



Policy Brief

Thinking Policy Together

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Assessing Labour Productivity for Kakamega County

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Overview of the County

Kakamega County is a member of the Lake Region Economic Bloc (LREB) and is a non-ASAL county with less than 10 per cent aridity levels. The county land size stands at 3,034 km² and has thirteen Sub-Counties namely: Butere, Kakamega Central, Kakamega East Kakamega North, Kakamega South, Khwisero, Likuyani, Lugari, Matete, Matungu, Mumias East, Mumias West, and Navakholo.

Key Highlights

The productivity of Kakamega County is characterized by the following:

- (i) The services sector has highest share of Gross Value Added (GVA). The agriculture sector share has been rising with eggs from indigenous chicken dominating the livestock products. Manufacturing dominates the industry sector while the education sector dominates the services sector.
- (ii) The quality of labour requires interventions to reduce teenage pregnancy, child poverty and stunting and increase children vaccination secondary school enrolment.
- (iii) The essential infrastructure requires interventions to increase access to electricity, internet connectivity, improved sanitation, improved housing quality and financial inclusion.
- (iv) Agriculture is the highest employer, majority in mixed farming. In manufacturing employment is highest in fabrication of metal and textile industries. In wholesale and retail trade, retail via stalls and markets dominates.
- (v) Labour productivity is highest in the services sector, followed by the industry sector, whereas the agriculture sector has the least labour productivity.

To enhance productivity

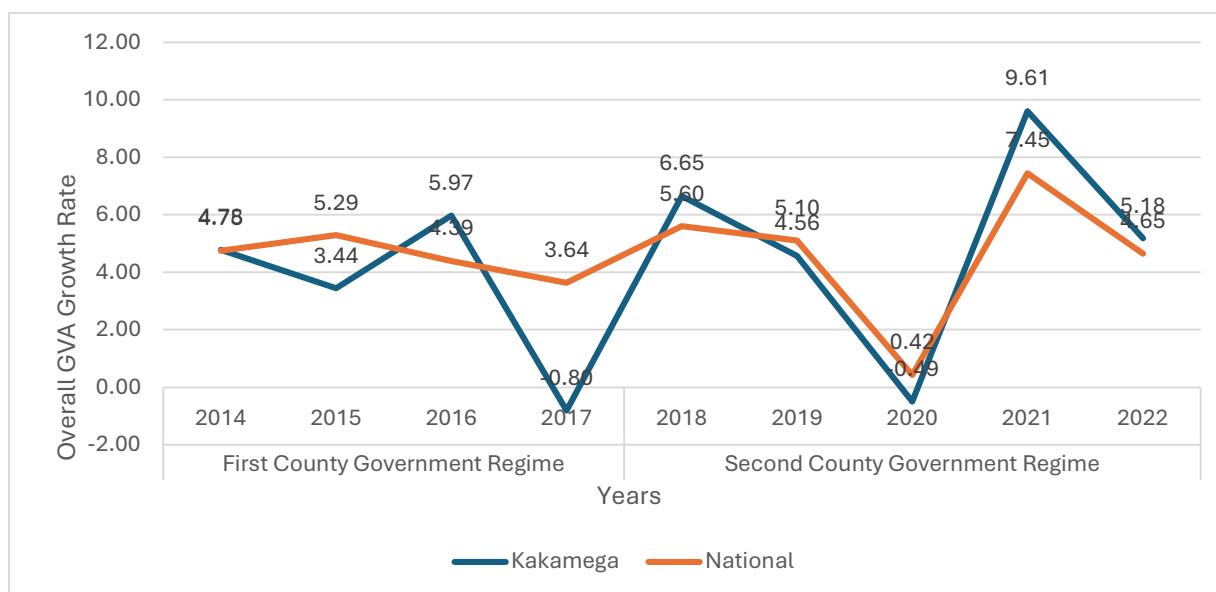
- (i) Increase agriculture productivity by integrate small farmers into the livestock value chains and build skills for farmers to uptake technologies that improve productivity in crop farming.

- (ii) Support the County Aggregation Industry Park to enhance productivity of the MSMEs.
- (iii) Secure the quality of labour with children immunization campaigns and creating awareness and supporting teenage mothers to go back to school.
- (iv) Create an enabling environment for private sector growth by investing in essential infrastructure including electricity, internet connectivity, improved water, improved housing and enhance financial inclusion.
- (v) Exploit tourism potential of the county by marketing the tourism sites.

Kakamega County Economic Performance

Kakamega County contributes on average 2.2 per cent of the National Gross Value added with an average GVA of Ksh. 160,8925 million. The GVA per capita for Kakamega County is Ksh. 86,152.15 with an average population growth of 1.8 per cent and overall poverty levels at 39.6 per cent. Kakamega County has shown a steady growth in GVA with an average growth rate of 4.32 per cent from 2013-2022 which is slightly lower than the national average growth of 4.37 per cent. The highest growth rate was experienced in 2021. The lowest growth rate was experienced in 2017 as shown in Figure 1.

Figure 1: Kakamega County GVA growth rate

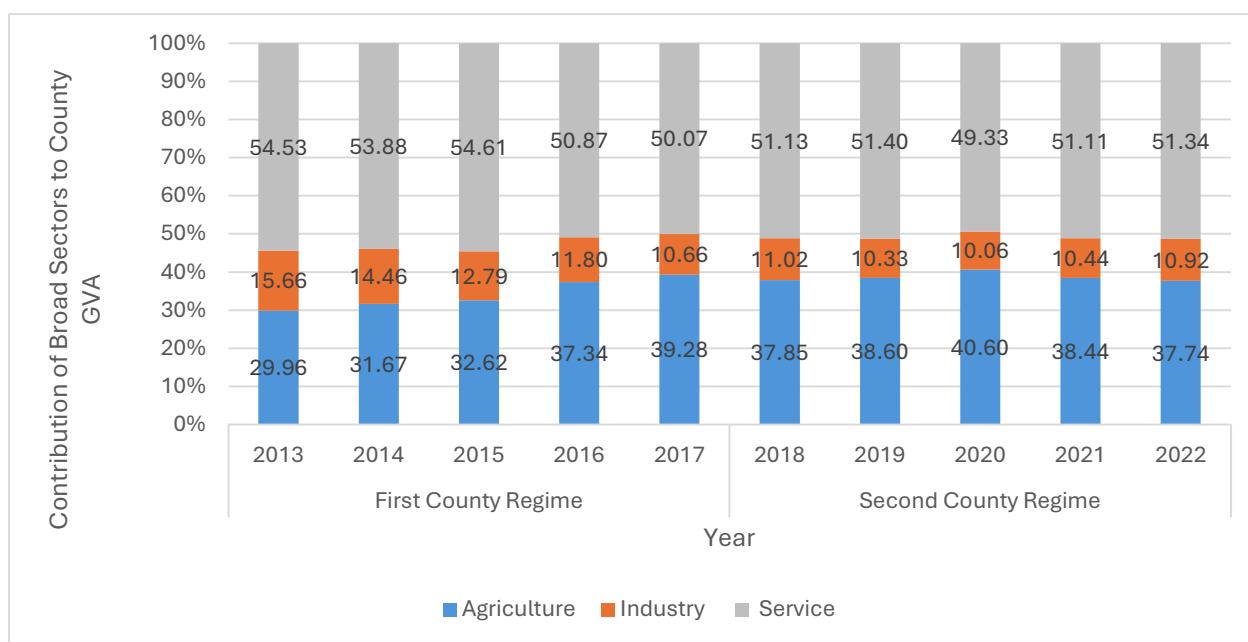


Data Source: KNBS 2023-Gross County Product

Sectoral Contribution to County Gross Value Added

The services sector is dominant in Kakamega County with an average contribution to GVA of 51.83 per cent. The agriculture sector is second, contributing an average of 36.41 per cent to the GVA while the industry contributes about 11.81 per cent as shown in Figure 2.

Figure 2: Contribution of broad sectors to Kakamega County GVA

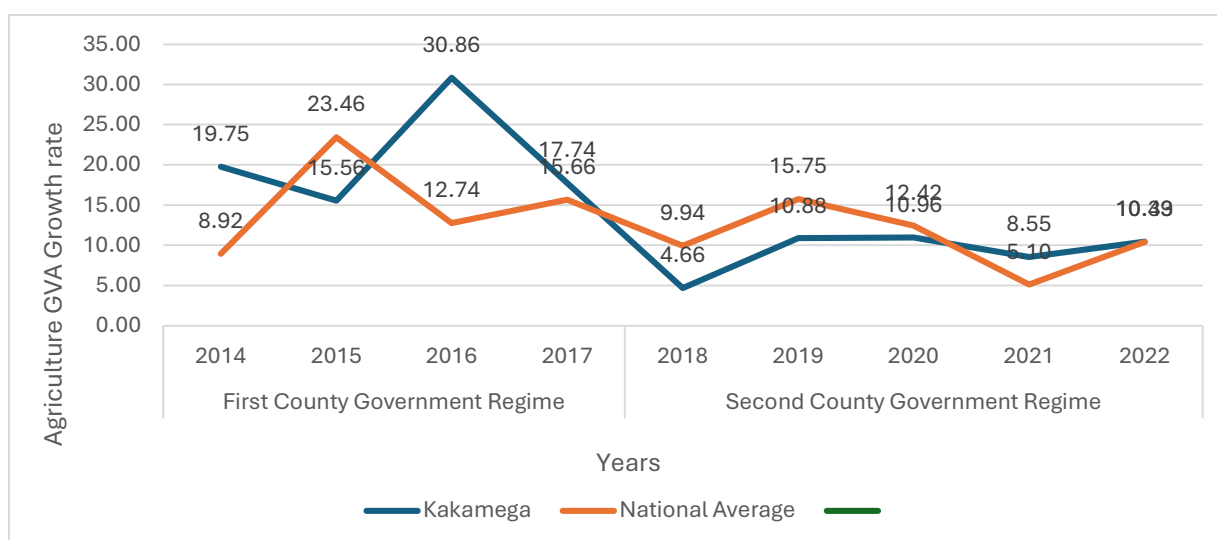


Data Source: KNBS 2023-Gross County Product

Agriculture Sector

The average growth rate of agriculture sector GVA in 2013-2022 is 14.38 per cent which is above the national average of 12.71 per cent as shown in Figure 3.

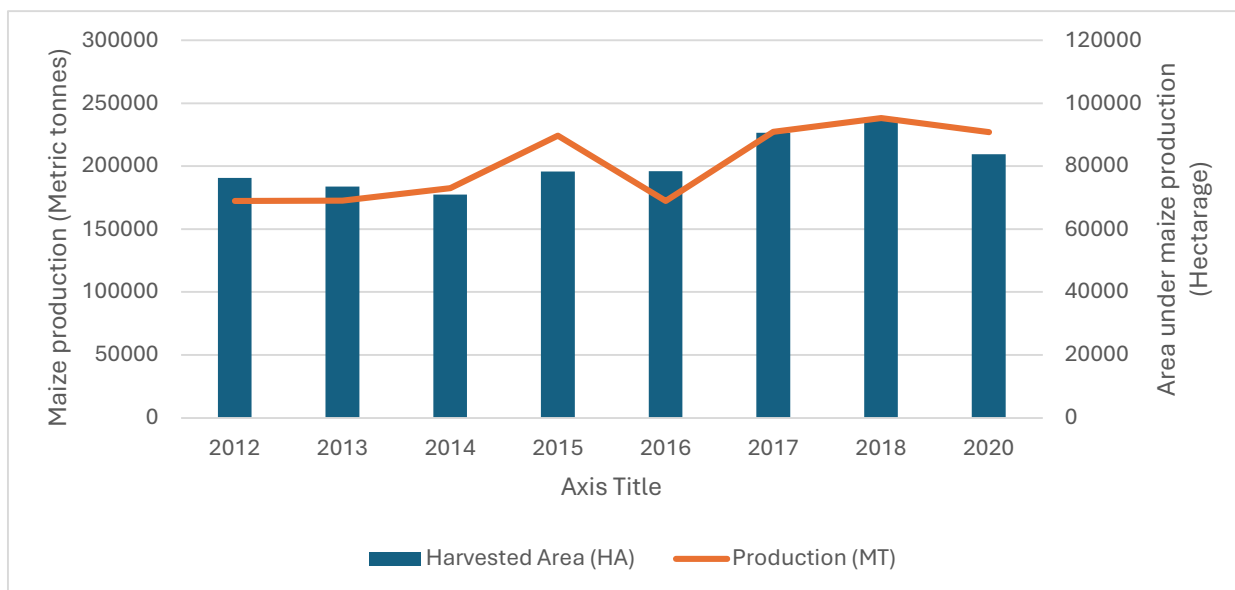
Figure 3: Kakamega County agriculture GVA growth rate



Data Source: KNBS 2023-Gross County Product

Maize, the main staple food in the country is also the main food crop produced in Kakamega County. Both the area under maize production and maize production (metric tonnes) have been relatively constant between 2012 to 2016 with a slight increase in maize production in 2015 and a decline in 2016 (Figure 4). 2017 and 2018 had higher values for both area under maize production and maize production with the latter remaining high in 2020 as the former declined.

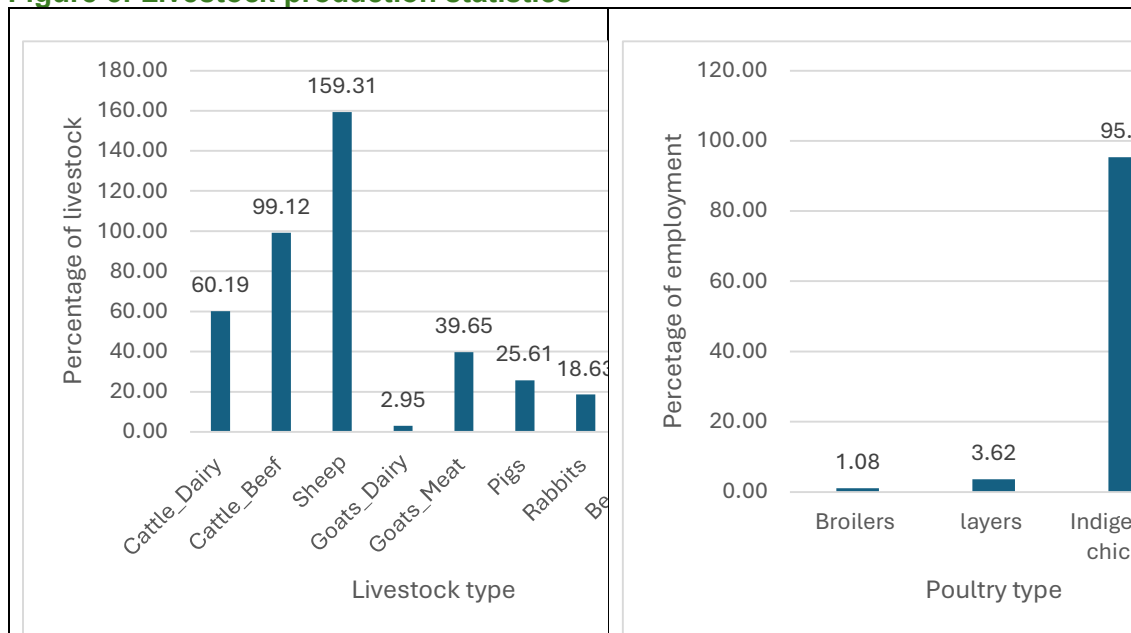
Figure 4 : Maize production and area under maize production

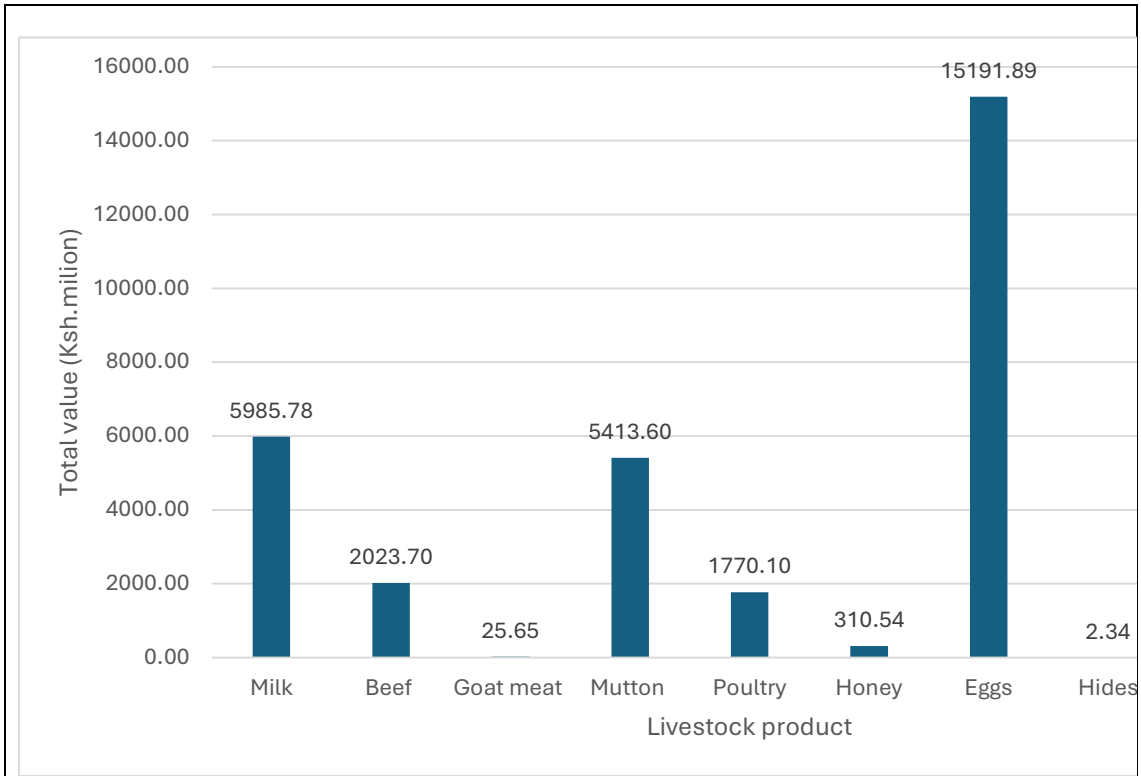


Data source: National Information Platform for Food and Nutrition (NIPFN)

Although the livestock sub-sector is relatively smaller than the crop farming sub-sector in Kakamega County, it is still an important livelihood as significant number of farmers practice mixed crop-livestock farming system (Figure 5). The most common livestock types kept are sheep, beef cattle and dairy cattle. Poultry farming is significantly high in the county with the indigenous chicken being the most common poultry type. Eggs have the highest economic value among the livestock products, followed by milk as the county also has as a substantive dairy farming.

Figure 5: Livestock production statistics



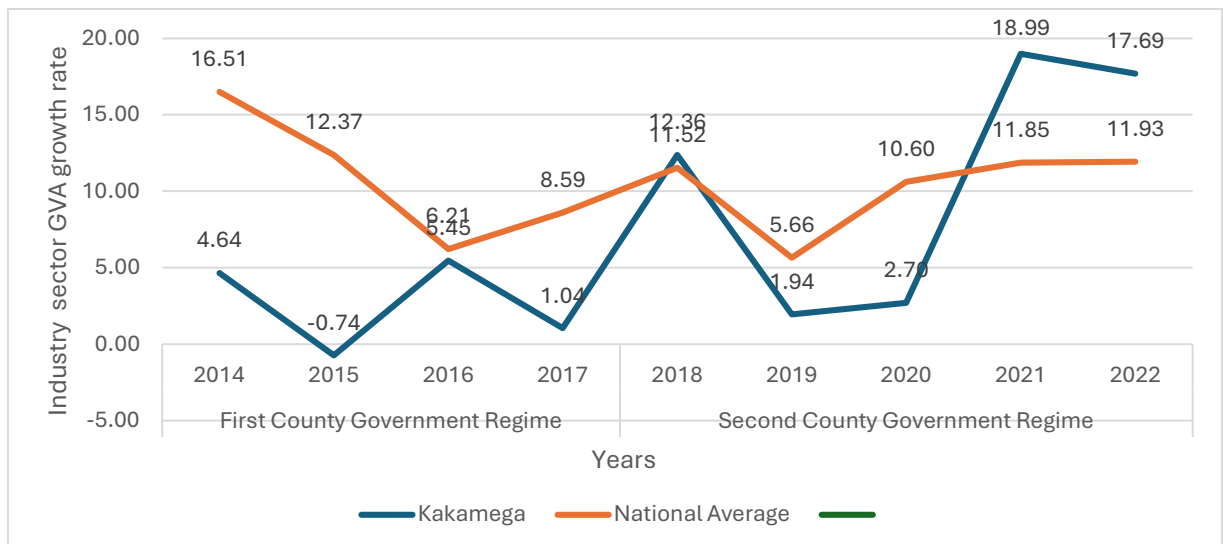


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector

The average growth rate for industry sector is 7.12 per cent, which is above the national average of 10.58 per cent as shown in Figure 6.

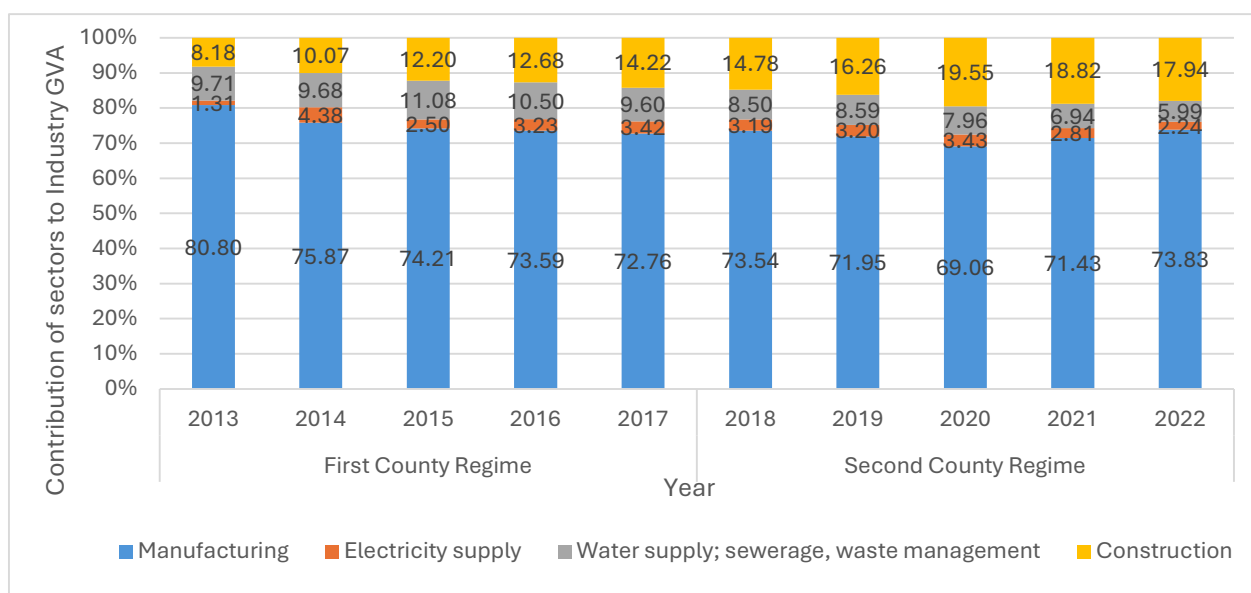
Figure 6: Kakamega County the industry sector GVA growth rate



Data Source: KNBS 2023-Gross County Product

Manufacturing dominates the industry sector as shown in the Figure 7.

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

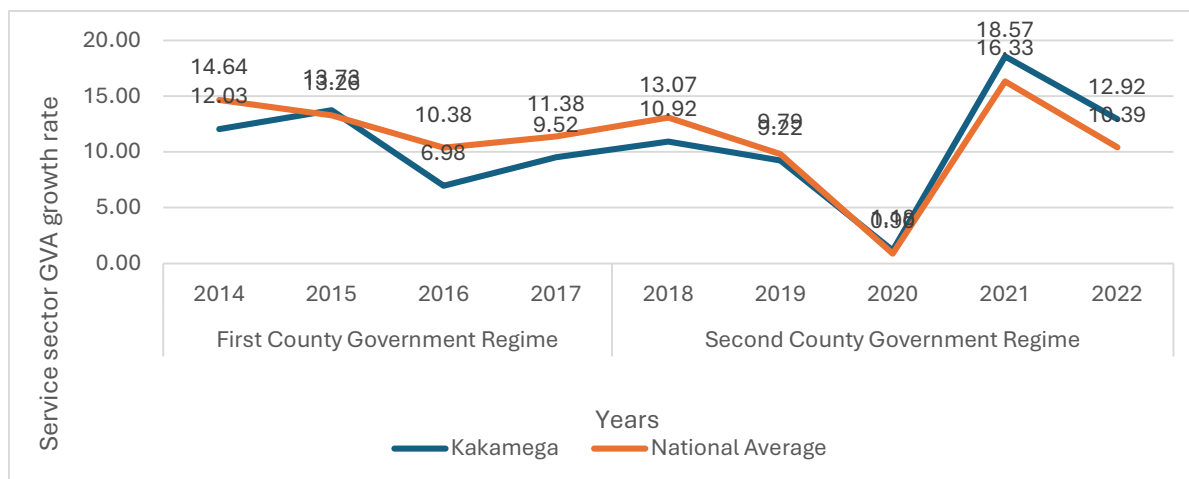


Data Source: KNBS 2023-Gross County Product

Services Sector

The average growth rate for service sector is 9.78 per cent, which is below the national average of 11.13 per cent as shown in Figure 8.

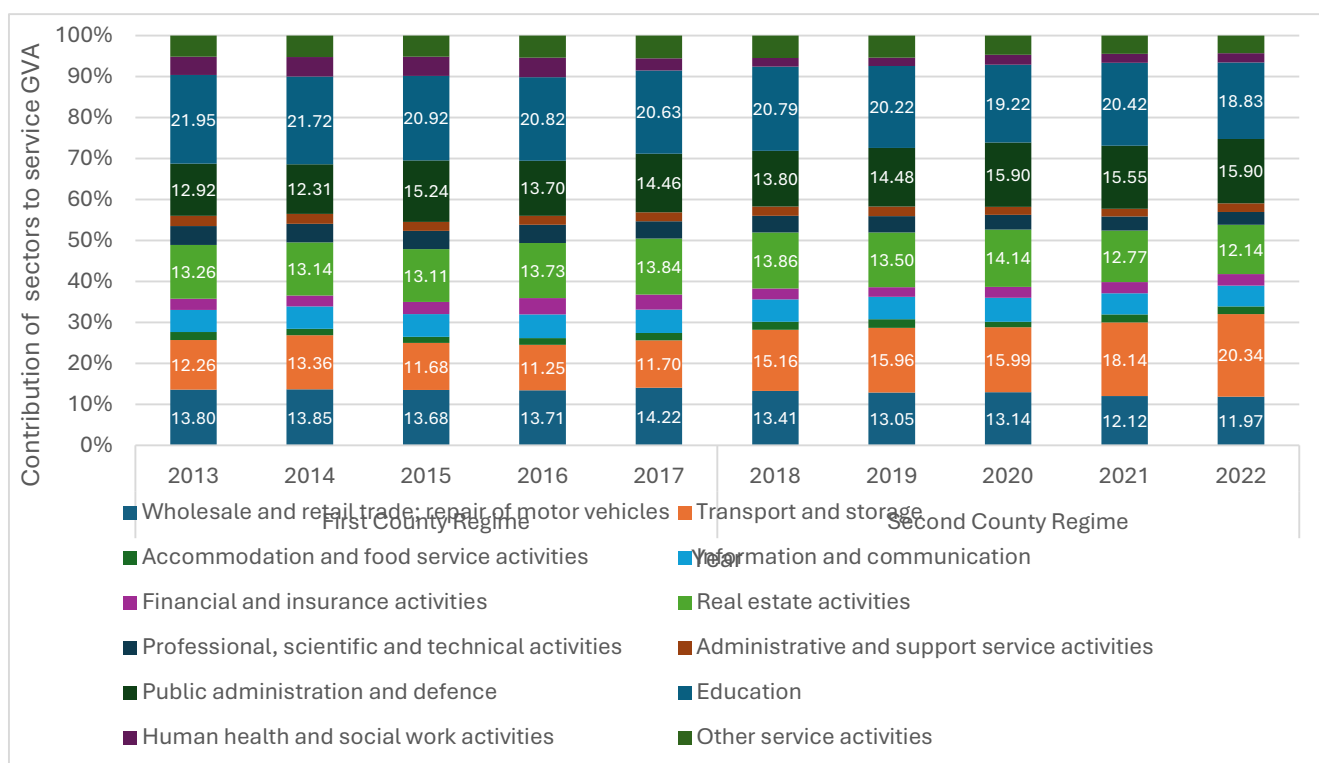
Figure 6: Kakamega County services sector GVA growth rate



Data Source: KNBS 2023-Gross County Product

Education dominates the services sector with the highest contribution to services GVA at 20.55 per cent. Transportation and storage sub-sector is the second contributor at an average of 14.58 per cent, while public administration and defence sector is third at 14.43 per cent as shown in Figure 9.

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



Data Source: KNBS 2023-Gross County Product

Quantity and Quality of Labour Force in Kakamega County

Kakamega County has a total of 994,955 working-age population which is about 53.28 per cent of the total county population. Most of the working-age population is youthful (18-34 years) at 46.50 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 (%)
15-17	78,359	78,326	156,685	15.75
18 –24	112,346	119,224	231,570	23.27
25-34	101,058	130,046	231,104	23.23
35-64	176,167	199,429	375,596	37.75
Total	467,930	527,025	994,955	

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

Most of the population in Kakamega sub-counties are persons in the working age categories. Kakamega Central has the highest percentage of persons of working age at 60.47 per cent as shown in Table 2. In all the sub-counties of Kakamega County, the youthful working ages 18-34 years are the majority.

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

Sub- County	Total population	Working age population				Working age population (15-64) as a percentage of the total sub-county population
		15-17	18 –24	25 –34	35-64	
Butere	154,097	12,949 (16.22)	17,528 (21.95)	17,302 (21.67)	32,079 (40.17)	79,858 (51.82)
Kakamega Central	188,206	13,318 (11.70)	29,004 (25.48)	31,739 (27.89)	39,754 (34.93)	113,815 (60.47)
Kakamega East	97,039	14,019 (15.42)	20,077 (22.08)	20,442 (22.48)	36,384 (40.02)	46,028 (47.43)
Kakamega North	238,325	19,998 (15.93)	29,638 (23.61)	29,967 (23.87)	45,926 (36.59)	125,529 (52.67)
Kakamega South	111,743	9,328 (15.61)	13,516 (22.62)	12,737 (21.32)	24,175 (40.46)	59,756 (53.48)
Khwisero	113,473	9,512 (16.28)	12,299 (21.05)	12,058 (20.64)	24,558 (42.03)	58,427 (51.49)
Likuyani	152,051	12,874 (15.69)	19,273 (23.49)	17,928 (21.85)	31,983 (38.98)	82,058 (53.97)
Lugari	122,728	10,455 (15.80)	14,976 (22.63)	14,348 (21.68)	26,408 (39.90)	66,187 (53.93)
Matete	66,172	6,000 (17.60)	8,033 (23.56)	7,857 (23.04)	34,096 (35.80)	34,096 (51.53)
Matungu	166,936	14,724 (17.48)	19,853 (23.56)	19,299 (22.91)	30,380 (36.06)	84,256 (50.47)
Mumias East	116,848	10,105 (16.48)	14,596 (23.80)	14,991 (24.44)	21,643 (35.29)	61,335 (52.49)
Mumias West	115,353	9,772 (15.94)	14,308 (23.34)	14,541 (23.72)	22,690 (37.01)	61,311 (53.15)
Navakholo	153,970	13,631 (17.61)	18,469 (23.86)	17,895 (23.12)	27,410 (35.41)	77,405 (50.27)

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

Kakamega County performance is high for socioeconomic indicators that affect the quality of labour. However, interventions are required to reduce teenage pregnancies and increase children vaccination rates Table 3).

Table 3: Human capital indicators

Human capital indicators	County	National average
Literacy rate	80.60	78.41
Pre-primary net enrolment rate (2019)	73.78	67.51
Primary school net enrolment rate (2020)	96.90	77.72
Secondary school net enrolment rate (2020)	58.30	54.18
Average years of schooling (2014)	7.60	7.78
Percentage of children 12-23 months fully vaccinated (%)	73.10	74.97
Percentage of stunted children	11.50	19.75
Percentage of teenage pregnancy	15.10	15.79
Primary to secondary transition rates (2020)	87.60	86.13
Pupil-teacher ratio (Primary school)	33.00	28.28
Food poverty head count (%)	28.50	33.63
Child poverty head count (%)	39.50	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 performed higher than the national average. However, interventions are required to increase electricity and internet connectivity, increase access to improved water, improve housing quality and enhance financial inclusion (Table 4)

Table 4: Essential infrastructure and capital indicators

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019 Census	25.10	38.52
Distribution of population using the internet (2019 census)	14.50	18.69
Rural Access Index (2018)	81.02	63.72
Access to improved sanitation (2018)	32.00	59.04
Access to improved water (2018)	89.90	65.33
Financial inclusion level (2021)	79.50	81.01
The proportion of primary Schools with internet	29.10	27.65
Proportion of secondary schools with functional internet	25.80	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	26.55	51.71
Percentage of households using bank usage (overall)	50.20	38.18
Percentage of households using mobile money	76.10	78.58

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

County Employment Statistics

Employment to population ratio is at 64.76 per cent. Most of those working is the youthful population (18-34 years) at about 29.64 per cent while those 35-64 at 33.82 per cent (Figure 5). The per centage of the employed by gender is 37.49 for male and 41.25 for female. The unemployment rate is at 4.83 percent with unemployment being slightly higher for the youth (18-34 years) at 3.06 per cent and those 35-64 years at 1.66 per cent.

The percentage of persons 5–17 years old working is 4.41 per cent indicating that the county has low levels of child labour. The inactivity rates are higher for the youth category (15-24 years) at 25.62 per cent while it is low for the persons of prime age (25-64 years) at 4.28 per cent.

Table 5: Kakamega County employment statistics

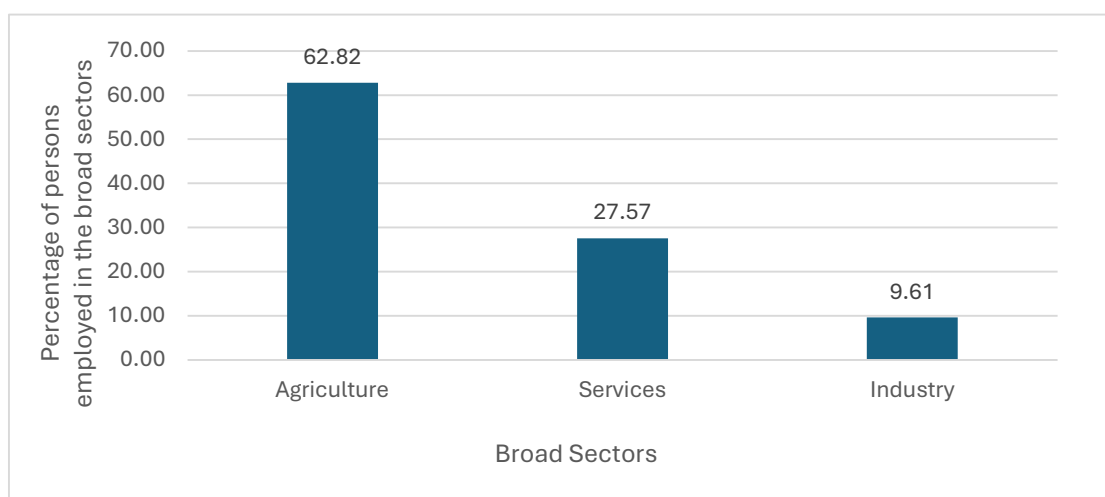
Employment statistics	Youth	Non youth
Employment to population ratio (%)	29.64	33.82
Unemployment rate	3.06	1.66
Percentage of persons 5–17 years old working	4.41	-
Inactivity rate	25.62	4.28

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

Sectoral Employment

The agriculture sector is the highest employer in Kakamega County at 62.82 per cent followed by the services sector at 27.57 per cent and lastly the industry sector at 9.61 per cent as shown in Figure 10.

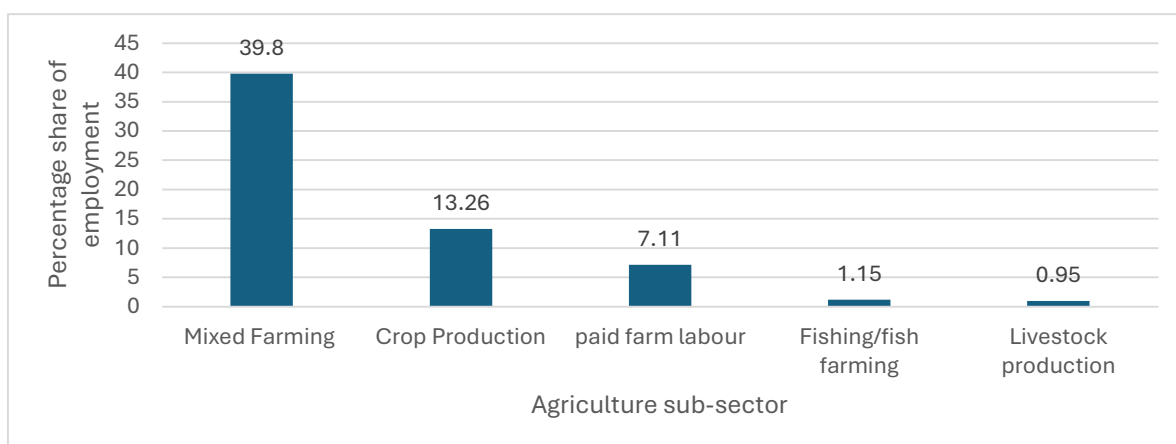
Figure 10: Percentage of persons employed in the broad sectors



Data Source: KNBS 2021- Kenya Continuous Household Survey

Majority of those employed in the agriculture sector practice mixed farming, mostly a mix of crop production, dairy farming and rearing small stock such as sheep and goats as shown in Figure 11.

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

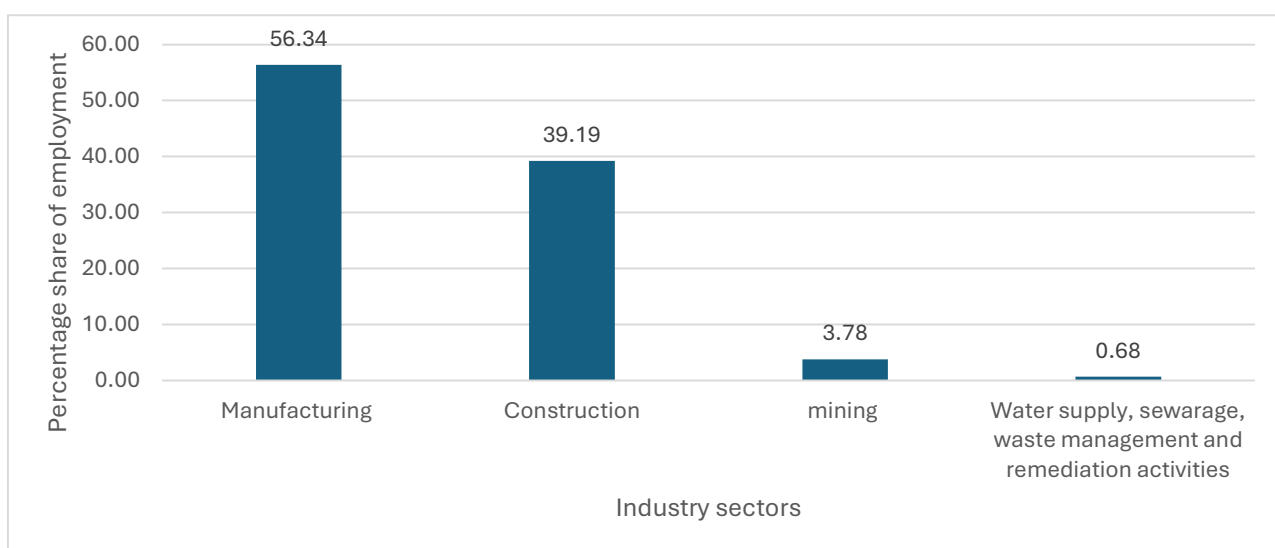


Data Source: KNBS 2021- Kenya Continuous Household Survey

Industry Sector Employment

The majority of those working in the industry sectors are in manufacturing. The construction sector has the second highest share of employment with the main sub-sector being construction of buildings as shown in Figure 12. Mining and quarrying sector has one of the lowest shares of employment and this county it is mostly quarrying of stones.

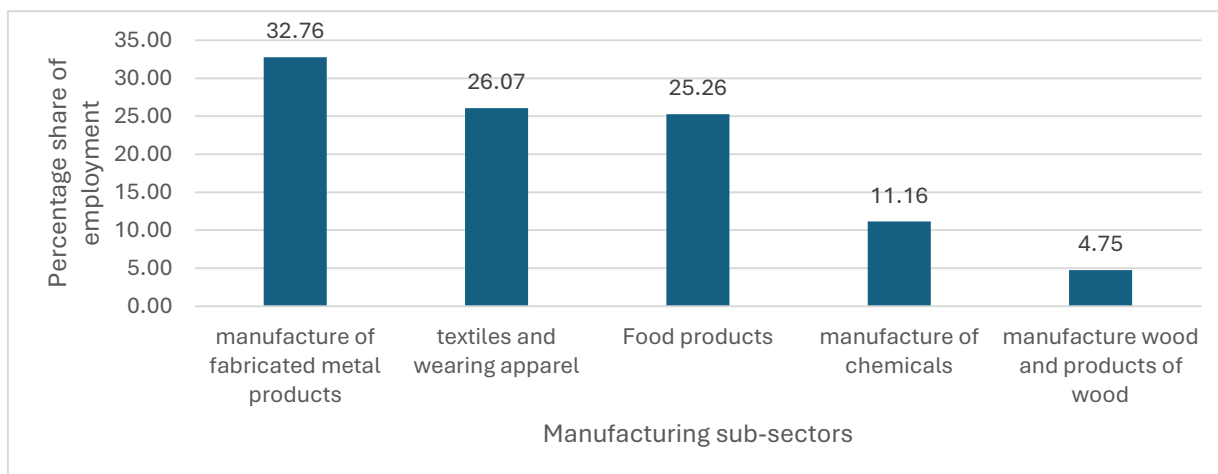
Figure 12: Percentage share of employment in the industry sectors



Data Source: KNBS 2021- Kenya Continuous Household Survey

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

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

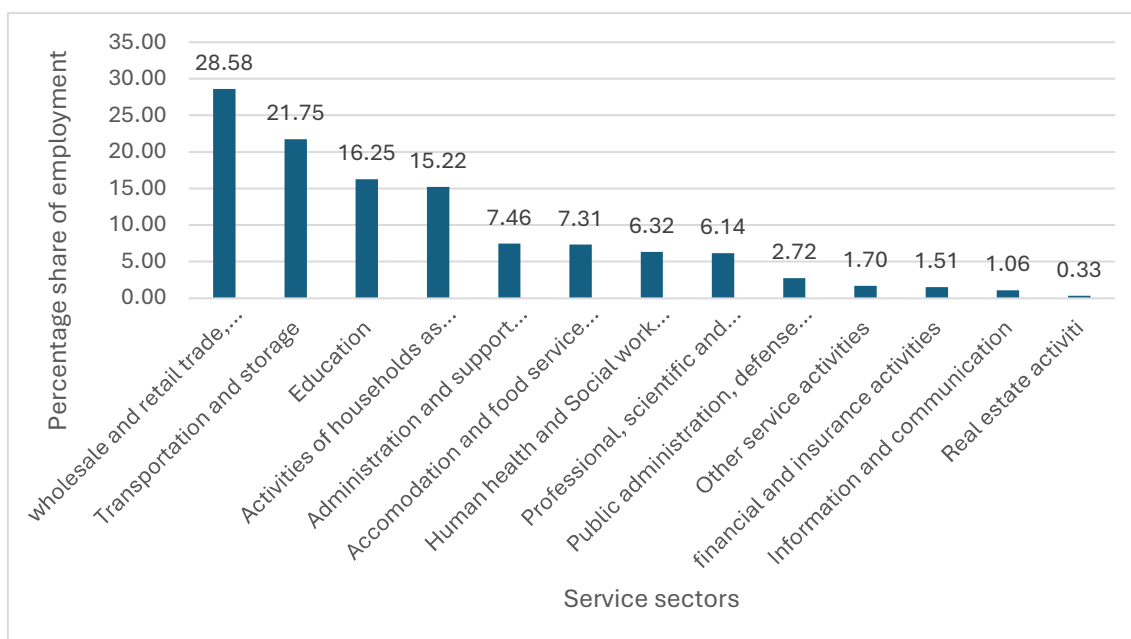


Data Source: KNBS 2021- Kenya Continuous Household Survey

Services Sector Employment

Majority of those working in the service sector are in wholesale and retail trade and repair of motor vehicle and motorcycles (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 vehicles and motorcycles sub-sector, the majority work in retail via stalls and markets as shown in Figure 15.

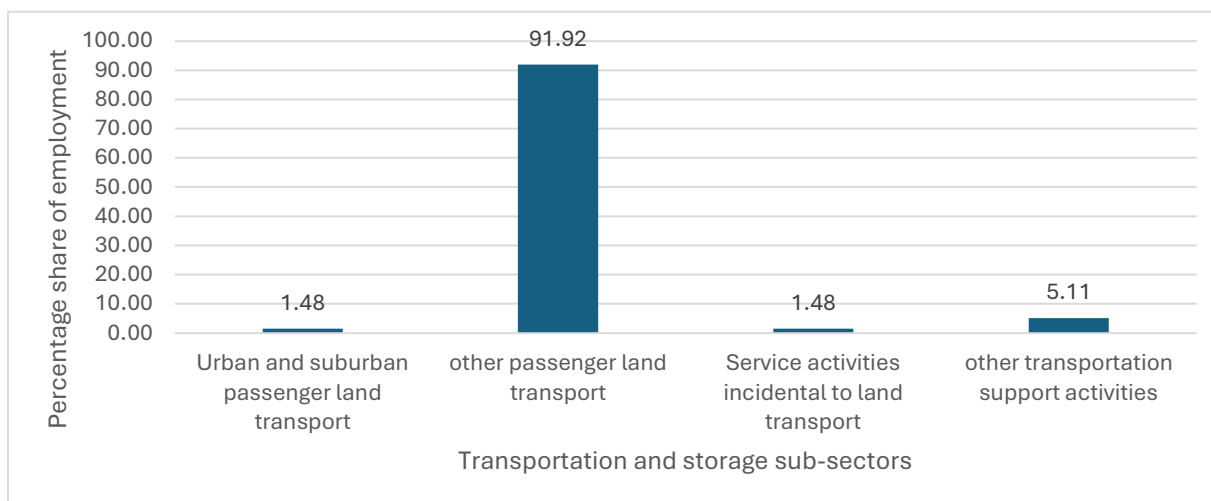
Figure 15: Percentage of persons employed in the wholesale and retail trade; repair of motor vehicle sub-sectors



Data Source: KNBS 2021- Kenya Continuous Household Survey

In the transportation and storage sector, the majority of those employed are in other passenger land transport as shown in Figure 16.

Figure 16: Percentage share of employment in the transportation and storage sub-sectors



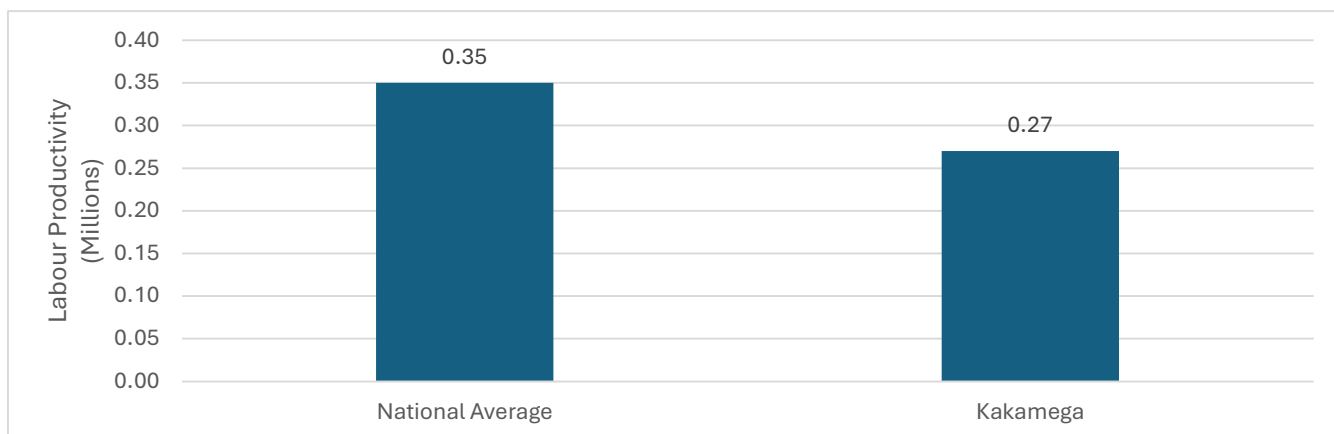
Data Source: KNBS 2021- Kenya Continuous Household Survey

Labour Productivity

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

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

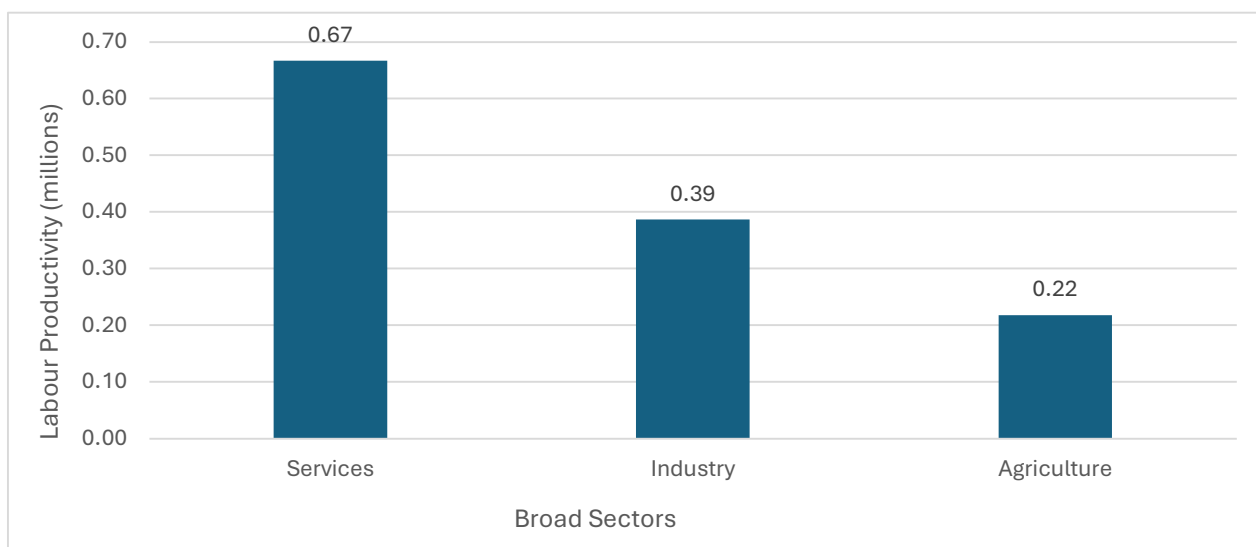
Figure 17: Labour productivity ratios (millions)



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

The services sector has the highest labour productivity, the industry sector has the second highest at whereas the agriculture sector has the least labour productivity as shown in Figure 18.

Figure 18: Labour productivity by sectors

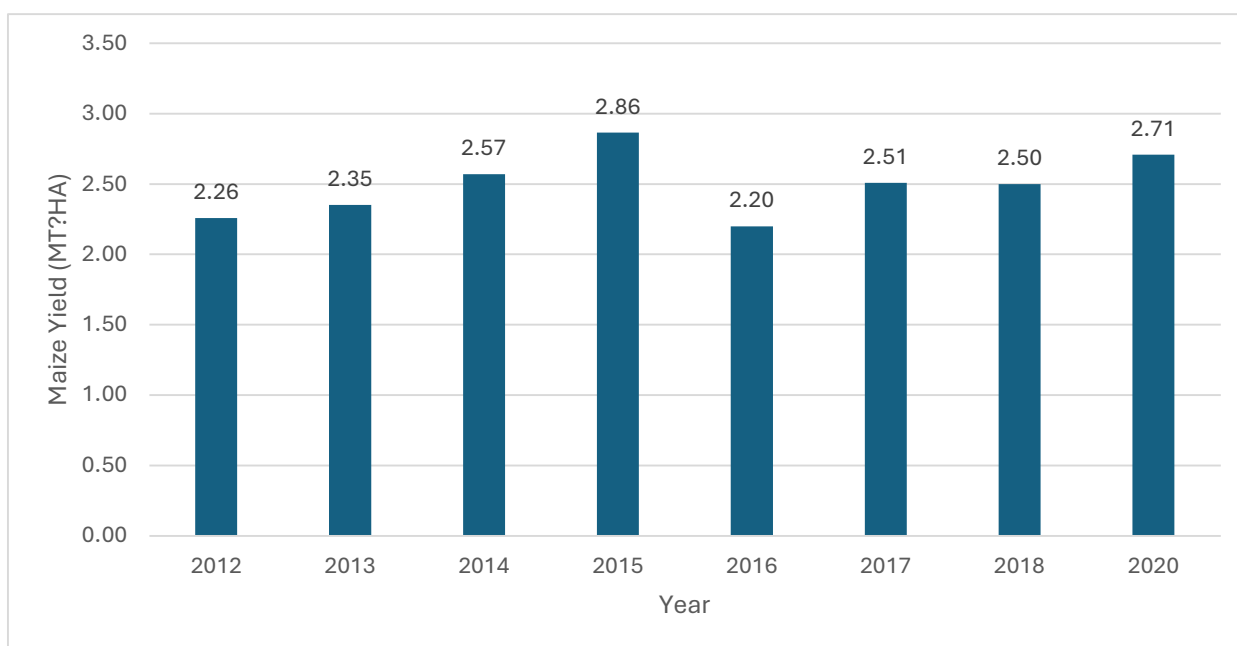


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Agriculture Productivity

Maize yields in Kakamega County are comparatively higher but fluctuating over the years. The lowest yields were in 2016 while the average for the years under review is at 2.50MT/HA as shown in Figure 19.

Figure 19: Maize yield (MT/HA)

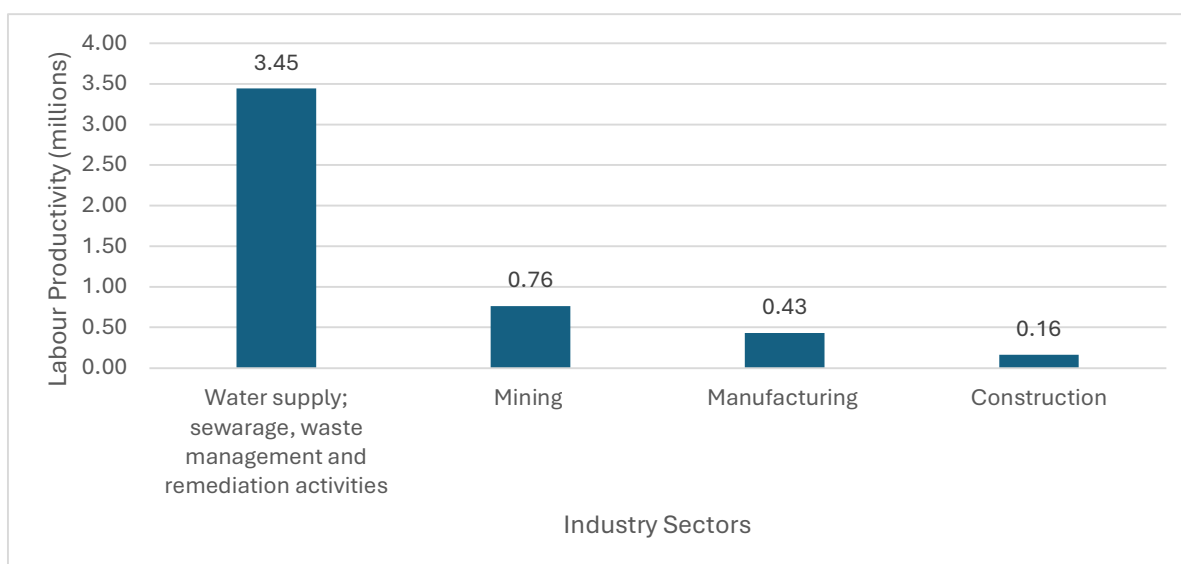


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry sector labour productivity

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

Figure 20: Labour productivity by industry sectors

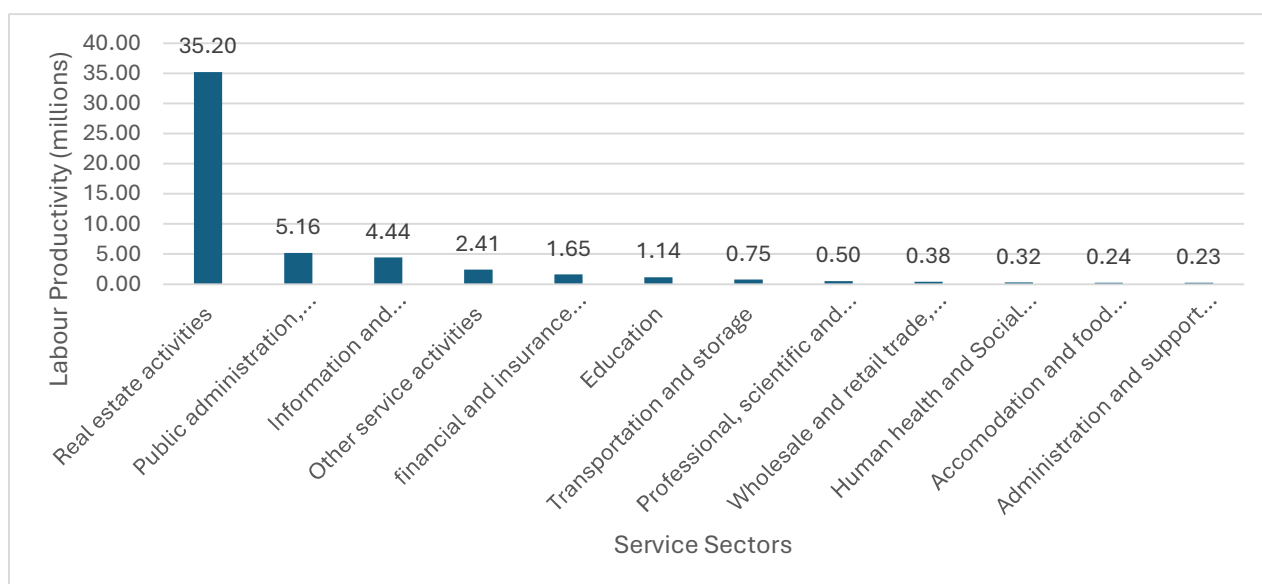


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Services sector Labour Productivity

The real estate sub-sector had relatively higher labour productivity when compared with other sub-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 dominates the share of county GVA while the industry sector has the least share which has declined overtime. Agriculture share has been rising with potential in maize production, dairy and poultry farming. Eggs from indigenous chicken dominate the livestock products. Manufacturing dominates the industry sector GVA while the education sector dominates the services sector GVA.
- (ii) The indicators for quality of labour performed within national averages. However, interventions are required to reduce teenage pregnancies and increase children vaccination rates. Further is to reduce child poverty and stunting and increase secondary school enrolment.
- (iii) Most of the essential infrastructure and capital indicators in Kakamega County are higher than the national average. However, interventions are required to increase electricity and internet connectivity, increase access to improved sanitation, improve housing quality and enhance financial inclusion.
- (iv) The agriculture sector is the highest employer, majority of those employed in the agriculture sector practice mixed farming. The majority of those working in the industry sector are in manufacturing with employment concentrated in fabrication of metal and textile industries. Employment in the services sector is mainly in wholesale and retail trade, with retail via stalls and markets sub-sector dominating.
- (v) Labour productivity in the county is lower than the national average labour productivity. The services sector has the highest labour productivity, the industry sector has the second highest at whereas the agriculture sector has the least labour productivity.

Policy Recommendations

- (i) Increase agriculture productivity by developing the livestock value chain to integrate the small farmers into the dairy and leather value chains; and building skills for farmers to uptake technologies that improve productivity especially in crop farming.
- (ii) Supporting the County Aggregation Industry Park to enhance productivity of the MSMEs.
- (iii) Secure quality of labour by increasing children immunization rates and reducing teenage pregnancies through awareness and supporting teenage mothers to continue with education.
- (iv) Create an enabling environment for private sector growth by investing in essential infrastructure, prioritize electricity and internet connectivity, increase access to improved water, improve housing quality and enhance financial inclusion.
- (v) Exploit tourism potential of the county by marketing the tourism sites.

Acknowledgement

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KIPPRA Policy Briefs are aimed at a wide dissemination of the Institute's policy research findings. The findings are expected to stimulate discussion and also build capacity in the public policy making process in Kenya.

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