



# Policy Brief

*Thinking Policy Together*

**No. 44/2023-2024**

## **Assessing Labour Productivity for Kiambu County**

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### **Overview of the County**

Kiambu County is a member of Central Region and Economic Bloc (CEREB). The county is a semi-arid county that experiences between 10 and 29 per cent aridity. The county land size stands at 2,449 km<sup>2</sup> and has thirteen Sub-Counties namely: Gatundu North, Gatundu South, Githunguri, Juja, Kabete, Kiambaa, Kiambu, Kikuyu, Lari, Limuru, Ruiru, Thika East, and Thika West.

### **Key Highlights**

The productivity of Kiambu County is characterized by the following:

- (i) The services sector has the highest share of county Gross Value Added (GVA). The agriculture sector share has been increasing but remains small with dairy farming dominating livestock production. Construction dominates the industry sector as the share of manufacturing declines. Transportation and storage sector dominates the services sector.
- (ii) The quality of labour requires interventions to increase enrolment in primary and secondary schools and reduce stunting and teenage pregnancy.
- (iii) The essential infrastructure requires efforts to increase access to internet connectivity.
- (iv) The services sector is the highest employer. In agriculture sector employment is mainly in mixed farming while in manufacturing it is in food products and textile and wearing apparel. In wholesale and retail trade sector, majority are in retail of food, beverages and tobacco products.
- (v) Labour productivity is higher in industry sector and lowest in agriculture sector with potential for crop and livestock farming is not fully exploited. The county has largest land under coffee but there is growing competition from real estate that dominate the services sector.

To enhance productivity:

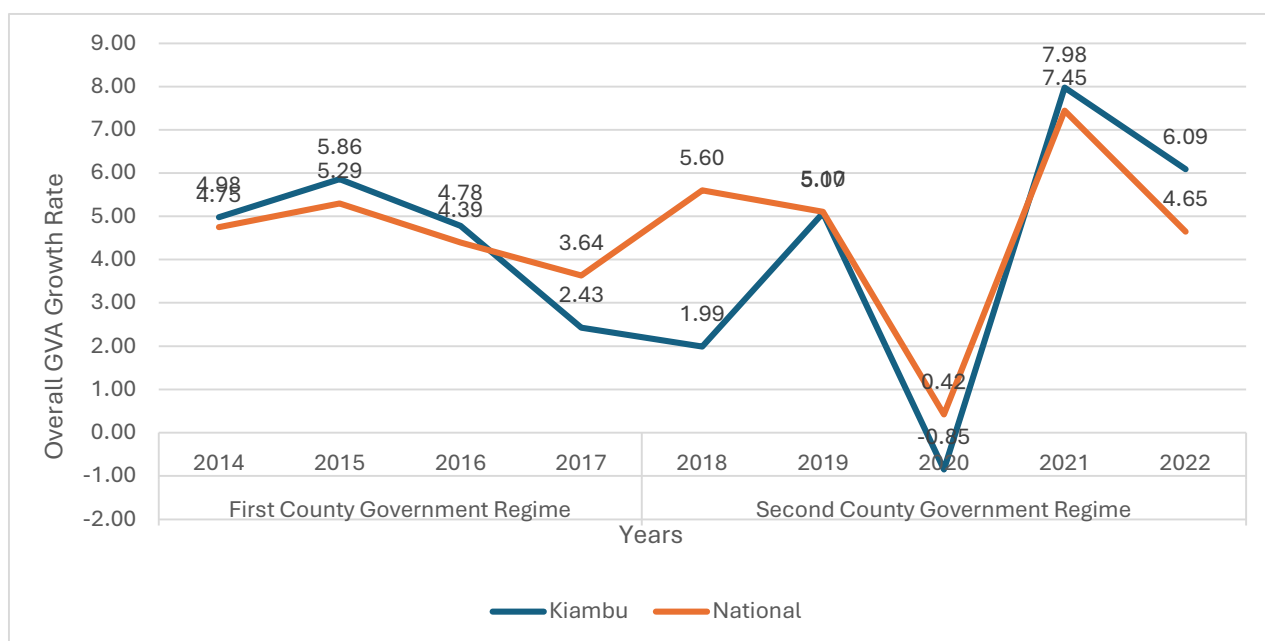
- (i) Encourage investments in manufacturing to enhance agro-processing and support implementation of County Aggregation Industry Park to enhance productivity of the MSMEs.
- (ii) Complete the ongoing coffee reforms to support the coffee farming in the county.
- (iii) Secure quality of future labour with nutrition sensitive programmes and implement 100 per cent transition to secondary school to develop skills.
- (iv) Create an enabling environment for private sector growth by investing in essential infrastructure especially to improve access to electricity and internet.

### Kiambu County Economic Performance

Kiambu County contributes on average 5.8 per cent of the National Gross Value added with an average GVA of Ksh. 433,3547 million. The GVA per capita for Kiambu County is Ksh. 179,249.96 with an average population growth of 2.4 per cent and overall poverty levels at 20.5 per cent.

Kiambu County has shown a steady growth in GVA with an average growth rate of 4.26 per cent in 2013-2022, which is the same as the national average growth of 4.26 per cent. The highest growth rate was in 2021 as reported in Figure 1.

**Figure 1: Kiambu County GVA growth rate**

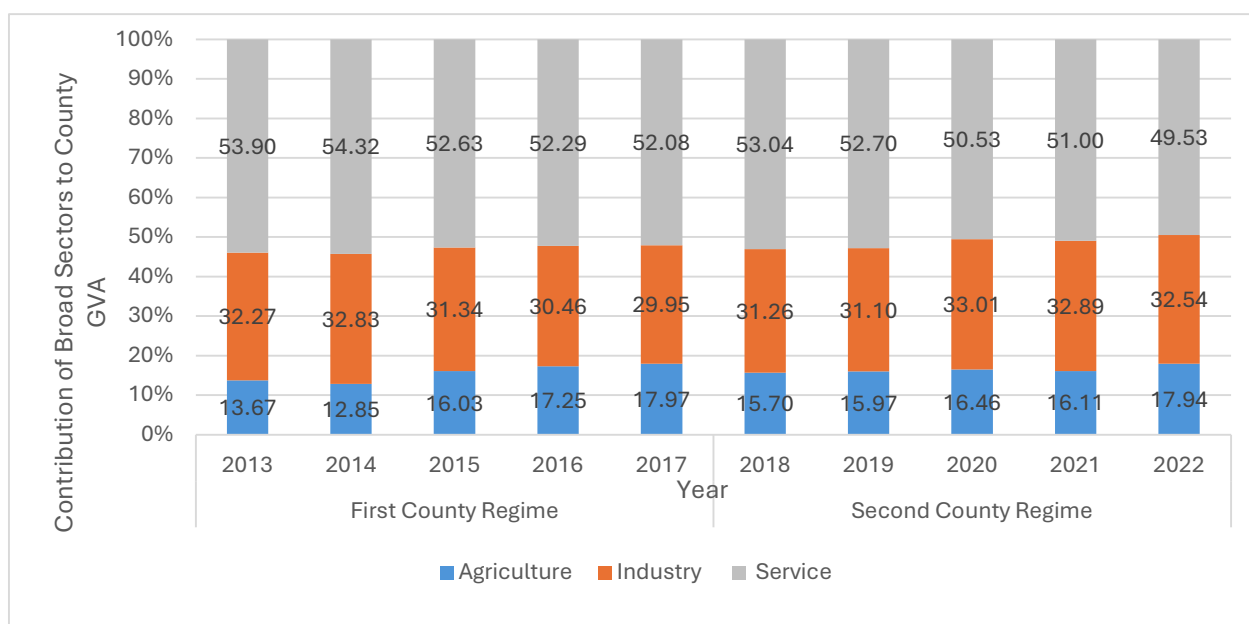


Data Source: KNBS 2023-Gross County Product

### Sectoral Contribution to County Gross Value Added

The services sector is dominant in Kiambu County with an average contribution to GVA of 52.20 per cent as shown in Figure 2. The industry sector is second, contributing an average of 31.76 per cent to the GVA while agriculture contributes about 15.99 per cent.

**Figure 2: Contribution of broad sectors to Kiambu County GVA**

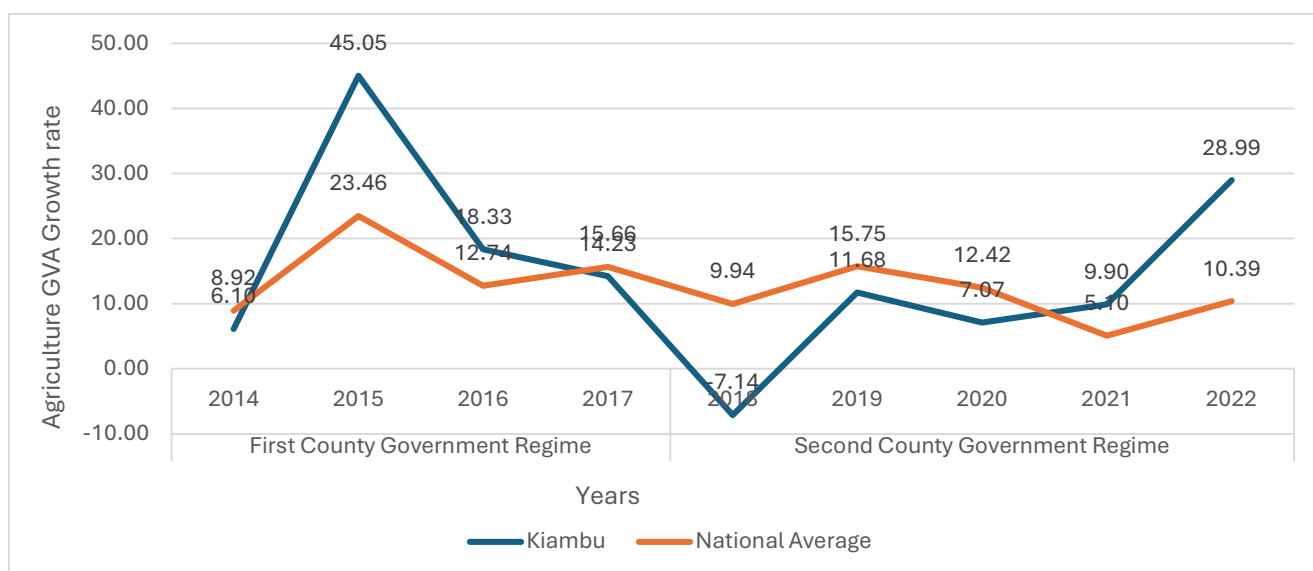


Data Source: KNBS 2023-Gross County Product

### Agriculture Sector

The average growth rate of agriculture sector GVA in 2013-2022 is 14.91 per cent, which is above the national average of 12.71 per cent (Figure 3).

**Figure 3: Kiambu County agriculture GVA growth rate**

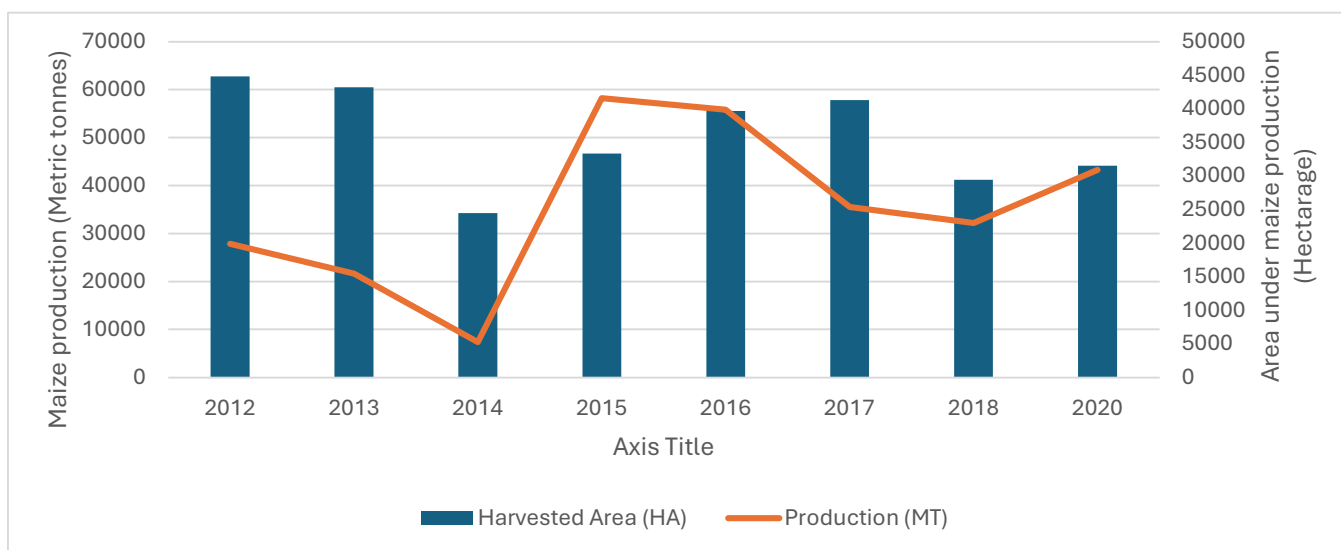


Data Source: KNBS 2023-Gross County Product

Although Kiambu County is largely urban, crop production is a key economic activity in the more rural regions. The main food crops grown include maize, beans, irish potatoes and cabbages. The main cash crops are coffee, tea and pineapples. Maize, the main staple food in the country, is also the dominant food crop grown in the county. Both maize production (metric tonnes) and area under maize production have been fluctuating over

the years. Despite this maize production shows an upward trend from the lowest production in 2014 (Figure 4).

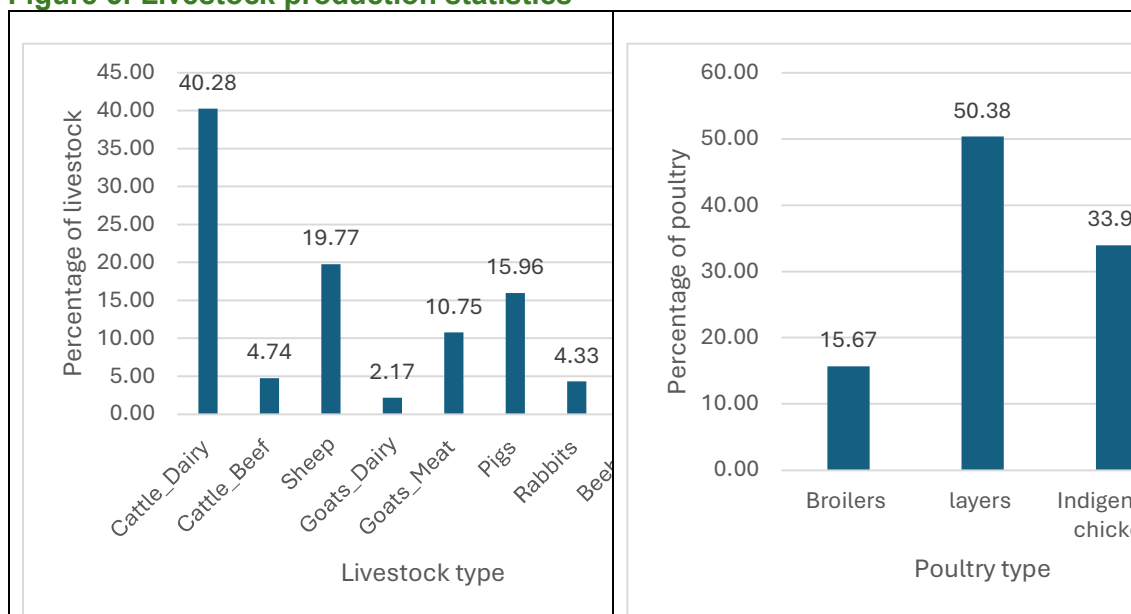
**Figure 4: Maize production and area under maize production**

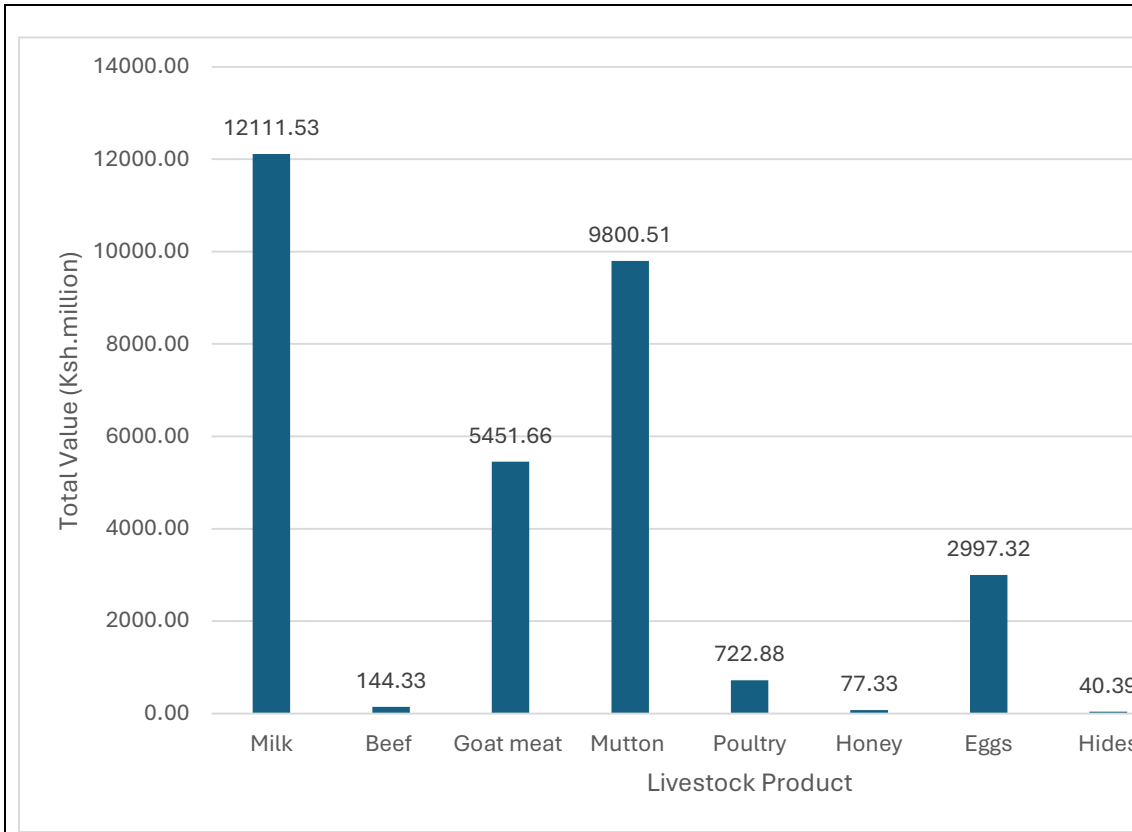


Data source: National Information Platform for Food and Nutrition (NIPFN)

Livestock production is a key economic activity in the agriculture sector as most farmers practice a mix crop-livestock farming system. Dairy cattle are the most common type of livestock kept as the county as comparative advantages in dairy farming. Sheep and pigs are also commonly reared. Poultry production in Kiambu county is highly diversified as layers are the most common poultry type, indigenous chicken and broilers are also popularly reared. Milk has the highest economic value among the livestock products which reflects the intensive dairy production practiced in the county. Goat meat, mutton and eggs also have higher economic values (Figure 5).

**Figure 5: Livestock production statistics**



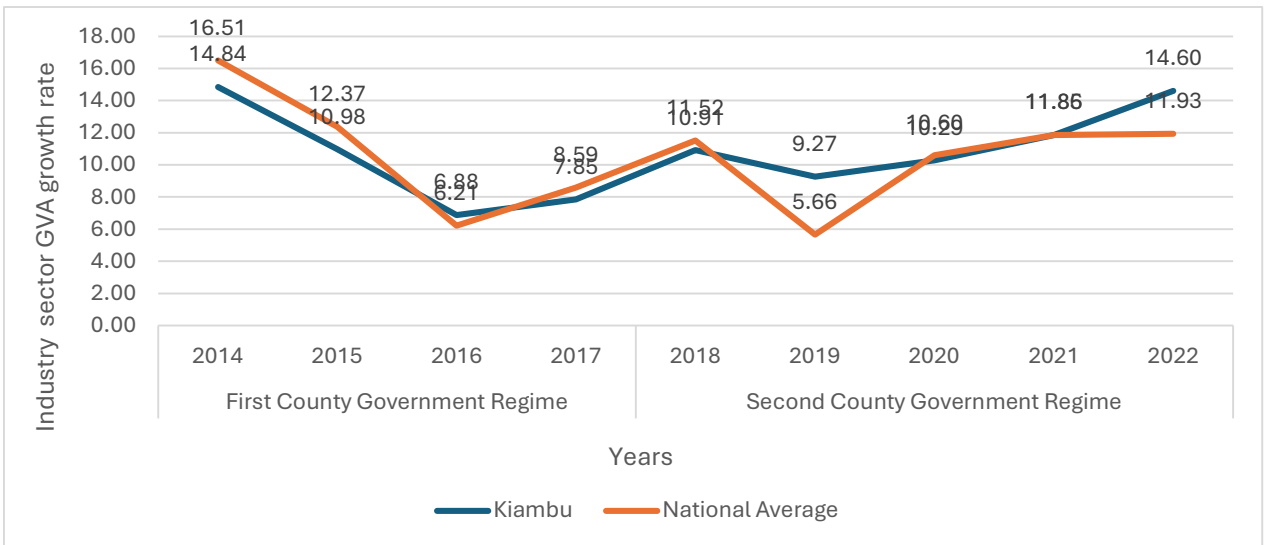


Data source: National Information Platform for Food and Nutrition (NIPFN)

### Industry Sector

The average growth rate of the industry sector is 10.83 per cent, which is above the national average of 10.58 per cent (Figure 6).

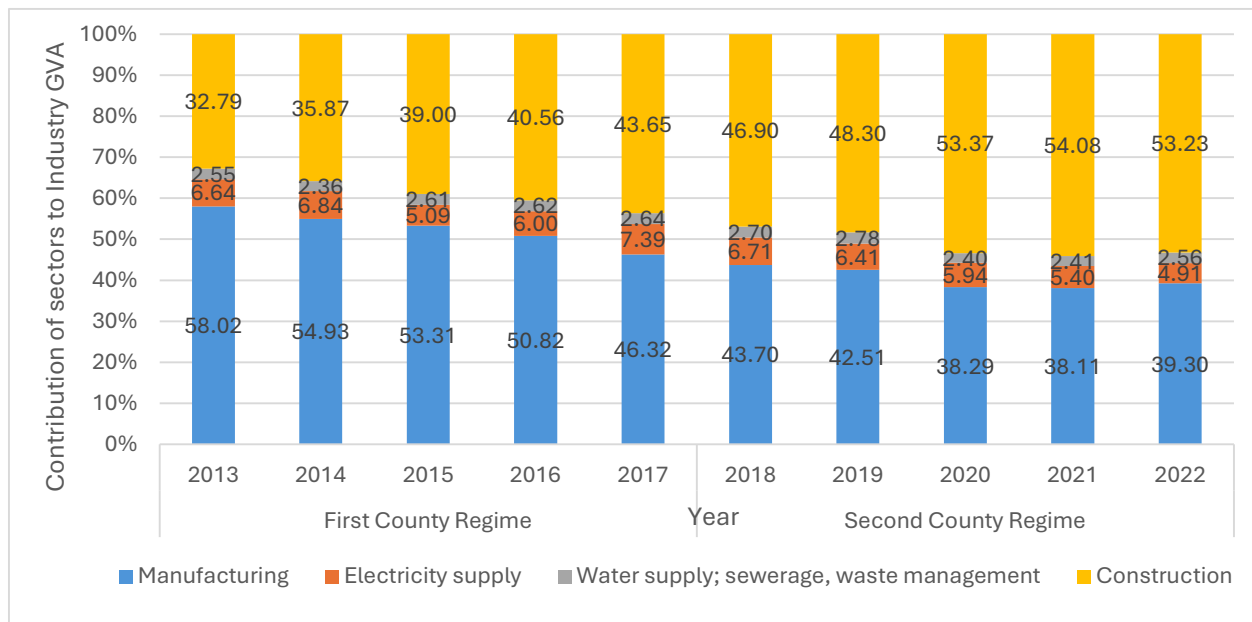
Figure 6: Kiambu County industry GVA growth rate



Data Source: KNBS 2023-Gross County Product

The manufacturing and construction sub-sectors dominate the industry sector GVA in Kiambu County. The dominance of the manufacturing sub-sector was in the first years of devolution but declined as the share of construction sector increased and dominated the industry sector (Figure 7).

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

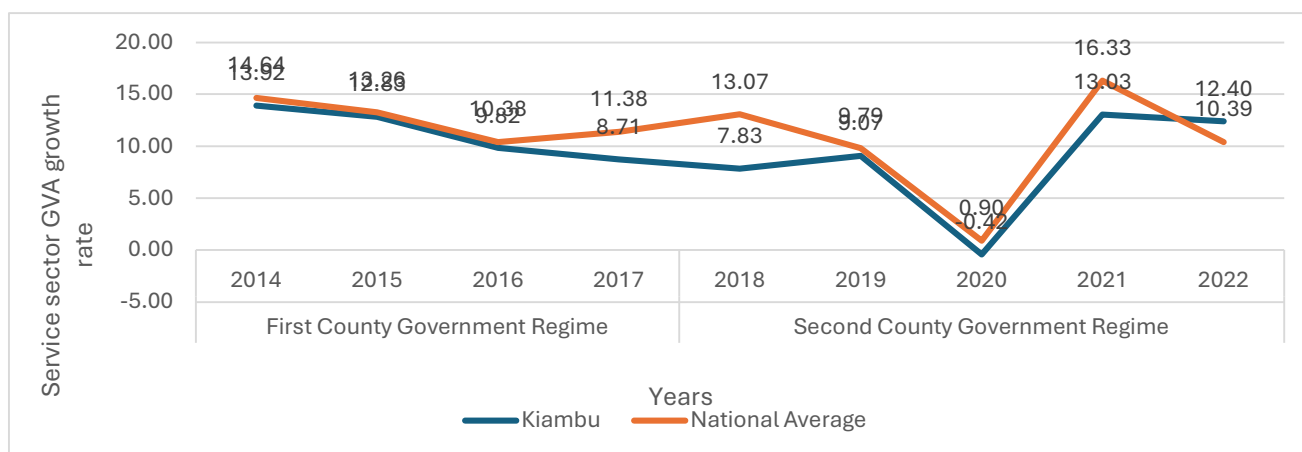


Data Source: KNBS 2023-Gross County Product

### Services Sector

The average growth rate of service GVA sector is 9.58 per cent, which is below the national average of 11.13 per cent (Figure 8).

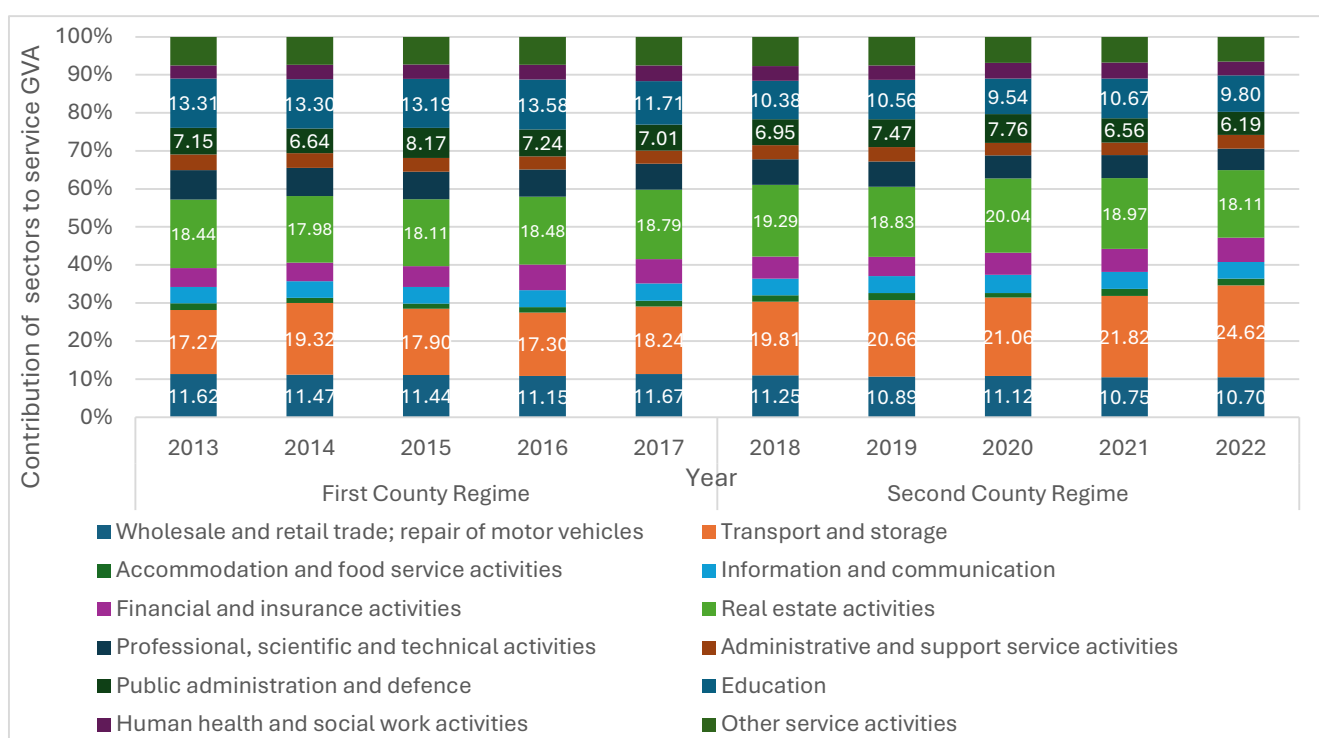
**Figure 7: Kiambu County services sector GVA growth rate**



Data Source: KNBS 2023-Gross County Product

The transportation and storage sub-sector dominates the services sector with the highest contribution to service GVA at 19.80 per cent. The real estate activities are the second highest contributor to services GVA at 18.70 per cent as shown in Figure 9 while education is third at 11.60 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 Kiambu County

Kiambu County has a total of 2,417,600 working-age population, which is about 65.53 per cent of the total county population. Most of the working-age population is youthful (18-34 years) at 52.80 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	62,279	64,788	127,067	8.02
18 –24	162,494	190,453	352,947	22.28
25-34	234,936	248,621	483,557	30.52
35-64	315,928	304,745	620,673	39.18
<b>Total</b>	<b>1,187,146</b>	<b>1,230,454</b>	<b>2,417,600</b>	

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

Most of the population in Kiambu sub-counties are persons in the working age categories. Thika West has the highest percentage of persons of working age at 68.92 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	
Gatundu North	109,867	7,516 (11.38)	11,967 (18.13)	14,139 (21.42)	32,397 (49.07)	66,019 (60.09)
Gatundu South	122,098	8,229 (11.08)	13,851 (18.66)	15,487 (20.86)	36,671 (49.40)	74,238 (60.80)
Githunguri	165,224	10,260 (10.03)	19,353 (18.91)	23,176 (22.65)	49,552 (48.42)	102,341 (61.94)
Juja	300,926	14,801 (7.32)	51,292 (25.38)	64,497 (31.91)	71,509 (35.38)	202,099 (67.16)
Kabete	199,639	9,869 (7.44)	28,341 (21.36)	42,575 (32.09)	51,886 (39.11)	132,671 (66.46)
Kiambaa	236,385	11,004 (7.00)	33,283 (21.18)	53,354 (33.96)	59,474 (37.85)	157,115 (66.47)
Kiambu	145,886	6,866 (7.03)	20,634 (21.12)	30,920 (31.66)	97,677 (40.19)	97,677 (66.95)
Kikuyu	187,117	9,450 (7.66)	25,675 (20.82)	39,346 (31.90)	123,344 (39.62)	123,344 (65.92)
Lari	135,299	9,432 (11.54)	16,364 (20.03)	18,761 (22.96)	37,155 (45.47)	81,712 (60.39)
Limuru	159,314	9,594 (9.57)	21,146 (21.10)	26,765 (26.70)	42,732 (42.63)	100,237 (62.92)
Ruiru	371,091	16,617 (6.57)	61,170 (24.19)	91,350 (36.13)	83,690 (33.10)	252,827 (68.13)
Thika East	38,952	2,485 (10.12)	5,086 (20.72)	6,504 (26.50)	10,470 (42.66)	24,545 (63.01)
Thika West	245,802	10,944 (6.46)	44,785 (26.43)	56,683 (33.46)	57,007 (33.65)	169,419 (68.92)

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

Kiambu County has high performance in socioeconomic indicators that affect the quality of labour as shown in Table 3. However, interventions are required to increase primary school enrolment rates and reduce stunting.



**Table 3: Human capital indicators**

Human capital indicators	County	National average
Literacy rate	94.00	78.41
Pre-primary net enrolment rate (2019)	87.81	67.51
Primary school net enrolment rate (2020)	72.50	77.72
Secondary school net enrolment rate (2020)	64.00	54.18
Average years of schooling (2014)	9.80	7.78
Percentage of children 12-23 months fully vaccinated (%)	97.20	74.97
Percentage of stunted children	15.30	19.75
Percentage of teenage pregnancy	11.90	15.79
Primary to secondary transition rates (2020)	91.00	86.13
Pupil-teacher ratio (Primary school)	23.00	28.28
Food poverty head count (%)	18.70	33.63
Child poverty head count (%)	19.70	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

Kiambu County has higher performance than the national average for essential infrastructure indicators as shown in 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)	91.70	38.52
Distribution of population using the Internet (2019 census)	42.70	18.69
Rural Access Index (2018)	92.02	63.72
Access to improved sanitation (2018)	90.00	59.04
Access to improved water (2018)	93.20	65.33
Financial inclusion level (2021)	91.80	81.01
The proportion of primary schools with Internet	44.20	27.65
Proportion of secondary schools with functional internet	59.40	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	91.33	51.71
Percentage of households using bank usage (overall)	61.00	38.18
Percentage of households using mobile money	91.00	78.58

Data Sources: KRB 2018, KPHC 2019, FinAccess 2021, KIHBS 2015/16, Basic Education Statistical Booklet, 2020

### County Employment Statistics

Employment to population ratio is at 66.07 per cent. Most of those working is the youthful population (18- 34 years) at about 32.88 per cent (Table 5). The percentage of the employed by gender is 48.72 for male and 43.72 for female. The unemployment rate is at 10.35 per cent with unemployment being slightly higher for the youth (18-34 years) at 6.88 per cent and those between 35-64 years at 3.35 per cent.

The percentage of persons 5-17 years old working is 0.95 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 16.34 per cent while it is low for the persons of prime age (25-64 years) at 6.48 per cent.

**Table 2: Kiambu County employment statistics**

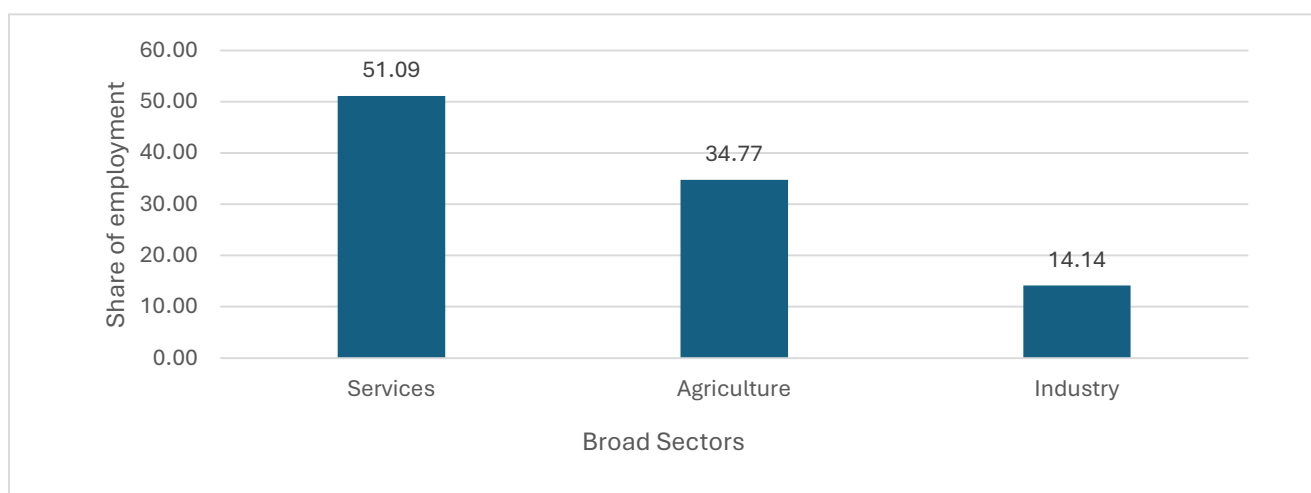
Employment statistics	Youth	Non youth
Employment to population ratio (%)	32.88	32.78
Unemployment rate	6.88	3.35
Percentage of persons 5–17 years old working	0.95	-
Inactivity rate	16.34	6.48

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

### Sectoral Employment

The services sector is the highest employer in Kiambu County at 51.09 per cent followed by the agriculture sector at 34.77 per cent. The industry sector is third at 14.14 per cent (Figure 10).

**Figure 10: Percentage of persons employed in the broad sectors**

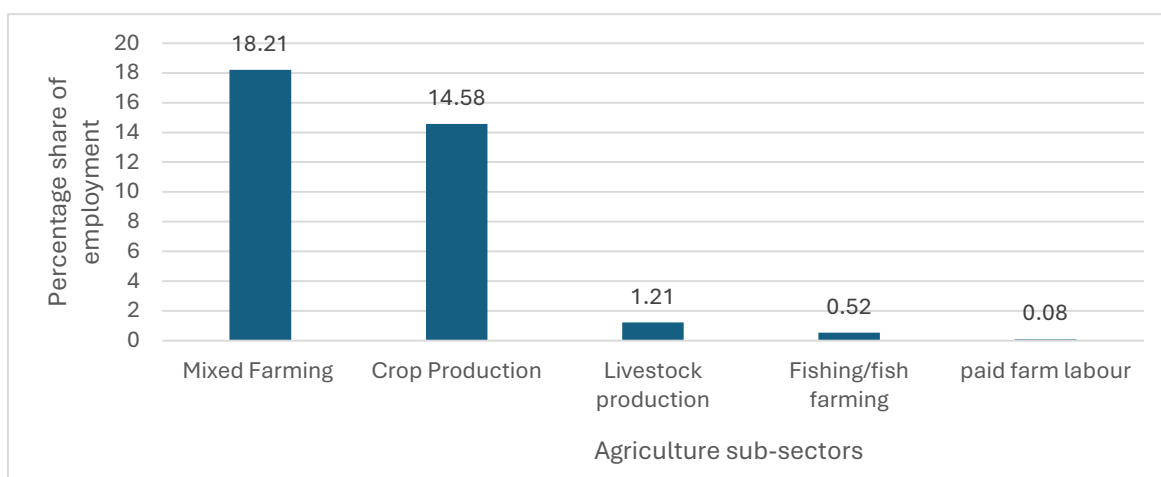


Data Source: KNBS 2021- Kenya Continuous Household Survey

### Agriculture Sector Employment

Employment in agriculture is mainly in mixed farming (Figure 11), where a mix of crop-livestock farming system is practice.

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

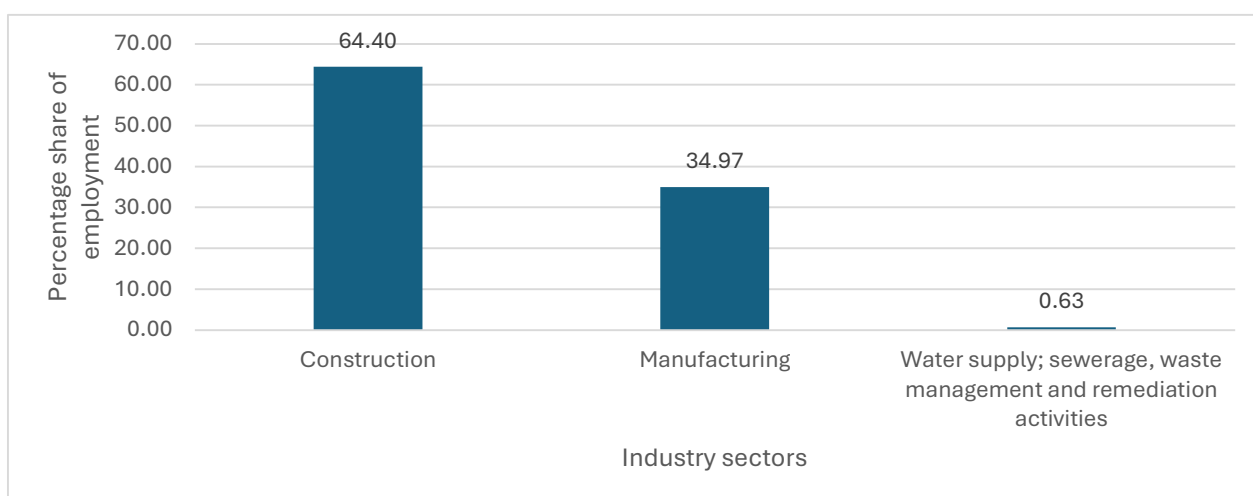


*Data Source: KNBS 2021- Kenya Continuous Household Survey*

### Industry Sector employment

The majority of those working in the industry sector are in construction sub-sector in construction of buildings. The manufacturing has the second highest share of employment in this broad sector (Figure 12).

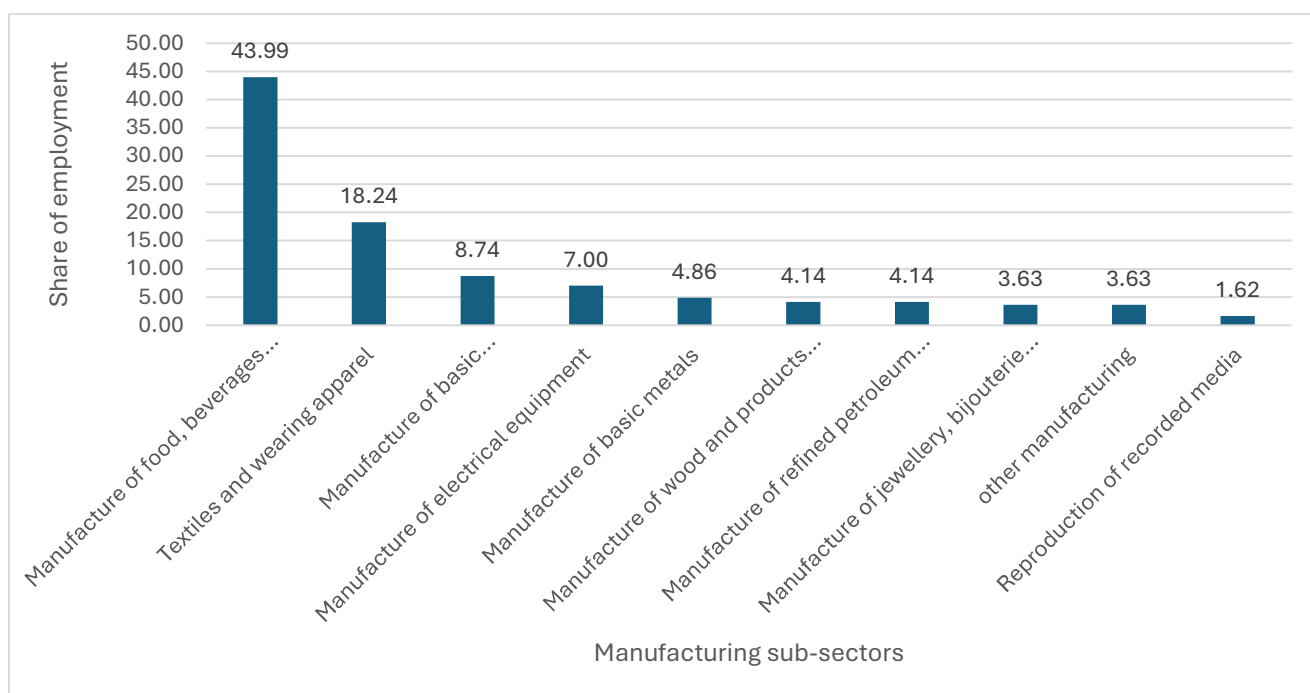
**Figure 12: Percentage share of employment in the industry sectors**



*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 sub-sectors such as manufacture of food products and textile and wearing apparel sub-sector (Figure 13).

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

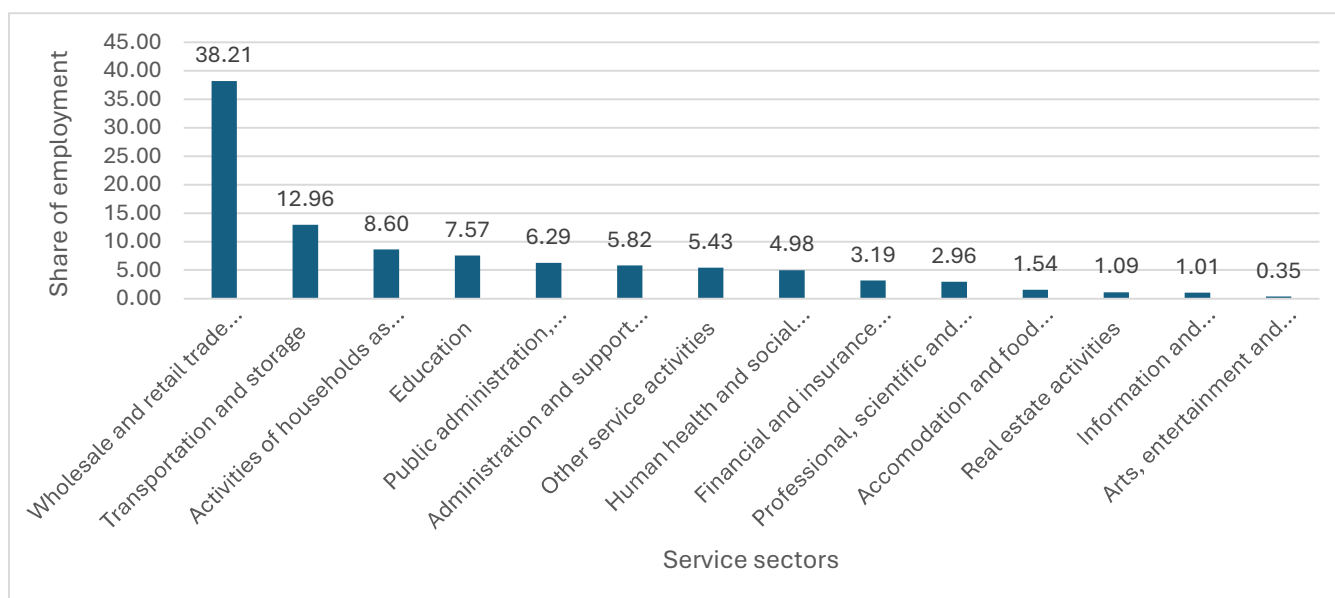


Data Source: KNBS 2021- Kenya Continuous Household Survey

### Services Sector Employment

Majority of those working in the services sector are in wholesale and retail trade sector 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 sub-sector, the majority work in retail of food, beverages and tobacco products (Figure 15).

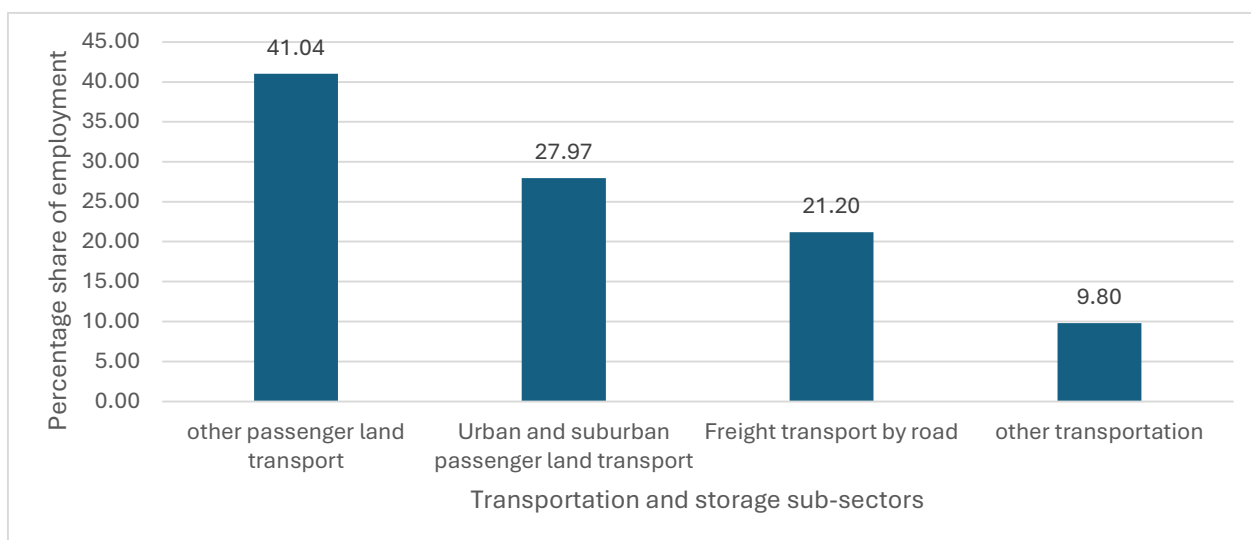
**Figure 15: Percentage of persons employed in the wholesale and retail trade; repair of motor vehicle sub-sectors**



*Data Source: KNBS 2021- Kenya Continuous Household Survey*

In the transportation and storage sub-sector, the majority of those employed are in other passenger land transport (Figure 16).

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

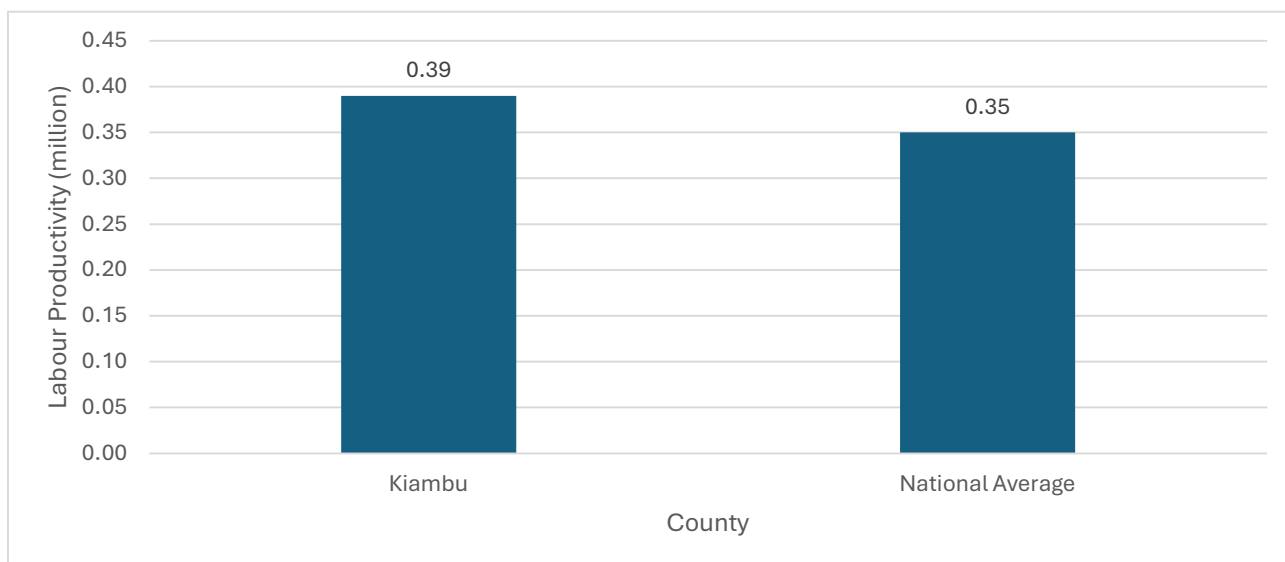


*Data Source: KNBS 2021- Kenya Continuous Household Survey*

## Labour Productivity

Labour productivity<sup>1</sup> for Kiambu County is higher than the national average (Figure 17).

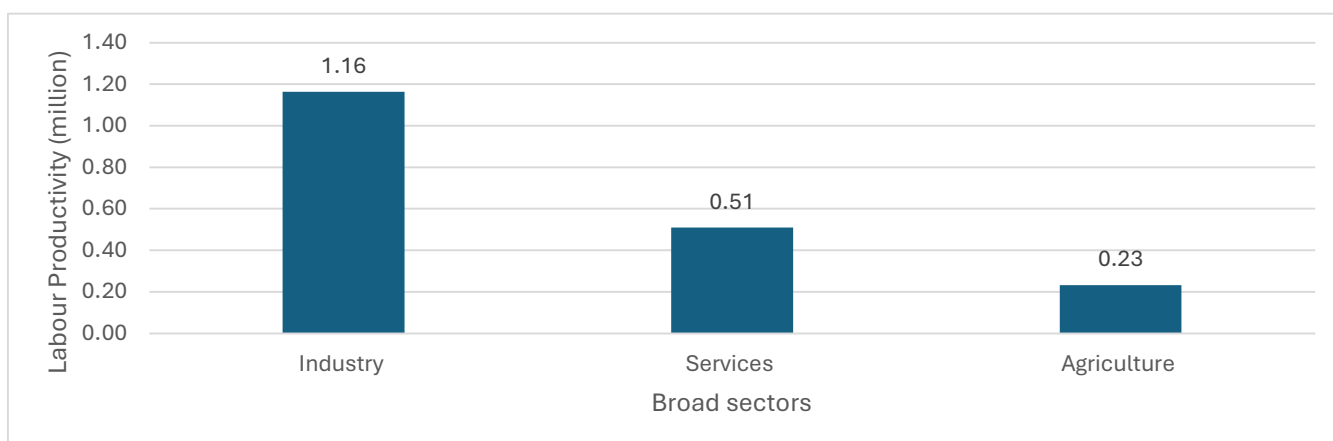
**Figure 17: Labour productivity ratios (million)**



*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.

**Figure 18: Labour productivity by sectors**



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

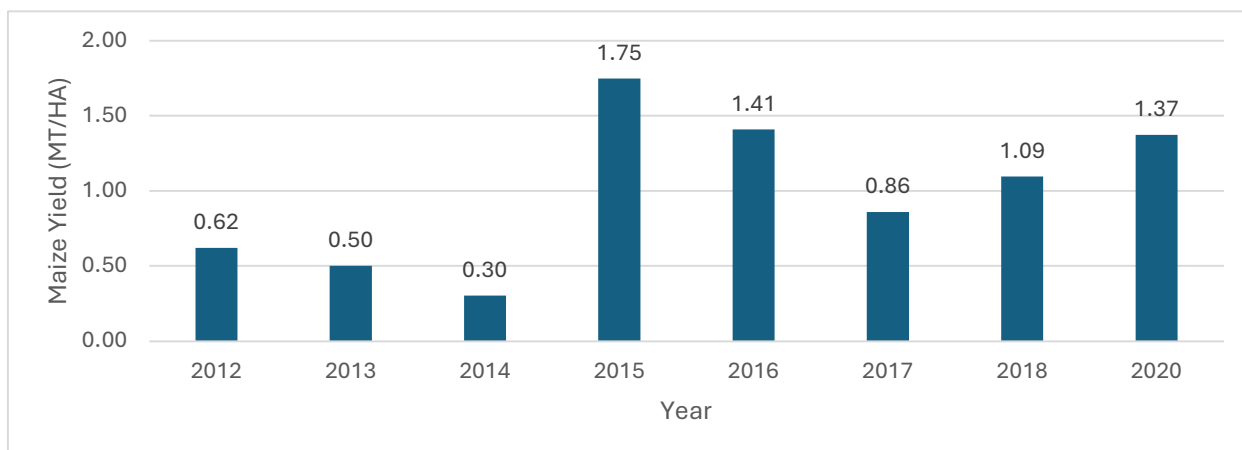
## Agriculture Productivity

Maize productivity has fluctuated over the years, although showing an upward trend in general. Very low yields were realized in 2012 through to 2014. The highest yields were

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

in 2015 and 2016 which then declined in 2017 and steadily increased in the two subsequent years (Figure 19). The county has potential for maize production but the fluctuation in yields is of concern.

**Figure 19: Maize yield (MT/HA)**

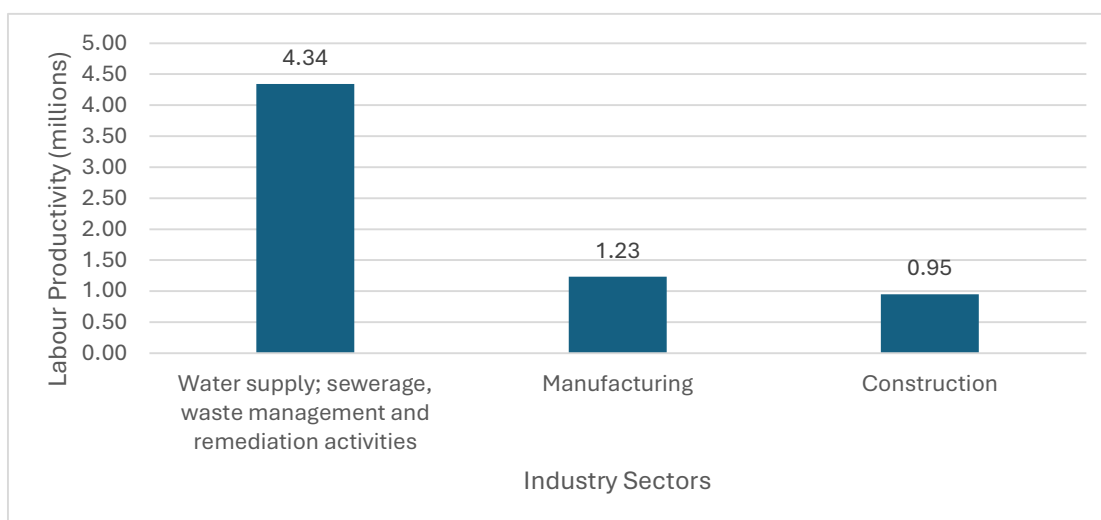


Data source: National Information Platform for Food and Nutrition (NIPFN)

### Industry Sector Labour Productivity

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

**Figure 20: Labour productivity by industry sectors**

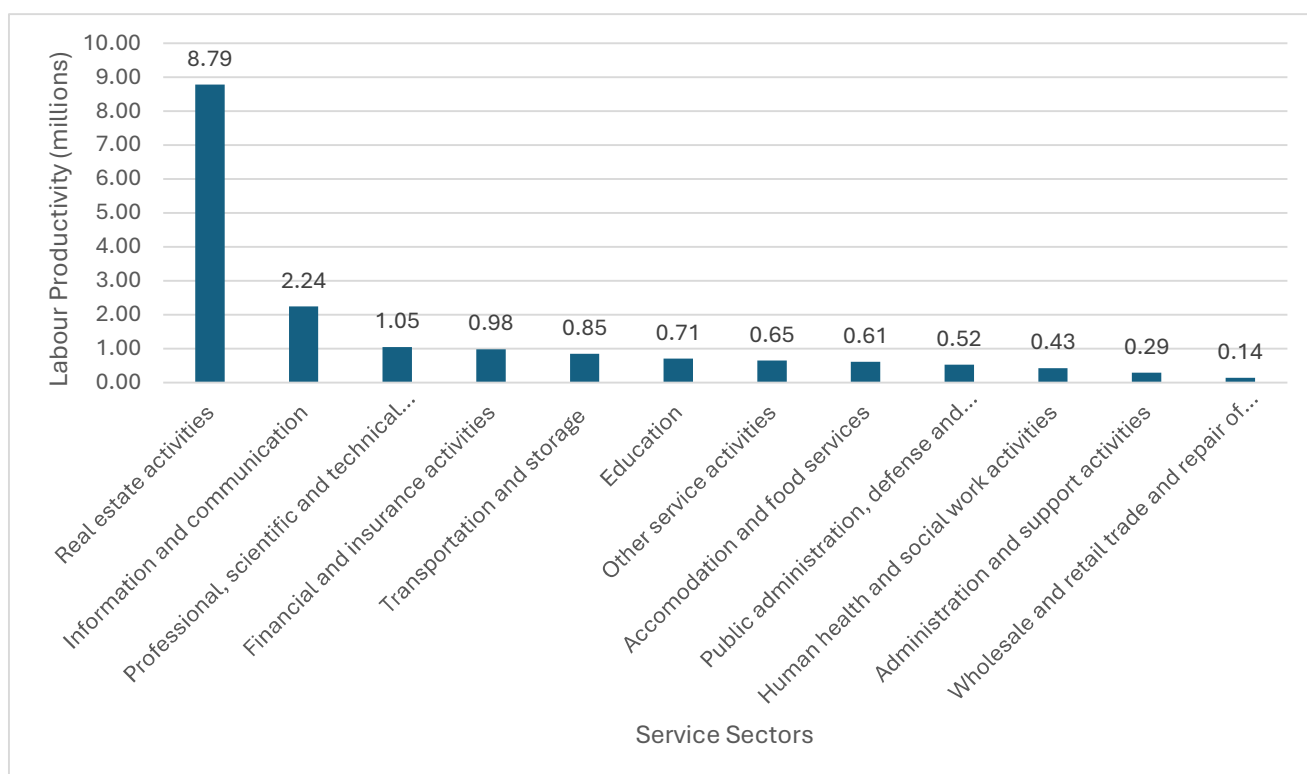


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

### Services Sector Labour Productivity

Real estate sub-sector had relatively higher labour productivity compared with other sectors within the services sector. Kiambu county is rapidly urbanizing with a fast-growing real estate sector as land use changes from agriculture to housing the growing urban population (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. The agriculture sector share has been increasing but remains the least. Dairy farming dominates livestock production, poultry is diversified and there is potential for wool sheep. The construction sub-sector dominates the industry sector while the share of the manufacturing sub-sector has been declining as the share of construction sector expanded. The transportation and storage sector dominates the services sector GVA.
- (ii) The indicators that affect the quality of labour performed above the national average, however, interventions are required to increase primary and secondary school enrolment rates and reduce stunting. Teenage pregnancy is high.
- (iii) The essential infrastructure indicators are high then the national average. However, efforts are needed to increase access to internet connectivity.
- (iv) The services sector is the highest employer. Employment in the agriculture sector is mainly in mixed farming. Employment in the industry sector is concentrated in the construction sector while employment in manufacturing is in manufacture of food products and textile and wearing apparel sub-sector. Majority of those working in the services sector are in wholesale and retail trade sector, mainly in retail of food, beverages and tobacco products sub-sector.
- (v) Labour productivity in the county is higher than the national average labour productivity. The industry sector has the highest productivity while the agriculture



sector has the least productivity. The potential for crop farming is not fully exploited including maize. The county has the largest land under coffee but there is growing competition from real estate that dominates the services sector.

### **Policy Recommendations**

- (i) Encourage investments in manufacturing to support the transformation of the agriculture sector by promoting agro-processing and supporting the County Aggregation Industry Park to enhance productivity of the MSMEs.
- (ii) Complete the ongoing coffee reforms to support the coffee farming in the county.
- (iii) Secure the quality of future labour with nutrition sensitive social protection programmes to reduce and stunting. Further, implement 100 per cent transition to secondary school to develop skills.
- (iv) Create an enabling environment for private sector growth by investing in essential infrastructure to improve access to electricity and internet.

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### About KIPPRA Policy Briefs

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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