ABSTRACT

The purpose of this study was to investigate factors that influence economic growth in Kenya. This study was guided by such objectives as to determine how inflation, unemployment and population growth influence growth of the economy of Kenya. The study adopted both quantitative and qualitative research approaches to explain the interplay of both endogenous and exogenous variables to bring about an effect on the economic growth of Kenya. The area of study is the whole of Kenya, a country with the fastest growing economy in East Africa. Kenya is a democratic country with stable political situation characterised by a reasonable democratic space and strong opposition. The country is enjoying the rule of a new constitution that was promulgated in 2010. Devolution has led to the 47 county governments led by governors. The country has enjoyed more than 53 years of independence. The population of this country is projected to be approximately 40 million people with the young population constituting the biggest population. Kenya's economy grew steadily until 2007 when the country experienced a devastating post polls violence which really shook the economy. The economy has fully recovered and experiencing a steady growth. Kenya is rated a lower middle income economy. Vices like corruption, unemployment, tribalism, inequality, poor infrastructure, high illiteracy level, wanting healthcare, inflation and insecurity are pulling the country down, almost to its knees. Secondary data that was used was drawn from statistical abstracts, economic surveys and previously done researches. Analysis was conducted with the help of ordinary least square (OLS) estimator. The findings revealed that the variables under investigation influence growth of the economy in either direction, either in combination or isolation. As such, the government can work towards reducing run-away inflation, reduce unemployment and stabilise the economic situation