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Assessing Labour Productivity for Kajiado County

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Overview of the County

Kajiado County is a member of the Narok-Kajiado Economic Bloc (NAKAEB). The county is a semi-arid county that experiences 30-84 per cent aridity. The county land size stands at 21,293 km² and has Kajiado County has six Sub-Counties namely: Isinya, Kajiado Central, Kajiado North, Kajiado West, Loitokitok and Mashuuru.

Key Highlights

Productivity of Kajiado County is characterized by the following:

- (i) The services sector has the highest share of Gross Value Added (GVA). Agriculture shares the least even with a comparative advantage in livestock production, but it is not fully integrated into the value chain. Construction dominates the industry sector while real estate activities dominate the services sector with rapidly growing urbanization.
- (ii) The quality of labour requires interventions in reduce stunting, teenage pregnancy, food poverty and child poverty, and increasing enrolment at the pre-primary, primary and secondary schools.
- (iii) The essential infrastructure requires interventions to improve internet connectivity and rural roads.
- (iv) Services sector employs most labour. Livestock production dominates the shares of employment in agriculture. In manufacturing employment is concentrated in manufacture of food, while in service sector it is mainly in administration and support services and wholesale and retail trade.
- (v) Labour productivity is highest in the services sector. Water supply, sewerage, waste management and remediation activities have the highest labour productivity in the industry sector while the real estate sector has the highest in the service sector.

To enhance productivity:

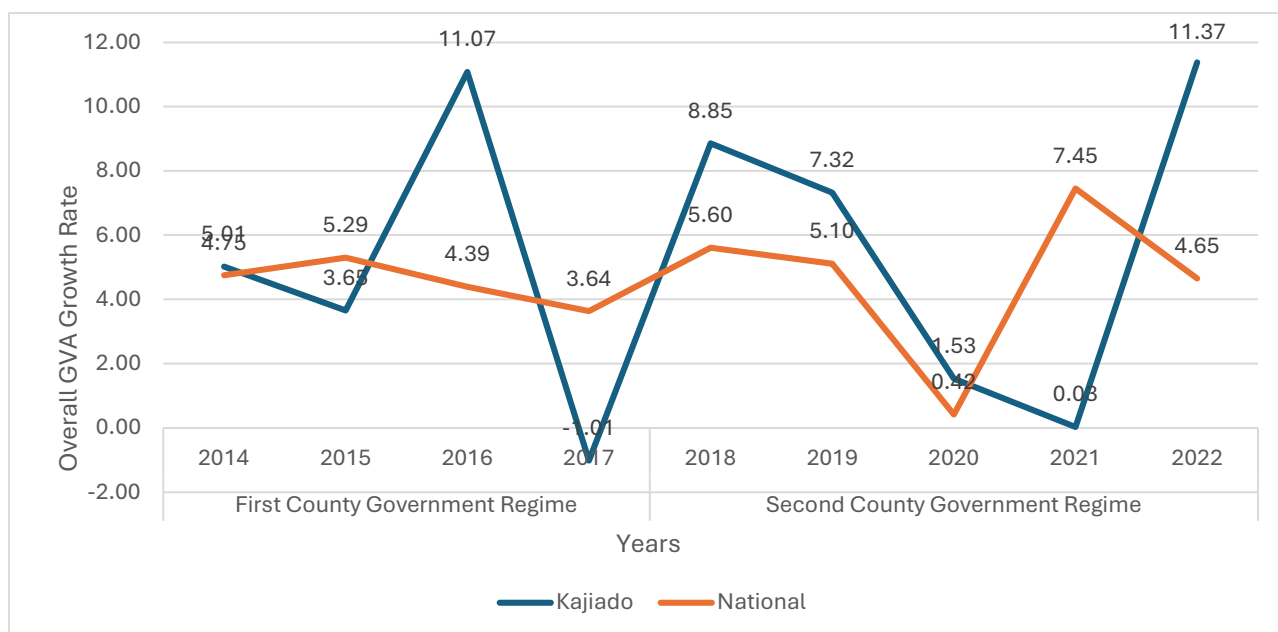
- (i) Unlock the potential for livestock value by integrating livestock production into relevant value chains including leather, poultry and dairy value chains.
- (ii) Build climate resilience in the livestock by increasing the uptake of weather-based insurance schemes and creating awareness on the use of the information from the drought early warning systems.
- (iii) Improve the quality of labour by implementing nutrition sensitive programmes, creating awareness and supporting teenage mothers to go back to school, and increase enrolment at the pre-primary, primary and secondary schools.
- (iv) Create an enabling environment for private sector growth by enhancing the rural access and financial inclusion.
- (v) Exploit tourism to realise full potential.

Kajiado County Economic Performance

Kajiado County contributes on average 1.5 per cent of the National Gross Value added with an average GVA of Ksh. 112,998.5 million. The GVA per capita for Kajiado County is Ksh. 101,089.91 with an average population growth of 3.3 per cent and overall poverty levels at 39.2 per cent.

Kajiado County has shown a steady growth in GVA with an average growth rate of 5.31 per cent in 2013-2022, which is higher than the national average growth of 4.37 per cent. The highest growth rate was in 2022 and lowest in 2017 as shown in Figure 1.

Figure 1: Kajiado County GVA growth rate

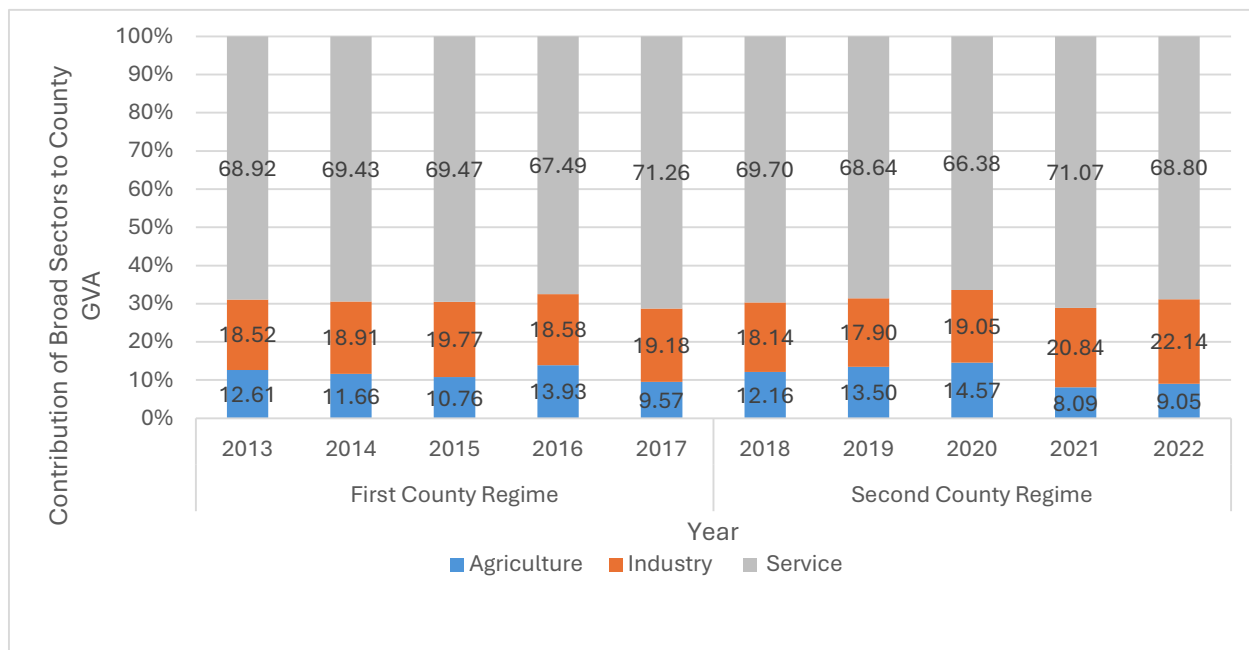


Data Source: KNBS 2023-Gross County Product

Sectoral Contribution to County Gross Value Added

The services sector is dominant in Kajiado County with an average contribution to GVA of 69.12 per cent. The industry sector is second, contributing an average of 19.30 per cent to the GVA while the agriculture sector contributes about 11.59 per cent as shown in Figure 2.

Figure 2: Contribution of broad sectors to Kajiado County GVA

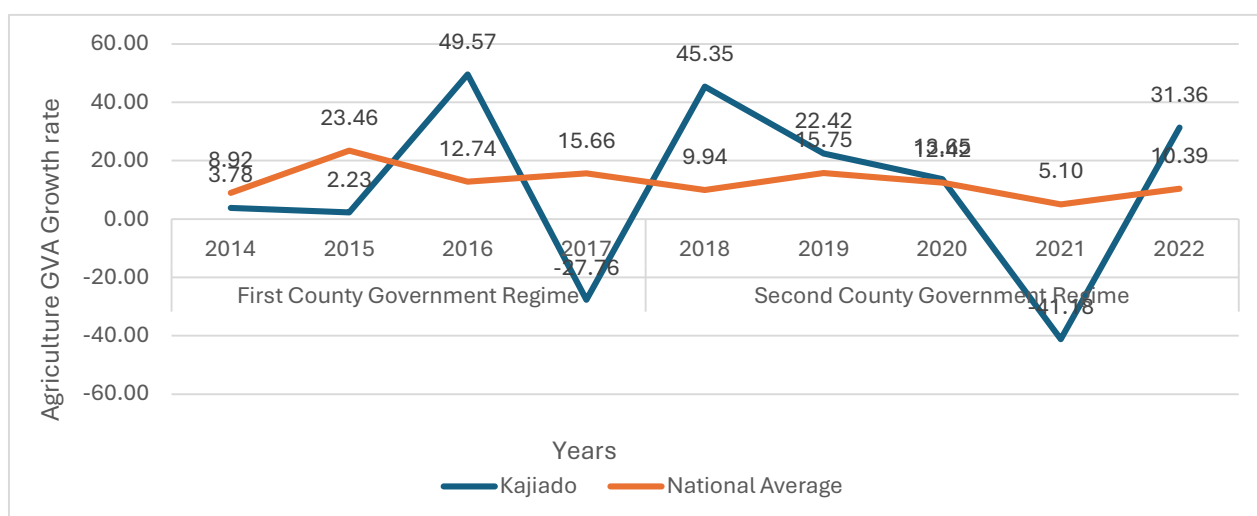


Data Source: KNBS 2023-Gross County Product

Agriculture Sector

The average growth rate of agriculture sector GVA (2013-2022) is 11.05 per cent, which is below the national average of 12.71 per cent as shown in Figure 3.

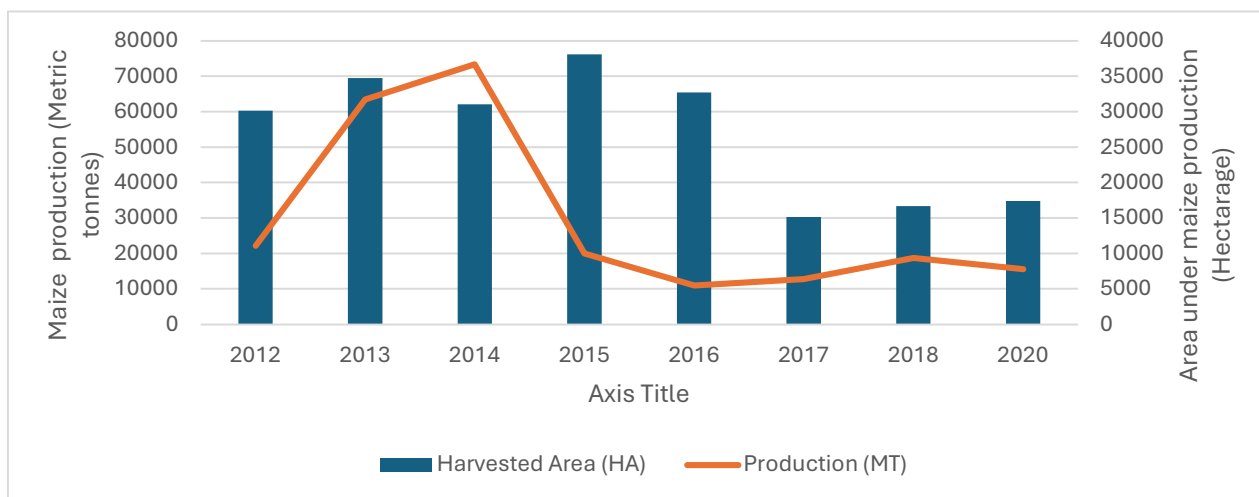
Figure 3: Kajiado County agriculture GVA growth rate



Data Source: KNBS 2023-Gross County Product

The agriculture sector plays a critical role in boosting food security and as a source of livelihoods. Crop production is undertaken on a smaller scale compared to livestock production due to the higher aridity and frequent droughts. The main crops are horticultural crops grown under irrigation. Maize production (metric tonnes) is generally low, except in 2013 and 2014. The area under maize production has also been declining over the years (Figure 4).

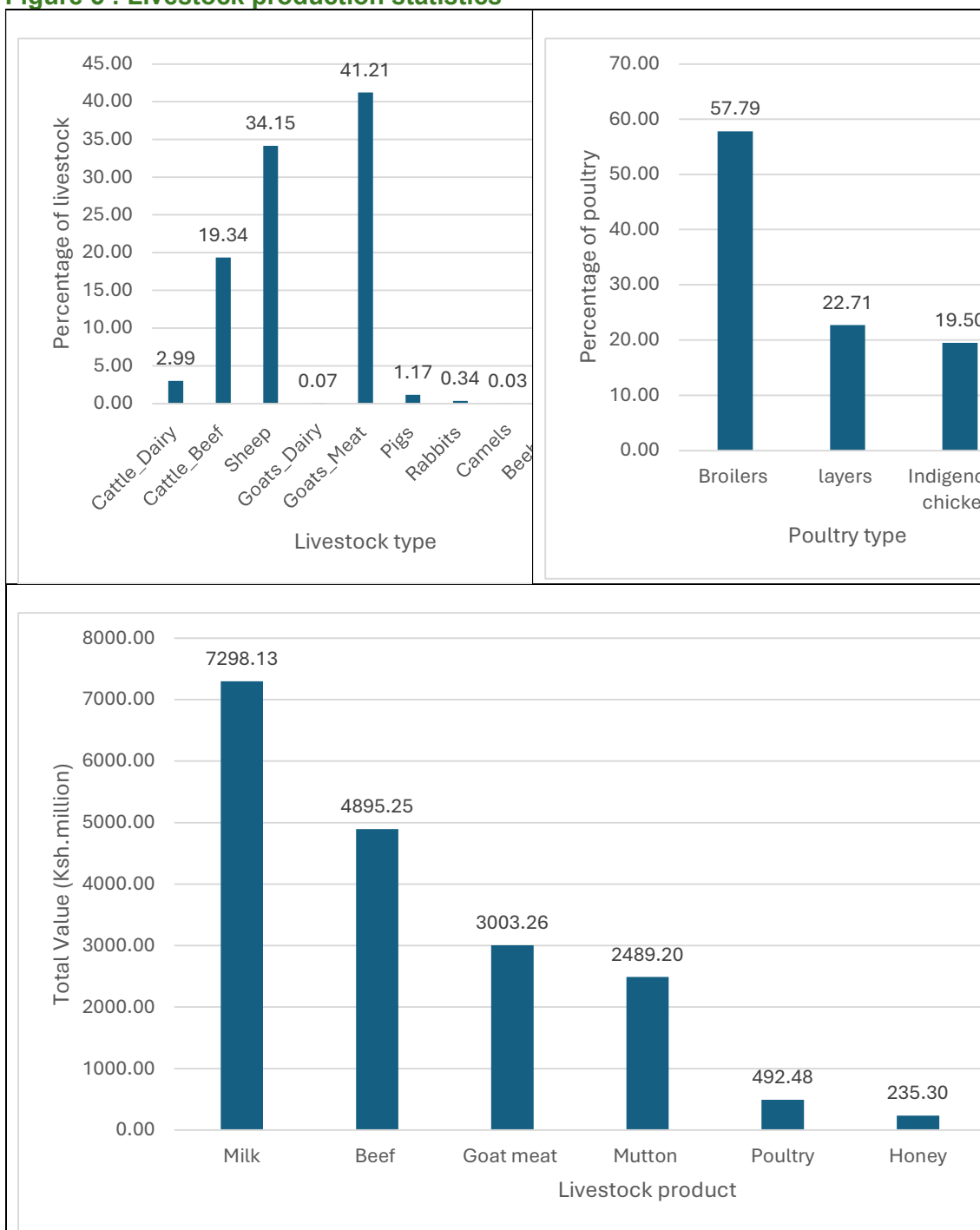
Figure 4 : Maize production and area under maize production



Data source: National Information Platform for Food and Nutrition (NIPFN)

Kajiado county has a comparative advantage in livestock production compared to crop production. The most common livestock kept are meat goats, sheep and beef cattle as shown in Figure 5. Poultry farming is emerging and highly diversified with commercialized broilers are the most popular poultry type. Beef, milk, mutton and goat meat have the highest economic value in the county. There is low marketed value for hides and skins despite the high number of livestock in the county indicating very low integration of the livestock production into the leather value chain. Untapped potential also lies in the dairy value chain and apiculture.

Figure 5 : Livestock production statistics

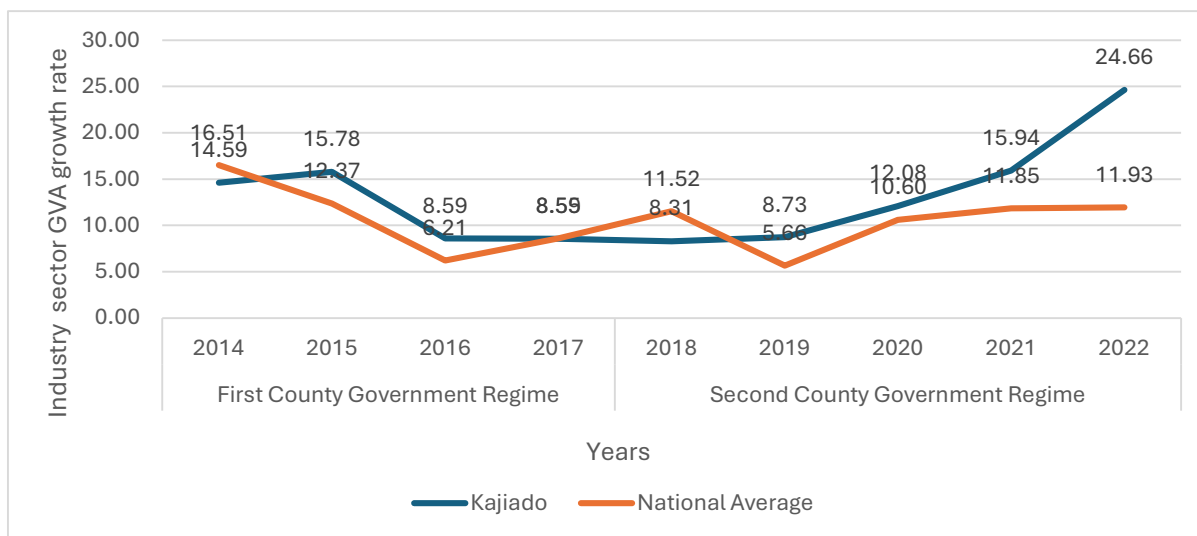


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector

The average growth rate of the industry sector is 13.02 per cent, which is above the national average of 10.58 per cent as shown in Figure 6.

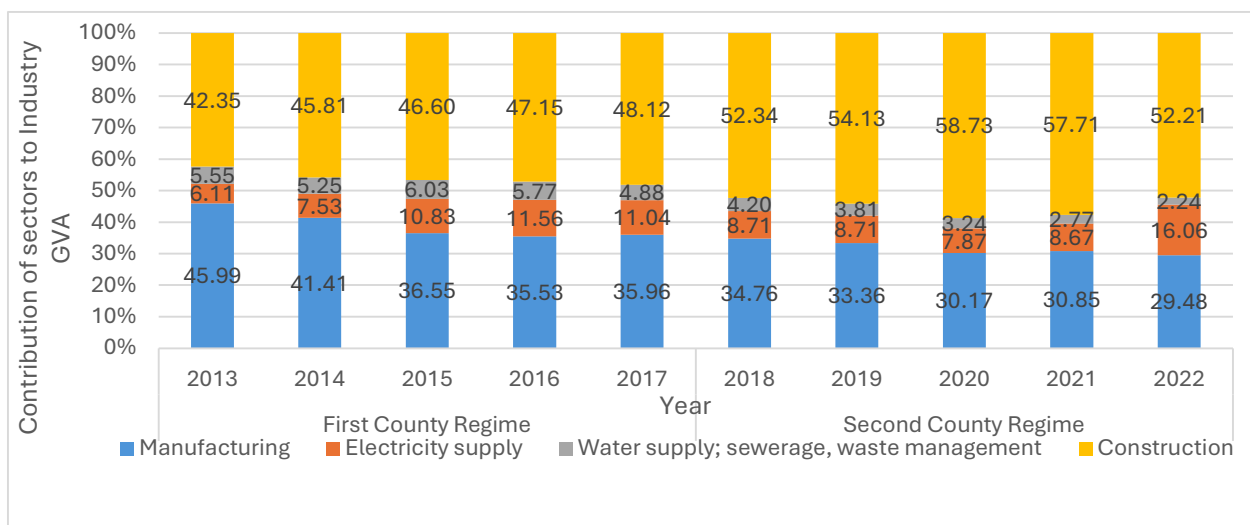
Figure 6: Kajiado County industry GVA growth rate



Data Source: KNBS 2023-Gross County Product

Construction sector dominates the industry sector GVA as shown in Figure 7. The manufacturing sector dominated in 2013 and 2014, but its share declined as that of the construction sector expanded.

Figure 7: Contribution of industry sub-sectors to the industry sector GVA

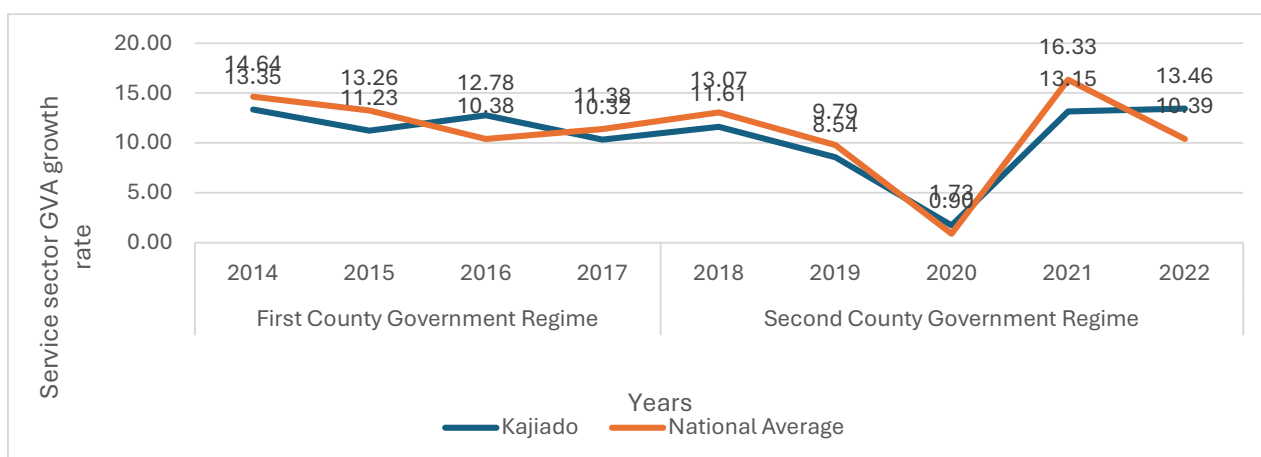


Data Source: KNBS 2023-Gross County Product

Services Sector

The average growth rate of services sector is 9.87 per cent, which is below the national average of 11.13 per cent as shown in Figure 8.

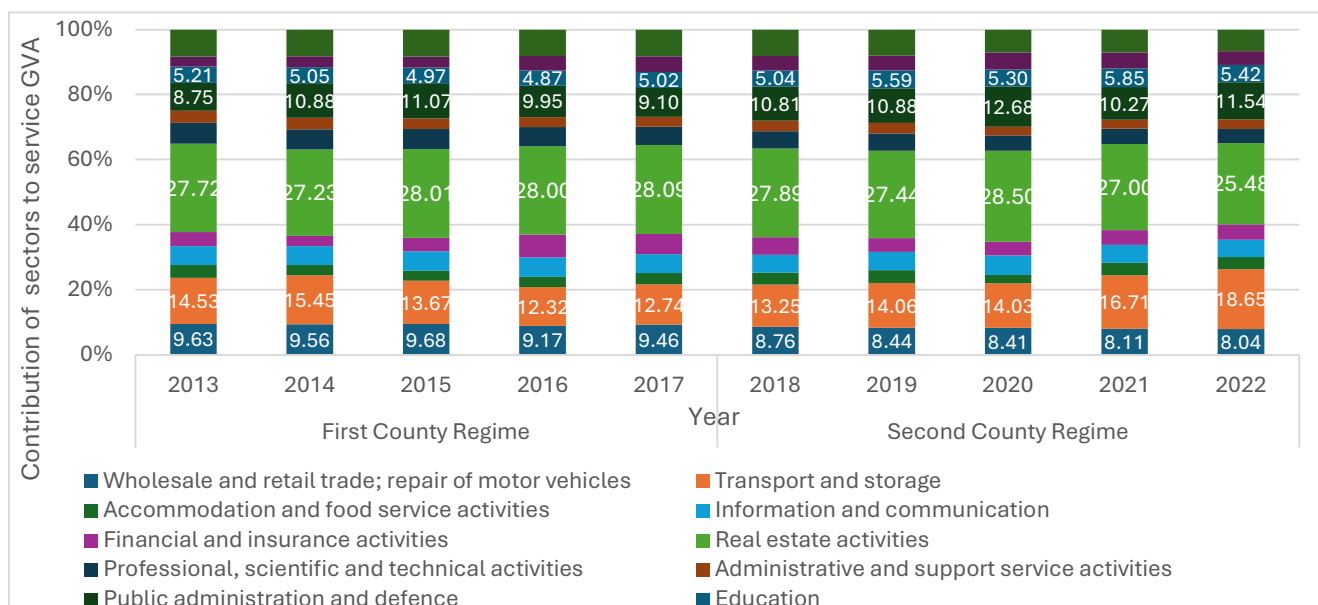
Figure 8: Kajiado County service GVA growth rate



Data Source: KNBS 2023-Gross County Product

The real estate activities dominate the services sector with the highest contribution to service GVA at 27.58 per cent as shown in Figure 9. The transportation and storage sub-sector is the second highest contributor to services GVA at an average of 14.54 per cent. Public administration and defence sub-sector is the third contributor at an average of 10.59 per cent.

Figure 9: Contribution of sub-sectors to service sector GVA



Data Source: KNBS 2023-Gross County Product

Quantity and Quality of Labour Force in Kajiado County

Kajiado County has a total of 662,492 working-age population, which is about 59.27 per cent of the total county population. Most of the working-age population is youthful (18-34 years) at 56.24 per cent as shown in Table 1.

Table 1: Distribution of the working-age population by age categories

Working age population	Male	Female	Total	Percentage of total working age population (%)
Total	329,631	332,861	662,492	
15-17	31,343	31,251	62,594	9.45
18 –24	72,447	85,146	157,593	23.79
25-34	105,213	109,773	214,986	32.45
35-64	120,628	106,691	227,319	34.31

Data Source: KNBS (2019), Kenya Population and Health Census - KPHC 2019

Most of the population in Kajiado sub-counties are persons in the working age categories. Keiyo North has the highest percentage of persons of working age at 58 per cent. In all the sub-counties of Kajiado County, the youthful working ages 18-34 are the majority with the sub-counties of Kajiado West and Kajiado Central having the highest youthful working age population as shown in Table 2.

Table 2: Sub-County land area distribution of working age population by age category

Sub- County	Total population	Working age population categories				Working age population (15-64) as a percentage of the total sub-county population
		15-17	18 –24	25 –34	35-64	
Isinya	210,467	8,715 (6.12)	33,868 (23.77)	54,938 (38.55)	44,977 (31.56)	142,498 (67.61)
Kajiado Centra	161,857	10,141 (12.26)	19,954 (24.13)	24,449 (29.56)	28,158 (34.05)	82,702 (51.10)
Kajiado North	306,583	15,030 (7.30)	49,295 (23.95)	69,639 (33.84)	71,855 (34.91)	205,819 (67.13)
Kajiado West	182,844	11,336 (11.90)	23,502 (24.66)	26,714 (28.03)	33,748 (35.41)	95,300 (52.12)
Loitokitok	91,838	12,921 (13.07)	21,787 (22.04)	28,340 (28.66)	35,820 (36.23)	98,868 (51.54)
Mashuuru	4,213	4,451 (11.93)	9,187 (24.63)	10,906 (29.23)	12,761 (34.21)	37,305 (58.10)

Data Source: KNBS (2019), Kenya Population and Health Census - KPHC 2019

Kajiado County has high performance in socioeconomic indicators that affect the quality of labour. However, there is a need for interventions to reduce stunting, teenage pregnancies and food poverty and child poverty (Table 3). Increasing enrolment rates at the pre-primary, primary and secondary schools should also be prioritized.

Table 3: Human capital indicators

Human capital indicators	County	National average
Literacy rate	83.40	78.41
Pre-primary net enrolment rate (2019)	66.94	67.51
Primary school net enrolment rate (2020)	62.10	77.72
Secondary school net enrolment rate (2020)	37.30	54.18
Average years of schooling (2014)	8.60	7.78
Percentage of children 12-23 months fully vaccinated (%)	56.40	74.97
Percentage of stunted children	14.00	19.75
Percentage of teenage pregnancy	21.80	15.79
Primary to secondary transition rates (2020)	84.30	86.13
Pupil-teacher ratio (primary school)	22.00	28.28
Food poverty head count (%)	35.40	33.63
Child poverty head count (%)	40.10	42.67

Source: KNBS (2022), Kenya Demographic and Health Survey - KDHS 2022; KNBS (2019), Kenya Population and Health Census - KPHC 2019; Ministry of Education (2020); 2021 Basic Education Statistical Booklet; KNBS 2021-Kenya Poverty Report

Most of the essential infrastructure and capital indicators in Kajiado County performed above the national average. However, interventions are required to improve rural roads (Table 4).

Table 4: Essential infrastructure and other resources indicators

Essential infrastructure Indicators	County	National average
Percentage of households with access to electricity (2019 Census)	67.40	38.52
Distribution of population using the Internet (2019 census)	33.10	18.69
Rural Access Index (2018)	43.66	63.72
Access to improved sanitation (2018)	92.00	59.04
Access to improved water (2018)	87.30	65.33
Financial inclusion level (2021)	88.70	81.01
The proportion of primary schools with internet	45.55	27.65
Proportion of secondary schools with functional internet	50.30	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	78.21	51.71
Percentage of households using bank usage (overall)	50.10	38.18
Percentage of households using mobile money	87.60	78.58

Data Sources: KRB 2018, KPHC 2019, FinAccess 2021, KIHBS 2015/16

County Employment Status

Employment to population ratio is at 62.75 per cent. Most of those working is the youthful population (18-34 years) at about 34.63 per cent while those 35-64 years are 27.12 per cent. The percentage of the employed by gender is 42.81 for male and 38.24 for female. The unemployment rate is at 11.86 per cent with unemployment being slightly higher for the youth (18-34 years) at 7.97 per cent and those between 35-64 years at 3.61 per cent. The percentage of persons 5–17 years old working is 6.03 per cent indicating that the county has low levels of child labour. The inactivity rate for the youth (15-24 years) is at

17.15 per cent while that of the prime age (25-64 years) is at 7.01 per cent as shown in Table 5.

Table 2: Kajiado County employment statistics

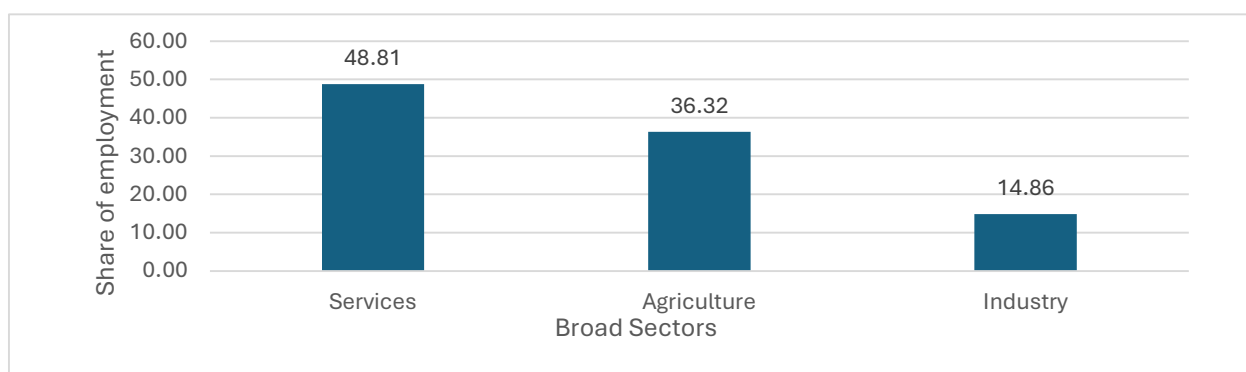
Employment statistics	Youth	Non youth
Employment to population ratio (%)	34.63	27.12
Unemployment rate	7.97	3.61
Percentage of persons 5–17 years old working	6.03	-
Inactivity rate	17.15	7.01

Data Source: Data Source: KNBS (2019), Kenya Population and Health Census - KPHC 2019

Sectoral Employment

The services sector is the highest employer in Kajiado County at 48.81 per cent followed by the agriculture sector at 36.32 per cent and lastly the industry sector at 14.86 per cent as shown in Figure 10.

Figure 10: Percentage of persons employed in the broad sectors

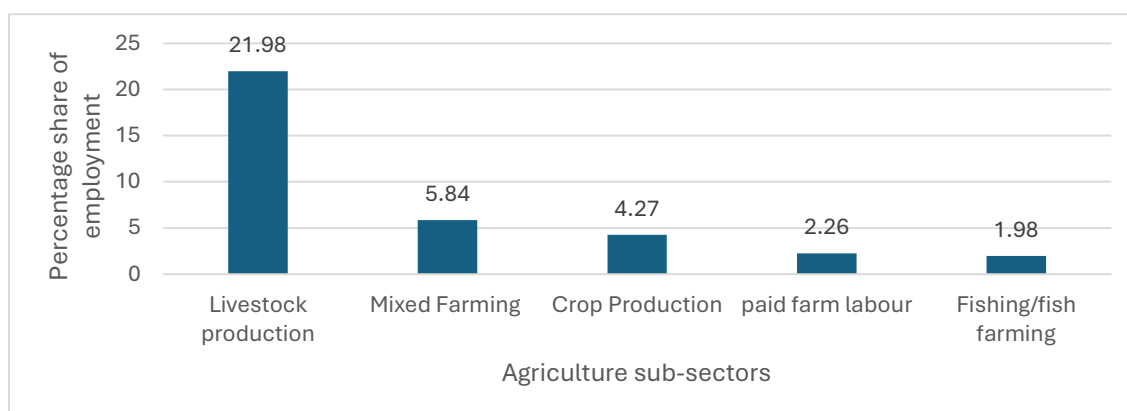


Data Source: KNBS 2021- Kenya Continuous Household Survey

Agriculture Sector Employment

Livestock production dominates the shares of employment in the agriculture sector (Figure 11).

Figure 11: Percentage share of employment in agriculture sub-sectors

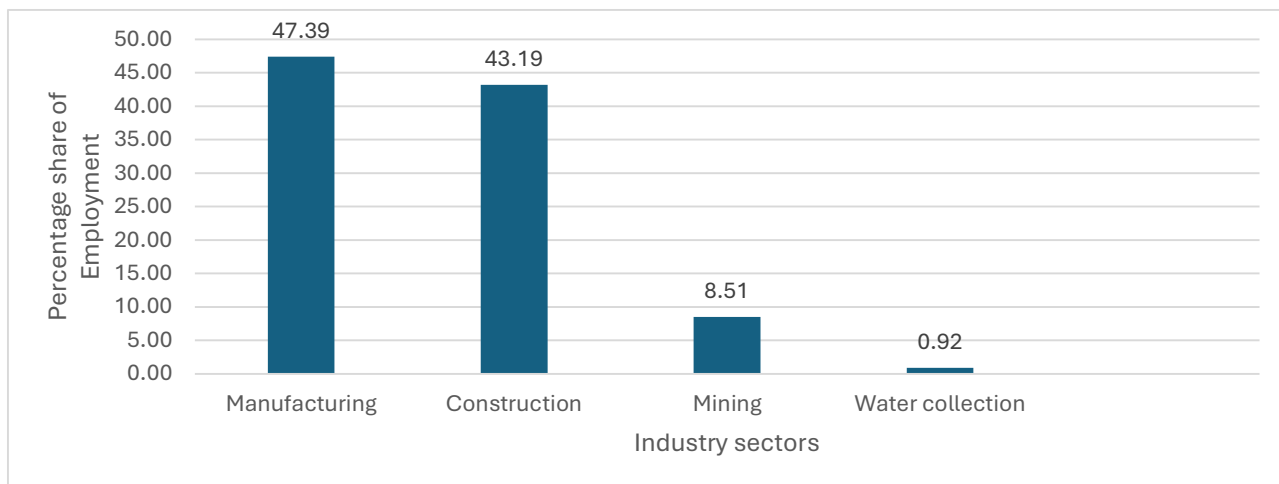


Data Source: KNBS 2021- Kenya Continuous Household Survey

Industry Sector employment

The majority of those working in the industry sector are in manufacturing. Construction sector also has significant share of employment (Figure 12). Mining is mostly quarrying of stones.

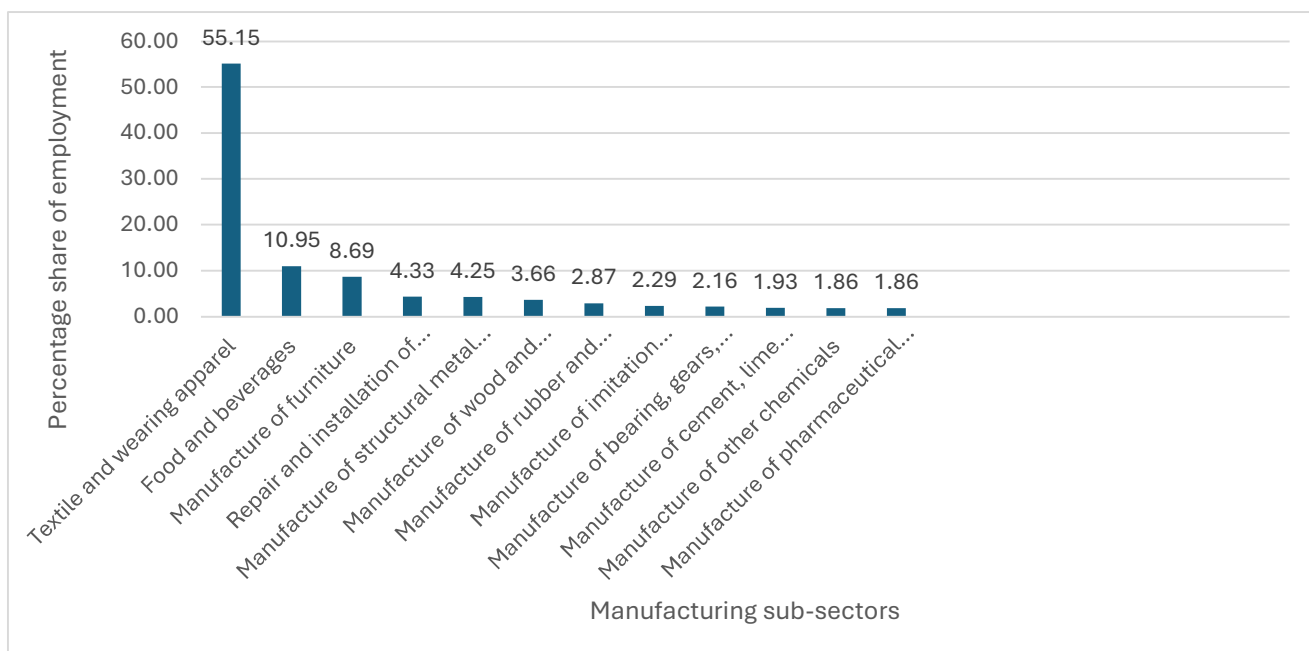
Figure 12: Percentage share of employment in the industry sectors



Data Source: KNBS 2021- Kenya Continuous Household Survey

A disaggregation of employment in manufacturing sub-sector shows that the majority of those employed in the sector, work in low-technology manufacturing sub-sectors such as textile and agro-processing industries (Figure 13).

Figure 13: Percentage share of employment in manufacturing sub-sectors

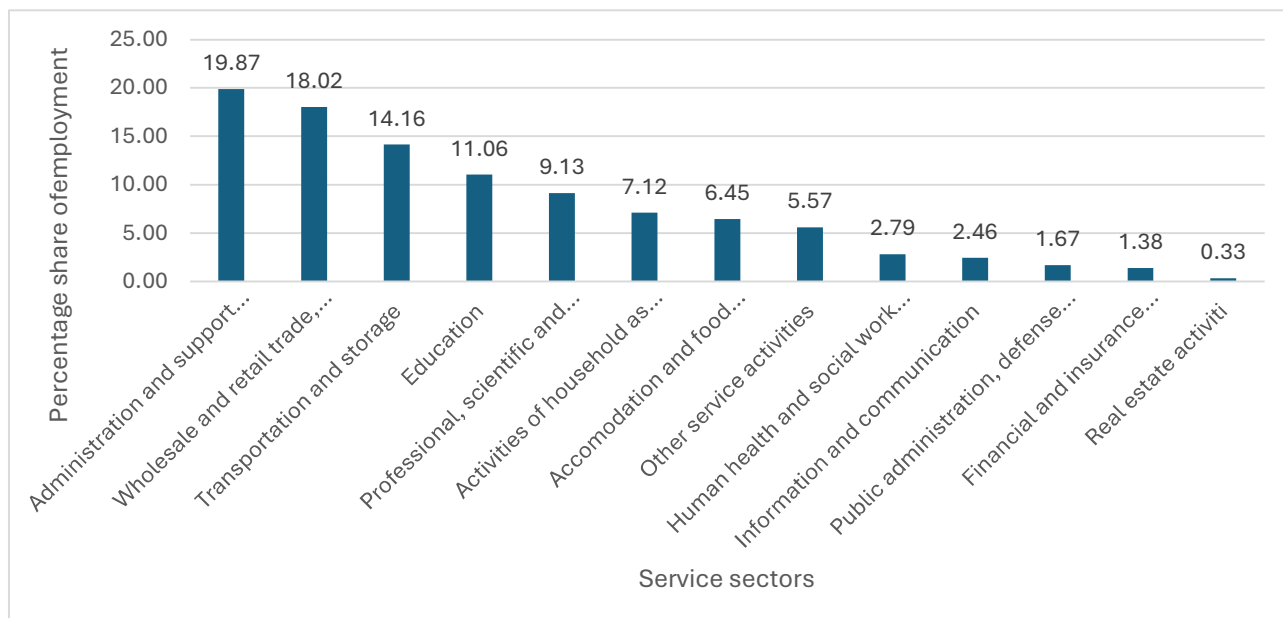


Data Source: KNBS 2021- Kenya Continuous Household Survey

Services Sector Employment

Majority of those working in the services sector are in administration and support services as shown in Figure 14.

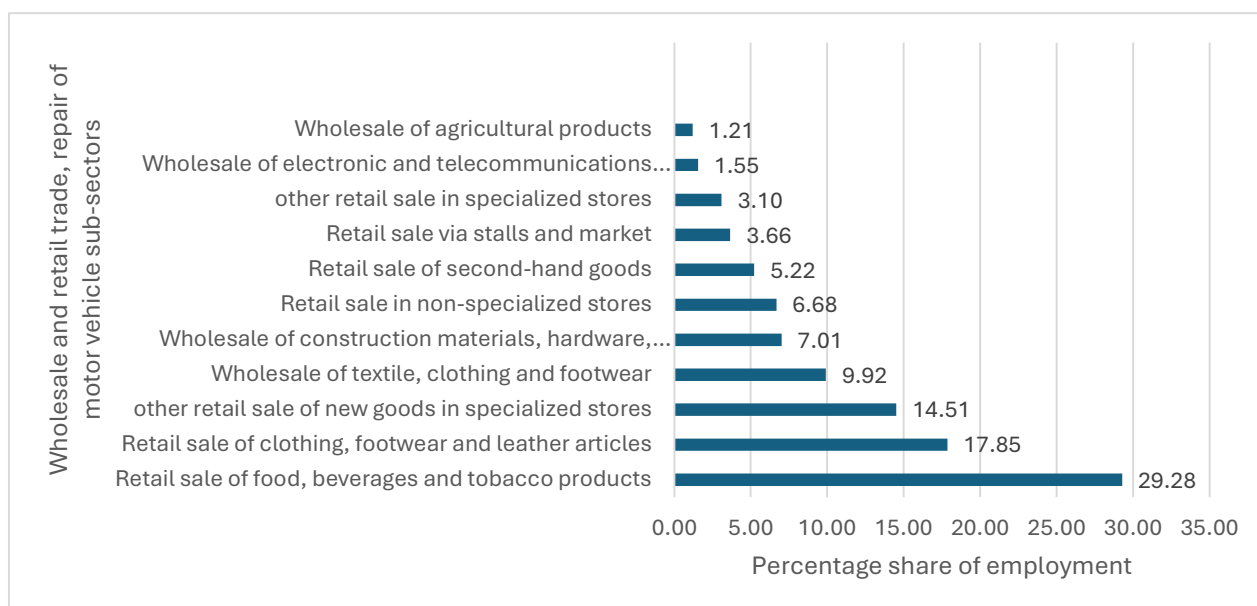
Figure 14: Percentage share of employment in the service sector



Data Source: KNBS 2021- Kenya Continuous Household Survey

In the wholesale and retail trade and repair of motor vehicle sub-sector, the majority work in retail of food, beverages and tobacco as shown in Figure 15.

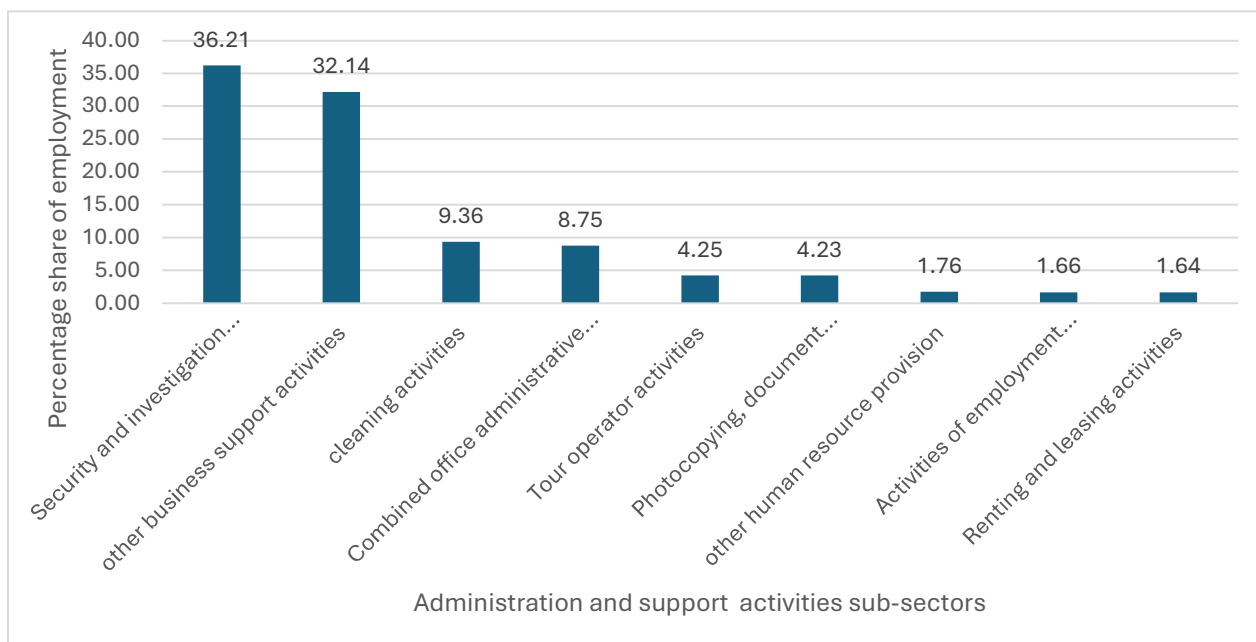
Figure 15: Percentage of persons employed in the wholesale and retail trade; repair of motor vehicle sub-sectors



Data Source: KNBS 2021- Kenya Continuous Household Survey

In the administration and support activities sub-sector, the majority of those employed are in the security and investigation activities as shown in Figure 16.

Figure 16: Percentage share of employment in administration and support activities sub-sectors

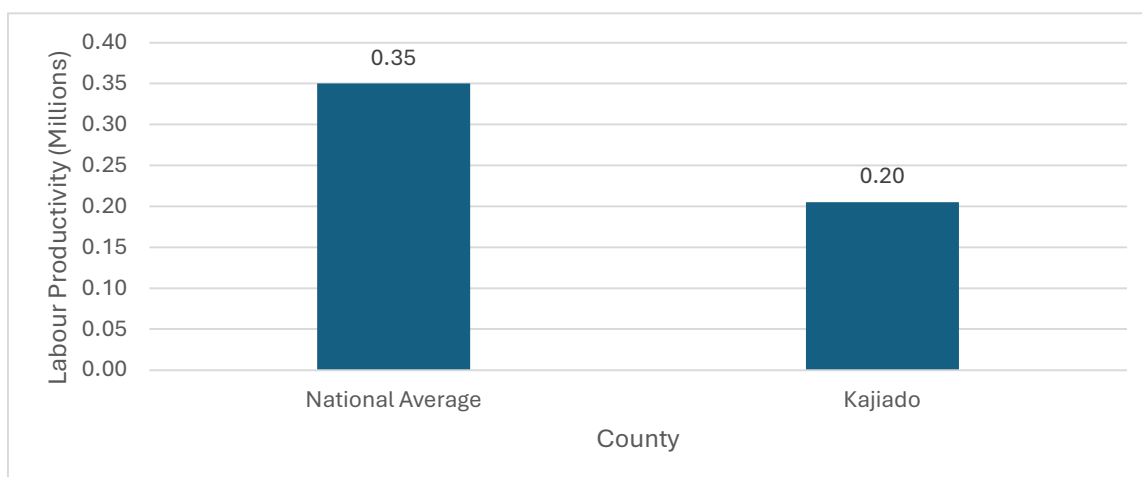


Data Source: KNBS 2021- Kenya Continuous Household Survey

Labour Productivity

Labour productivity¹ for Kajiado County is lower than the national average as shown in Figure 17.

Figure 17: Labour productivity ratios (millions)

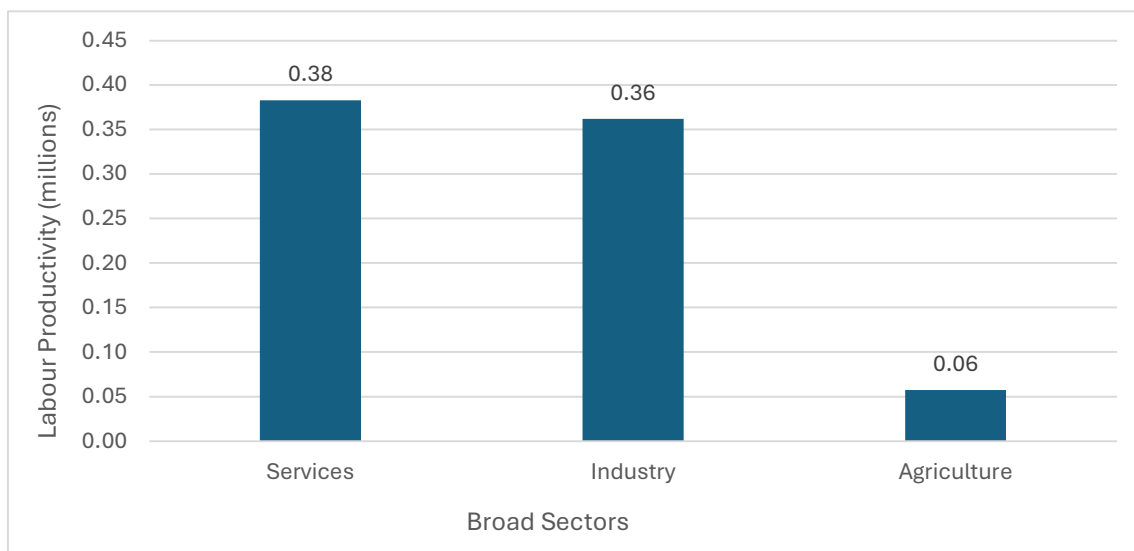


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

¹ The measure used is the apparent labour productivity measured as gross value added per person employed.

The services sector has the highest labour productivity while the industry sector has the second highest whereas the agriculture sector has the lowest labour productivity among the broad sectors as shown in Figure 18.

Figure 18: Labour productivity by sectors

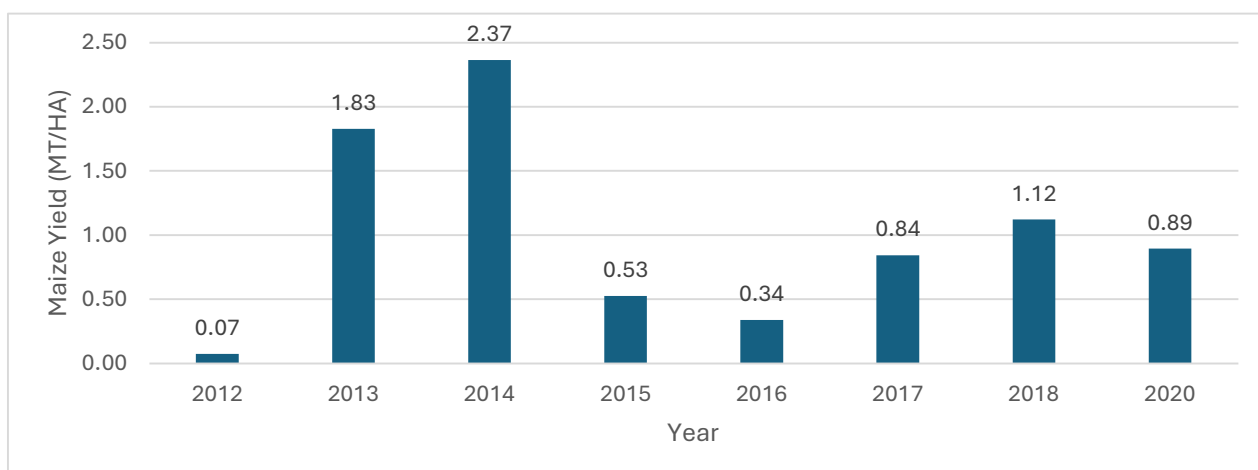


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Agriculture Productivity

Maize productivity measured by maize yields are low in Kajiado county except for two years 2013 and 2014 as shown in Figure 19. This is attributable to the high aridity levels, frequent droughts and dependence on rainfed agriculture. The average yields for the 8 years under review are 1.00 MT/HA.

Figure 19: Maize yield (MT/HA)

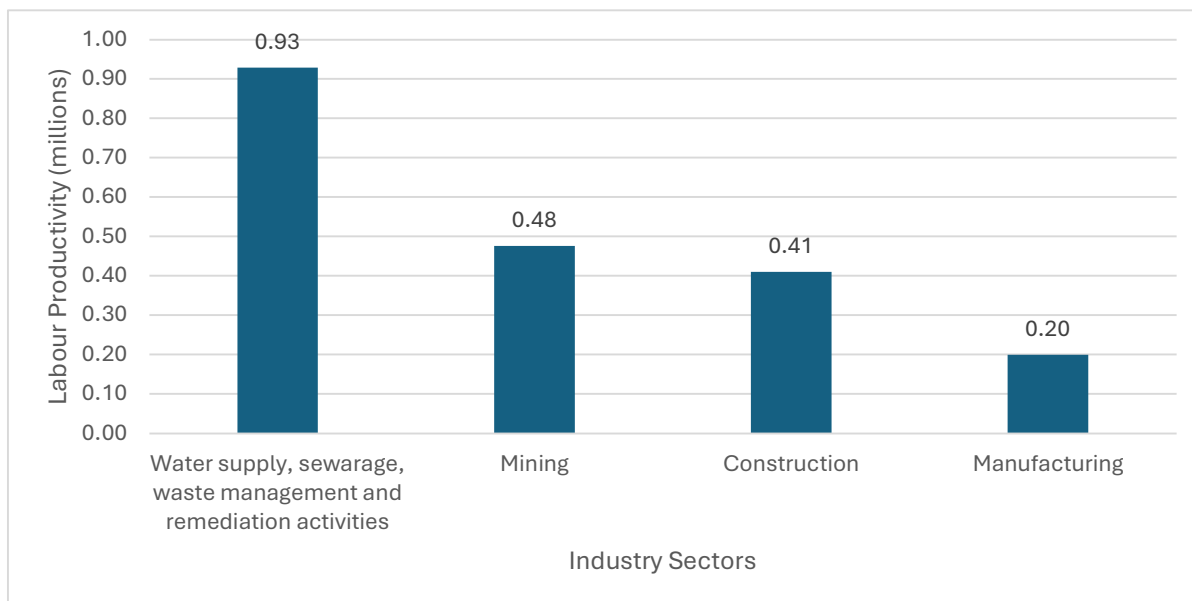


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector Labour Productivity

Water supply, sewerage, waste management and remediation activities and mining sub-sectors had the highest labour productivity in the industry sector as shown in Figure 20.

Figure 20: Labour productivity by industry sectors

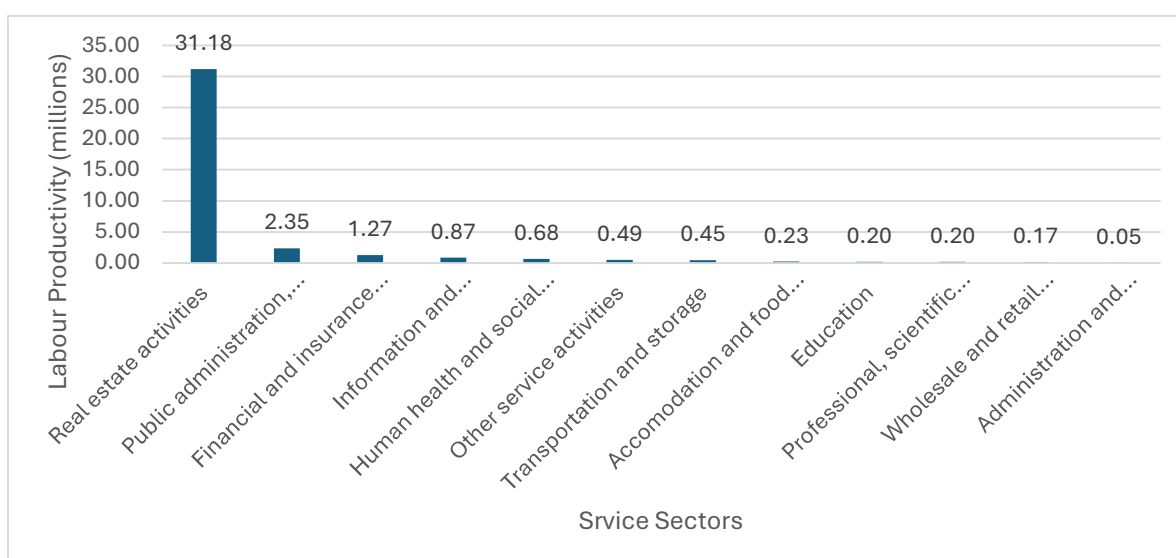


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Services Sector Labour Productivity

The real estate sub-sector had relatively higher labour productivity when compared with other sectors within the services sector as shown in Figure 21.

Figure 21: Labour productivity in services sectors



Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Key Messages

- (i) The services sector has the highest share of county GVA while the agriculture sector has the least at 11.59 per cent. The high aridity levels limits crop production but the county has a comparative advantage in livestock production. Poultry farming is emerging as a highly diversified and commercialized activity. Beef, milk, mutton and goat meat have the highest economic value in the county. However, there is low marketed value for hides and skins despite the high number of livestock in the county indicating very low integration of the livestock production into the leather value chain. The construction sub-sector dominates the industry sector while real estate activities dominate the services sector. This is attributed to the rapid urbanization in the county which is part of the Nairobi Metropolis.
- (ii) Some of the indicators of quality of labour are above the national average. However, interventions are required to reduce stunting, teenage pregnancies and food poverty and child poverty. Increasing enrolment rates at the pre-primary, primary and secondary schools should also be prioritized.
- (iii) Most of the essential infrastructure and capital indicators in Kajiado County performed within the national average. However, interventions are required to improve internet connectivity and rural roads.
- (iv) The services sector is the highest employer in Kajiado County, while the agriculture sector has the second highest share of employment. Livestock production dominates the shares of employment in agriculture. The manufacturing and construction sub-sectors dominate employment in the industry sector. In manufacturing employment is concentrated in manufacturing food. Employment in the service sector is mainly in administration and support services and wholesale and retail trade.
- (v) Labour productivity for Kajiado County is lower than the national average labour productivity. The services sector has the highest labour productivity while the industry sector has the second highest and the agriculture sector has the lowest labour productivity. Water supply, sewerage, waste management and remediation activities had the highest labour productivity in the industry sector while the real estate sector had the highest in the services sector.

Policy Recommendations

- (i) Unlock the potential for livestock value through integration of livestock production into the leather. This can be achieved through strategies such as creating awareness on the value of hides and skins, increasing extension services to improve the quality of hides and skins, facilitating aggregation and pooled sales of hides and skins. Investments to develop the poultry and dairy value chain are also required.
- (ii) Build climate resilience in the livestock sub-sector by increasing the uptake of weather-based insurance schemes for livestock production and creating awareness on the use of the information from the drought early warning systems.
- (iii) Improve on the quality of labour by focusing on nutrition sensitive social protection programmes to reduce stunting and child poverty, reduce teenage pregnancies through creating awareness and facilitating teenage mothers to go back to school. Also, of high importance is implementing strategies to increasing enrolment rates at the pre-primary, primary and secondary schools. This can

include creating awareness on importance of education, using local community leaders and duty bearers to ensure 100 per cent transition rates and enrolment rates and providing education support to reduce cost of education.

- (iv) Create an enabling environment for private sector growth by enhancing the rural access and financial inclusion. This will serve to improve productivity in the county in general.

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