

While industrial development receives a lot of attention in all countries, this is particularly the case in developing economies. The contribution of both the public and the private sectors towards economic growth is of vital importance. In Kenya, a remarkable growth and expansion in the private sector has been experienced since independence. However, the pre-independence period cannot be neglected if we are looking at the factors affecting industrialization. Prior to independence, Kenya was a British colony and has inherited a number of British institutions, including the employment and industrial relations systems. In this study, we look closely at the employment system and industrial relations mainly in the private sector. The study covers the industrial development in a rural set-up as well as in an urban area so as to get to the basic understanding of the problems encountered in such enterprises. The introductory part, Chapter 1, highlights very briefly a few stages of industrialization in Kenya. This is looked at from two patterns of development. There are those industries which are entirely indigenous and there are those that have been established by foreign companies. Two case studies are presented to illustrate the dualistic system of industrial development. The first case, in Chapter 2, portrays an indigenous industry which has developed from a small saw mill into an industrial complex within a rural area but still labor intensive. The characteristics of the firm show the sort of 'family' enterprises it has retained since the installation of the first machines. The indigenous firm uses local resources while gradually borrowing foreign technology to improve production. The second case, in Chapter 3, illustrates a subsidiary of a multinational corporation which is capital intensive. The foreign firm has established an industry which utilizes both local and foreign resources while, at the time of establishment, it introduced advanced technology into a society which could not supply the required skilled labor. The external influences the company is experiencing is discussed at length. In each case we look at the organization from three dimensions. The first is the management, and the company owners at large, which portrays the organizational hierarchy. The second dimension focuses on the worker and his environment. Finally, trade union activities in each factory are discussed. The final part of the thesis, compares and contrasts the two case studies while the concluding remarks dwell mainly on the research findings as well as the advantages and disadvantages of the present pattern of industrialization.