

THE IMPACT OF UNIONIZATION ON NEGOTIATED WAGES
IN THE MANUFACTURING SECTOR
IN KENYA

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ABSTRACT

The paper examines a large number of wage agreements between employers and trade unions in Kenya's manufacturing sector. An attempt is made to explain inter-firm negotiated wages for unskilled labour with the aid of multiple regression analysis. In particular an assessment is made of the impact of unionization on wages. The paper has moderate success in explaining inter-firm unskilled wages and the most significant explanatory variables are industry profitability the degree of industry concentration and firm size. The hypothesis that unionization has any differential impact on wage rates firms is rejected.