PART I

The economic, social and political context
1. Workers, unions and dependent capitalism

For Frantz Fanon the unionized urban workers in Africa are not the exploited, deprived class depicted in studies of the primitive stage of Western capitalism, but ‘the most comfortably off fraction of the people’. The significance of their putative privileged position, Fanon believed, is that urban workers and their unions thereby gain a vested interest in the colonial and neo-colonial status quo. While workers strove for independence, their struggle was limited to the constitutional path of peaceful transition to neo-colonialism. And in the era of abortive independence – when the national liberation struggle fails to transform itself into a socialist revolution – ‘the workers...do not know where to go from there’. They simply want ‘more’, but they fear that their demands would ‘scandalize the rest of the nation’. Hence the trade unions, which are subjected to increasing state regulation, either ‘merely mark time’ or turn to (often subversive) political activity in order to wrest more of the fruits of neo-colonialism from the national bourgeoisie. The peasantry at this stage is merely a spectator.¹

This study seeks to assess the validity of Fanon’s schema, particularly as it relates to the period of political independence. What is the relationship between organized labour and the national bourgeoisie (what I will call the ‘political class’) in poor African countries following a capitalist strategy of development (or underdevelopment, as some would have it)? I seek an answer to this question within the context of Kenya, a country which has often been considered the archetype of dependent capitalism in Africa. In this chapter, I first demonstrate the appropriateness of applying the term ‘capitalist’ to Kenya by exploring the main features of its political economy and development strategy. I then turn to a closer examination of the role of unionized labour within this political economy.

The political economy of dependent capitalism

The economic base

‘Socialism’, like ‘democracy’, is a term with a very positive connotation, especially in former colonies which have experienced the hegemony of one of the leading capitalist powers. It is hardly surprising, therefore, that even African governments who show scant sympathy for such socialist principles as public ownership of the means of production, social equality and democracy should none the less refer to themselves as ‘African socialist’. Kenya possesses such a government which, though publicly committed to socialism, pursues a manifestly capitalist development strategy. The generic
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economic elements of such a strategy are the following: a conception of development as, at least in the short run, maximizing production rather than ensuring social equality; a decision that development in this sense can best be stimulated by the prod of the profit motive and the associated institution of private property; a considerable reliance upon foreign capital and expertise to modernize the economy; and the official encouragement of indigenous entrepreneurship in both the urban and rural areas. This strategy has unquestionably led to substantial increases in output in Kenya; the growth rate since independence in 1963 has averaged about 6.5 per cent per year in real terms. Yet what has developed in this country is a dependent capitalism whose potential for continued growth may be limited. Kenya’s economic dependence derives in part, as we shall see, from its reliance upon the inflow of foreign resources – both capital and skilled personnel – from a few advanced capitalist countries. This dependence is accentuated by the concentration of Kenya’s trade with a few industrialized states, a trade in which Kenya supplies mainly primary products (coffee and tea usually constituting about half of its exports) in exchange for manufactures. Since this dependent economy is interconnected with a distinctive social structural and political context within which organized labour functions, we must briefly examine its main features. The logical place to begin is with the colonial economy.

During the colonial period the economy was built around the immigrant settlers and the so-called ‘White Highlands’. In general terms, the settlers contributed capital and some managerial skills while the colonial government provided the land and the cheap labour. The land was acquired partly by the physical movement of whole tribes and partly by the restriction of the ‘natives’ to reserves. Although Kenya covers an area of about 225,000 square miles (roughly the size of France), almost three-quarters of this territory is unfit for agriculture. Most of the Europeans settled in the 7.5 million acres of fertile, well-watered land in the highlands of central Kenya. One of their chief demands was for a supply of cheap labour, a demand that the colonial government tried to satisfy through such indirectly coercive measures as the imposition of hut and poll taxes.² Wage labour for Europeans was often the easiest way for an African to discharge his tax obligations, even though wages were pitifully low. By 1960 there were about 3,400 white farming units (coffee, tea and sisal estates, mixed farms and cattle ranches) with an average size of 2,400 acres and a total African work force of about 250,000.³ Most of the marketed agricultural output at this time was derived from non-African farms and estates: K£36 million out of a total of K£46 million.⁴

Industrial growth was limited, since Britain conceived of Kenya, as of its other colonies, as a market for metropolitan industries. The little industry that existed before 1945 was concentrated in the processing of local primary products. A few small factories in Nairobi and Mombasa produced such items as clothing, footwear, furniture and aluminium hollow-ware, but their
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contribution to the national income was negligible. 5 Kenya enjoyed a period of considerable economic expansion after 1945, prompted partly by the large investments of international corporations. By 1963, 13.8 per cent of the Gross Domestic Product was produced by industry. 6 While this is a small proportion in world terms, Kenya at independence possessed an industrial sector considerably larger than that in either Uganda or Tanganyika, a consequence of its larger and more affluent immigrant population who provided a local market for consumer goods, its more developed infrastructure, and its access to a protected East African market for manufactured goods. Its industrial sector, however, was still composed mainly of processing and last-stage assembly plants, and was still concentrated largely in the vicinity of Nairobi and Mombasa. 7 The union movement would not be able to rely upon a large industrial base for its strength.

What then were the main elements of the colonial economic heritage which influenced the nationalist government’s decision about an appropriate development strategy? 8 One obvious legacy was the dominance of oligopolistic overseas corporations, mainly from the United Kingdom, in the import trade, banking and manufacturing. These firms enjoyed many advantages in establishing themselves; some of these were simply in the form of easy communications with governmental officials and local Asian and European businessmen, while others were the result of governmental concessions. A second and equally obvious legacy was a remarkable inequality in the distribution of wealth. In 1961, for example, the wage bill for the 22,000 Europeans (who represented under 4 per cent of total employment) accounted for about one-third of total wages and salaries. A final legacy – that relating to the creation of new values and aspirations – was perhaps more subtle, though crucial in understanding the current pattern of development. As the I.L.O.’s recent report on ‘Employment, Incomes and Equality’ observed (p. 87):

Kenyan attitudes and aspirations had perhaps been moulded more than was realized by the style and ethos of the divided economy, by the colonial experience of having to accommodate oneself and to work within the existing structure of the economy rather than to change it. Thus, when national independence was achieved the political aim of taking over the economy became merged almost imperceptibly with individual aspirations to take over the jobs, positions and life styles which the economy made possible.

This then is the historical context within which the government of Jomo Kenyatta had to choose an appropriate development strategy. That this government decided not to transform the colonial economy is evident from its key policy statement on development strategy, ‘African Socialism and Its Application to Planning in Kenya’ (Sessional Paper No. 10, 1965). Although this white paper refers to socialism, it actually outlines a capitalist mode of development. It shows that the ruling elite hopes to rely upon private ownership (but with considerable governmental regulation and participation), the profit motive, substantial inputs of foreign resources, and indi-
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genous entrepreneurship to increase output rapidly, with the expressed hope that, in the long-run, the increased output will permit more social welfare and enhanced social justice.

In the short-run, however, priority is to be given to production over equality in the belief that social justice can only be achieved by sharing wealth, not poverty. Although the white paper specifically affirms the centrality of the goals of equality and justice at several points (see pages 1, 2, 5), the whole thrust of the paper is to give precedence to the maximization of growth regardless of the consequences for social equality. For example, the policy statement specifically commits the state to accumulate property and wealth – in the name of ‘human dignity and freedom’ (p. 12). The document also declares that ‘growth...is the first concern of planning’, and that ‘the bulk of Government development expenditure will be channelled into directly productive activities in order to establish a foundation for increased and extended welfare services in the future’ (p. 52). But these are just hints; the emphasis throughout the paper is on economic growth. As one perceptive commentator aptly observed:

In interpreting the principles of African Socialism...the paper consistently chooses whatever investment of resources will earn the greatest increment of national wealth. If well-paid foreign experts, incentives to overseas firms, loans to the most progressive farmers, investment in the most fertile provinces, and a tax structure which enables the enterprising to enjoy the reward of their efforts will best promote the development of the country, then the paper is singleminded in endorsing them. But would this not mean that social justice and human dignity are, after all, to be compromised for material ends, in the faint hope of reinstating them more fully in some distant future?\(^9\)

To augment economic growth, the government places great importance on the inflow of foreign resources in the form of private investment, aid and skilled personnel. The official expectations (or, more accurately, hopes) about the contribution of foreign capital can be gauged from Kenya’s Development Plan, 1970–1974. In this document (p. 161) the projection of the inflow of private foreign investment over the five-year period is K£140. Since the inflow of private capital in 1969 was only K£13, the magnitude of the projection is quite remarkable. As well, the development plan (p. 163) projects the foreign aid contribution to the central government’s development expenditure in 1970–4 as amounting to K£95 – over half of the projected official development expenditure in that period.

To attract the requisite foreign private investment, the government has provided a number of guarantees and incentives. The Foreign Investment Protection Act of 1964 constitutes in effect a bill of rights for foreign investors, guaranteeing freedom of repatriation of profits (in proportion to the foreign share of equity), interest and repayments on foreign loan capital, and abjuring expropriation without good cause. On the subject of nationalization, Sessional Paper No. 10 of 1965 (pp. 26–7) musters a range of
arguments to demonstrate that expropriation of foreign concerns is a fool-hardy strategy; this leads to a promise to nationalize assets only under certain unusual circumstances, and then only with full compensation. Foreign companies also benefit from incentives, including a tax allowance of 20 per cent based on depreciation, market protection in the form of tariffs and quotas on imports, and special permission (often granted) to import duty-free capital goods and materials unavailable in Kenya.\textsuperscript{10}

These policies are doubtless partly responsible for the impressive scale of foreign investment in Kenya. In the agricultural sector foreign control of the large coffee, tea, fruit and sisal estates was still extensive even after a decade of resettling landless Africans on former European land.\textsuperscript{11} In the import–export trade the bulk of transactions are still handled by a few oligopolistic trading companies. Most of these also have direct links with banks, insurance firms, steamship companies and manufacturers in advanced capitalist countries, especially Britain.\textsuperscript{12} Foreign control is particularly pronounced in the ‘modern’ – capitalist-intensive, technologically sophisticated – industrial sector. As I mentioned previously, this sector, though limited in scale, is still large and sophisticated in East African terms. However, a large part of manufacturing activity is still devoted to processing local raw materials: foreign companies predominate in the processing of the export crops, in the canning and preservation of fruit and vegetables, and in the production of such commodities as cement, soda ash and salt. But the greatest part of foreign investment in recent years has been in the import-substituting manufactures, especially textiles, footwear, clothing, paper products, assembly industries, petroleum refining and pharmaceuticals. Most of this manufacturing depends upon the import of parts and raw materials.\textsuperscript{13}

The extent of foreign control is considerable regardless of the measure one employs. The top decision-makers in the manufacturing sector, for example, are mainly non-Kenians: of the fifty most influential directors of Kenyan operations in 1967, only seven were Kenyan citizens and only four were Africans.\textsuperscript{14} Another measure of the influence of foreign enterprise is the ratio of manufacturing investment involving foreign capital (even though it may also include local capital) to total manufacturing investment. One report estimated that, in 1967 and 1968, projects involving foreign investment accounted for about 60 per cent of total manufacturing investment. In addition, enterprise with foreign equity participation accounted in 1967 for 57 per cent of the gross product of manufacturing firms employing over fifty workers, and for about 73 per cent of the total profits. Moreover, this same report asserted that the proportionate importance of foreign enterprise was increasing.\textsuperscript{15}

The Kenyan economy is also dependent upon the inflow of foreign aid, in the form of grants, loans and technical assistance. The major donor has always been the United Kingdom, though its share of the total disbursement had declined to just over half in 1970. Aid as a percentage of the
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government’s total development expenditure has remained fairly constant over the past few years: while aid accounted for 95 per cent of development expenditure in 1964–5, this proportion had decreased to 39 per cent in 1969–70 and 37 per cent in 1971–2.16 If the government is to reach its target in the current planning period, foreign aid will undoubtedly have to remain at about 40 per cent of development expenditure. Kenya is still far from self-reliant.

Another aspect of Kenya’s economic strategy relates to the retention of foreign expertise. While Sessional Paper No. 10 advocates Africanization throughout the economy and administration, it also frankly contends that the maintenance of rapid economic growth requires reliance upon skilled expatriates for some considerable time. One can certainly appreciate the government’s quandary, arising as it does out of the injustice of the colonial period. The power structure in colonial Kenya created and perpetuated a racial stratification of employment with Africans at the bottom. Most of the posts requiring special skills were officially or unofficially reserved for Europeans and Asians. Even the artisans and white collar employees were mainly Asian prior to independence; Asians in fact enjoyed a virtual monopoly in some skilled trades, a monopoly maintained by the recruitment of apprentices from amongst their own people.17 Africans, having minimal educational opportunities and few chances to learn skills, generally played a subordinate role in economic activities. Kenya thus arrived at independence with very little skilled African manpower.

The response of Kenyatta’s government to this situation was to institute various training programmes and negotiate technical assistance agreements with foreign governments, firms and individuals.18 As a consequence the total number of expatriates serving under technical assistance schemes has increased: from about 2,700 advisory, operational and voluntary personnel in mid-1968 to over 3,700 in mid-1971 (about 60 per cent of which came from Britain).19 This level of dependence is unusual even in the African context; in 1970, Kenya apparently maintained a larger number of technical assistance personnel than any of eight other African countries (including Nigeria) for which data is available.20 How influential these advisers are in the decision-making process is, of course, difficult to judge. One study estimated that just over 20 per cent of the high-level posts in Kenya’s civil service were held by expatriates in 1969 and about 13 per cent in 1972. It concluded that the technical assistance personnel are ‘functional’ to the maintenance of the present regime and socio-economic system, but that their presence tended to undermine Kenyan self-confidence, thus perpetuating the dependency syndrome.21

A final element of the capitalist development strategy is the official encouragement of indigenous capitalism in both the urban and rural areas. In its white paper on ‘African Socialism and Its Application to Planning in Kenya’ (p. 29) the government committed itself to ‘establishing Africans in a firm position in the monetary sector by ensuring that a large share of the
planned new expansion is African owned and managed’. The paper then suggested a number of specific policies to ensure African participation, most of which have been implemented since 1965. The government has provided aspirant African businessmen with various training schemes and with technical advice and assistance once commercial or industrial activities have been undertaken. It has made capital available to Africans at low interest rates through the Industrial and Commercial Development Corporation, established in 1965. It has also provided such other special assistance to African businessmen as the following: the reservation of certain categories of government contracts to Africans; the restriction of trading licences for certain types of trade to citizens with a deliberate bias in favour of African applicants; and the extension of a quasi-monopolistic position to African businessmen dealing in certain items of trade or involved in road transport or construction.\(^22\) I will return at a later point to the implications of the ruling elite’s attempts to foster a commercial and industrial bourgeoisie.\(^23\)

The rural areas were also to be ‘developed’ by means of individual enterprise and predominantly private ownership of resources – in this case land. Whereas before independence the bulk of the export crops (especially coffee, tea and sisal) had derived from foreign-controlled, large estates, Africans were now to gain a much greater share of their production. Since Sessional Paper No. 10, 1965 had affirmed the government’s intention to build upon tradition in constructing African socialism, one might have expected a communal or co-operative approach to African participation in commercial agriculture. Traditionally, after all, land had not been owned individually; individuals had possessed rights only to the use of land which belonged ultimately to the clan or lineage. Yet the white paper on ‘African Socialism’ specifically rejected the efficacy of African tradition in this respect, opting instead for individual ownership and enterprise and reserving the co-operative element mainly for the marketing of produce. Traditional communitarianism, the paper revealingly argues (pp. 10–11), ‘cannot be carried over indiscriminately to a modern, monetary economy. The need to develop and invest requires credit and a credit economy rests heavily on a system of land titles and their registration. The ownership of land must, therefore, be made more definite and explicit...’.

To this end the nationalist government continued and expanded the colonial government’s programme to consolidate and provide a title deed for the scattered landholdings of African farmers. The Swynnerton Plan, instituted at the height of the Mau Mau Emergency in the mid-1950s, had originally aimed at creating a conservative landed middle class among the Kikuyu of central Kenya.\(^24\) After land consolidation and registration, the colonial government had intended to assist progressive Kikuyu farmers with credit and extension service facilities. This scheme was extended to the rest of the country just before independence under the auspices of the African government.

At the same time, the Kenyatta government created parastatal bodies to
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foster indigenous rural capitalism. For instance, it established the Kenya Tea Development Authority to encourage tea cultivation by Africans, the Agricultural Development Corporation to provide credit at low interest rates, and an expanded extension service to advise African farmers on husbandry. Predictably, these services have benefited ‘progressive’ farmers the most, ensuring that those who succeed become even more successful.

In sum, there are firm grounds for holding that the government of Kenya has pursued a capitalist mode of development in its first decade of national independence. It has emphasized the Africanization of the pre-existing economy rather than its transformation. This strategy has undeniably succeeded in expanding production at an impressive rate relative to other African countries. Yet the benefits of economic growth have been very inequitably distributed: while about 63 per cent of Kenyan households in the 12 million population earn annual incomes of under K£60, just over 1 per cent of the households earn over – mostly well over – K£1,000 per year.25

As one authoritative report on the Kenyan economy has rightly concluded: ‘In many respects economic growth has largely continued on lines set by the earlier colonial structure. Posts have been Africanized and there has been great expansion; but the structures which led to and have sustained inequality still remain: the centre still grows at the expense of the periphery and important parts of the economy are still controlled by expatriate interests.’26

The emergent social structure

All underdeveloped countries pursuing a capitalist economic strategy will share certain common features of social structure. In such countries one would expect to find a small native bourgeoisie, a small capitalist-farmer stratum or perhaps a landed oligarchy, a large salariat employed by the state, an external estate of representatives of international corporations (temporarily in society though not of it), a working class, a sub-proletariat of the unemployed and unproductively employed, and a large peasantry. But there are obviously immense variations among poor countries in the relative size of the various social strata, the degree of class consciousness, and the inter-relationships of the strata. Diversity also arises from the existence and intensity of different particularistic loyalties – to religion, language, race, region or ethnic group – which may or may not cut across class lines.

In Kenya people perceive much of the conflict in central arenas in ethnic or tribal terms. There are quite a number of self-identified ‘tribes’ in this country. According to its 1969 population census, the most numerous of these groupings are the following: the Kikuyu 2.2 million, the Luo 1.5 million, the Luhya 1.5 million, the Kamba 1.2 million, the coastal Mijikenda 0.5 million, and others 3.8 million, for a total African population of about 10.7 million. The figure of 2.2 million actually understates the numerical predominance of the Kikuyu, since its leaders can normally count upon the support of other culturally and linguistically similar peoples,
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notably the Meru and Embu, in conflict within central arenas. The Kikuyu along with these closely related peoples numbered about three million in 1969. One must immediately emphasize, however, that in conflicts within Kikuyu, Embu or Meru areas or involving mainly these groupings, the finer distinctions between groups become salient; in these situations, the line dividing Kikuyu and Meru or Kikuyu and Embu is usually of crucial importance.

Of course, the mere existence within a single state of ethnic groups with diverse cultural values does not imply the necessity of ethnic conflict. ‘Tribe’, as conceived here, is not a primordial loyalty causing political conflict, but is itself a dependent variable, a loyalty or identity which is politicized only under certain specifyable conditions. ‘Tribalism’, as ethnic conflict is commonly called, is generally the result of much more than simply cultural differences and traditional hostilities. In a new state composed of disparate peoples, solidarity on the basis of cultural–linguistic affinity becomes a reality only in the context of competition at the centre over the distribution of power, economic resources and jobs. A symbiotic relationship emerges between politicians, who wish to advance their own positions, and their ‘people’, who fear political domination and economic exploitation by a culturally distinct group allegedly organized for these ends. A politician thus gains a tribal power base by successfully manipulating the appropriate cultural symbols and by articulating and advancing his people’s collective and individual aspirations (which he himself probably helped arouse). An analysis along these lines has been used to explain the emergence in Kenya of ‘tribal bosses’ – such as Oginga Odinga (Luo), Daniel arap Moi (Kalenjin), Paul Ngei (Kamba) and Ronald Ngala (Mijikenda, especially the Giriama sub-tribe). In fact, Kenyan political parties – including KANU, the governing party – have largely represented shifting coalitions of ethnic representatives and their followers and clients. Tribalism is a phenomenon to which I will return at several later points; my aim here is simply to suggest the nature and extent of ethnic cleavages in Kenya.

A fundamental determinant of the class structure is unquestionably the level of development of the capitalist economy. Although Kenya has a comparatively advanced industrial and commercial base in East African terms, it is still predominantly a peasant society. Almost nine-tenths of the population resides in the rural areas, and the bulk of this rural population is composed of peasants (i.e., smallholders who rely primarily upon family labour and simple technology to produce goods mainly for their own consumption, but also for the market). Indeed, one investigator has concluded that, contrary to what one might expect, the peasant farming sector is still expanding, as more white farmers are replaced by medium to high density African settlement. Whatever the legal form of land ownership, in practice the typical pattern of peasant economy emerges. There is, of course, a certain amount of social differentiation in the countryside, from landless or nearly landless agricultural labourers at the bottom to emergent