



Policy Brief

Thinking Policy Together

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Assessing Labour Productivity for Kisii County

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Overview of the County

Kisii County is a member of the Lake Region Economic Bloc (LREB) is a non-ASAL county that experiences less than 10 per cent aridity. The county land size stands at 1,318 km² and has eleven Sub-Counties namely: Etago, Gucha, Gucha South, Kenyenia, Kisii Central, Kisii South, Kitutu Central, Marani, Masaba South, Nyamache, and Sameta.

Key Highlights

The productivity of Kisii County is characterized by the following:

- (i) The services and agriculture sectors share almost equally the Gross Value Added (GVA). The agriculture sector is dominated by crop production and livestock production is not fully integrated in the leather value chain. Apiculture and poultry farming are emerging activities.
- (ii) The quality of labour requires reducing stunting, child poverty and teenage pregnancy which have implications on future labour productivity.
- (iii) For essential infrastructure, investment is required to improve access to electricity, improved water, internet, and housing.
- (iv) The agriculture sector is the highest employer. Manufacturing employment is mainly in non-metallic mineral products and manufacture of wood and product of woods. Wholesale and retail trade employs more in the services sector.
- (v) Labour productivity is highest in services sector dominated by the real estate activities. Manufacturing has the highest labour productivity in the industry sector.

To enhance productivity:

- (i) Encourage investment in manufacturing through agro processing, and support implementation of the County Aggregation Industry Park.
- (ii) Invest in agricultural transformation by developing the livestock value chains, promote value addition and preservation of horticultural produce, build skills for

farmers to uptake technologies, and support farmers with agriculture extension services and subsidized farm inputs.

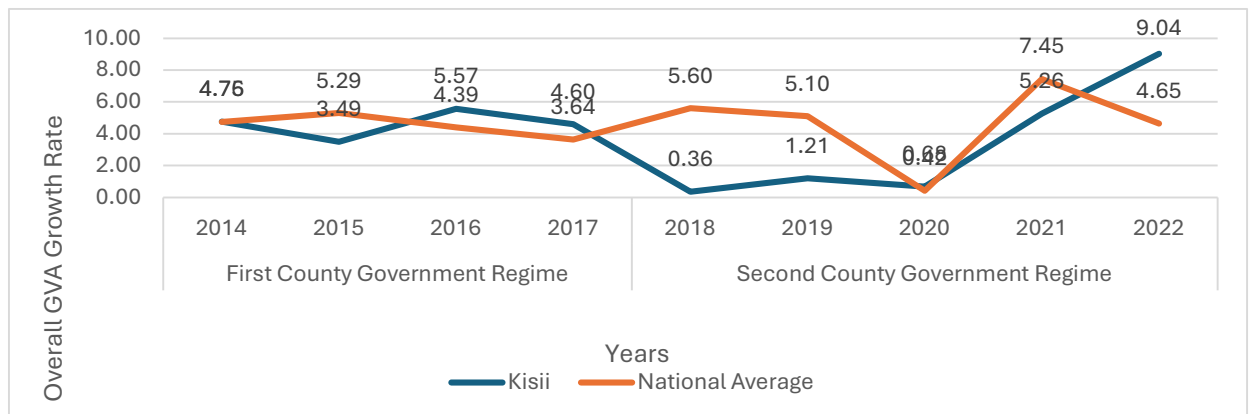
- (iii) To improve the quality of labour, implement nutrition sensitive programmes to tackle stunting and food poverty, create awareness on teenage pregnancy and encourage the young mother to go back to school, and equip the schools with essential infrastructure.
- (iv) Create an enabling environment for private sector growth by investing in internet, electricity improved water, and improved quality housing.

Kisii County Economic Performance

Kisii County contributes on average to 2.0 per cent of the National Gross Value added with an average GVA of Ksh. 145,1213 million. The GVA per capita for Kisii County is Ksh. 114,555.40 with an average population growth of 1.6 per cent and overall poverty levels at 37.2 per cent.

Kisii County has shown a steady growth in GVA with an average growth rate of 3.89 per cent in 2013-2022, which is slightly lower than the national average growth of 4.37 per cent as shown in Figure 1. The highest growth rate was in 2016, and lowest in 2018.

Figure 1: Kisii County GVA growth rate

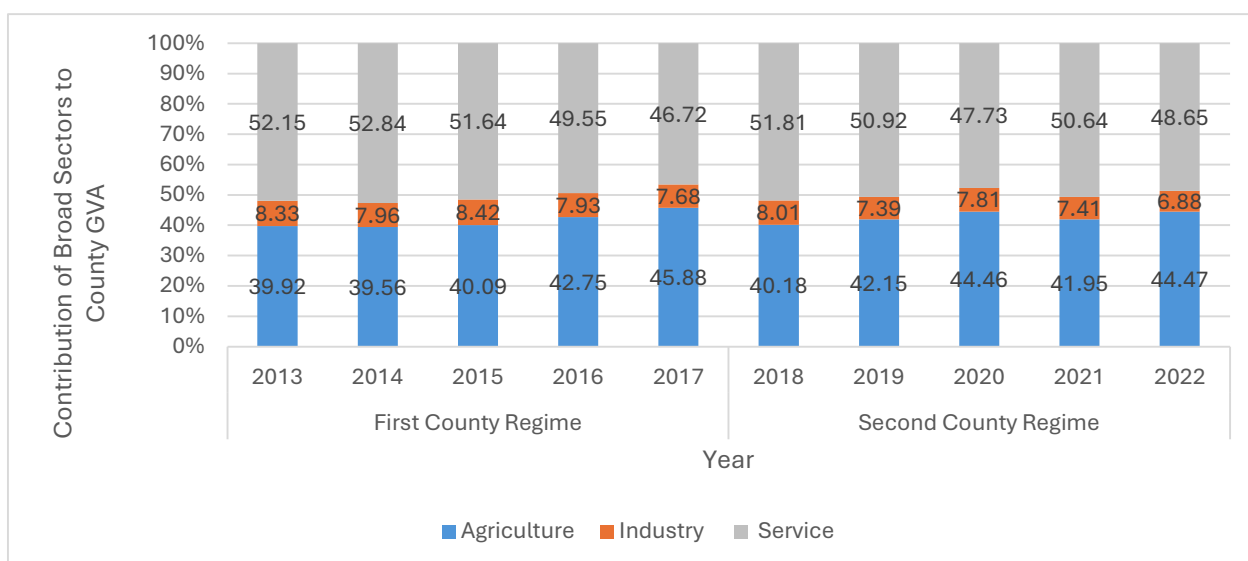


Data Source: KNBS 2023-Gross County Product

Sectoral Analysis GVA

The services sector is dominant in Kisii County with an average contribution to GVA of 50.27 per cent. The agriculture sector is second, contributing an average of 42.14 per cent to the GVA while the industry sector contributes about 7.78 per cent as shown in Figure 2.

Figure 2: Contribution of Broad Sectors to Kisii County GVA

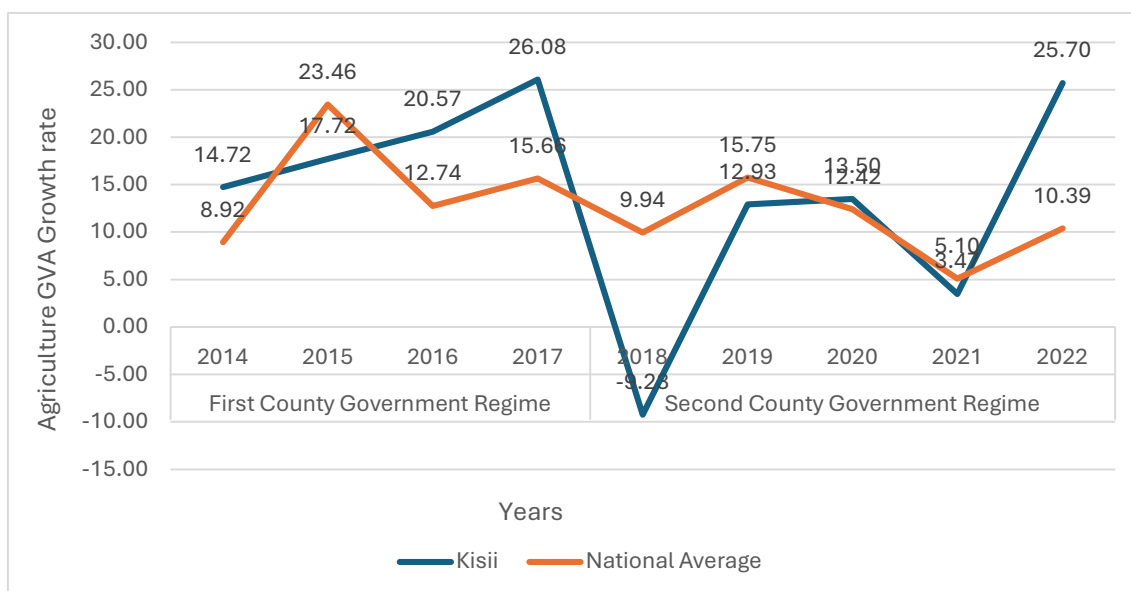


Data Source: KNBS 2023-Gross County Product

Agriculture Sector

The average growth rate of agriculture GVA in 2013-2022 is 13.94 per cent, which is above the national average of 12.71 per cent as shown below in Figure 3.

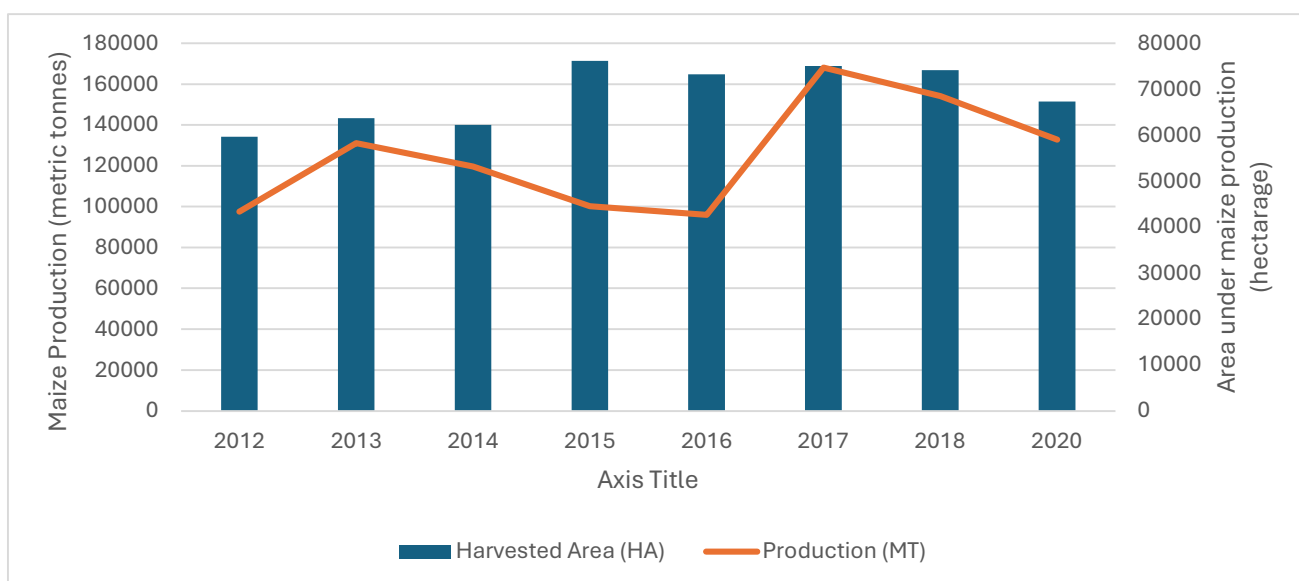
Figure 3: Kisii County agriculture GVA growth rate



Data Source: KNBS 2023-Gross County Product

Maize, the main staple food in the country is also the main food crop produced in Kisii County. Both the area under maize production and the production in metric tonnes has been increasing over time (Figure 4).

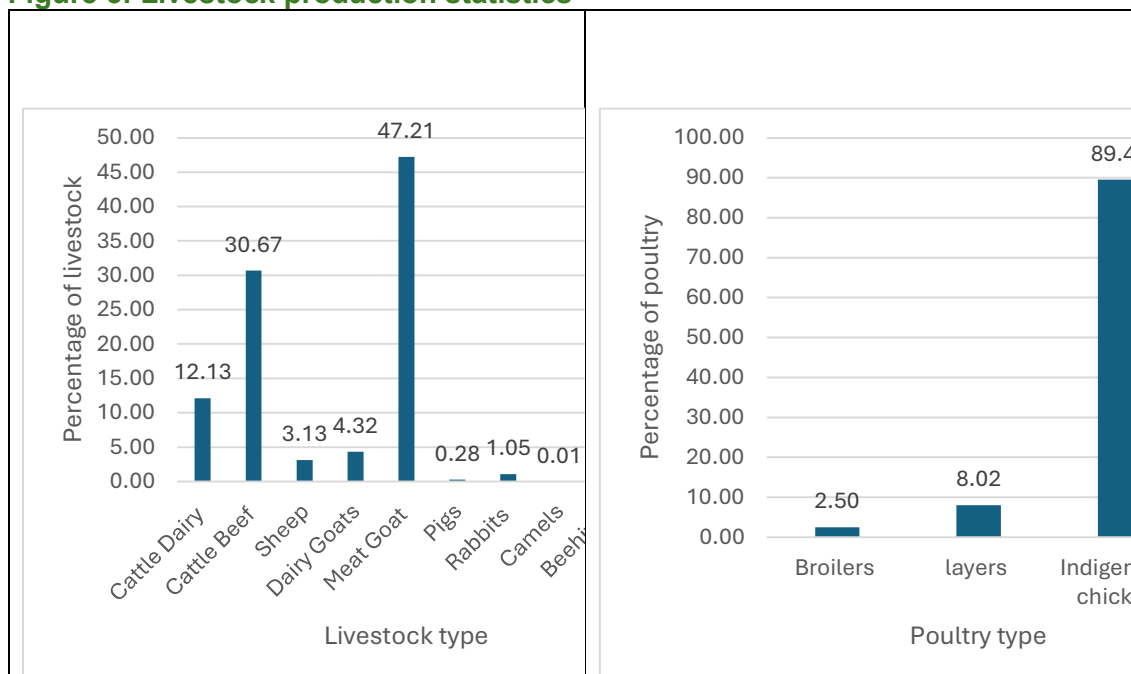
Figure 4: Maize production and area under maize production

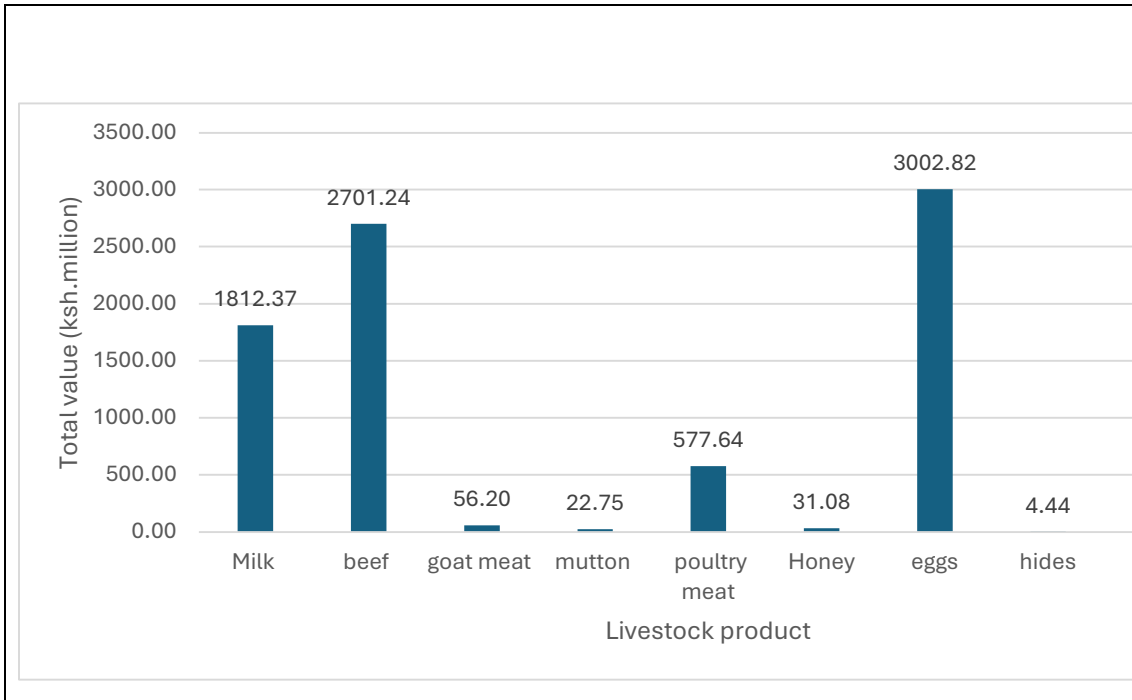


Data source: National Information Platform for Food and Nutrition (NIPFN)

Livestock production in Kisii County is on a smaller scale compared to crop production. The most common type of livestock in the county are beef cattle and meat goats. Dairy and poultry farming are also important economic activity in the county. Eggs have the highest total value in county, reflecting the advantages in poultry farming. Milk and beef also have high economic values (Figure 5).

Figure 5: Livestock production statistics



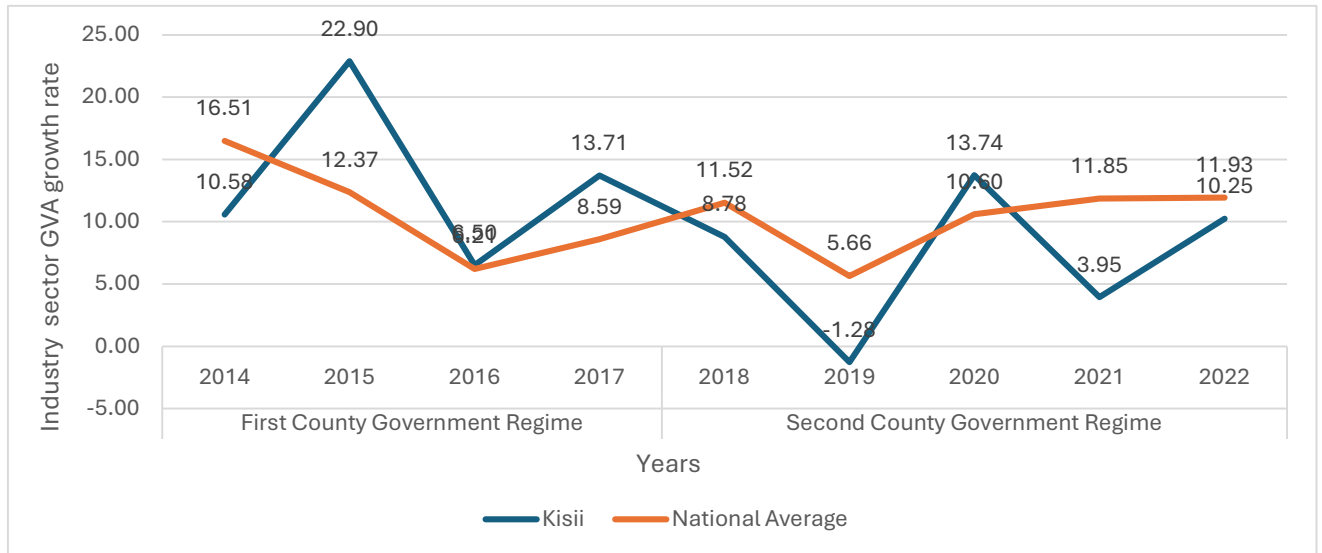


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector

The average growth rate for industry sector is 9.90 per cent, which is below the national average of 10.58 per cent as observed in Figure 6.

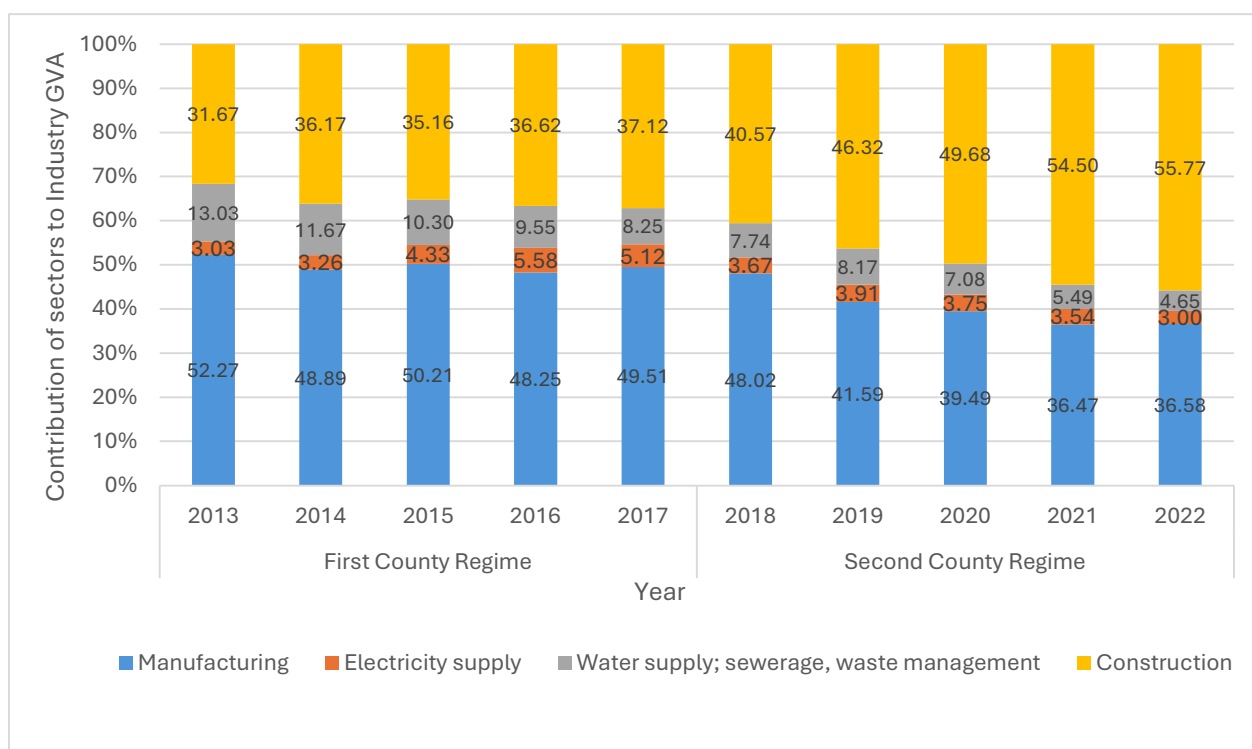
Figure 6: Kisii County industry GVA growth rate



Data Source: KNBS 2023-Gross County Product

The manufacturing and construction sub-sectors dominate the industry sector GVA, with the share of manufacturing declining as construction sub-sector expands as shown in Figure 7.

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

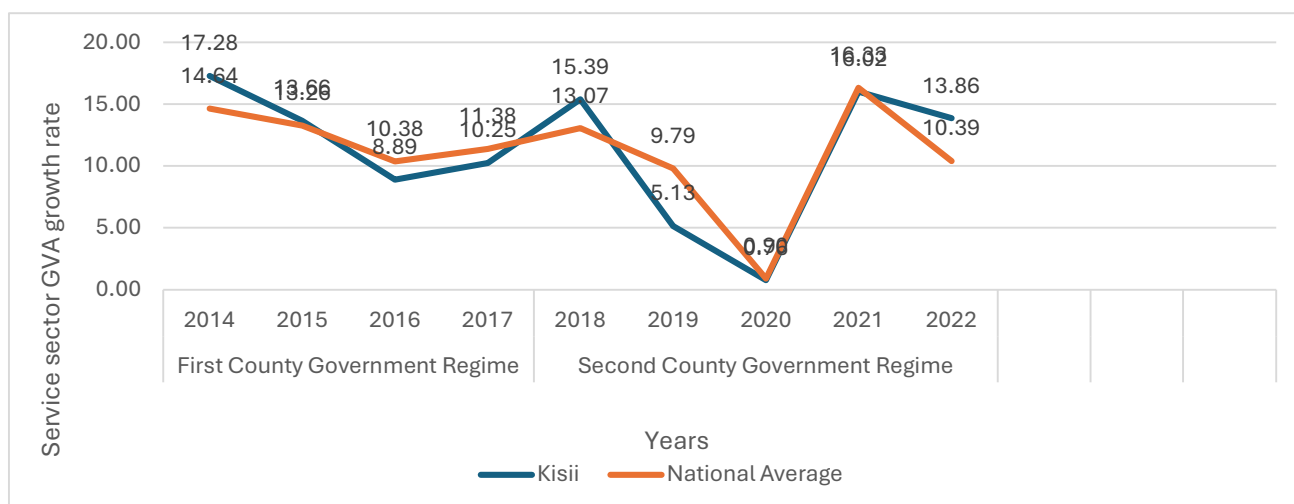


Data Source: KNBS 2023-Gross County Product

Services Sector

The average growth rate for service sector is 9.44 per cent, which is below the national average of 11.13 per cent as shown in Figure 8.

Figure 8: Kisii County services sector GVA growth rate

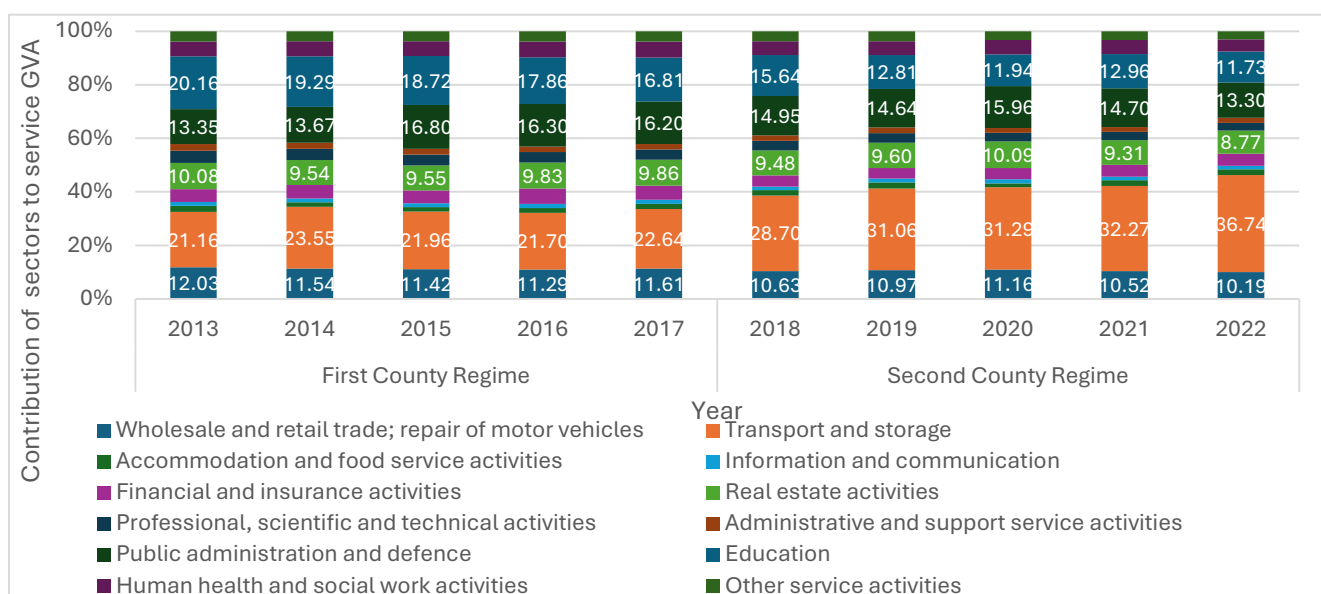


Data Source: KNBS 2023-Gross County Product

The transport and storage sub-sector dominate the services sector with the highest contribution to services sector GVA at 27.11 per cent. The education sector is the second

highest contributor to services GVA at 15.79 per cent while public administration and defence is third at an average of 14.99 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 for Kisii County

Kisii County has a total of 698,534 working-age population, which is about 55.14 per cent of the total county population. Most of the working-age population is youthful (18-34 years) at 48.63 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	49,005	48,716	97,721	13.99
18 -24	71,734	83,238	154,972	22.19
25-34	78,429	106,323	184,752	26.45
35-64	125,561	135,528	261,089	37.38
Total	324,729	373,805	698,534	

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

Most of the population in Kisii sub-counties are persons in the working age categories. Kisii Central has the highest percentage of persons of working age at 59.70 per cent as shown in Table 2.

Table 2 :Sub-County 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	
Etago	83,784	6,463 (15.22)	9,184 (21.62)	11,267 (26.53)	15,558 (36.63)	42,472 (50.69)
Gucha	83,739	6,706 (14.89)	9,910 (22.01)	11,587 (25.73)	16,830 (37.37)	45,033 (53.78)
Gucha South	83,620	6,572 (14.62)	9,894 (22.01)	11,752 (26.15)	16,731 (37.22)	44,949 (53.75)
Kenyena	131,737	10,588 (15.05)	15,088 (21.45)	17,939 (25.51)	26,717 (37.99)	70,332 (53.39)
Kisii Central	166,903	11,956 (12.00)	23,579 (23.66)	28,401 (28.50)	35,706 (35.83)	99,642 (59.70)
Kisii South	135,129	10,854 (14.53)	17,726 (23.73)	19,273 (25.81)	26,833 (35.93)	74,686 (55.27)
Kitutu Central	154,169	10,863 (11.95)	21,762 (23.94)	27,107 (29.82)	31,179 (34.30)	90,911 (58.97)
Marani	107,462	8,566 (14.97)	11,531 (20.15)	13,772 (24.07)	23,347 (40.81)	57,216 (53.24)
Masaba South	122,391	9,594 (14.36)	13,931 (20.86)	16,388 (24.54)	26,880 (40.24)	66,793 (54.57)
Nyamache	130,895	10,143 (14.54)	14,438 (20.69)	17,769 (25.47)	27,419 (39.30)	69,769 (53.30)
Sameta	66,993	5,416 (14.75)	7,929 (21.59)	9,497 (25.86)	13,889 (37.81)	36,731 (54.83)

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

Kisii County performs well in socioeconomic indicators that affect the quality of labour as shown in Table 3. However, interventions are needed to increase pupil-teacher ratio and reduce food poverty in the county.

Table 3: Human capital indicators

Human capital indicators	County	National average
Literacy rate	90.80	78.41
Pre-primary net enrolment rate (2019)	80.98	67.51
Primary school net enrolment rate (2020)	85.70	77.72
Secondary school net enrolment rate (2020)	83.00	54.18
Average years of schooling (2014)	8.50	7.78
Percentage of children 12-23 months fully vaccinated (%)	82.20	74.97
Percentage of stunted children	16.53	19.75
Percentage of teenage pregnancy	14.20	15.79
Primary to secondary transition rates (2020)	90.30	86.13
Pupil-teacher ratio (primary school)	28.00	28.28
Food poverty head count (%)	36.30	33.63
Child poverty head count (%)	36.50	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

Kisii County performs higher than the national average in some essential infrastructure and capital indicators that support the growth of county GVA (Table 4). However, there is need to increase access to internet at the household level and in schools, improved water, improve financial inclusion and the quality of housing.

Table 4: Essential infrastructure and capital indicators

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019 Census)	39.30	38.52
Distribution of population using the internet (2019 census)	16.00	18.69
Rural Access Index (2018)	86.64	63.72
Access to improved sanitation (2018)	41.00	59.04
Access to improved water (2018)	89.40	65.33
Financial inclusion level (2021)	81.10	81.01
The proportion of primary schools with Internet	18.75	27.65
Proportion of secondary schools with functional internet	22.20	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	37.93	51.71
Percentage of households using bank usage (overall)	41.60	38.18
Percentage of households using mobile money	79.00	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 64.93 per cent. Most of those working is the non-youth (35-64 years) at 32.72 per cent while for the youth (18-34 years) is at 31.21 per cent as shown in Table 5. The percentage of the employed by gender is 37.80 per cent male and 42.16 per cent female. The unemployment rate is at 5.75 per cent with unemployment being slightly higher for the youth (18-34 years) at 3.78 per cent and those between 35-64 years at 1.86 per cent. The percentage of persons 5–17 years old working is 2.99 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 23.23 per cent as they are pursuing schooling, while it is low for the persons of prime age (25-64 years) at 5.38 per cent.

Table 5: Kisii County employment statistics

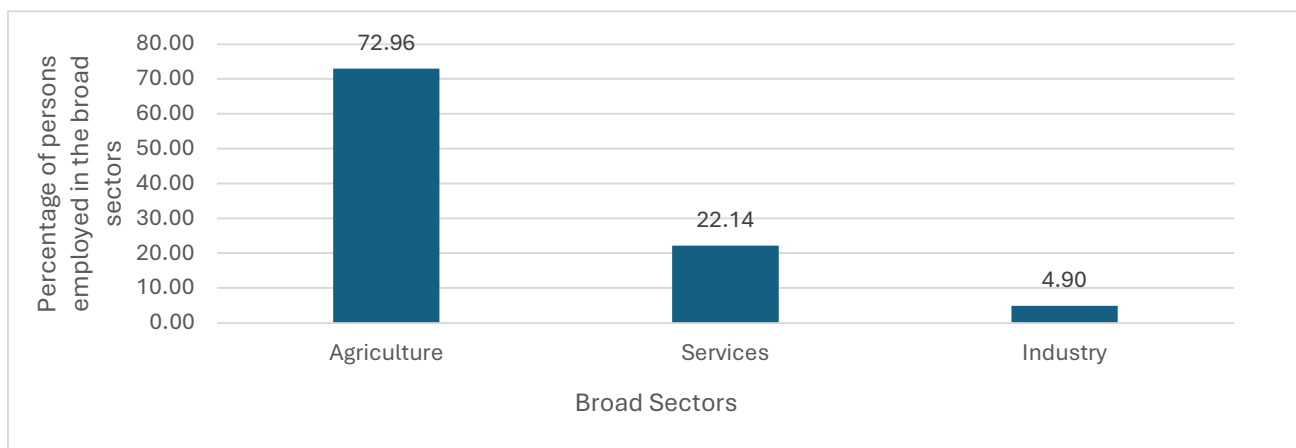
Employment statistics	Youth	Non youth
Employment to population ratio (%)	31.21	32.72
Unemployment rate	3.78	1.86
Percentage of persons 5–17 years old working	2.99	-
Inactivity rate	23.23	5.38

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

Sectoral Employment

The agriculture sector is the highest employer in Kisii County at 72.96 per cent followed by the services sector at 22.14 per cent. The industry sector is third at 4.90 per cent as shown below in Figure 10.

Figure 10 : Percentage of persons employed in the broad sectors

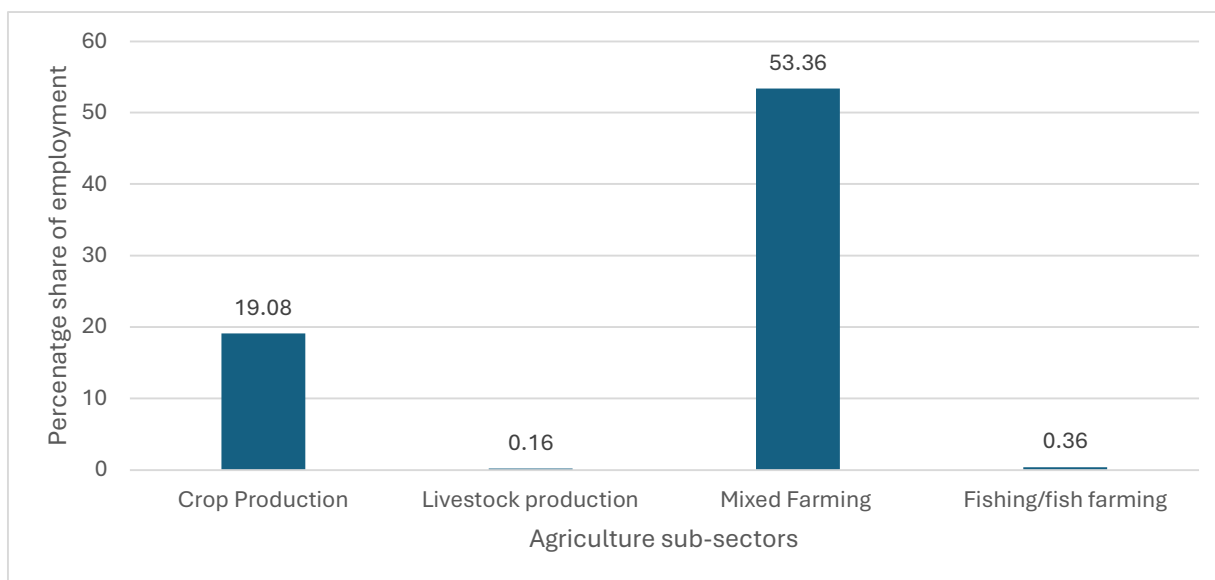


Data Source: KNBS 2021- Kenya Continuous Household Survey

Agriculture Sector Employment

In agriculture sector, the majority are those practicing mixed farming (Figure 11). Maize, bananas, and vegetables are the main crops grown in the county. Cash crops include tea and coffee as well as sugarcane.

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

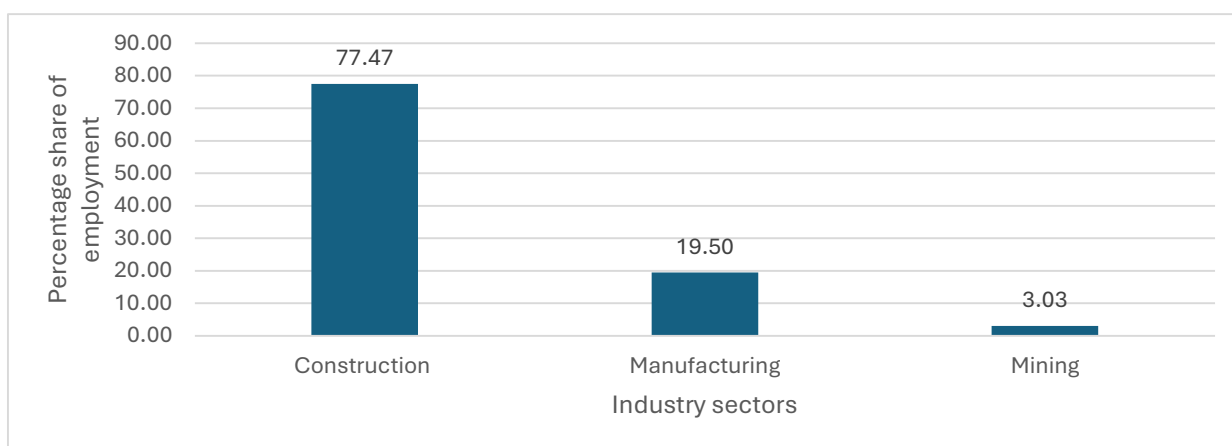


Data Source: KNBS 2021- Kenya Continuous Household Survey

Industry sector Employment

The majority of those working in the industry sector are in the construction sub-sector (Figure 12). This mainly entailed the construction of buildings while mining is mainly in the quarrying of stones.

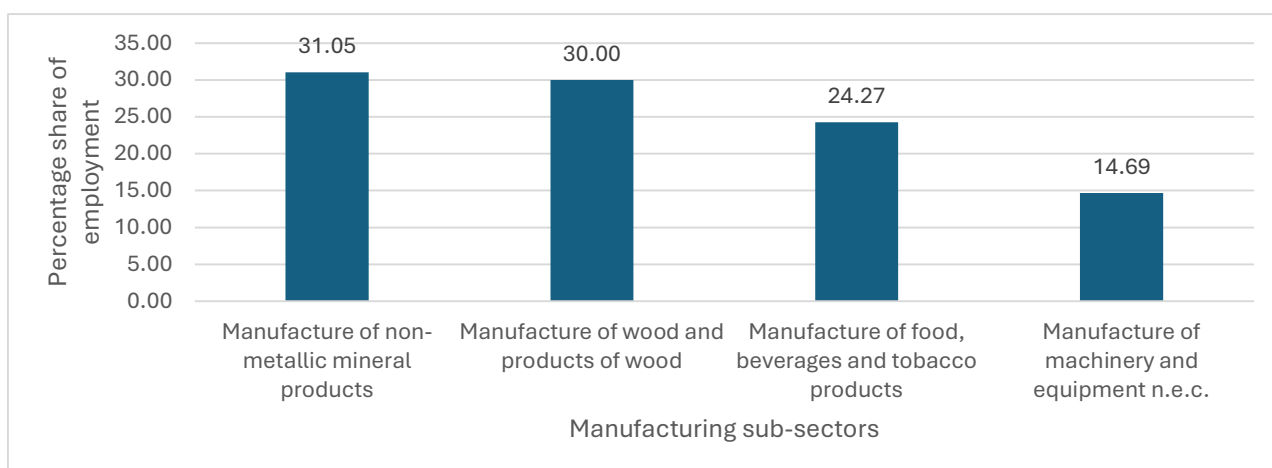
Figure 12: Percentage share of employment in the industry sectors



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 sub-sectors such as non-metallic mineral and wood industries as shown in Figure 13.

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

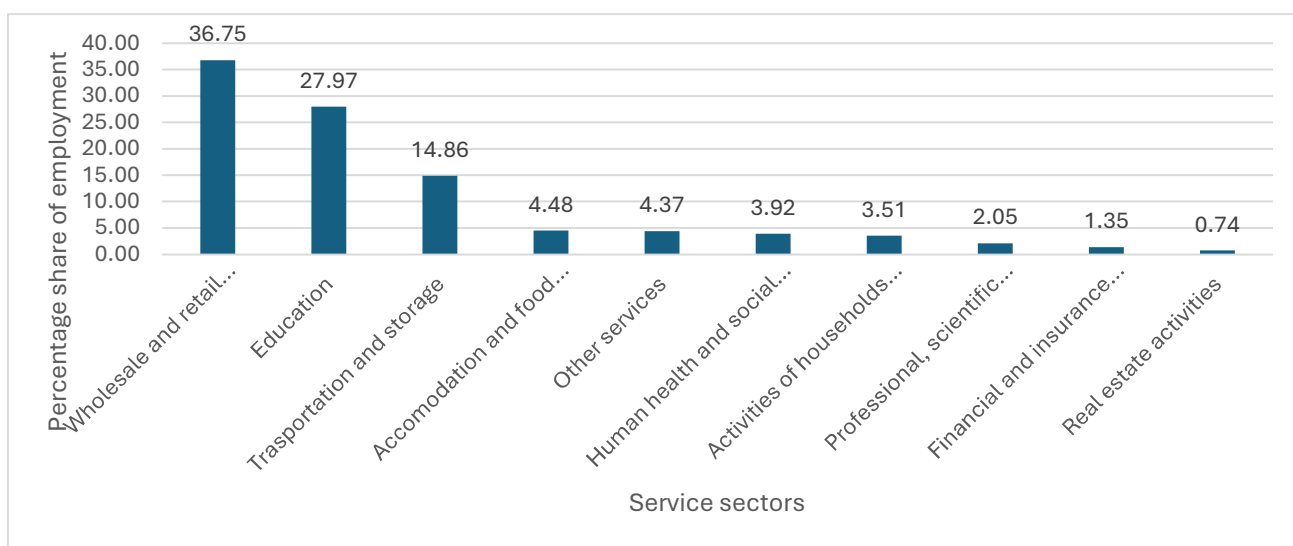


Data Source: KNBS 2021- Kenya Continuous Household Survey

Services Sector Employment

The majority of those working in the services sector are in wholesale and retail trade as shown in Figure 14.

Figure 14 : Percentage share of employment in the service sector



Data Source: KNBS 2021- Kenya Continuous Household Survey

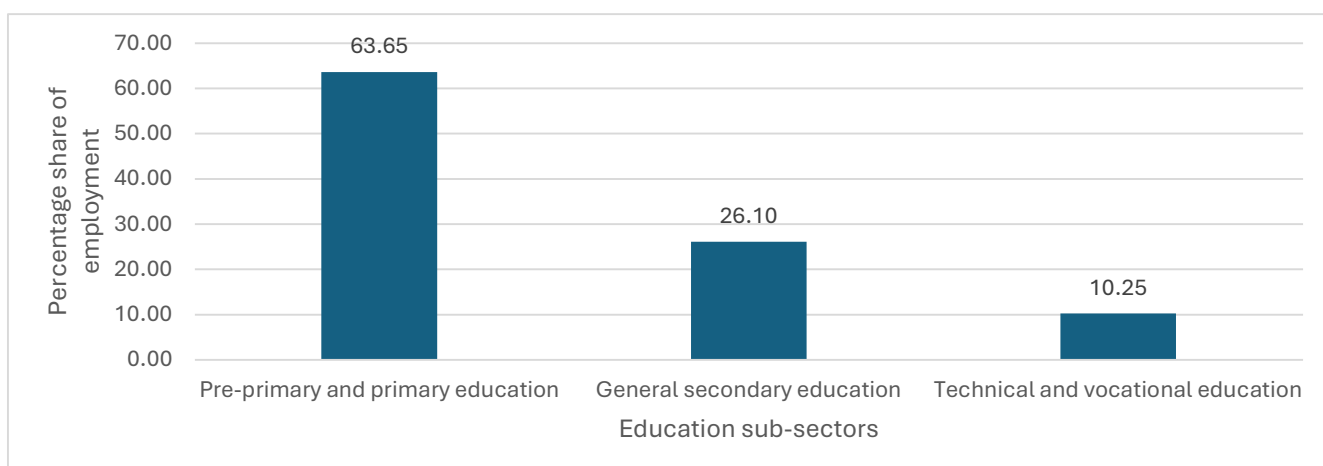
In the wholesale and retail trade, the majority work in other retail in specialized stores as shown in Figure 15.

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

Figure 16 : Percentage share of employment in education sub-sectors

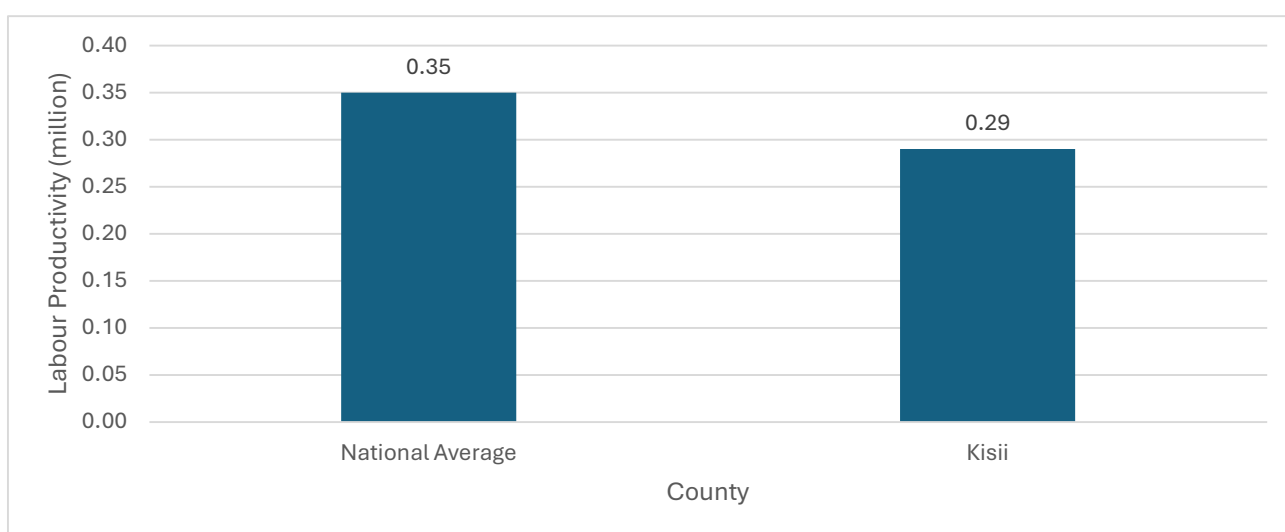


Data Source: KNBS 2021- Kenya Continuous Household Survey

Labour Productivity

Labour productivity ¹for Kisii County is lower than the national average (Figure 17).

Figure 17: Labour productivity ratios (millions)

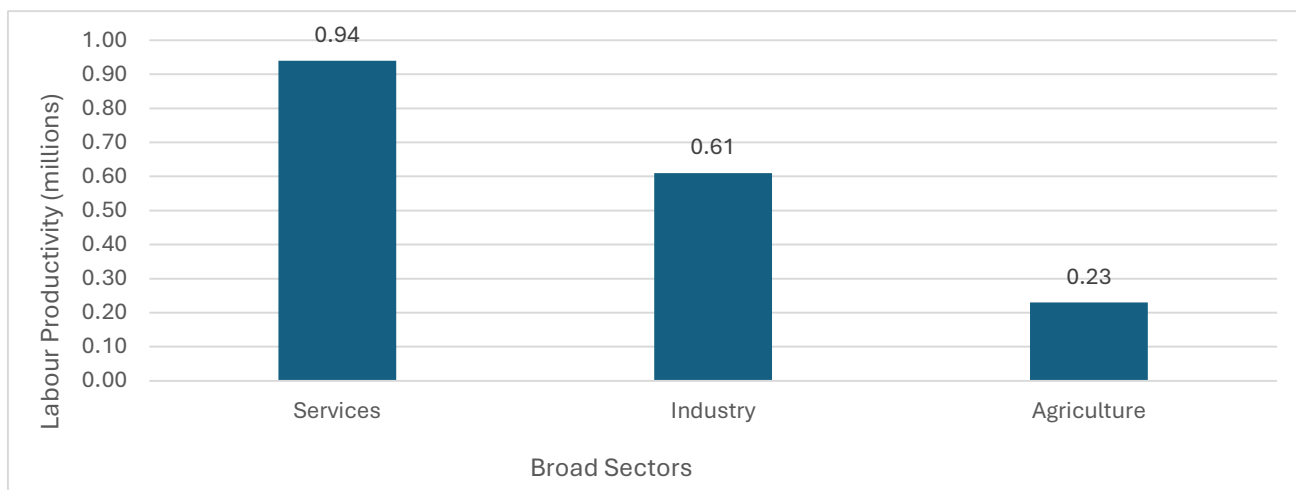


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

The services sector has the highest productivity followed by the industry sector while the agriculture sector has the least 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

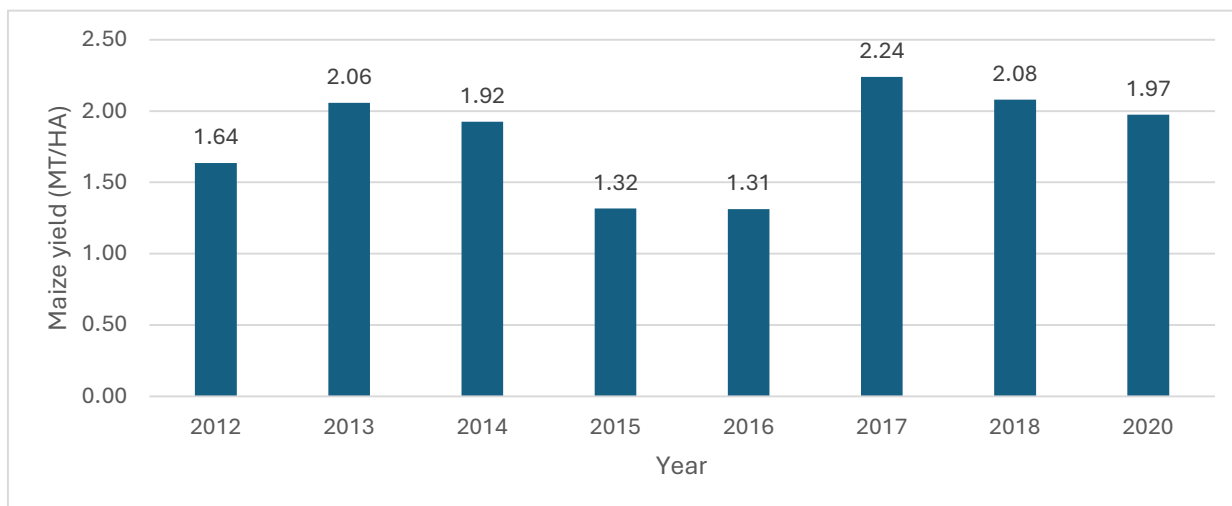


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Agriculture Productivity

In agriculture, maize productivity has been fluctuating with an average yield of 1.82 MT/HA for the years under review. The highest declines were in 2015 and 2016, due to the fall army worm invasion (Figure 19).

Figure 19: Maize yield (MT/HA)

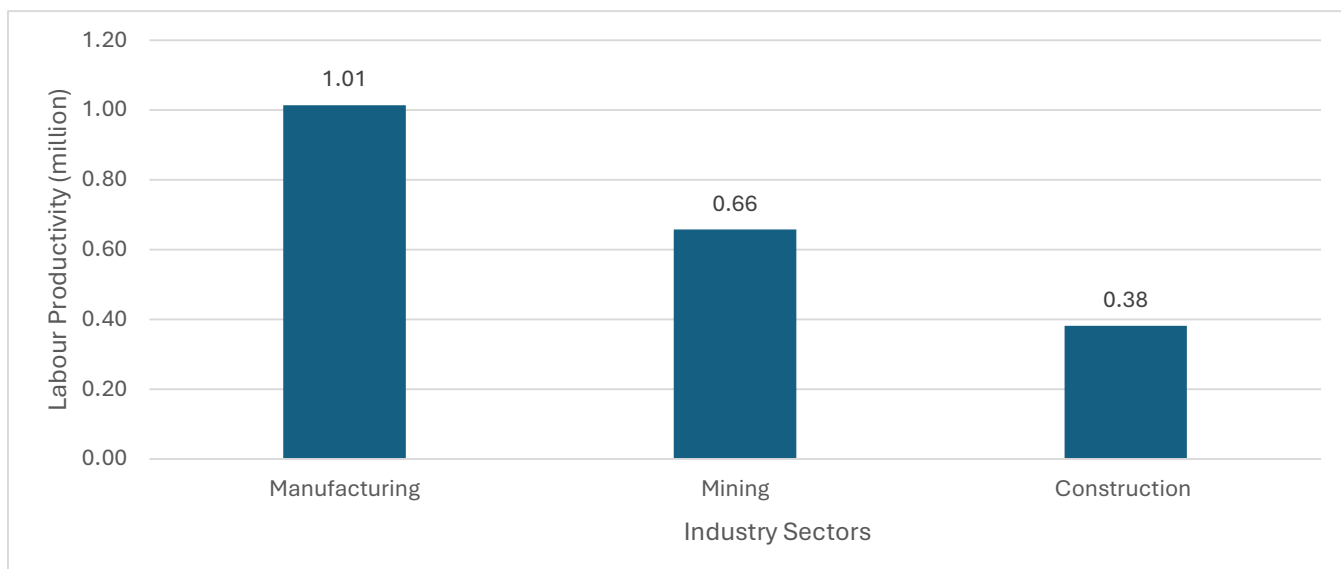


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector Labour Productivity

The manufacturing 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

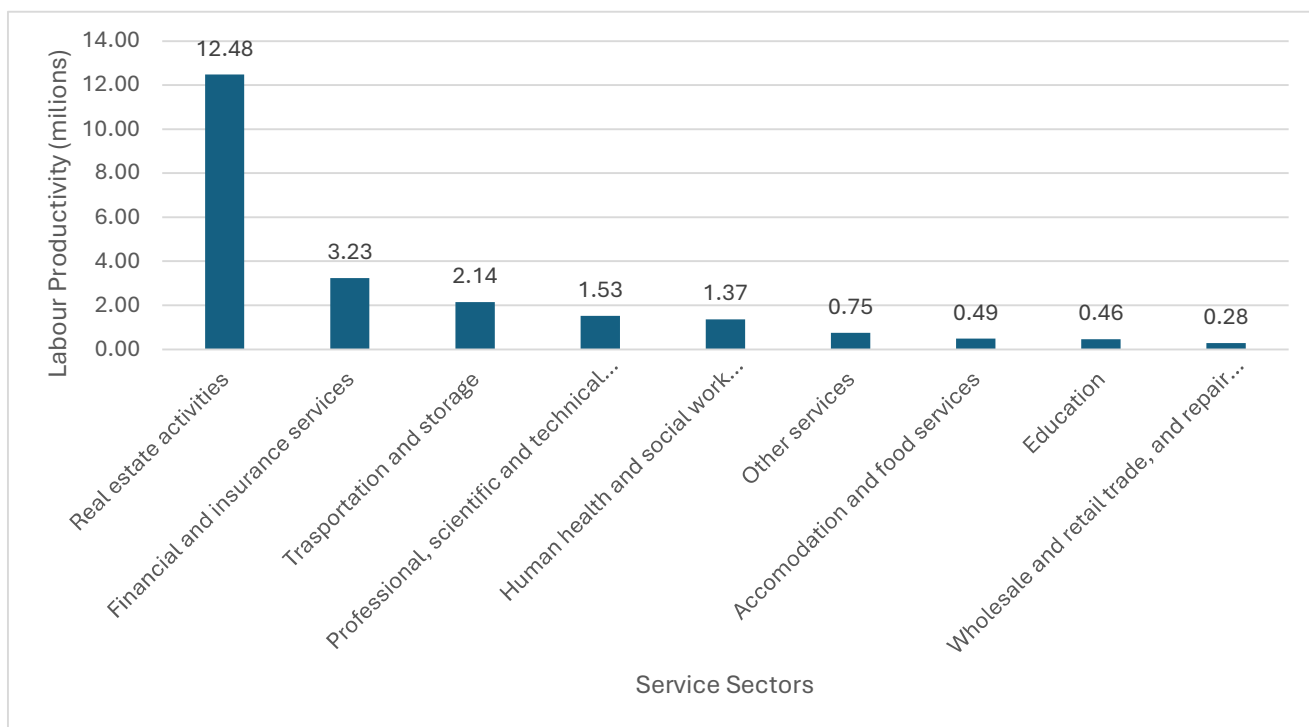


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Services Sector Labour Productivity

The real estate sub-sector had relatively higher labour productivity when compared with other 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 and agriculture sectors share almost equal shares of county. The agriculture sector is dominated by crop production. Livestock production is dominated by goat for meat with some level of integration with the leather value chain. Apiculture is emerging while diversification to high-quality chicken is slow. Additionally, the share of manufacturing is declining as that of the construction sector expands. In services sector, transport and storage dominates.
- (ii) The indicators of quality of labour are generally higher than the national average. However, interventions are needed to address stunting, child poverty and teenage pregnancy which have implications on future labour productivity.
- (iii) For the essential infrastructure, the indicators performed below the national average. Significant investment is required to improve access to electricity, improved water, internet, and housing.
- (iv) The agriculture sector is the highest employer with mixed farming dominating the share of employment where crop production is practiced alongside dairy farming and poultry farming. The industry sector has the least share of employment dominated by construction. Manufacturing employment is mainly in non-metallic mineral products and manufacture of wood and product of woods. Wholesale and retail trade employs more in the services sector.
- (v) Labour productivity is lower than the national average. The services sector had the highest labour productivity, dominated by the real estate sub sector. Agriculture is characterised by fluctuations in maize yields despite the county high potential. Manufacturing sub-sector has the highest labour productivity in the industry sector.

Policy Recommendations

- (i) Encourage investment in manufacturing through agro processing; supporting the County Aggregation Industry Park especially to facilitate participation of MSMEs in manufacturing; and marketing the non-metallic mineral products.
- (ii) Invest in agricultural transformation to increase agriculture productivity. This including developing the livestock value chain to integrate the small farmers to the dairy and livestock industry; developing the poultry value chain; promote value addition and preservation of horticultural produce; build skills for farmers to uptake technologies that improve productivity and supporting farmers with increased agriculture extension services and subsidizing key farm inputs.
- (iii) To improve the quality of labour, implement nutrition sensitive programmes to tackle stunting and food poverty, create awareness on teenage pregnancy and encourage the young mother to go back to school; equip the schools with essential infrastructure.
- (iv) Create an enabling environment for private sector growth by investing in internet and electricity connectivity, increasing access to improved water, and improved quality housing.

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