

This work is licensed under a  
Creative Commons Attribution-NonCommercial-  
NoDerivs 3.0 Licence.

To view a copy of the licence please see:  
<http://creativecommons.org/licenses/by-nc-nd/3.0/>

RESERVE

THE CONCEPT AND SOCIAL POSITION OF "MANAGERIAL ELITE"  
IN CONTEMPORARY KENYA : WITH  
SPECIAL REFERENCE TO AFRICANIZATION

By

Chang Hwan Kim



WORKING PAPER NO. 431

(b)  
(a)  
INSTITUTE FOR DEVELOPMENT STUDIES  
UNIVERSITY OF NAIROBI  
P.O. Box 30197  
NAIROBI, Kenya

October, 1985

Views expressed in this paper are those of the author. They should not be interpreted as reflecting the views of the Institute for Development Studies or of the University of Nairobi.

This paper has protection under the Copyright Act, Cap. 130 of the Laws of Kenya.

THE CONCEPT AND SOCIAL POSITION OF  
"MANAGERIAL ELITE" IN CONTEMPORARY KENYA:  
WITH SPECIAL REFERENCE TO AFRICANIZATION

Chang Hwan Kim.

ABSTRACT

The questions posed in this paper are: first, what is the nature of the "managerial elite"; and second, how different are the characteristics of the "managerial elite" from the other societal groups in contemporary Kenya?

In answering these questions, I started with the premise that Africanization in contemporary Kenya can be best understood by a close examination of the "managerial elite", which becomes particularly salient during this process. Two aspects of Africanization noted include: Africanization of management and Africanization of ownership in trade and industry.

This paper is divided into two parts. The first part deals with the current theory and methodology on the "managerial elite" and provides an alternative way to conceptualize the "managerial elite". The second part deals with the historical aspect of Africanization and the social position of the "managerial elite" in contemporary Kenya.

PROBLEMS DEFINED AND PURPOSE OF STUDY

Like many newly independent countries, Kenya has gone through the essential process of Africanization<sup>1</sup> in both management and business by replacing expatriates and foreign firms with indigenous people. This was particularly true of the industrial and commercial sectors, which were dominated by foreigners. The most important features of this process include:

First, Africanization of ownership: which aims at giving Africans a stake in the economic development of their own country. This also leads to Africanization of control over investment, production and marketing decisions, which brings more aspects of economic life under the control of indigenous people;

Second, Africanization of management: the gradual replacement of foreign managers in both public and private sectors, which aims at developing indigenous competence in both commercial and industrial enterprises. This was done mainly through Africanization of middle and upper level management. This will also create more jobs for Africans, particularly in high and middle level manpower groups.

The relevant guiding principles were laid down by President Kenyatta in his introduction to Sessional Paper No. 10 of 1965:<sup>2</sup>

Our entire approach has been dominated by a desire to ensure Africanization of the economy and the public service. Our task remains to try and achieve these two goals without doing harm to the economy itself and within the declared aims of our economy.

Africanization was therefore not to be planned at the expense of "economic growth." Later the Kenyan Government reiterated its position in the White Paper on "Kenyanization of Personnel in the Private Sector."<sup>3</sup> It declared:

The Government is not pursuing Kenyanization for its own sake. A truly Kenyan national property cannot be built if management of key commercial and industrial concerns remain in the hands of non-citizens. Kenyans must participate and be involved in the policy making and its execution in all sectors.

While it may be postulated that Africanization has transferred the Kenyan economy into indigenous hands, there is greater difficulty in typologizing the socio-economic structure that such a policy has shaped. The Government stress on economic growth and development has led to a serious imbalance between haves and have-nots, between the country's agricultural earnings, which account for 79 per cent of all export earnings, and foreign-owned import-substitution industry, few of whose commodities can be said to be of essential use and benefit to indigenous people. How and why this is so needs an explanation to follow. The Africanization experience in Kenya has therefore triggered a lively debate that has centered around the success of this policy and the character of personnel occupying the highest position during this process.

In this short paper, I am not interested in joining the debate on whether Africanization itself has been successful or not: my particular attention has been given to, first, the nature of "managerial elite", which becomes particularly salient during this Africanization process; second, the historical aspects of Africanization and the social position of the "managerial elite" in the whole social structure of contemporary Kenya. The imperative to do so arises from one simple yet important reason, that it is this elite group who actually controls or manages the national economy. The importance of this "managerial elite" whose decisions shape the important strategic responses of the national political economy, was noted in Philip Ndegwa's recent book:<sup>4</sup>

To most people, leaders are those in key political or government jobs. But in fact, in any political or economic system, particularly of the type of democracy and mixed economy which we are developing in

Kenya, leadership comes from other sectors as well. In our own case, it is especially important to bear in mind that senior business executives are also leaders, and that they should behave as leaders.

Thus, from this perspective, one could analyse the character, origins and interests of the "managerial elite" as an intervening variable which links the society and the state. However, in the absence of concrete conceptual and empirical work, this assumption is purely conjectural. Building this concern into our analysis will then become an important vehicle available for a much more open discussion and further research. This step is then an attempt to engage in that process.

#### CONCEPT OF MANAGERIAL ELITE

Conceptualizing about the "managerial elite" in contemporary African society is a uniquely rich and vital exercise even in the absence of empirical studies. To understand the specific nature of the "managerial elite" in contemporary Kenya, our argument begins with "industrial society thesis" put forward by Kerr and his colleagues,<sup>5</sup> which has offered the possibility of accounting for the presence of managerial and administrative groups in different politico-economic systems. As Kerr et al note:<sup>6</sup>

As industrialization proceeds, the number of persons in management increases both absolutely and relatively in the economy. This is the inevitable consequence of larger capital outlay, the pace of innovation, the use of more modern machinery and processes, the growth of markets, and the increasing complexity of advancing industrial societies.

A major concern of this school has, then, been the implication of the growth of managerial and entrepreneurial groups during the industrialization process.

Such discussions have tended, as Scase and Coffee note,<sup>7</sup> to concentrate upon three issues:

First, the extent to which the bureaucratisation of the workplace has affected managerial authority and professional autonomy; secondly, the degree to which managerial ideologies have emerged which are different in character from those of business owners and entrepreneurs. It has, for example, often been argued that a new class of managers, separated from the ownership function, are more committed to 'welfare' and 'collectivist' ideologies than their owner manager predecessors: Finally, the class location of managerial and professional workers has been the subject of considerable debate.

In organizing the research plan and in writing the thesis about the rise of managerial groups in post-colonial African societies, a body of literature was tapped with a view to applying the above hypotheses of advanced capitalist societies into the African context. However, to apply the above proposition within the African context, there exist limitations of analysis. First, the distinction of forms of control over the means of production, which is originally devised to account for managerial groups in contemporary corporate structure of advanced capitalism, does not have the same implications in the case of the manager in post-colonial African societies. In the former case, the real economic owners continue to exist, in the stronger sense, despite the change of his role in the process of capitalist reproduction. In the latter case, there is no physical difference between 'legal' owner and 'real' owner as an independent identity because there are a large number of African-managers who directly own their enterprises or vice versa. Consequently, when managers who control the property enjoy 'autonomy' vis-à-vis owners, their controlling position in the sector, either publicly or privately owned, is much greater than any parallel managerial groups in advanced capitalism. Secondly, unlike in advanced capitalist societies, in Africa, there does not exist a clear distinction of class characteristics between owner i.e., bourgeoisie and controller i.e., managers or supervisors. Within this context, the managers' position in African societies is more fluid

and in greater flux than it is under advanced capitalist societies.

Of all the general theories which have been marshalled to account for the rise of managerial groups in post-colonial African societies, a suggestion by one scholar, Michaela von Freyhold,<sup>9</sup> who studied similar events in Tanzania, proved provocative. Through the act of nationalizing, it was argued that the petty bourgeoisie elements become a group of "NIZERS (AFRICANIZERS)" who extended state control in order to enhance their own positions. To supplement their slim material base and limited control of the economy, the "nizers" attempted to diminish, to a degree, the influence of the metropolitan bourgeoisie who had owned the productive sector of the economy prior to formal political independence. As she explains it:<sup>9</sup>

'Nizers' or 'nizations' (from Africanization) is a term applied by Tanzanians to refer to that stratum or class which social scientists have called 'educated elite,' 'labour aristocracy,' or petty bourgeoisie' - those who took over important administrative and economic positions when colonialism was defeated.... 'Nizers' is a precise and dialectical term. It refers firstly to the progressive aspect of Africanization, to the promise that those who take over the power would return this power to the people on whose behalf they took it away from the colonialists. It refers secondly to the fact that the 'nizers' have not been created by the existing economic and social structure but have taken it over, either adopting to it or changing the built in dependency on imperialism. It refers thirdly to the negative possibility that the original promises are not held, that the structure is not changed, that those who have taken the power will usurp it for themselves.

By distinguishing "nizers" or "governing class" from the "ruling class", von Freyhold suggests a natural struggle within the "nizers". The question then is "what or who is the 'ruling class' in Tanzania?" She argues that the "ruling class" in Tanzania is mainly represented by "the World Bank, Aid Agencies of Nordic and other European



countries and a variety of transnational corporations"<sup>10</sup>. If this is so, why then are the "ruling class" interested in a collapse of the Tanzanian economy? This sort of analysis, typical of von Freyhold, is too simplistic to apply to the Kenyan case.

Therefore, in applying Freyhold's position into the Kenyan context, there exist several problems. First, as Issa Shivji notes, "it is not clear who constitute the top personnel in the state apparatus as a class." He then goes on, "being employed by the state does not make a social group into a class," if it did, then "all the functionaries from Ministers to messengers in the state apparatus would be Freyhold's 'nizers'."<sup>11</sup> I would rather argue that to transform one social group into a class such as "nizers", the social-group-in-formation has to be capable of organizing and creating a political-organizational arm which can represent their group interests. In other words, to transform from a class-in-itself to a class-for-itself, the "class in question" has to become conscious of its common interests as a homogeneous group i.e., to develop class consciousness.<sup>12</sup> However, in Tanzania or in Kenya, not all Africanized personnel in state apparatuses have reached the stage of creating political organizations, capable of representing their class interests. Therefore, as Claude Ake notes, "the economies of contemporary Africa appear to be 'classless' because of the wide prevalence of simple commodity production, the smallness of the urban proletariats and the weakness of African bourgeoisie."<sup>13</sup>

Second, unlike in Tanzania, the "nizers" in Kenya, if any, could not achieve the same class ends as being "nizers" or a "governing class", which was backed by the power of the imperialist State, by displacing the Asian commercial class. The most significant thing in the Kenyan context is not nationalization but Africanization of management and local business, which was mainly created by white settlers or immigrant businessmen, mostly Asians. This could be done in the form of a national developmental strategy. The main

features of this strategy include: "attempt at Government control through regulation, taxation and exchange control; and measures to secure African participation in the equity of foreign firms."<sup>14</sup> In such cases, as Bjorn Beckman argues:<sup>15</sup>

Africanization or 'indigenisation' laws and regulations restrict in these and other countries the field in which foreign capital is allowed. State banking and marketing organisations assist local entrepreneurs to establish themselves and to find outlets for their products. Their interests may similarly be catered for by public 'umbrella' organisations in the field of construction and other areas of 'sub-contracting.' It is often noted that officials and political leaders are either directly part of or closely related to this new class of private entrepreneurs.

However, identifying the managerial group as a class is too blunt an approach in contemporary Kenya, where class identification, cohesion, organization and political practice (all of which represent forms of class action) are much more ambivalent. Thus, rather than viewing this group as "nizers" or "new class", the term "managerial elite" has been chosen to distinguish those societal groups which become particularly salient where Africanization is still in process. This elite is distinguished by its unique relation to the means of production. It can either legally own the means of production which it controls or it acts as a controller of the means of production on behalf of the owner. In this context, the phrase "managerial elite" means more than the so-called "nizers" or "new class".

The main characteristics of these elite, as Dr. Kipkorir notes, "include four interrelated attributes: possession of power, possession of wealth, the attainment of relatively high formal educational qualification and the employment of correspondingly high social status."<sup>16</sup> Apart from its small size and sense of corporate identity, their eagerness to grasp those privileges revolves around a more secure place in the nation-state rather than stems from an

ideological or policy position. The "managerial elite" is therefore defined as a "corporate group" which has a "harmony of interests." Although coalition conflict within this group does occur or may be even greater than cohesion, because the benefit of the membership is so great, this doctrine of "harmony of interests" refers to the search for consensus and accommodation of accumulation of capital wealth and the occupation of powerful decision making positions. It includes a group of people who exercise control over the means of production, distribution or exchange to a significant degree, and who are in a position to make decision in these fields in such a way as to enhance their own economic and social position vis-à-vis the other societal groups such as wage earners, small farmers, the unemployed and others.

Goldthorpe in his Oxford studies of social mobility and social structure classified them as CLASS I band which embraces "all higher grade professionals, self-employed or salaried higher grade administrators and officials in central and local government and in public and private enterprises (including company directors), managers in large industrial establishments, and large proprietors."

Moreover, these positions had in common a high income for their incumbents and a "wide range of discretion," or "considerable autonomy and freedom from control of others."<sup>17</sup> Similarly, in the Kenyan context, the High-Level Manpower Survey of 1964 defines it as follows:<sup>18</sup>

Top level posts in Administration and Management: including senior officers, heads of principal departments and key staff specialists such as qualified accountants, personnel directors et al

Within this central group lies a complex series of different status groups including senior civil service, leading representatives of interest groups such as the trade unions and certain professions, financiers, senior officers of armed forces as well as influential politicians.

Based on these analyses, I divide "managerial elite" into two groups: Professional Managerial Elite (PME 1)<sup>19</sup> and Political Managerial Elite (PME 2). PME 1 consists of 22 job category group in private management positions such as managing director, company secretary, financial controller, and personal manager etc; it also includes those advocates and accountants, who hold top managerial positions in private firms. Many Asian origin Kenyans can be categorized in this group. PME 2 are those Mtu Mkubwa (Big Men): the several hundred people occupying almost all the political administrative and economic positions such as top level administrative officials or top civil servants in both Central Government and Government institutions, chairmen and executive directors of parastatal organizations, MPs, and Ministers etc; here each "Mtu" creates his own patron-client network: ethnic and regional criteria may be important; loyalty and competence are also important.<sup>20</sup>

However, in a society like Kenya where the current period is one of transition, continuity and change, it becomes difficult to decide who is a member of PME 1 and PME 2, a difficulty which Abernethy and Urry refer to as the "boundary problem."<sup>21</sup> From Table 1, it is clear that decisions as to where the boundaries of this group lie becomes relatively arbitrary. Therefore, as Nicole Swainson has correctly pointed out:<sup>22</sup>

In general, the network of ownership and management outlined above shows a strong overlap between class places within the bourgeoisie between bureaucratic and political positions and the professions. It is a mistake, therefore, in the Kenyan context to distinguish a separate bureaucratic class. Also, at this stage of accumulation there is not a high degree of separation between the owning and managing classes, who are often interlinked. (emphasis added)

Similarly, Crawford Young argues that "central to the problematic of class in Africa is the pace of change and the indeterminacy of categories."<sup>23</sup> Indeed, there is

TABLE 1: Kenya's Top Fifty Directors (by number of directorships)

a. Nationality		African/citizen	non-African/ Citizen	Others (Europeans)	
1967		5	4	41	= 50
1974		16	20	13	= 49
1984		32	11	7	= 50

  

b. Profession		Political Mana-- gerial Elite: Civil servant & politicians etc.	Professional Managerial Elite: Advocates, accountants, top managers in private local/ foreign firms, etc.	
1965		7	15	= 22
1974		13	21	= 34
1984		18	14	= 32
	(only Africans)	(11 M.P. 7 Civil Servant)		

Source: Nicola Swainson, The Development of Corporate Capitalism in Kenya 1918 - 1977, Berkeley: University of California Press, 1980, p.201; and computed by the author from Company Registrar at Sheria House.

the possibility that certain occupations, chiefly those involving high-level manpower, are becoming indistinguishable from "managerial elite" in contemporary Kenya. Therefore, the purpose of the following is to find out some facts and figures which can identify the social position of those individuals who occupy positions in the "managerial elite" in contemporary Kenya.

HISTORICAL ASPECTS OF AFRICANIZATION AND SOCIAL POSITION OF MANAGERIAL ELITE IN CONTEMPORARY KENYA.

One of the difficulties involved in the study of a managerial elite (ME), of course, concerns its actual social position: position which is the "possible degree of concrete difference from the 'interests' of"<sup>24</sup> the other societal groups. Any attempt to formulate the definite social position of ME which would gain unanimous acceptance is difficult. One reason is that social position of ME means different things to different societies. as Theda Skocpol correctly notes, this perspective makes it "virtually impossible even to raise the possibility that fundamental conflict of interests might arise between the existing dominant class or set of groups, on the one hand, and the state rulers, on the other."<sup>25</sup> What she says is that a social position of a societal group in a certain society has to be based on its interests, what determines the conditions of existence of this societal group vis-à-vis the other societal groups. Similarly, in the Kenyan context, the Ndegwa Report 1971 in its paragraph 31 indicates: "We consider that all those who serve the Republic:"<sup>26</sup>

- ii) should not subordinate their duties to their private interests nor put themselves in a position where there is a conflict between their duty to the state and their private interests;
- iii) should not outside their official duties be associated with any financial or other activities in circumstances where there could be suspicion that their position or official information available to them was being turned to their private gains or that of their associates.

The analytical focus of these approaches is the subjective attitudes and interests-involved of those key personnel as they interact with other significant individuals or groups in a changing environment.

However, our interest in this section is not so much the social mobility or the interests of the ME, but the social position of the ME in contemporary Kenyan society vis-a-vis the other societal groups. In particular, I wish to consider the historical aspects of Africanization and in this respect, to ask first, how different are the characteristics of the ME as a social group, from the other social groups in post-colonial Kenya?; second, how wide is the gulf? These questions, it should be emphasized, do not arise from simple quantitative indications that there is a marked and recognizable disparity in the salaries and wages earned by different fractions of social groups. It must therefore involve reference to their position of opportunity and of access to political power and economic wealth which "generate endemic conflicts" of social group interests.

Before Kenya achieved its national independence in December 1963, a fundamental determinant of the nature of its economy and of the policies of the state was the implementation of Britain's declared policy toward its colonies - the policy of promoting rapidly the political and economic and cultural development in Kenya. This colonial policy toward its colonies created the structure of underdevelopment and social differentiation in Kenya both on the level of production and at the level of exchange. The mechanisms which the colonial state employed to disintegrate the indigenous people and subsume them to the logic of capitalist accumulation are well understood and need not be restated here. What is of interest is the pattern of social differentiation and the social relations that developed in Kenya during this period. The colonial state not only created the structure of the underdeveloped economy but it also destroyed and created entire social classes.

In order to achieve its aim, the colonial state employed many types of mechanisms. First, the creation of the "White Highlands" in and of itself denied to the African farmers some of the best farm land in the country. This was done through the enactment of the Crown Land Ordinance,<sup>27</sup> which empowered the colonial state to control land, to extinguish African rights of ownership, to lease or sell or 'alienate' land to non-Africans. Some of statistics indicate that "by 1901, there were 13 British settlers",<sup>28</sup> but "by the year 1950, about 3,000 white settlers owned, with secure tenure of 99 years, 16,700 square miles of the best land while about 5½ million Africans had 52,000 acres of the remainder, without security of tenure". Although "the Europeans cultivated less than one-tenth of the land they held, they took over the best and most fertile land in Kenya".<sup>29</sup>

Second, the colonial state took steps to facilitate the European settlers' effort to recruit labour from the "reserves" through direct contacts as well as the chiefs and headmen. Effort to create such a stable, reliable and cheap labour force were carried out through the Legislative Council and other state apparatuses on the period between 1920 and 1950. The measures ranged from direct taxation to use of force. Taxation, for instance, was used to provide the European settlers with cheap labour. "Every able-bodied African over the age of 18 had to pay the colonial state a poll tax of up to 24/= a year."<sup>30</sup> Those who were unable to make a living in the "native reserves" were 'encouraged' to go to work on the European plantations. The method was approved as far back as 1913, when the East African Standard wrote:<sup>31</sup>

We consider the taxation is the only possible method of compelling the native to leave his reserve for the purpose of seeking work. Only in this way can the cost of living be increased for the native..... it is on this that the supply of labour and the price of the labour depend.



These measures forced Africans to work either on the estates or in the urban areas for wages which were never expected to cover the bare minimum of subsistence for the African labourers or their families. So by the years 1952 and 1953, "some 90,000 persons in Kiambu (Kikuyu reserves near Nairobi) 'might be without means of support within a short time'.<sup>32</sup> and in and around Nairobi, there were 10,000 African families living without proper shelters".<sup>33</sup> These areas therefore tended to be drawn into a whole vicious circle of cumulative underdevelopment and social differentiation.

Lastly, the colonial state enacted measures which restricted the Africans' effort to enter cash crop production or trade on their own account. One of the measures taken was to establish various commodity boards: the Imperial Ordinance March 1931 created the Land and Agricultural Bank, which was to contribute a major source of credit for colonial settlers. For instance, under the Credit to African (Control) Ordinance of 1948,<sup>34</sup> which replaced earlier measures, lending to Africans by non-Africans was prohibited not only by banks but also by non-African wholesalers. Moreover, natives were supposed to trade within the "native markets":<sup>35</sup>

No person shall within a zone of three miles' radius from the external boundaries of any market specified in Schedule I hereto hawk, sell, barter or expose for sale or barter any produce specified in Schedule II hereto without written permission of the District Commissioner: provided that, where two such markets are within three miles of each other, each of these shall be deemed to be excluded from three mile zone of the other.

Therefore, natives in these areas were neither allowed to grow cash crops nor to trade on their own account, but were forced to provide cheap labour for the production of agricultural materials, which accounted for over half of Kenya's export earnings, for the serving of metropolitan needs. Labour power was then transformed into a commodity.

During this period, as Dr. Gachuki correctly pointed out, "the main interest of the colonial power was to develop the colony into a supplier of raw materials, mainly agricultural, for British industries as well as a market for these industries".<sup>36</sup>

Tables 2 and 3 show total foreign investment in Kenya during this period. From these Tables, it is clear that before the Second World War, foreign investment in Kenya remained low and was largely concentrated in primary industries that were mainly of an extractive nature,<sup>37</sup> but there was a great increase after the War. The main reason for this increase is that "during the War, the colonial office emphasized the need to exploit colonial resources for the benefit of the war-battled British economy: i.e., to help earn dollars to offset the rising dollar deficit of the 'mother country'".<sup>38</sup> The largest combines' interests in investing in Kenya during this period included, large mercantile houses such as Smith, Mackenzie and Mitchell Cotts and Dalaty,; United Africa Co., a subsidiary of Unilevers, which took over a number of firms; Brocke Bonds acquired tea estates, Bata, Schweppes and others opened factories.<sup>39</sup>

The patterns of de-indigenization we have been describing occurred in one form or another throughout colonial Kenya. What is particularly interesting in this study is the division and the organization of the whole society on racial grounds. In other words, the colonial system spawned three new social groups which are important for our discussion. The main characteristics of each of the social strata are summarized in Table 4. Nationalism emerged within the context of such social strata, leading to the Mau Mau struggle. The burgeoning group of African landless and the Mau Mau struggle based upon the demand for equal rights of the majority of African population to those of "White settler aristocracy" (with regard to access to land, cash crop production, trade and finally political representation) made this strata shaky.

Table 2: The Principal Foreign-based Companies in Kenya  
before 1945

Date	Name of Firm	Type of Business	Parent Company & Country of Origin
Agriculture and Estates			
1924	African Highlands Produce Co.	tea	James Finlay, U.K.
1924	Kenya Tea Co.	Tea and Coffee	Brooke Bond, U.K.
1931	Anglo-French Sisal Co.	Sisal Plantations	British/French
1907	East African Tobacco Co.	Tobacco Trading Tobacco and Cigarette Manufacture (1934)	British American Tobacco, U.K.
1932	East African Tanning and Extract Co.	Wattle Bark and Extract	Natal Tanning and Extract, Forestal Land and Timber, U.K.
1936	E.A. Sisal Estates, Limited	Sisal Production	Mitchell Cotts, U.K.
1906	British East Africa Corporation	Agents, Exporters of Primary Produce	Mitchell Cotts U.K.
Trading			
1920	Bird and Co., (Africa) Ltd.,	Merchants, Transporters, Shipping, Freight, Warehousing	Bird and Co., U.K.
1920	Gibson and Co.,	Agents, Exporters of Primary Produce	Gibson and Co., U.K.
1934	Holland Africa Line	Shipping and Warehousing	Netherlands
1924	Gailey and Roberts	Import and Distribution of Agricultural Machinery, etc.,	United Africa Co. U.K. (after 1937 Unilever)

Date	Name of Firm	Type of Business	Parent Company & Country of Origin
Manufacturing and Minerals			
1911	Magadi Soda Co., Limited	Extraction of Soda	E. African Syndicate (taken over by I.C.I. in 1923), U.K.
1922	East African Power and Lighting	Generation of Electrical Power	Power Securities, Balfour Beatty Co., U.K.
1920	East African Breweries	Beer	Ind Coops, U.K.
1933	East African Portland Cement	Cement Clinker Grinding	Associated Portland Cement, U.K.
1935	Leibig	Meat Processing	Leibig, U.K.

Source: Raphael Kaplinsky, ed. Readings on the Multinational Corporation in Kenya, Nairobi. Oxford University Press, 1978, p.51

TABLE 3: New Registered Companies in Kenya

Year	Number of Companies	Capital investment
1938	52	£ 763,000
1950	221	£ 8,749,000
1951	248	£ 12,526,000

Source: Kenya National Archives, MAC/KEN/34/1, Kenya State of Emergency, Kenya Committee in London, 1952 -56

TABLE 4: THE COLONIAL SOCIAL STRUCTURE

Structural Position	Race	Attributes
First (Upper) class ELITE or ARISTOCRACY	European	Foreign "White" Minority Paternalistic Culturally homogeneous Religiously homogeneous (Christian) Monopoly of social power Agents of metropolitan system Power based on political domination Highly organized
Second (Middle) Class ECONOCRACY	Asian	Foreign Coloured (Asiatic) Minority British subject from India Economically strong but politically weak Culturally homogeneous though divided into castes Religiously heterogeneous (Moslem, Hindu, etc.) Clients in the colonial economy and aspiring to political partnership Politically loyalty to Fairly well organized
Third (Lower) Class	African	Indigenous Black Overwhelming majority Least power (but politically powerful) Culturally heterogeneous Religiously heterogeneous Economically exploited Unorganized

Source: Tarsis B. Kobwegyere, The Politics of State Formation: The Nature and Effects of Colonialism in Uganda, Nairobi: East African Literature Bureau, 1974, p.108.

During colonial period, the dominant mode of production - generally based on the production of cash crops and other primary products for the international market - was not owned nor controlled by the indigenous social groups. The advent of political independence signalled the initial stage of transformation of direct control over the economy. For instance, in 1960, the total population was estimated to be 8.1 million of which 7.3 million were Africans and 169,000 Asians, the European population numbered 61,000. There are no adequate data of racial distribution of money income, but from Tables 5 and 6, it is clear that despite the overwhelming numerical preponderance of Africans, non-Africans received a high proportion of the total. Table 5 shows that 92 percent of the Europeans received incomes over £ 400 p.a. while only 0.5 percent of Africans were in this income group.<sup>40</sup> Similarly, Table 6 shows that Europeans dominated the top superscale and professional posts whilst Asians dominated the intermediate supervisory and technical posts. It also illustrates the slow pace of Africanization in the administration. Of the 123 superscale posts only one is held by an African.

However, the wave of indigenization and the expansion of state apparatuses during this transitional period accelerated the process of the rise of "a small, readily distinguishable group" and capital accumulation within the nation-state. This advent has sometimes been a potent force in motivating the elite group to give their best to the nation. In the words of one of their chief spokesmen in the Government:<sup>41</sup>

...the predominance of non-Kenyans in the ownership, management and control of private enterprise is one of the most glaring defects of the private sector in Kenya. No country can accept the continuance of this kind.... To turn a blind eye to the racial imbalance in the country's economy would be tantamount to inviting racial disharmony and conflicts in the future.

TABLE 5: NUMBER AND PERCENTAGE OF TAXPAYERS IN EACH INCOME GROUP BY RACE 1962

Income Group	AFRICANS		ASIANS		EUROPEANS		OTHERS	
	Number	%	Number	%	Number	%	Number	%
Under-£ 120 -	754,836	91.4	5,385	11.0	334	1.5	19,801	86.0
£ 120- £ 159-	38,474	4.7	2,143	4.3	721	3.2	1,645	7.1
£ 160- £ 199-	14,451	1.7	1,625	3.3	134	0.6	431	1.9
£ 200- £ 399-	13,890	1.7	6,378	13.0	571	2.5	472	2.1
£ 400 and over	4,351	0.5	33,609	68.4	20,708	92.2	674	2.9
Total --	826,002	100.0	49,140	100.0	22,468	100.0	23,023	100.0

Note: These estimates are based on returns for the Graduated Personal Tax. They are inaccurate, but the differences in income distribution brought out by these data are so striking that they nevertheless illustrate the problem that exists.

Source: Republic of Kenya, Official Report, The National Assembly, First Parliament, Fifth Session. Vol. XIII, 18 December 1967 Cols. 3461 - 3462; Republic of Kenya, Development Plan, 1966 - 1970, Nairobi: Government Printer, 1966, pp. 28 - 29. Reprinted from C.J. Geertz, Maure Goldschmidt and Donald Rothchild, Government and Politics in Kenya: A Nation Building Text, Nairobi: East African Publishing House, 1969, p. 77

TABLE 6: THE RACIAL COMPOSITION OF THE ESTABLISHED STAFF IN F.A. RAILWAYS AND HARBOURS AS AT 31st DECEMBER, 1962.

Salary Group	European	Asian	African	Totals
Superscale (£ 1,722 - £ 4,600)	120	2	1	123
Group 'A' (£ 732 - £ 1,665)	109	5	7	121
Group 'B' Executive (£ 1,275 - £ 1,551)	55	-	-	55
Group 'B' Division I (£ 609 - 1,224)	665	1,151	202	2,018
Group 'B' Division II (£ 309 - £ 573)	66	2,298	1,504	3,868
Group 'B' Division III (below £ 309)	-	65	6,942	7,007
TOTALS	1,015	3,521	8,656	13,192

Source: East African Common Services Organization, Report of the Africanization Committee (Udoji Report), March, 1963, p. 73.

The solution adopted to tackle the 'glaring defect' was the Africanization of the economy and the workforce. In order to enhance the achievement of the independent Government goal i.e., correcting the racial imbalance, Africanization was employed as a "viable means of control" over the country's resources. In the 1979 KANU Manifesto, the need to control the economy was emphasized:<sup>42</sup>

Independence may be a fact, in terms of politics and laws. But it cannot be meaningful without control - by a Government of the people - of a country's functionings and destiny.

This ambition of Government to control the national economy was expressed in two different Acts published right after Sessional Paper No. 10. One, the Immigration Act of 1967, which prohibits "the entry into, and the presence in Kenya of any person who is not a citizen, unless he is in possession of a valid entry permission or a valid pass";<sup>43</sup> another, the Trade Licencing Act of 1967, empowers the Ministry of Commerce and Industry to control and regulate all business activities. The Trade Licencing Act (TLA) of 1967 indicated that if "the businessman is conducting a defined business such as wholesale or retail trade within the Act, he is required to hold a trading licence."<sup>44</sup> The main distinction between citizens and non-citizens within this Act is made in regard to the granting of licences to trade in what are described as "specified goods" or outside a "general business area". Section 5(2) of the Act provides:

no person who is not a citizen of Kenya, shall conduct a business:-

- a) in any place which is not a general business area;
- b) in any specified goods, unless his licence specifically authorises him to do so.

This Act, as Dr. Mutungi notes, was regarded as probably "the most powerful single weapon in the regulation of non-



citizen participation in commerce and industry in Kenya and may be the tool in protecting local business agents competition from the well established foreign dominated enterprises."<sup>46</sup>

In the National Assembly, Hon. arap Moi, then the Vice-President and Minister for Home affairs announced:<sup>47</sup>

The Immigration Act and the Trade Licencing Act have helped, as it had been expected, to increase the participation of our people in the economic life of the nation. We are forging ahead with assistance of these two Acts to provide more and more employment opportunities to our people, both in the public and in the private sector..... This is a difficult task which no Government can hope to accomplish overnight. However, with a determined policy of Africanization, we are confident that the task will be carried out smoothly and orderly without disrupting the economy.

These two Acts were supposed to accomplish Africanization of management and business "as rapidly as possible".<sup>48</sup>

Although available information on the degree of Africanization of business and management is scanty and unreliable, the data which are presented in Tables 7 and 8 suggest that a considerable degree of Africanization has been accomplished.

TABLE 7: a. Number of Private Companies Registered in Kenya between 1967 - 1973.

Year	European (%)	Asian (%)	African (%)	Mixed (%)	Total
1967	26	35	23	16	516
1968	20	30	33	16	561
1969	14	38	28	20	803
1970	13	37	30	20	866
1971	15	39	33	13	984
1972	17	30	37	16	825
1973	15	24	46	15	885

TABLE 7: b. Quit Notices Issued to Non-Citizen Traders

Year/Number Area	1969	1973	1975	Total
Nairobi	325	230	185	740
Central Province	127	19	13	159
Coast Province	16	70	142	228
Rift Valley	235	53	63	351
Nyanza Province	11	22	51	84
Eastern Province	16	13	7	36
Western Province	-	11	2	13
Total	730	418	463	

Source: Table 7 a. Nicole Swainson, The Development of Corporate Capitalism in Kenya 1918 - 1977, California: University of California Press, 1980, P. 195; Table 7 b. Standard, January 1, 1969, January 11, 1973 and April 19, 1975.

TABLE 8: EXTENT OF KENYANIZATION 1968 - 1982 (in percentage of each job category held by Kenyan citizens)

	Top-level Admin and Managers			Professionals			Technicians & middle level executives		
	1968	1975	1982	1968	1975	1982	1968	1975	1982
Agriculture	54	61	71	66	96	98	76	89	98
Mining	19	29	27	0	56	38	37	54	88
Manufacturing	26	52	59	24	43	67	51	80	84
Electricity & Water	20	81	100	15	51	97	59	88	90
Construction	21	35	36	34	44	68	53	71	73
Wholesale & Retail	46	59	73	25	52	36	41	85	95
Transport	35	54	76	9	33	86	34	86	95
Finance & Insurance		52	43		48	63		86	82
Community & Social Service	72	96	92	49	63	86	75	94	98
Aggregate	48	75	66	42	61	84	64	87	96

SOURCE: Computed by the author. Data from Employment and Earnings in the Modern Sector 1968, 1975 and unpublished 1982, Central Bureau of Statistics, Nairobi, Kenya

For example, from Table 7 b., if we assume 80% of the business affected by 'quit notices'<sup>49</sup> were taken over by Kenyan citizens, it shows a tremendous increase in the number of Kenyan businessmen, both African and non-African, in the trade area. Table 8 also indicates the high degree of Kenyanization of high-level manpower in all industrial sectors. Various aspects of Table 8 are worth noting. First, greater progress has been achieved in all sectors, but the old pattern of top level executives failing to Kenyanize as fast as the other high level manpower remained. Second, the most noticeable shift in the period 1975 and 1982 was the decline of Kenyanization both in Finance and top-level executives in all industrial sectors. Over the years 1975 and 1982, except professional occupations, the degree of Kenyanization in Finance and Insurance shows negative rate of changes while the sectors such as Electricity and Community Service show the highest degree of Kenyanization in top executive positions; it also indicates the negative rate of changes of top level administrators and managers in all industrial sectors. This means that although most high level manpower in all industrial sectors are Kenyanized, non-citizens in top level executive positions and in important sectors such as Finance and Manufacturing are still playing a very important role in the Kenyan economy. Overall, we can conclude that Kenyanization in both management and business has been quite successfully achieved during the period covered, although we cannot distinguish African citizens from non-African citizens from the above data.

However, this is not the end of the story. It has been found that while important changes occurred in both business and management in independent Kenya, unemployment and gross inequality still continued. This is what led scholars and policy makers to think and act more seriously as far as an Africanization programme is concerned. Judith Hoyer, for instance, has summarized the current position since independence as follows: unless policies

are drastically changed "it's clear that the benefits may never trickle down to all sections of the Kenyan population."<sup>50</sup> Similarly, Nowoicie has aptly described this aspect of Africanization in the following terms:<sup>51</sup>

...the policy has promoted apparent and not real change by putting in African replacements in privilege sharing positions instead of ownership and control.

The Report of the Presidential Committee on Unemployment 1982/83 in its paragraph 68 indicates:<sup>52</sup>

... No analysis of the unemployment problem can be complete without looking into the share of incomes which different groups of the population receive, as well as the proportion of the population living on or below the margins of real poverty.

These questions raise, as Colin Leys does, numerous issues: "when all is said and done," "it is difficult to know just about what can be expected from Africanization..... anyway."<sup>53</sup> One point to be made clear is that the process of Africanization has gone far enough to ensure that "inequality still remains with respect to interpersonal and regional as well as rural-urban areas."<sup>54</sup> In other words, besides the pain of a better "public image", the small "managerial elite" group which emerged through this process could draw another advantage out of this move.

To get a close look at the income distribution in contemporary Kenya and the social position of the "managerial elite", Tables 9 and 10 are drawn.

TABLE 9: Estimated Income Distribution in Kenya in 1976

Decile (1)	%Share of Total Income (GDP) (2)	Per Capita Income Kf (3)	Household Income Kf (4)
1st	1.8	16.5	79
2nd	2.0	18.3	88
3rd	2.6	23.9	114
4th	3.6	33.1	158
5th	4.0	36.7	175
6th	4.5	41.3	197
7th	5.2	47.8	228
8th	8.3	76.2	364
9th	11.7	107.4	512
10th	56.3	517.0	2466

SOURCE: Col. (2) from T. Killick, "Strengthening Kenya's Development Strategy: Opportunities and Constraints," Discussion Paper No. 239, IDS, University of Nairobi, 1976; Col. (3) and (4) were taken from Kenya Development Plan 1979 - 83, p. 104 and p. 35.

From Table 9, it is shown that while those in the tenth decile receive 56% of the income, the rest of the population share less than 44%. Data on wages and salaries by occupation and level for the private sector, Central Government and other public sector inclusive of statutory boards and corporation are presented in Table 10. The comparative "gap" between earnings of those in unskilled jobs requiring little or no education and of those in various other occupations is detailed in the last column of the Table 10. It shows that the managers and directors as an occupational group are the highest income group in the Kenyan society. In the private sector, for example, unskilled labourers have to work about 20 months in order to earn the same amount of wages as managers do. If we consider that this figure is just nominal wages irrespective of the other sources of income to which these privileged groups can get access, the "gap" would widen. It is also shown that Central Government, compared to the other sectors,

TABLE 10: Average Monthly Earnings Among Kenyan Citizens in the modern Sector. 1983.

Job Category	Monthly Earnings (K.SH)			Number of Months it takes an unskilled labourer to earn the wages in other occupation		
	Private	Central Gov't	Other Public	Private	Central Gov't	Other Public
1. unskilled labourers	513	810	824	1	1	1
2. semi-skilled workers	770	975	931	1.5	1.2	1.1
3. skilled workers	1,296	1,736	1,907	2.5	2.1	2.3
4. teachers	1,780	1,930	1,451	3.5	2.3	1.8
5. general clerks, secretaries, typists, book-keepers, cashiers, etc.	1,933	1,948	2,292	3.8	2.3	2.3
6. technicians, works managers, work-shop foremen, and semi-professional	2,345	2,249	3,592	4.6	2.7	4.4
7. middle level executives, and departmental heads	5,013	4,304	6,575	11.3	5.7	8.0
8. professionals	7,104	4,552	5,945	13.8	5.4	7.2
9. top level administrators, general managers, and salaried directors	10,079	10,627	12,700	19.6	12.6	15.4

SOURCE: computed by the author from CBS data

has the smallest "gap" between different societal groups.

Recent research on consumption pattern by Jan Vandermoortele and Rolph V.D. Hoeven is shown in Table 11.<sup>55</sup> Although they underestimate the oil consumption in transport which needs a lot of foreign currency, this Table provides the average budget shares for total consumer goods as well as for imported goods. One striking picture in this Table is the high import content of the consumption of the non-agricultural managerial and professional group: almost half of their consumption expenditure is on imported consumer goods as compared to none for peasant farmers, skilled and unskilled agricultural workers. These imported goods are mainly manufactured goods and/or transport. If we categorize ME into non-agricultural employer/professionals, it seems clear that ME receiving a high income have fully acquired European consumption patterns and behaviour and thus corroborate their privileged social position while urban workers and rural peasants living on their inherited shamba in most cases will just secure the survival of his family. They possess impressive cars and fine houses; dress well; entertain themselves in Western way and have become "Men of the People".<sup>56</sup> They are the people to whom other societal groups still respond with deference. A recent executive salary survey shown in Table 12, by Price Waterhouse<sup>57</sup> shows how they enjoy the "upper level" of social status vis-à-vis the other social groups.

#### CONCLUSION

Throughout this paper, I intended to show that one result of Africanization in contemporary Kenya is the rise of a "managerial elite", which becomes particularly salient where Africanization is still in process. As I suggested back at the start, the issue now is not whether Africanization has been successful in achieving its goal or not, but what has it produced and how has it produced? By looking at the current theory and methodology on "managerial elite", I also intended to show a new method of conceptualizing

TABLE 11: AVERAGE BUDGET SHARES OF THE 8 SOCIO ECONOMIC GROUPS (in percentage)

Group	Sector	Agriculture	Food Manuf- turing	Non-food Manufac- turing	Transport	Trade and services	Govern- ment	Housing (incl. imputed rent)	Total
Peasant farmer		57.04	20.00	11.39	3.51	7.57	0.50	0.0	100.00
Agricultural worker, skilled		54.96	20.01	9.65	3.34	10.17	1.66	0.0	100.00
Agricultural worker, unskilled		54.92	20.01	9.99	3.57	9.74	1.78	0.0	100.00
Agricultural employer/professional		30.01	11.35 (1.71)	19.89 (8.74)	6.00 (3.43)	17.90 (1.30)	3.70 (2.50)	11.15	100.00 (17.69)
Non-agricultural informal sector		19.95	30.03	18.92	7.82	10.37	0.98	11.93	100.00
Non-agricultural worker, skilled		20.14	19.00 (0.87)	18.90 (3.76)	5.76 (1.31)	20.06 (0.60)	2.75 (0.72)	13.45	100.00 (12.76)
Non-agricultural worker, unskilled		19.58	32.00	10.00	8.00	11.12	3.03	16.27	100.00
Non-agricultural employer/professional		10.20 (2.90)	15.49 (10.06)	27.56 (13.99)	14.70 (8.95)	16.96 (4.69)	4.40 (2.98)	10.71	100.00 (49.57)
Average for all groups		32.59 (0.25)	20.21 (1.29)	16.28 (5.49)	6.04 (1.65)	14.20 (0.71)	2.17 (0.68)	8.52 (0.0)	100.00 (10.07)

Source: Jan Vanderpoortele and Rolph Van Der Hoeven, Basic Needs and Development Programme Income Distribution and Consumption Pattern in Urban and Rural Kenya by Socio-economic Group, ILO, WFP Research Paper, 1982

\* Figures in brackets indicate the budget share of immigrant records



**TABLE 12: Average Monthly Salary and Fringe Benefit of Chief Executive in Private Sector**

POSITION: CHIEF EXECUTIVE

Industry Sector:	Pharmaceuti- cal & Chemical	Manufac- turing	Freight For- warding	Distribu- tion & Ser.	Finance & Insurance
Turnover (Kf million)	1-10m	Above 1m	1-10m	1-10m	1-10m
	<u>KSh.</u>	<u>KSh.</u>	<u>KSh.</u>	<u>KSh.</u>	<u>KSh.</u>
Basic	33,766.70	22,0000	18,331	17,372	17,240
Bonus	800	800	-	372	250
Rent Allowance	-	-	-	3 500	-
Company Accommodation	8 300	10 000	9 166	3 250	6 667
Housing Loan	-	-	-	-	-
Car Allowance	450	-	-	-	-
Company Car	Yes	Yes	Yes	Yes	Yes
Reimbursement - Car Running Costs	Yes	Yes	Yes	Yes	Yes
Car Loan	-	-	-	-	-
Utilities	Yes	Yes	Yes	Yes	Yes
Domestic Help	2 people	Yes	-	Yes	Yes
Security	Yes	Yes	Yes	Yes	Yes
Provident Fund	750	-	-	-	-
Education Allowance	-	-	Yes 24 hrs	Yes 24 hrs	Yes
Entertainment Allowance	750	-	-	-	-
Leave Allowance	1 100	3 334	1 500	978	6 667
Club Membership	Yes (2)	Yes (2)	Yes (1)	Yes (1)	Yes (1)
Pension Scheme	Yes	Yes	Yes	Yes	Yes
Medical Cover	Yes limited	100%	100%	100%	100%
Life Insurance	3 years salary	2 years salary	3 years salary	3 years salary	2 years salary

Source: Price Waterhouse Associates Ltd., Executive Salary Survey 1984.

"managerial elite". In so doing, I started with the premise that Africanization can be best understood by a close examination of the "managerial elite" and its social position. But unfortunately, this paper has ranged widely, rather superficially, over current theory and methodology on Africanization and "managerial elite". All I can say in this size of paper is that Africanization itself has produced the "managerial elite", and they are those who are now controlling the national economy. Therefore, further research has to be designed to look at the "managerial elite" and their role in the national economy as the subject of study.

<sup>1</sup>I am grateful to those who made comments on an earlier draft of this paper. Special thanks to Dr. P.O. Alila and Barbara Cresh from I.D.S., Dr. Michael Chege and Dr. Walter Oyugi, from Department of Government and Dr. David Leonard from Berkeley.

With regard to the interchangeability of Kenyanization and Africanization see the Sessional Paper No. 10; African Socialism and its Application to Planning in Kenya, Nairobi: Government Printer, 1965 (paragraphs 78 - 80) which states:

"Africanization is an urgent problem but in any reasonable perspective is likely to be of short term duration.... The problem is rather to reconcile the urgency of the matter with citizenship guarantees and the desire for rapid economic growth ... political equality and equality of opportunity are guaranteed for all citizens as a matter of right. Nevertheless, (racial) imbalances have been inherited from the past and these imbalances must be corrected".

Therefore it can be used interchangeably. However, Kenyan Government stresses more on Africanization than on Kenyanization.

<sup>2</sup>Sessional Paper No. 10. Ibid.

<sup>3</sup>Republic of Kenya, Kenyanization of Personnel in the Private Sector: A Statement on Government Policy Relating to the Employment of Non-Citizens in Kenya, Nairobi: Government Printer, 1967, p.3.

<sup>4</sup>Philip Mdegwa, Africa's Development Crisis and Related International Issues, Nairobi: Heinemann Educational Books Ltd., 1985, p. 127

<sup>5</sup>For more details, see R. Aron, 18 Lectures on Industrial Society. London: Weidenfeld and Nicholson, 1961; R. Dahrendorf, Class and Class Conflict in Industrial Society, London: Routledge and Kegan Paul, 1959; C. Kerr, J.T. Dunlop, F.H. Harbison and C.A. Myers, Industrialism and Industrial Man, London: Heinemann, 1962.

<sup>6</sup>Kerr, et al, Ibid., p. 158

<sup>7</sup>Richard Sease and Robert Goffee, The Entrepreneurial Middle Class, London: Duckworth, 1981, p. 9.

<sup>8</sup>Michaela von Eschhold, "The Post-colonial state and its Tanzanian Version," Review of African Political Economy 8 (1977) pp. 75 - 89; "The Workers and the Nizers," Mimeo, University of Dar es Salaam, 1973.

<sup>9</sup>Ibid, "The Workers and the Nizers," Quoted in Haroub Othman ed. The State in Tanzania: Who Controls It and Whose Interests Does It Serve?, Dar es Salaam: University of Dar es Salaam Press, 1980, p. 60.

<sup>10</sup>Ibid., The State in Tanzania, p. 96.

<sup>11</sup>Issa Shivji, "The State in the Dominated Social Formation in Africa: Some Theoretical Issues," in Y. Tandon ed. Debate on Class, State and Imperialism, Dar es Salaam: Tanzania Publishing House, 1982, p. 178.

<sup>12</sup>For more details, see Donald C. Hodges, The Bureaucratization of Socialism, Mass.: University of Mass. Press, 1981.

<sup>13</sup>Claude Ake, The Indigenization of African Economies: A Perspective on Political Constraints, Paper presented at the Conference of MAPAM, Maseru, Lesotho, 27th - 30th October, 1975, p. 5.

<sup>14</sup>Colin Leys, Underdevelopment in Kenya: The Political Economy of Neo-colonialism 1964 - 1971, Berkeley: University of California Press, 1975, p. 124.

<sup>15</sup>Bjorn Beckman, "The Post-colonial State: Autonomy and Social Determination," in Haroub Othman ed. The State in Tanzania, p. 111.

<sup>16</sup>B.E. Kipkorir, "The Inheritors and Successors: The Traditional Background to the Modern Kenyan African Elites: Kenya c. 1890 - 1930," Kenya Historical Review, vol. 2, no. 2, 1974, p. 143.

<sup>17</sup>J.H. Goldthorpe, Social Mobility and Class Structure in Modern Britain, Oxford: Oxford University Press, 1980, pp. 39 - 40.

<sup>18</sup>Republic of Kenya, Ministry of Economic Planning and Development High-Level Manpower Requirement and Resources in Kenya, 1964 - 1970; May 1965, p. 3.

<sup>19</sup>For more discussions of this argument, see Nicholas Abercrombie and John Urry, Capital, Labour and the Middle Classes, London: George Allen and Unwin, 1983, pp. 79 - 83.

<sup>20</sup>I am intellectually indebted to this idea to Professor Thomas Callaghy, see his, The Internal and External Aspects of State Formation: Zaire. Paper presented to African Studies Annual Meeting, Washington, 1982; and Walter Oyugi, The Influence and Impact of Transnational on Managerial Behaviour of National Manager. Paper presented to AAPAM Sixth Roundtable, Blantyre, Malawi 3th - 8th December 1984.

<sup>21</sup>Abercrombie and Urry, op. cit., pp. 6 - 7.

<sup>22</sup>Nicola Swainson, The Development of Corporate Capitalism in Kenya 1918 - 77, Berkeley: University of California Press, 1980, p. 204.

<sup>23</sup>Crawford Young, "Patterns of Social Conflict: State, Class and Ethnicity," Daedalus 3, 2(1982), p. 87.

<sup>24</sup>Paul Hirst, "Economic Classes and Policies," in Alan Hunt ed., Class and Class Structure, London: Lawrence and Wishart Ltd., 1977, p. 134.

<sup>25</sup>Theda Skocpol, State and Social Revolution, Cambridge: Cambridge University Press, 1979, p. 27.

<sup>26</sup>Kenya, Ndegwa Report 1971, Report of the Commission of Enquiry, Public Service Structure and Remuneration Commission, Nairobi, Government Printer, 1971.

<sup>27</sup>The Crown Lands Ordinance, 1902, No. 21 of 1902.

<sup>28</sup>Kenya National Archives, MAC/KEN/34/1.

<sup>29</sup>Nairobi Daily Chronicle, 1st April 1950

<sup>30</sup>KNA, op. cit.

<sup>31</sup>E.A. Standard, 18th February 1913.

<sup>32</sup>Times, 17th September 1953.

<sup>33</sup>Observer, 26th October 1952

<sup>34</sup>The Credit to Africans (Control) Ordinance of 1948: An Ordinance to Provide for Controlling the Granting of credit by Non-Africans to Africans. Such restrictions on credit to Africans dated back to the Credit to Natives Control Ordinance of 1903.

<sup>35</sup>Kenya Gazette, Government Notice 399/36, p. 187. Quoted in KNA, op. cit.

<sup>36</sup>David Gachuki, Regulation of Foreign Investment in Kenya 1963 - 1981: An Empirical Study. Unpublished Ph.D. Thesis, Law Department, Warwick University, 1983, p. 21.

<sup>37</sup>Swainson, op. cit.

<sup>38</sup>During the War, Britain had accumulated a dollar deficit estimated at £ 31 million by 1948. Quoted in David Gachuki, op. cit., p. 23.

<sup>39</sup>KNA op. cit.; and Swainson, op. cit.

<sup>40</sup>Republic of Kenya, Development Plan 1966 - 1970, Nairobi: Government Printer, 1966, p. 29.

<sup>41</sup>T. J. Mboya "The Role of the Private Sector in Kenyan National Development," Quoted in Gachuki, op. cit., p. 149.

<sup>42</sup>Daily Nation, 5th October 1979.

<sup>43</sup>Act No. 25 of 1967, s. 4(1) and (2).

<sup>44</sup>Act No. 33 of 1967, see also E.A. Standard, 14th March 1969.

<sup>45</sup>Ibid., section 5(2).

<sup>46</sup>O.K. Mutungi, Business Organisations and the Africanization of Commerce and Industry in Kenya. Unpublished Ph.D. Thesis in Law, Yale University.

<sup>47</sup>Republic of Kenya, Official Report, The National Assembly, vol. xvii, part 2, col. 68.

<sup>48</sup> Sessional Paper No. 10, op.cit.

<sup>49</sup> This assumption was drawn from the 1972 statistics, which year 80% of 'quit notices' were taken over by citizens.

<sup>50</sup> Judith Heyer, J.K. Maitha and W.M. Senga eds. Agricultural Development in Kenya, Nairobi: Oxford University Press, 1976. Quoted in P. Kamau, Income Distribution in Kenya, M.A. Thesis, University of Nairobi, 1977, p.22

<sup>51</sup> P. Nowrojee, "Public Enterprise and Co-operatives in Kenya and Tanzania: Some Comparative Illustration," East African Law Review (1975), p. 160.

<sup>52</sup> Republic of Kenya, Maina Wanjigi, Chairman, Report of the Presidential Committee on Unemployment 1982/83, Nairobi: Government Printer, 1982, p. 19.

<sup>53</sup> Colin Leys., op. cit. p. 124.

<sup>54</sup> Peter Kamau, op. cit. p. 22

<sup>55</sup> Jan Vandemoortele and Rolph Van Der Hoeven, Basic Needs and Development Programme: Income Distribution and Consumption Pattern in Urban and Rural Kenya by Socio-economic Group, I.L.O. WEP Research Paper, 1982.

<sup>56</sup> Chinua Achebe, A Man of the People. London: Heinemann Ltd., 1966.

<sup>57</sup> Price Waterhouse Associates Ltd., Executive Salary Survey 1984.

BIBLIOGRAPHY

- Abercrombie, Nicholas and Urey, John. Capital, Labour and the Middle Classes. London: George Allen and Unwin, 1983.
- Achebe, Chinua. A Man of the People. London: Heinemann, 1966.
- Act No. 25 of 1967.
- Act No. 33 of 1967.
- Ake, Claude. The Indigenization of African Economies: A Perspective on Political Constraints. Paper presented at the Conference of African Association for Public Administration and Management (AAPAM) Maseru, Lesotho, 27th - 30th October 1975.
- Aron, R. 18 Lectures on Industrial Society. London: Weidenfeld and Nicholson, 1961.
- Beckman, Bjorn. "The Post-Colonial State: Autonomy and Social Determination". in Haroub Othman ed. The State in Tanzania: Who Controls It and Whose Interests Does It Serve?. Dar es Salaam: University of Dar es Salaam Press, 1980.
- Callaghy, Thomas. The Internal and External Aspects of State Formation: Zaire. Paper presented to African Studies Annual Meeting, Washington, 1982.
- Dahrendorf, R. Class and Class Conflict in Industrial Society. London: Routledge and Kegan Paul, 1959.
- Daily Nation. 5th October 1979.
- East African Standard. 18th February 1983.
- \_\_\_\_\_ . 14th March 1969.
- Gachuki, David. Regulation of Foreign Investment in Kenya: 1963 - 1981: An Empirical Study. Unpublished Ph.D. Thesis Law Department, Warwick University, 1983.
- Goldthorpe, J.H. Social Mobility and Class Structure in Modern Britain. Oxford: Oxford University Press, 1980.



- Heyer, J., Maitha, J.K. and Senga, V.M. eds. Agricultural Development in Kenya. Nairobi: Oxford University Press, 1976.
- Hirst, Paul. "Economic Classes and Policies." in Alan Hunt ed. Class and Class Structure. London: Lawrence and Wishart Ltd., 1977.
- Hodges, D.C. The Bureaucratization of Socialism. Mass.: University of Mass. Press, 1981.
- Kamau, Peter. Income Distribution in Kenya. M.A. Thesis, University of Nairobi. 1977.
- Kenya National Archives. MAC/KEN/34/1.
- Kerr, C., Dunlop, J.J., Harbison, F.H. and Myers, C.A. Industrialism and Industrial Men. London: Heinemann, 1962.
- Kipkorir, B.E. "The Inheritors and Successors: The Traditional Background to the Modern Kenyan African Elites: Kenya ca. 1930 - 1930." Kenya Historical Review vol. 2. no. 2, 1974.
- Leys, Colin. Underdevelopment in Kenya: The Political Economy of Neo-colonialism 1964 - 1971. Berkeley: University of California Press, 1975.
- Mutungi, O.K. Business Organisations and the Africanization of Commerce and Industry in Kenya. Unpublished Ph.D. Thesis in Law, Yale University.
- Nairobi Daily Chronicle, 1st April 1950.
- Ndegwa, Philip. Africa's Development Crisis and Related International Issue. Nairobi: Heinemann Educational Books Ltd., 1985.
- Newrojee, P. "Public Enterprise and Co-operatives in Kenya and Tanzania: Some Comparative Illustration." East African Law Review (1975).
- Observer, 26th October 1952.
- Othman, Harub. ed. The State in Tanzania: Who Controls It and Whose Interests Does It Serve?. Dar es Salaam: University of Dar es Salaam Press, 1980.
- Oyugi, Walter. The Influence and Impact of Transnational on Managerial Behaviour of National Manager. Paper presented to AAPAM six Roundtable Blantyre, Malawi, 3rd - 8th December, 1984.

Price Waterhouse Associates Ltd., Executive Salary Survey 1984.

Republic of Kenya. Development Plan 1966 - 1970. Nairobi: Government Printer, 1966.

\_\_\_\_\_ . Kenyanization of Personnel in the Private Sector: A Statement on Government Policy Relating to the Employment of Non-Citizens in Kenya. Nairobi: Government Printer, 1967.

\_\_\_\_\_ . Ministry of Economic planning and Development. High-Level Manpower Requirement and Resources in Kenya, 1964 - 1970. May 1965.

\_\_\_\_\_ . Official Report, The National Assembly, v.1. xvii. part 2, col. 68.

\_\_\_\_\_ . Report of the Commission of Enquiry, Public Service Structure and Remuneration Commission (Njogwa Report 1971) Nairobi: Government Printer.

\_\_\_\_\_ . Report of the Presidential Committee on Unemployment 1982 - 83. Nairobi: Government Printer, 1982.

\_\_\_\_\_ . Sessional Paper No. 10. African Socialism and Its Application to Planning in Kenya, Nairobi: Government Printer, 1965.

Sease, R. and Coffee, R. The Entrepreneurial Middle Class London: Droom Helm, 1981.

Shivji, Issa. "The State in the Dominated Social Formation in Africa. Some Theoretical Issues." in Y. Tandon ed. Debate on Class, State and Imperialism. Dar es Salaam: Tanzania Publishing House, 1982.

Skocpol, Theda. State and Social Revolution Cambridge: Cambridge University Press, 1979.

Swainson, Nicola. The Development of Corporate Capitalism in Kenya 1918 - 77. Berkeley: University of California Press, 1980.

The Credit to Africans (Control) Ordinance of 1948:  
An Ordinance to Provide for Controlling the  
Granting of Credit by Non-Africans to Africans.

The Crown Lands Ordinance, . No. 21 of 1902.

Times, 17th September 1953.

Vandemoortele, Jan and Heeven Rolf Van Der. Basic Needs and Development Programme: Income Distribution and Consumption Pattern in Urban and Rural Kenya by Socio-Economic Group. International Labour Organization, WEP Research Paper, 1982.

von Freyhold, Michaela. "The Post-Colonial State and Its Tanzanian Version." Review of African Political Economy 8 (1977), pp. 75 - 83.

\_\_\_\_\_. "The Workers and the Nizers." Mimeo, University of Dar es Salaam, 1973.

Young, Crawford. "Patterns of Social Conflict: State, Class and Ethnicity." Daedalus 3, 2(1982).