

Effects of import substitution trade policies on Kenyans industrialisation since independence
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This study examines the effects of Import Substitution trade policies on Kenya's industrialization since independence. The general objective of the study is to find out the effects that Import Substitution trade policies had on the structure of the manufacturing sector, income distribution, employment creation and the operations of multinational corporations in Kenya. The study assumes that Import Substitution trade policies as an industrialization strategy remains viable and of great importance for less developed countries. The study has utilized both primary and secondary data. While primary data will be generated through interviews, secondary data will be obtained from books, journals, magazines and official publications by the government. A conceptual framework has been adopted in the study so as to help the researcher make sense of the problem statement of the study. The study tentatively concludes that the type of industrialization that occurred did not lead to a structural transformation of the Kenyan economy. The structural change was to be brought about by creating gaps in the process of eliminating imports and making investment possible in the Non-Traditional sectors. However resources were concentrated on a small part of the economy and to a large extent neglected others and in particular agriculture. Consequently Import Substitution did not lessen Kenya's external dependency but merely changed its nature. The considerable outflow of dividends and other payments for instance foreign investors made Kenya rely more on imports in order to achieve further industrial growth. This deprived the country of the first learning steps in the industrialization process and in building manufacturing capacity and capabilities. Thus industries worked below their full capabilities. Therefore the government needs to reconsider and concentrate on neglected industries with of course putting in mind the lessons learnt from past mistakes from the first regime of Import Substitution trade policies. The paper also emphasizes the need for the government to continue pursuing policy measures that strategically focuses on the growth of the sector by taking into account their backward and forward linkages in the economy.