



Policy Brief

Thinking Policy Together

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Assessing Labour Productivity for Kericho County

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Overview of the County

Kericho County is a member of the Lake Region Economic Bloc (LREB) and is a non-ASAL county that experiences less than 10 per cent aridity. The county land size stands at 2,454 km² and has four Sub-Counties namely: Belgut, Bureti, Kericho East, Kipkelion, Londiani and Soin Sigowet.

Key Highlights

The productivity of Kericho County is characterized by the following:

- (i) The agriculture and service sectors share almost the same Gross Value Added (GVA). Crop production dominates agriculture with tea as a key cash crop. The manufacturing sub-sector dominates the industry sector while transportation and storage sector dominate the services sector.
- (ii) The quality of labour requires interventions to increase children vaccination and reduce stunting, teenage pregnancy and child poverty.
- (iii) The essential infrastructure requires interventions to increase access to electricity and internet connectivity.
- (iv) The agriculture sector employs the highest employer with majority in crop farming. Construction sub-sector dominates the industry sector while employment in manufacturing is in agro-processing and repair and installation industries. In wholesale and retail trade, employment is mainly in retail sale in specialized stores.
- (v) The labour productivity is highest in the industry sector while agriculture sector has the least productivity. Public administration and defence have relatively higher labour productivity in the services sector.

To enhance productivity:

- (i) Increase productivity in the agriculture sector by integrating small farmers into the livestock value chains and exploit opportunity for crop farming.

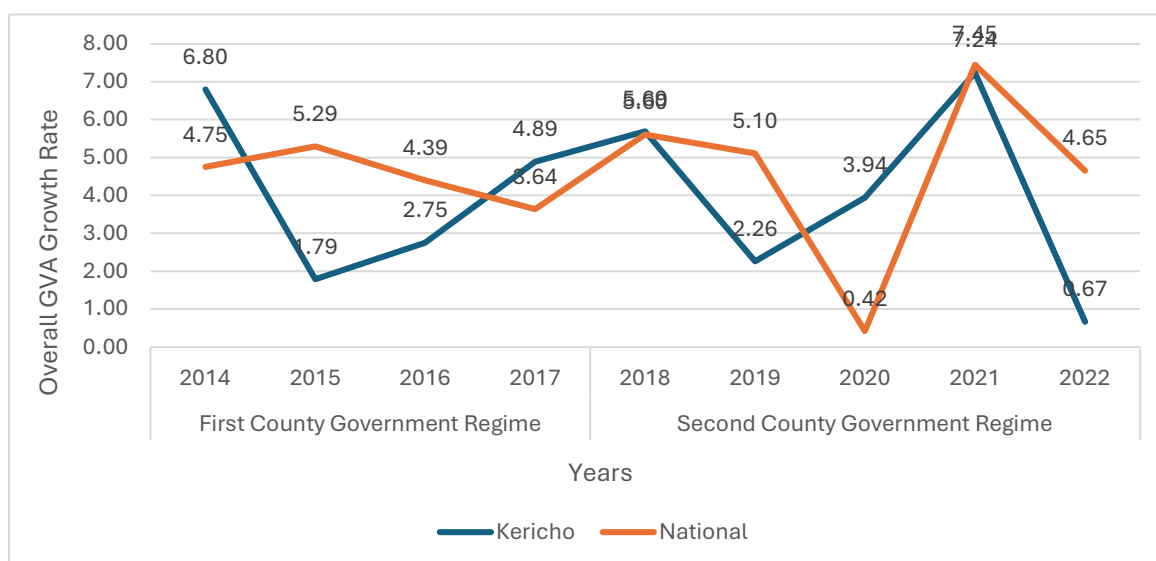
- (ii) Encourage investments in manufacturing to grow agro-processing and support implementation of the County Aggregation Industry Park to enhance productivity of the MSMEs.
- (iii) Secure quality of labour with nutritional programmes, create awareness and supporting teenage mothers to continue with education, and encourage children vaccination.
- (iv) Create an enabling environment for private sector growth by investing in essential infrastructure to improve access to electricity and internet.
- (v) Exploiting the commercial potential of gold mining to increase growth of industrial sector.

Kericho County Economic Performance

Kericho County contributes on average to 1.7 per cent of the National Gross Value added with an average GVA of Ksh. 123,0419 million. The GVA per capita for Kericho County is Ksh. 136,448.06 with an average population growth of 1.5 per cent and overall poverty levels at 39.8 per cent.

Kericho County has shown a steady growth in GVA with an average growth rate of 4.00 per cent in 2013-2022, which is slightly lower than the national average growth of 4.37 per cent. The highest growth rate was in 2021 as shown in Figure 1.

Figure 1: Kericho County GVA growth rate

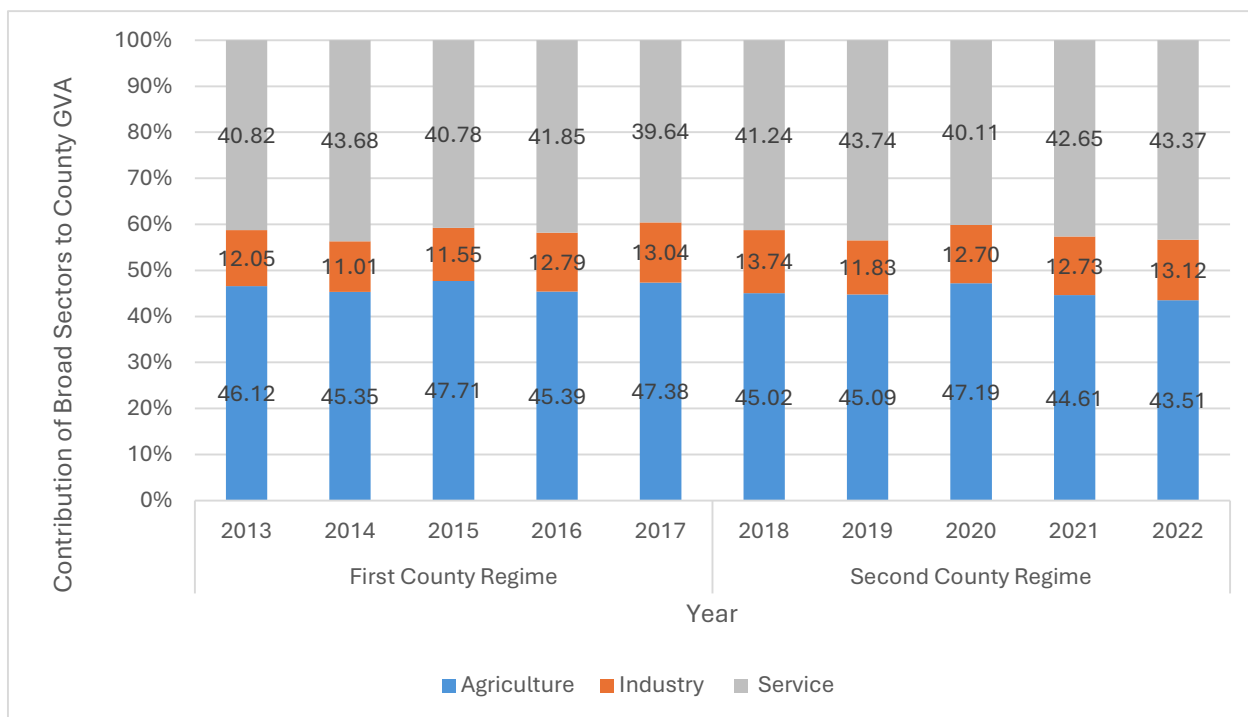


Data Source: KNBS 2023-Gross County Product

Sectoral Analysis of GVA

The agriculture sector is dominant in Kericho County with an average contribution to GVA of 45.74 per cent. The services sector is second, contributing an average of 41.79 per cent to the GVA while industry contributes about 12.46 per cent as shown in Figure 2.

Figure 2: Contribution of broad sectors to Kericho County GVA

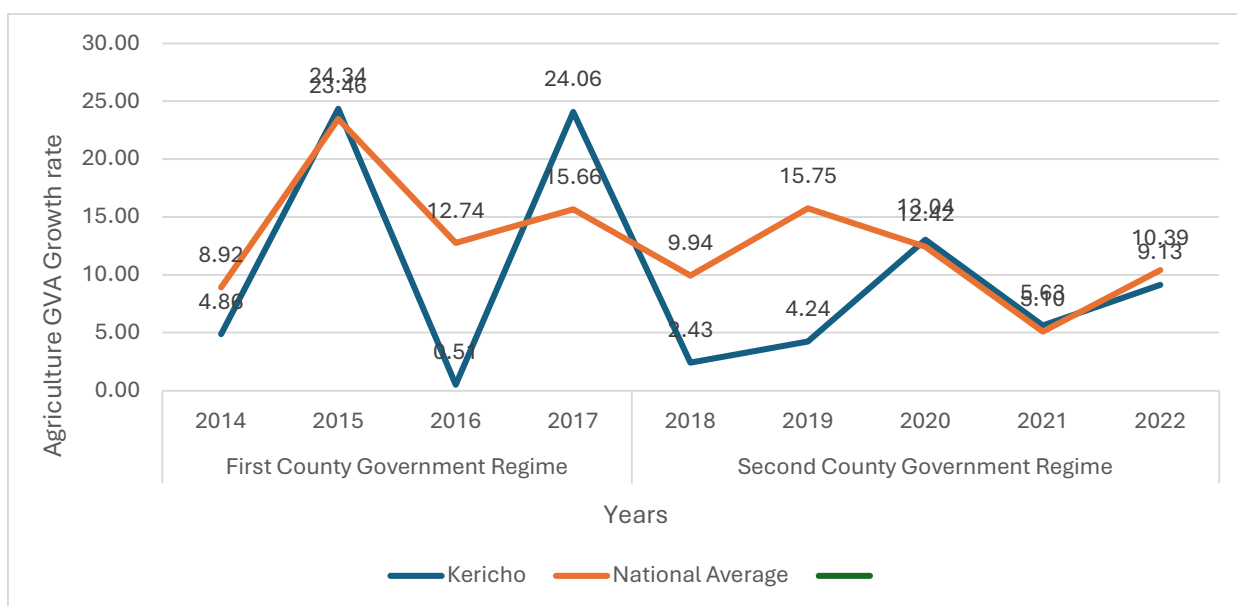


Data Source: KNBS 2023-Gross County Product

Agriculture Sector

The average growth rate of agriculture GVA in 2013-2022 is 9.81 per cent, which is below the national average of 12.71 per cent as shown in Figure 3.

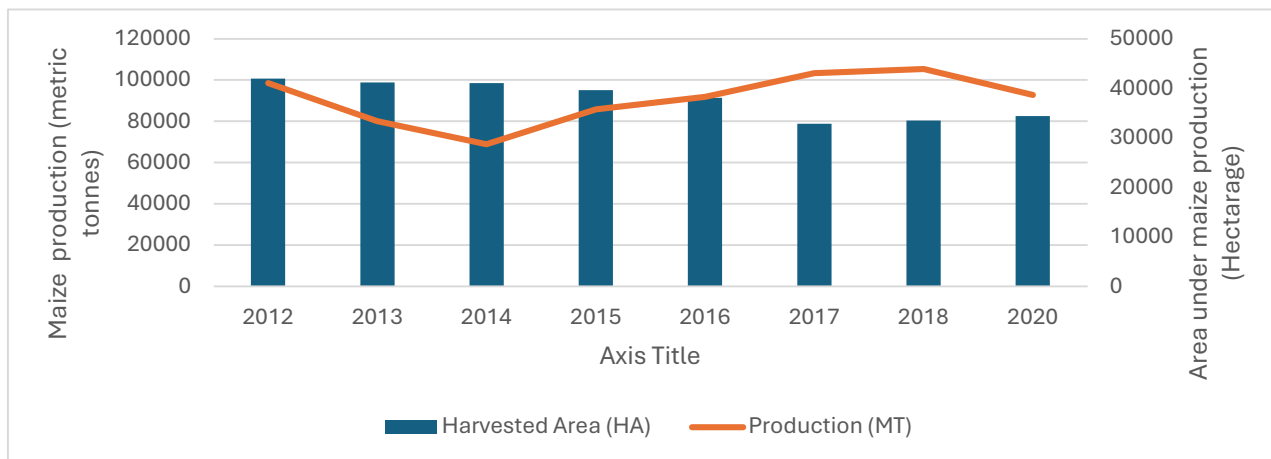
Figure 3 : Kericho County agriculture GVA growth rate



Data Source: KNBS 2023-Gross County Product

In agriculture sector, crop production is the main sub-sector. Among the main food crops grown include maize, beans and potatoes. Cash crops grown are tea, coffee and sugarcane. Maize, the main staple food in the country, is also the dominant food crop grown in the county. The area under maize production has largely been constant only decreasing in 2017 and remaining constant through to 2020. However, maize production (metric tonnes) has fluctuated over the years (Figure 4).

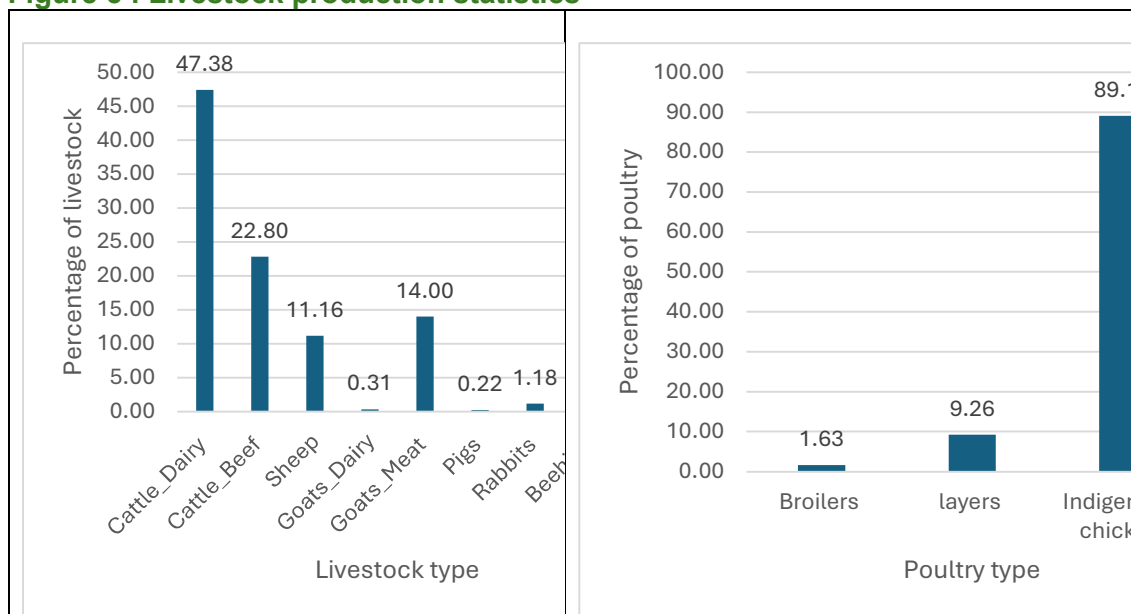
Figure 4 : Maize production and area under maize production

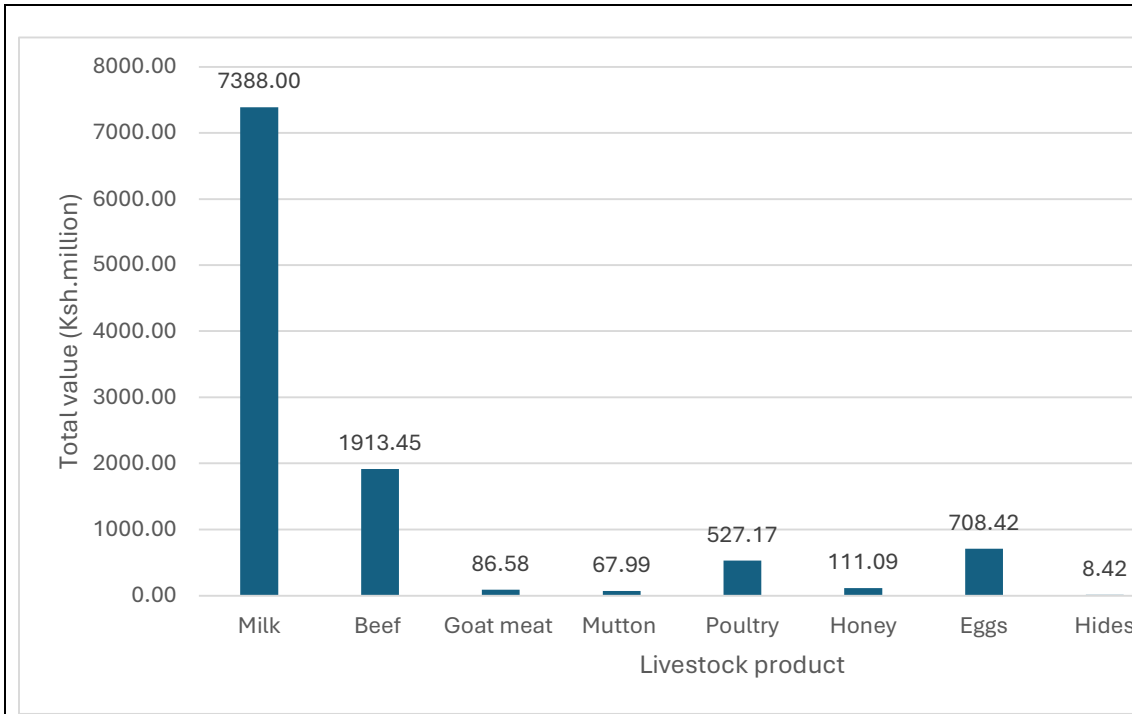


Data source: National Information Platform for Food and Nutrition (NIPFN)

Livestock production is on a smaller scale compared to crop production in Kericho County as shown in Figure 5. The main livestock kept are dairy cattle, beef cattle and meat goats. The county has a substantive dairy industry supported by the higher number of dairy cattle and presence of milk processors. Poultry farming dominated by indigenous chicken. Milk has the highest economic value among the livestock products reflecting the advantages the county has in dairy farming.

Figure 5 : Livestock production statistics



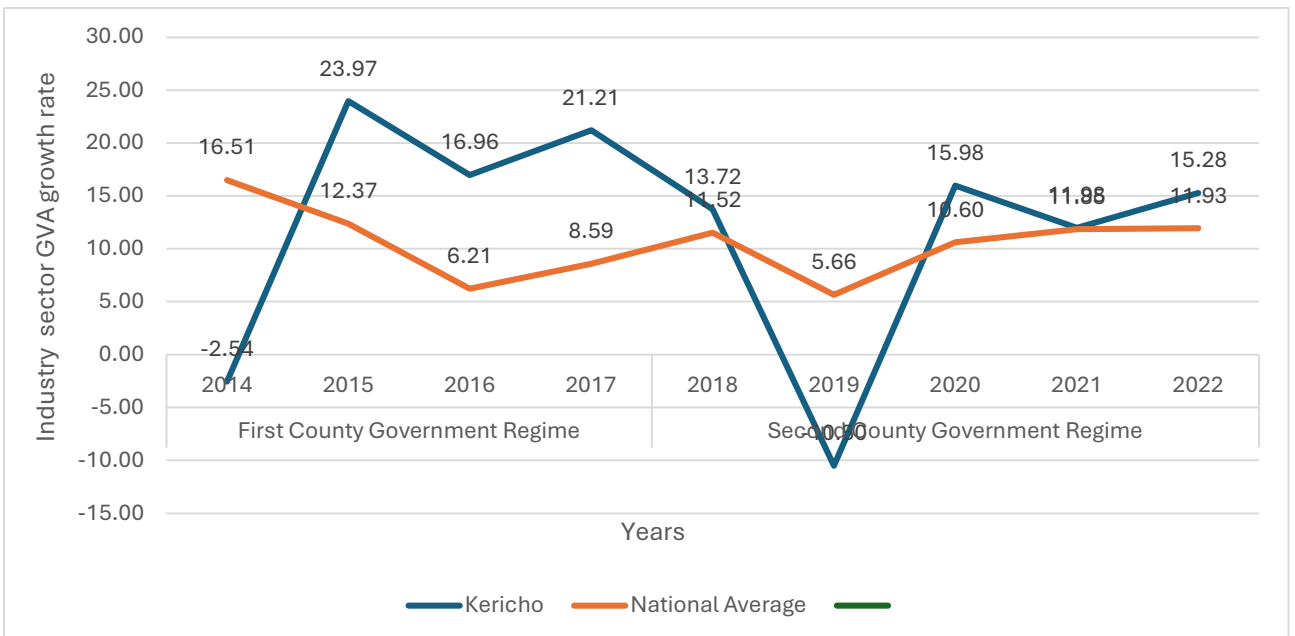


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector

The average growth rate of industry sector is 11.78 per cent, which is above the national average of 10.58 per cent as shown in Figure 6.

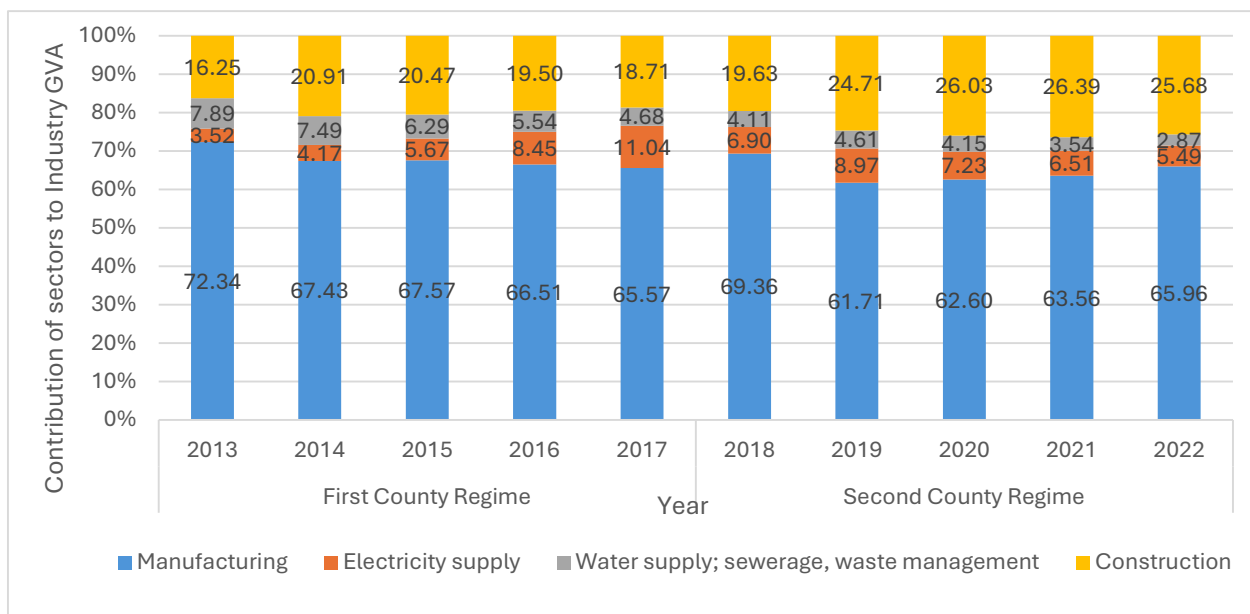
Figure 6: Kericho County industry GVA growth rate



Data Source: KNBS 2023-Gross County Product

The manufacturing sub-sector dominates the industry sector (Figure 7).

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

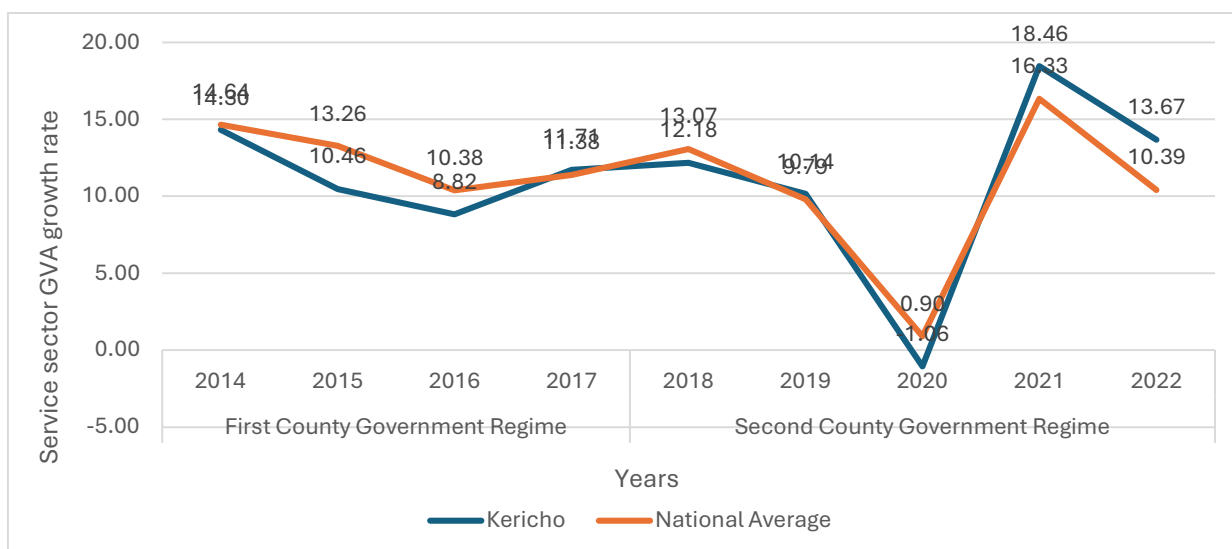


Data Source: KNBS 2023-Gross County Product

Services Sector

The average growth rate of services sector is 9.69 per cent, which is below the national average of 11.13 per cent as shown in Figure 8.

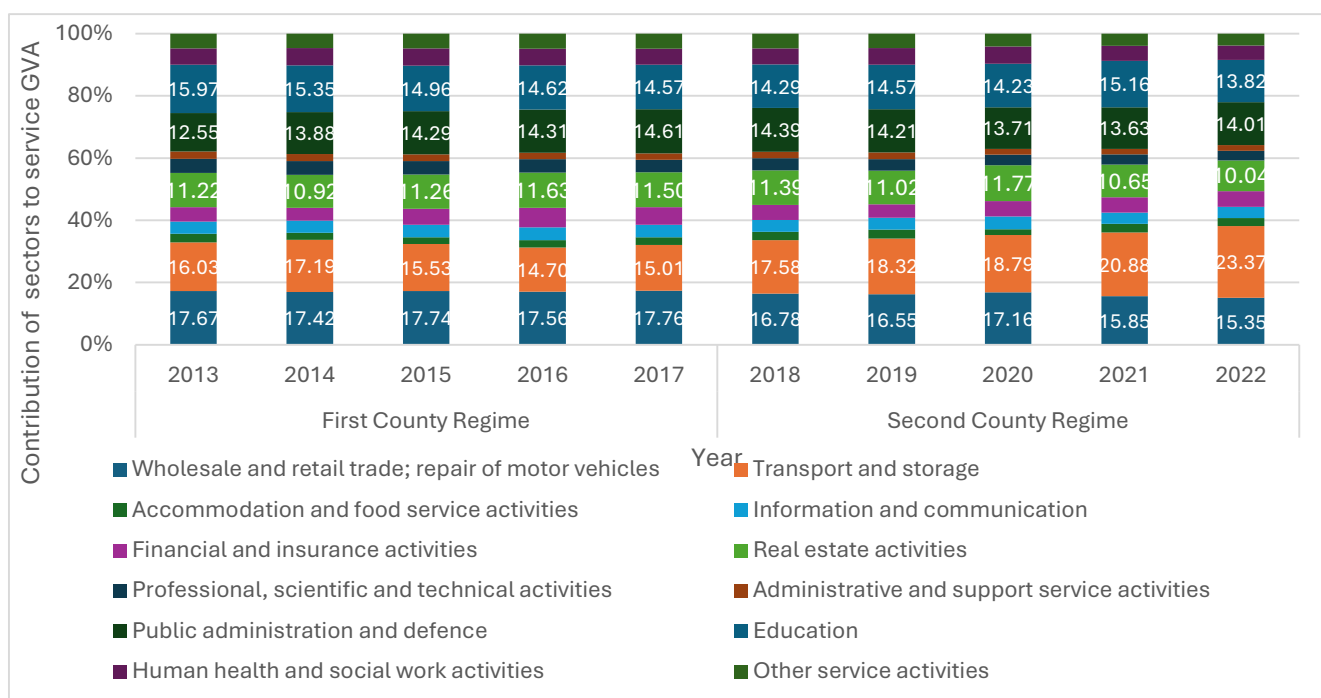
Figure 7: Kericho County services sector GVA growth rate



Data Source: KNBS 2023-Gross County Product

The transportation and storage sub-sector dominate the services sector with contribution to services GVA at 17.74 per cent. Wholesale and retail trade sub-sector is second contributing 16.98 per cent while education contributes 11.09 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 Kericho County

Kericho County has a total of 513,854 working-age population, which is about 56.98 per cent of the total county population. Most of the working-age population is youthful (18-34 years) at 52.10 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	34,746	33,798	68,544	13.34
18 –24	60,469	63,754	124,223	24.17
25-34	68,414	75,061	143,475	27.92
35-64	92,709	84,903	177,612	34.56
Total	256,338	257,516	513,854	

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

Most of the population in Kericho sub-counties are persons in the working age categories. Kericho East has the highest percentage of persons of working age at 60.98 per cent 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	
Belgut	145,072	11,152 (12.89)	19,415 (22.45)	24,043 (27.80)	31,875 (36.86)	86,485 (59.62)
Bureti	199,465	15,765 (13.83)	28,163 (24.70)	31,486 (27.62)	38,596 (33.85)	114,010 (57.16)
Kericho East	170,618	11,596 (11.15)	25,526 (24.54)	31,937 (30.70)	34,978 (33.62)	104,037 (60.98)
Kipkelion	122,526	9,399 (14.78)	16,239 (25.54)	16,514 (25.97)	21,439 (33.71)	63,591 (51.90)
Londiani	137,570	10,690 (14.06)	18,098 (23.81)	20,070 (26.40)	27,158 (35.73)	76,016 (55.26)
Soin Sigowet	126,498	9,942 (14.26)	16,782 (24.07)	19,425 (27.86)	23,566 (33.80)	69,715 (55.11)

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

Kericho County performs well in socioeconomic indicators that affect the quality of labour. However, interventions are required to increase children vaccination, reduce stunting, teenage pregnancies and child poverty (Table 3).

Table 3: Human capital indicators

Human capital indicators	County	National average
Literacy rate	86.40	78.41
Pre-primary net enrolment rate (2019)	78.55	67.51
Primary school net enrolment rate (2020)	98.70	77.72
Secondary school net enrolment rate (2020)	75.40	54.18
Average years of schooling (2014)	8.10	7.78
Percentage of children 12 -23 months fully vaccinated (%)	71.80	74.97
Percentage of stunted children	19.30	19.75
Percentage of teenage pregnancy	14.50	15.79
Primary to secondary transition rates (2020)	87.10	86.13
Pupil-teacher ratio (primary school)	33.00	28.28
Food poverty head count (%)	28.00	33.63
Child poverty head count (%)	40.70	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 performed higher than the national average as shown in Table 4. However, interventions are required to increase electricity connectivity and internet connectivity in primary schools.

Table 4: Essential infrastructure and other resources indicators

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019 Census)	44.90	38.52
Distribution of population using the internet (2019 census)	19.00	18.69
Rural Access Index (2018)	86.02	63.72
Access to improved sanitation (2018)	79.00	59.04
Access to improved water (2018)	66.40	65.33
Financial inclusion level (2021)	85.80	81.01
The proportion of primary Schools with internet	18.45	27.65
Proportion of secondary schools with functional internet	48.80	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	45.92	51.71
Percentage of households using bank usage (overall)	39.00	38.18
Percentage of households using mobile money	82.90	78.58

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

County Employment Statistics

Employment to population ratio is at 68.97 per cent. Most of those working is the youthful population (18-34 years) at about 35.82 per cent (Table 5) The percentage of the employed by gender is 42.69 for male and 44.07 for female. The unemployment rate is at 4.18 per cent with unemployment being slightly higher for the youth (18-34 years) at 3.04 per cent and those between 35-64 years at 1.06 per cent.

The percentage of persons 5–17 years old working is 3.07 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 22.79 per cent while it is low for the persons of prime age (25-64 years) at 3.20 per cent.

Table 2: Kericho County employment statistics

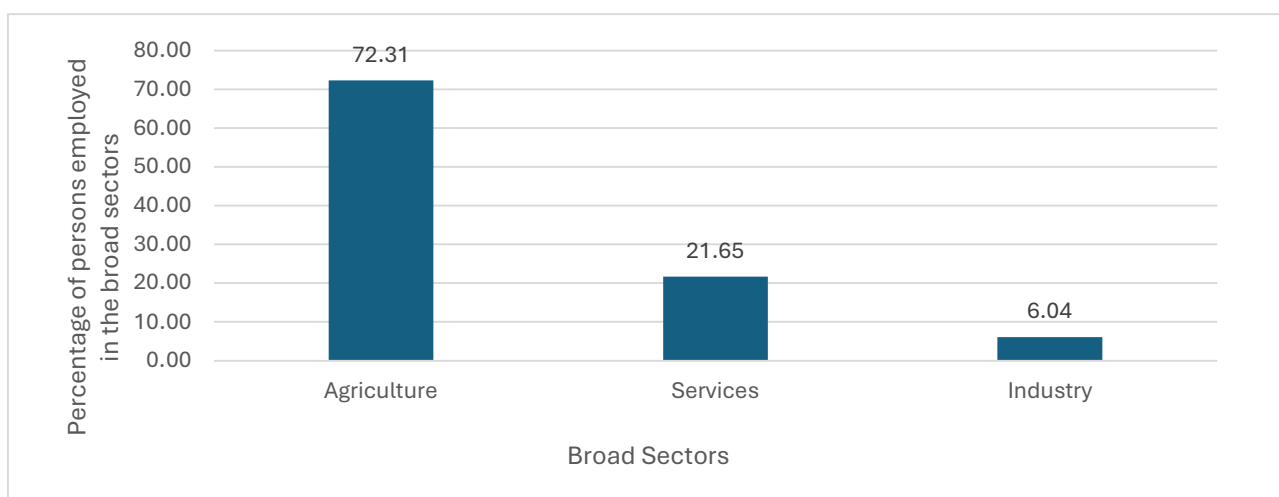
Employment statistics	Youth	Non youth
Employment to population ratio (%)	35.82	32.08
Unemployment rate	3.04	1.06
Percentage of persons 5–17 years old working	3.07	-
Inactivity rate	22.79	3.20

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

Sectoral Employment

The agriculture sector is the highest employer in Kericho County at 72.31 per cent followed by the services sector at 21.65 per cent. The industry sector is third at 6.04 per cent as shown in Figure 10.

Figure 10: Percentage of persons employed in the broad sectors

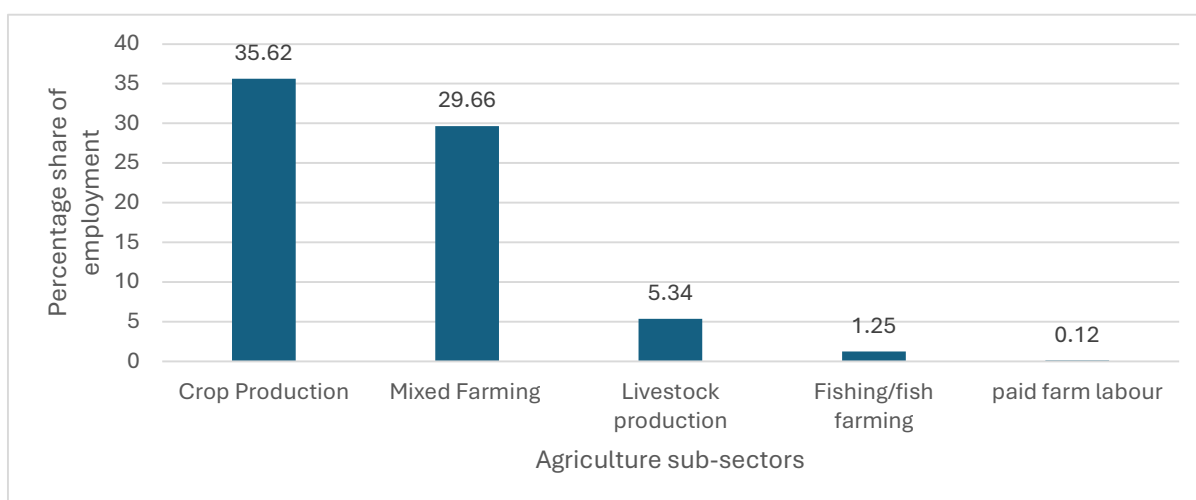


Data Source: KNBS 2021- Kenya Continuous Household Survey

Agriculture Sector Employment

A majority of those working in agriculture practice crop farming. Mixed farming, which is mostly crop production alongside dairy farming, also has a high share of employment as shown in Figure 11.

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

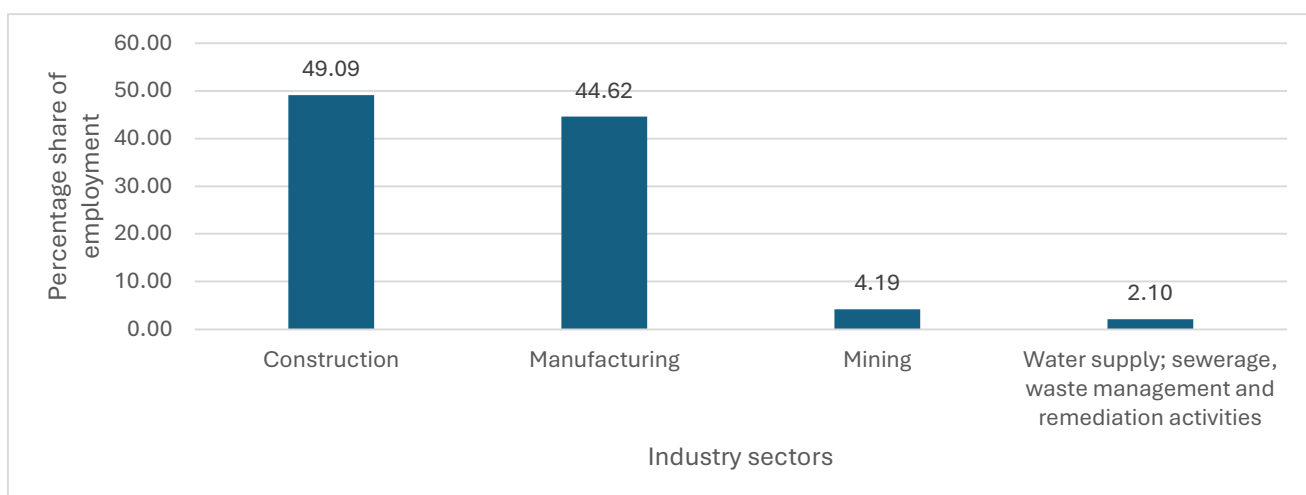


Data Source: KNBS 2021- Kenya Continuous Household Survey

Industry Sector Employment

The majority of those working in the industry sectors are in the construction sector as shown in Figure 12. The main sub-sector being construction of buildings. Mining in the county has the smallest share of employment and it mostly entails quarrying of stones.

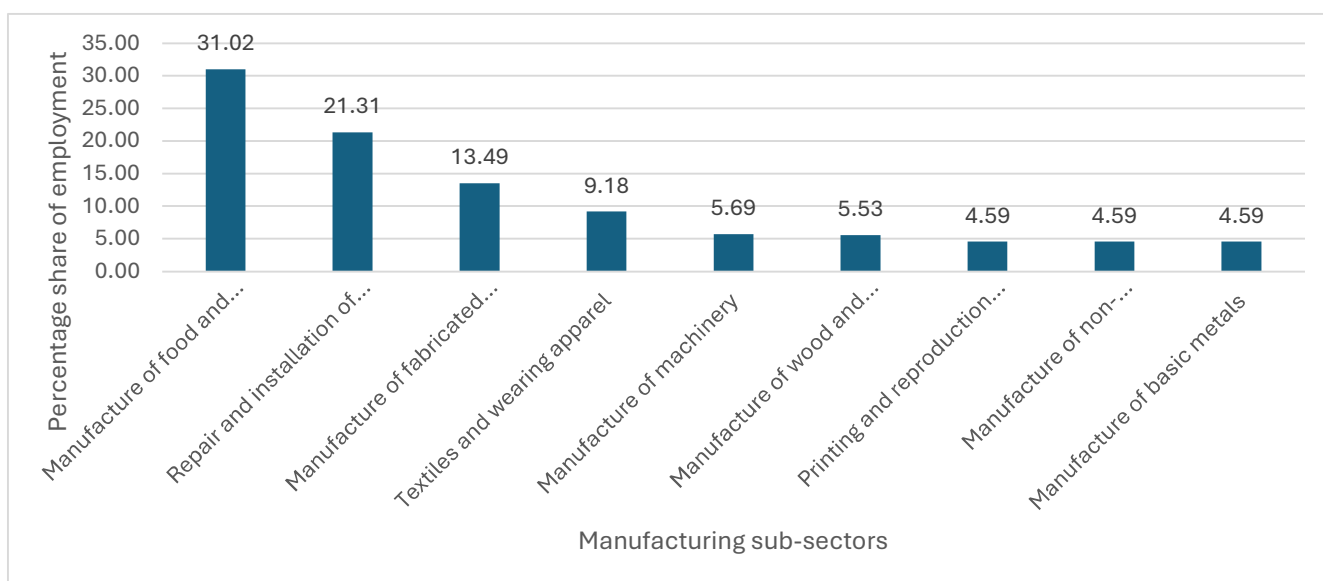
Figure 12: Percentage share of employment in the industry sectors



Data Source: KNBS 2021- Kenya Continuous Household Survey

A disaggregation of employment in manufacturing shows that the majority of those employed are in low-technology manufacturing sub-sectors such as agro-processing and repair and installation industries as shown in Figure 13.

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

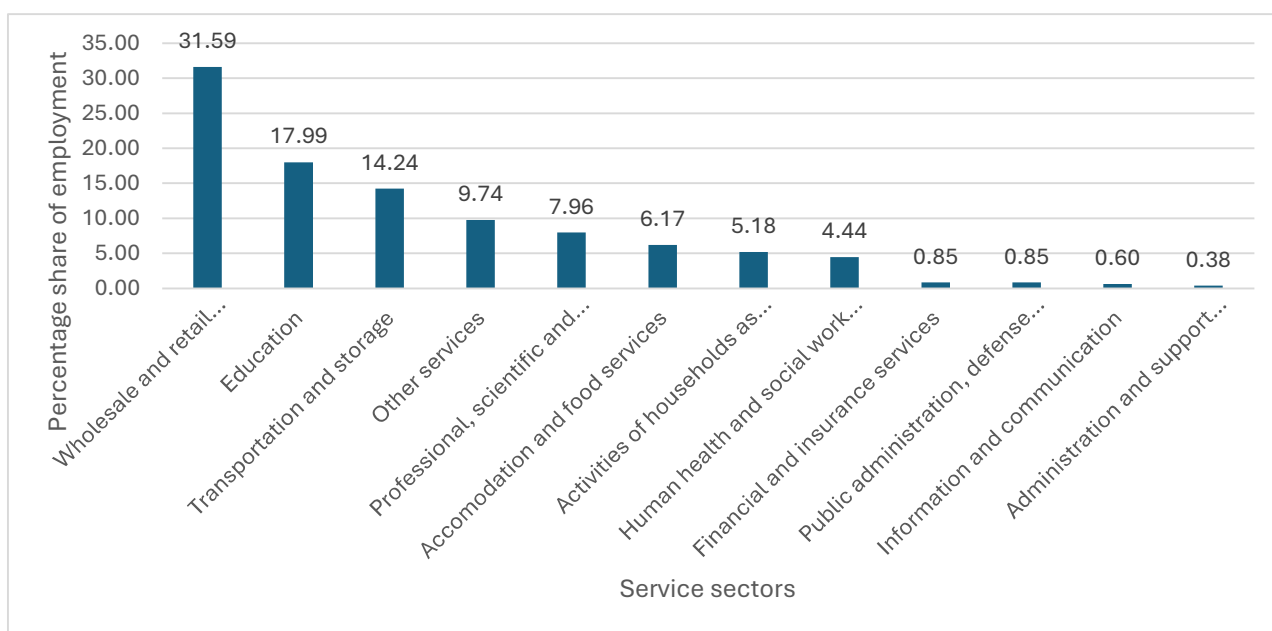


Data Source: KNBS 2021- Kenya Continuous Household Survey

Services Sector Employment

Majority of those working in the services sector are in wholesale and retail trade, and repair of motor vehicles and motorcycles as shown in Figure 14.

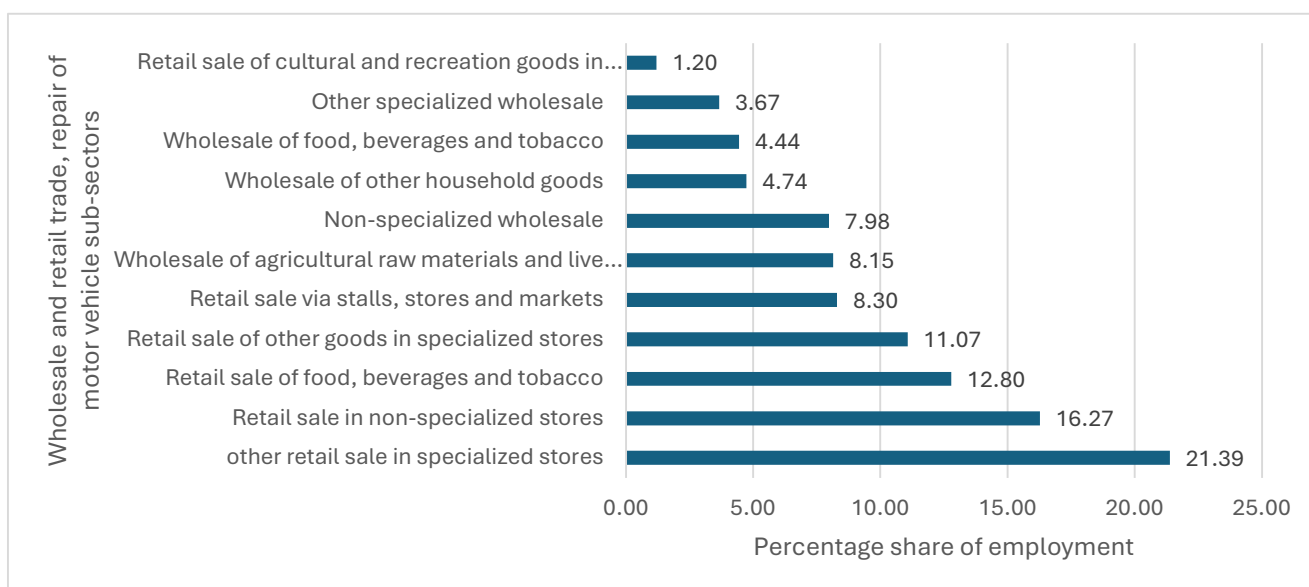
Figure 14: Percentage share of employment in the service sector



Data Source: KNBS 2021- Kenya Continuous Household Survey

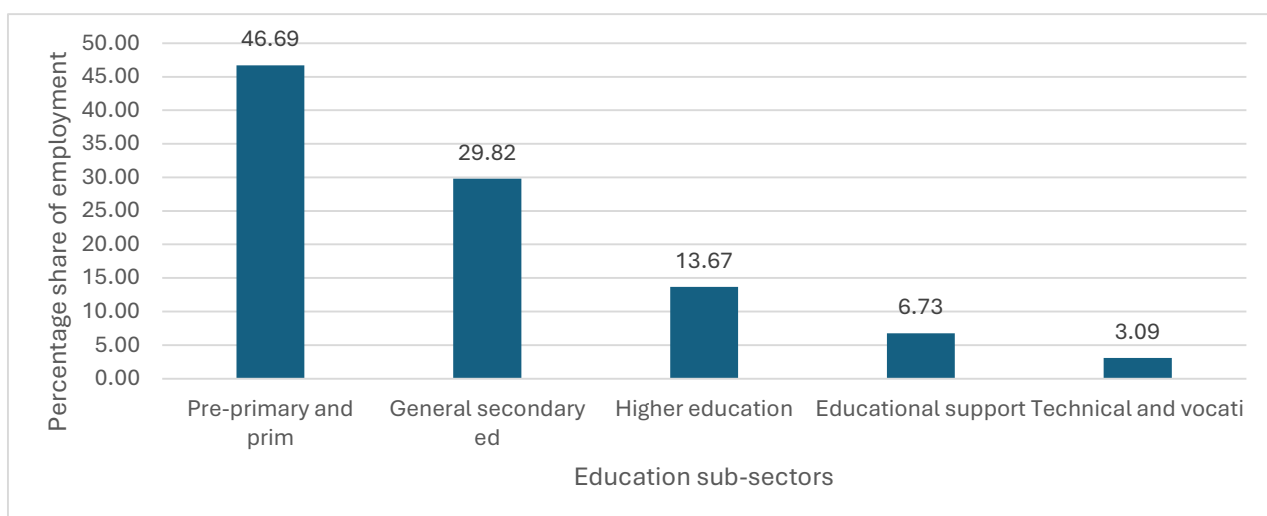
In the wholesale and retail trade, and repair of motor vehicle sector, the majority work in other retail sale in specialized stores (Figure 15). In the education sub-sector, a significant number is employed in the pre-primary and primary education (Figure 16).

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

Figure 16: Percentage share of employment in the Education sub-sectors

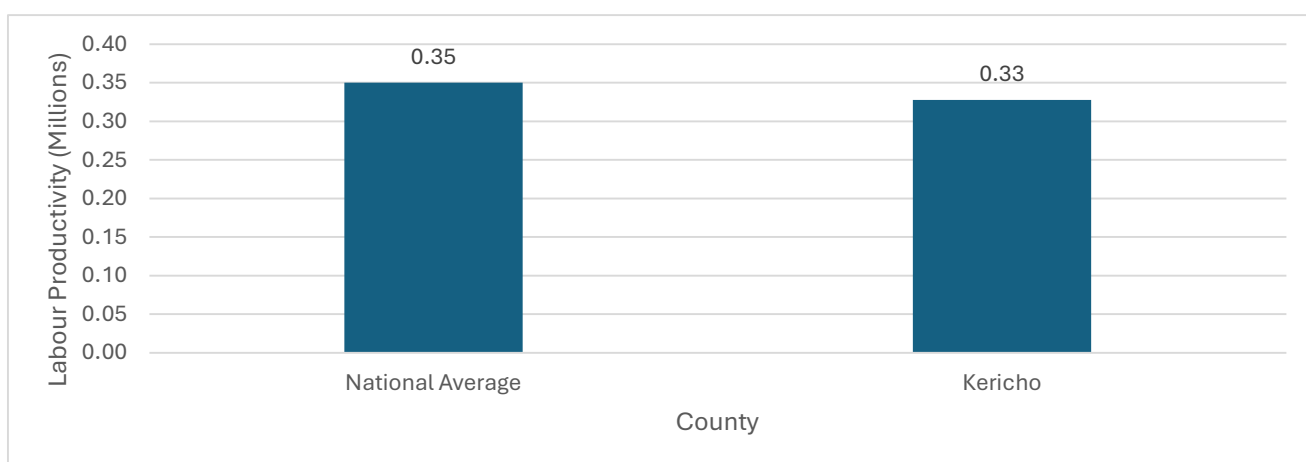


Data Source: KNBS 2021- Kenya Continuous Household Survey

Labour Productivity

Labour productivity¹ for Kericho County is slightly lower than the national average (Figure 17).

Figure 17: Labour productivity ratios (millions)

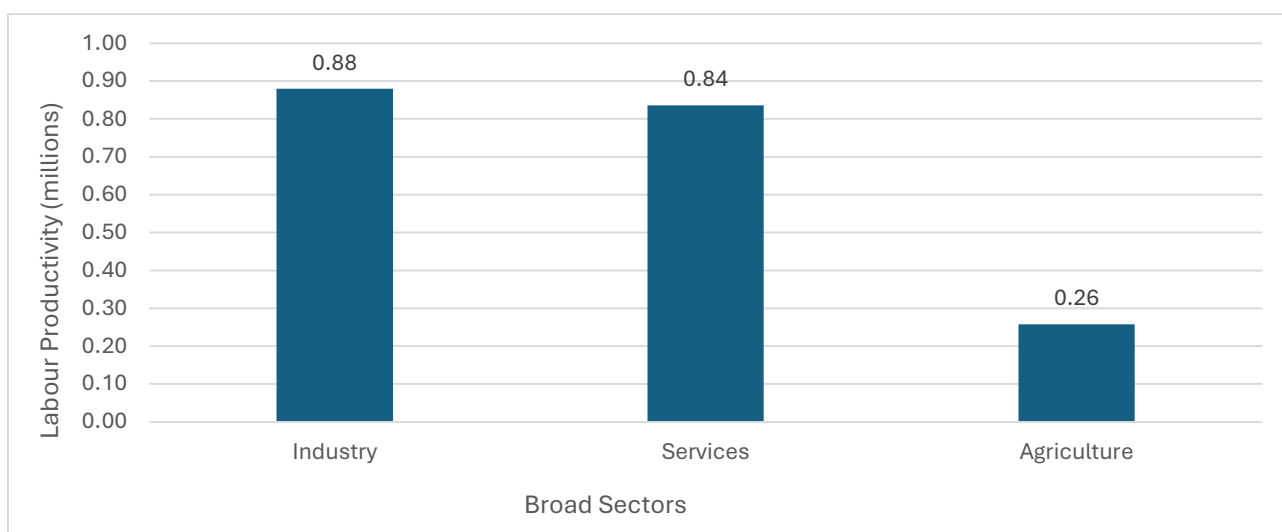


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

The industry sector has the highest productivity followed by the services sector while the agriculture sector has the least productivity as shown in Figure 18.

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

Figure 18: Labour productivity by sectors

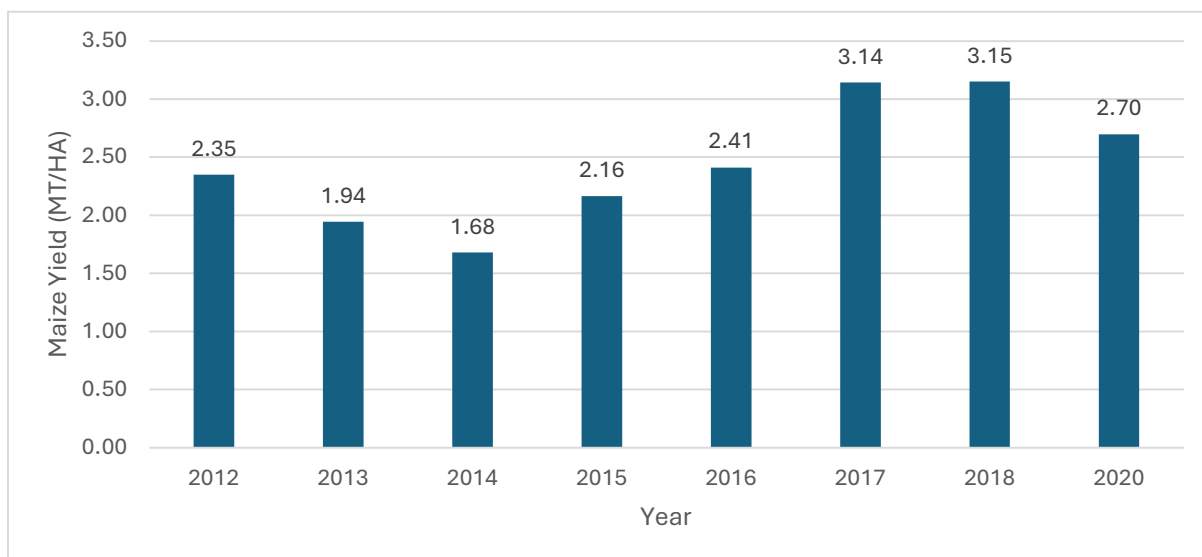


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Agriculture Productivity

Maize productivity is comparatively moderate and has increased over the years. The average for the 8 years in review is 2.44 MT/HA as shown in Figure 19.

Figure 19: Maize yield (MT/HA)

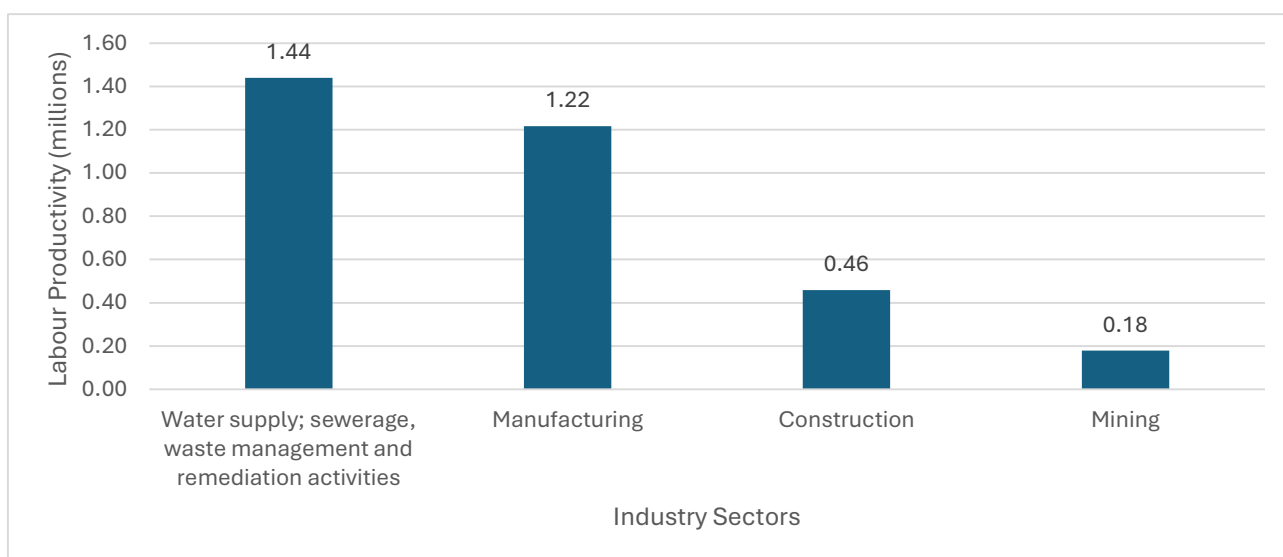


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector Labour Productivity

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

Figure 20: Labour productivity by industry sectors

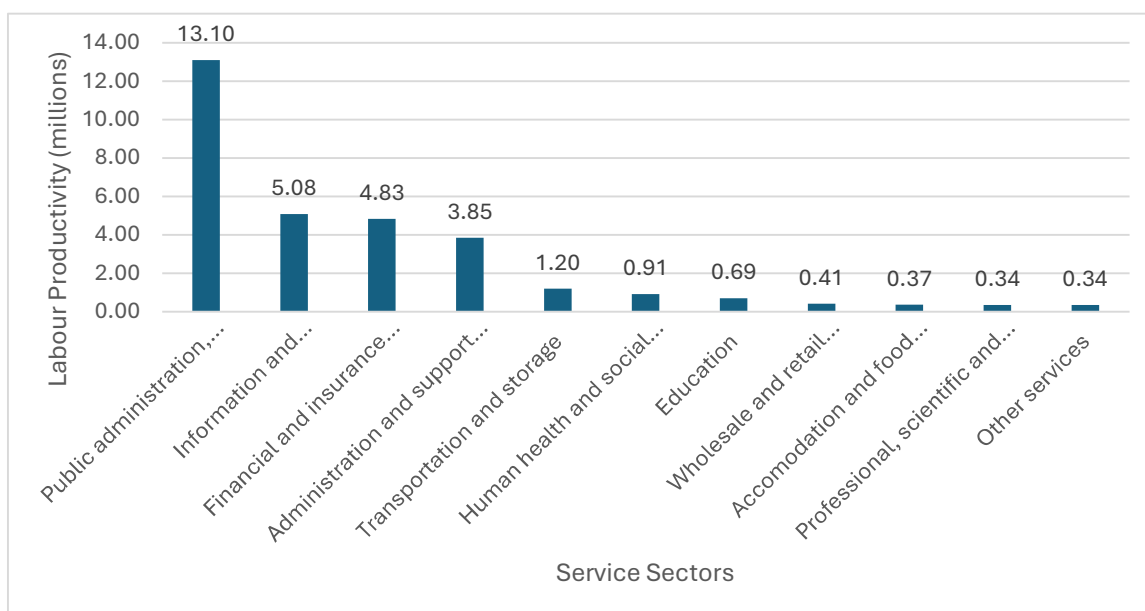


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Services Sector Labour Productivity

Public administration, defence and compulsory social security sector had relatively higher labour productivity when compared with other sectors within the services sector (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 agriculture and services sectors have the highest share of county gross value added while the industry sector has the least. Crop production is the main sub-sector in agriculture with tea as a key cash crop, dairy farming is also substantive. Poultry farming is diversified. Manufacturing is dominating the industry sector GVA while transportation and storage sector dominate the services sector.
- (ii) Some of the indicators of quality of labour performed above the national averages. However, interventions are required to increase children vaccination, reduce stunting, teenage pregnancies and child poverty.
- (iii) Most of the essential infrastructure and capital indicators are higher than the national average. However, interventions are required to increase electricity connectivity and internet connectivity.
- (iv) The agriculture sector is the highest employer with the majority practicing crop farming. The construction sector dominates employment in industry sector while employment in manufacturing is in agro-processing and repair and installation industries. Majority of those working in the service sector are in wholesale and retail trade, employment is mainly in other retail sale in specialized stores.
- (v) Labour productivity in the county is slightly lower than the national average labour productivity. The industry sector has the highest productivity while the agriculture sector has the least productivity but there is potential for maize production yet to be fully exploited. Public administration and defence sub-sector has relatively higher labour productivity in the services sector.

Policy Recommendations

- (i) Transform agriculture to increase productivity. This is by developing the livestock value chain to integrate the small farmers into the dairy value chains; promoting value addition to reduce post-harvest losses and increase manufacturing; and building skills for farmers to uptake technologies that improve productivity.
- (ii) Encourage investments in manufacturing to support the transformation of the agriculture sector by engaging in agro-processing and supporting the County Aggregation Industry Park to enhance productivity of the MSMEs.
- (iii) Secure quality of labour with nutritional programmes to reduce child poverty and stunting. Of priority should also be reducing teenage pregnancies through creating awareness and supporting teenage mothers to continue with education.
- (iv) Create an enabling environment for private sector growth by investing in essential infrastructure to improve access to electricity and internet.
- (v) The county has gold mining which by exploiting its commercial potential will help to increase growth of industrial sector.

Acknowledgement

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