services
- ii) Distributing veterinary inputs
- iii) Artificial insemination
- iv) Livestock vaccinations
- v) Consultancy services

Section B: Assessment of Liberalization

Use the following key to indicate your agreement or disagreement with the following statements by ticking the choice that best fits your situation for sections B and C.

(1 = strongly disagree, 2 = disagree, 3= uncertain, 4 = agree, 5 = strongly agree)

To what extent do you agree with the following statements on liberalization of veterinary medical services?

	Statements	1	2	3	4	5
	The public sector has supported					
1	Liberalization of Procurement and distribution of veterinary products					
2	Cost recovery in service delivery					
3	Manufacturers of Veterinary products					
4	Service delivery through Membership organizations					
	The public sector has offloaded the following services	1	2	3	4	5
5	Distribution of drugs and vaccines					
6	Clinical diagnosis and treatment					
7	Disease diagnosis and reporting					
8	Artificial Insemination services					
9	Herd health Management					
	Legislation has been supported through	1	2	3	4	5
10	Updating of legislation					
11	Registration and regulating professionals					
12	Registration and quality control of drugs					
13	Compliance to monitoring and ethics by the Government					
	Availability of credit is from	1	2	3	4	5
14	Kenya Veterinary Association Privatization Scheme (KVAPS)					
15	Loans from Government					
16	Pharmaceutical firms					
17	Private capital sources					
	Informal sources					

SECTION C

	There has been improved performance on	1	2	3	4	5
18	Growth in number of private practices					
19	Number of clients					
20	Distribution of Professional Private Practices					
21	Increased number of jobs					
22	Service availability, affordability and accessibility					
23	Reduction of public servants in delivery of veterinary services					

APPENDIX 2:

LIST OF PRIVATE VETERINARY PRACTITIONERS

Practitioner S/no	Practice Sub county	Practitioner s/no	Practice Sub county
1	Nakuru	25	Nakuru
2	Nakuru	26	Naivasha
3	Njoro	27	Naivasha
4	Nakuru	28	Naivasha
5	Njoro	29	Nakuru
6	Nakuru	30	Nakuru
7	Nakuru	31	Njoro
8	Njoro	32	Nakuru
9	Nakuru	33	Nakuru
10	Nakuru	34	Njoro
11	Nakuru		
12	Nakuru		
13	Nakuru		
14	Nakuru		
15	Nakuru		
16	Naivasha		
17	Nakuru		
18	Nakuru		
19	Naivasha		
20	Nakuru		
21	Nakuru		
22	Nakuru		
23	Naivasha		
24	Naivasha		

Source: County Director of Veterinary services, Nakuru, 2012

Appendix 3:LETTER OF TRANSMITTAL

Peterson Mwangi Njiru

P.O BOX 12819,

NAKURU.

31/1/2012

Dear Sir/Madam,

RE: REQUEST FOR PARTICIPATION IN MY RESEARCH WORK.

I am a postgraduate student in the Faculty of commerce, Egerton University pursuing a Master of Business Administration (MBA) degree program. In order to fulfill the degree requirements I am currently undertaking a research project on “An evaluation of the effect of privatization on the performance of veterinary medical services in Nakuru County.

Your Practice has been selected to participate in this study. I would highly appreciate if you spare some time for me to fill this questionnaire.

This exercise is strictly for academic purposes and any information obtained will be treated as confidential.

Thank you in advance for your co-operation.

Yours faithfully,

Njiru, Peterson Mwangi