

The changing fortunes of an aristocracy? Determinants of wages and conditions of employment in Kenya

Abstract:

This article examines the functioning of the labour market in the modern sector in Kenya and, in particular, considers the determinants of wages and other conditions of employment. An analysis of negotiated wages from collective agreements signed during 1974–75 suggests that measures of an ‘ability to pay’ characteristic of industries with limited competition in the product market and realizing above-average labour productivity are the best predictors of inter-industry wage differences. Locational and ownership variables are also found to be significant. Size of labour force is only significant for clerical wage rates. Four case studies suggest superior conditions of employment are positively associated with higher than average wages. There are no figures or tables for this document. This paper is a modified version of one prepared for presentation at the Fourth World Congress of the International Industrial Relations Association, Geneva, 6–10 September 1976. The authors acknowledge the assistance of Elizabeth Njeri, Ed Waweru and Francis Kiranga in collecting the necessary data and the Deans' Committee, University of Nairobi, for providing financial support. We would also like to thank Hilde Behrend, Ron Dore and Rick Edwards for their comments on an earlier draft.