



# Policy Brief

*Thinking Policy Together*

**No. 49/2023-2024**

## **Assessing Labour Productivity for Nyamira County**

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### **Overview of the County**

Nyamira County is a member of the Lake Region Economic Bloc (LREB) The county is classified as a non-ASAL county that experiences less than 10 per cent aridity levels. The county land size stands at 912.5 km<sup>2</sup> and has five Sub-Counties namely: Borabu, Manga, Masaba North, Nyamira North, and Nyamira South.

### **Key Highlights**

The productivity of Nyamira County is characterized by the following:

- (i) The agriculture sector has largest share of Gross Value Added (GVA). There is potential to exploit in dairy and poultry farming and increase crop yield. Manufacturing dominates the industry sector while the transportation and storage sector is largest in the services sector.
- (ii) The quality of labour requires interventions to reduce stunting, teenage pregnancies, child and food poverty, and increase the school enrolment.
- (iii) The essential infrastructure requires interventions to increase internet connectivity, access to improved sanitation, financial inclusion and housing quality.
- (iv) The agriculture sector has largest share of employment. In manufacturing employment is highest in wood products. In wholesale and retail trade sector, employment is highest in the retail of food, beverages, and tobacco products.
- (v) Labour productivity is highest in services sector while the agriculture sector has the least albeit with potential in maize yield.

To enhance productivity:

- (i) Integrate the small farmers into the dairy value chains, exploit the potential for maize production, and skill farmers to uptake technologies that improve productivity.

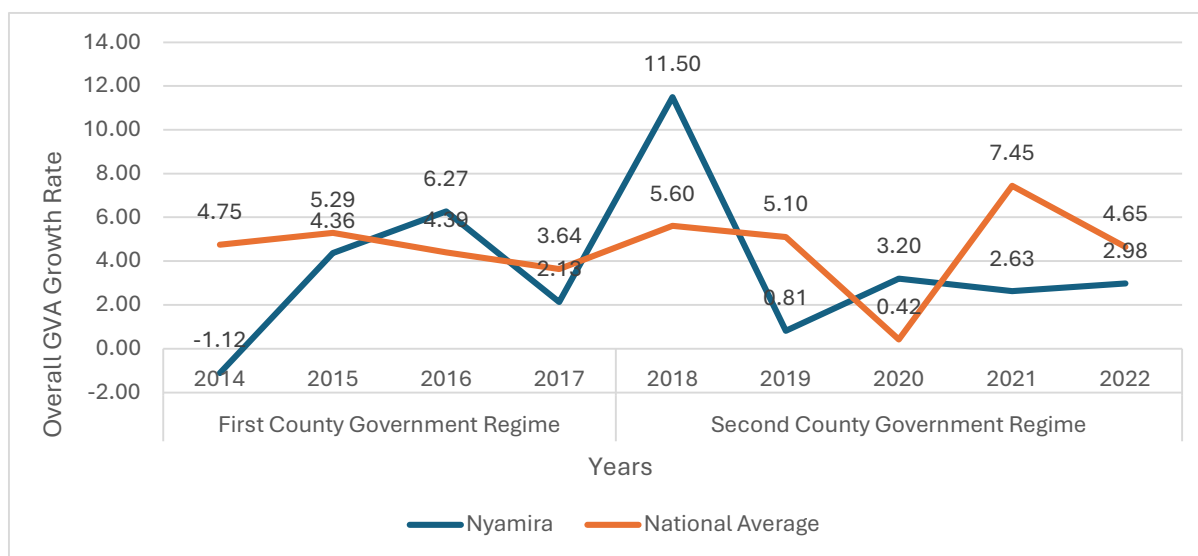
- (ii) Attract investments into agro processing to enhance manufacturing. Support implementation of County Aggregation Industry Park to increase productivity for MSMEs.
- (iii) Secure quality of labour with nutritional programmes, creating awareness and support teenage mothers to go back to school, and increasing secondary school enrolment.
- (iv) Invest in essential infrastructure to improve access to electricity and internet and increase financial inclusion.

### Nyamira County Economic Performance

Nyamira County contributes on average to 1.1 per cent of the National Gross Value added with an average GVA of Ksh 80,7814 million. The GVA per capita for Nyamira County average Ksh 133,398.84 with an average population growth of 2.2 per cent and overall poverty levels at 34.7 per cent.

Nyamira County has shown a steady growth in GVA with an average growth rate of 3.64 per cent in 2013-2022, which is lower than the national average growth of 4.37 per cent as shown in Figure 1. The highest growth rate was in 2018 and lowest in 2014.

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

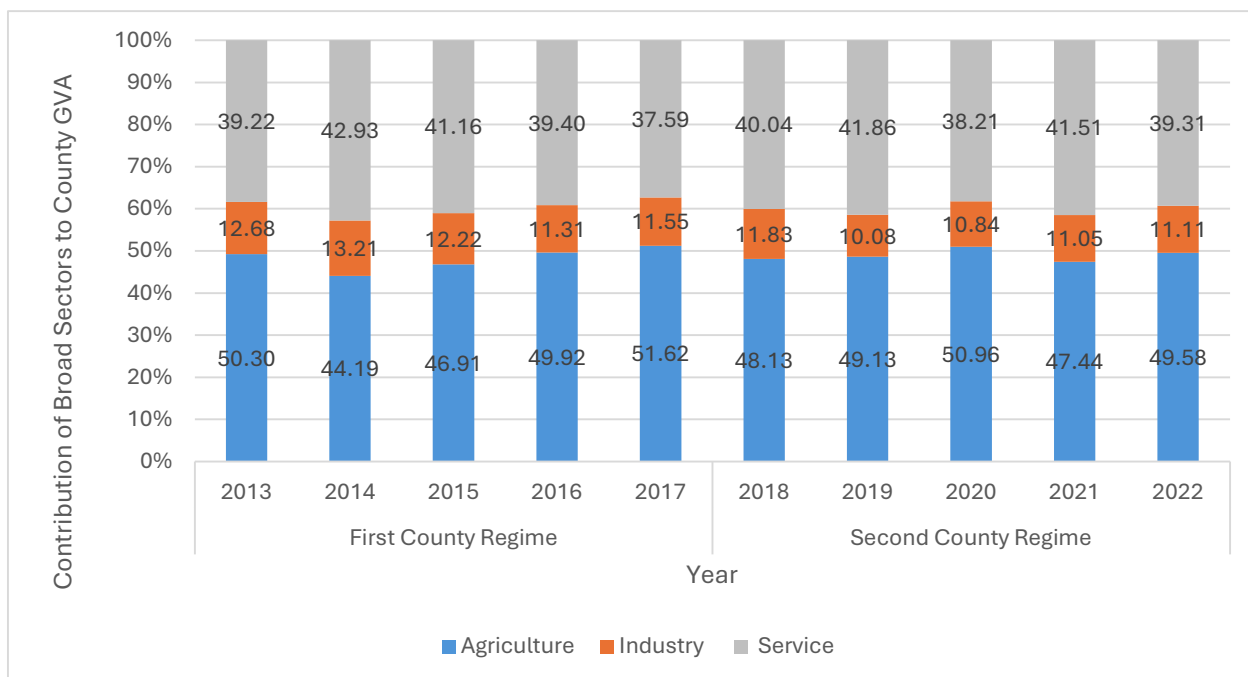


Data Source: KNBS 2023-Gross County Product

### Sectoral Analysis of GVA

The agriculture sector is dominant in Nyamira County with an average contribution to GVA of 48.82 per cent. The services sector is second, contributing an average of 40.12 per cent to the GVA while industry sector contributes about 11.59 per cent as shown in Figure 2.

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

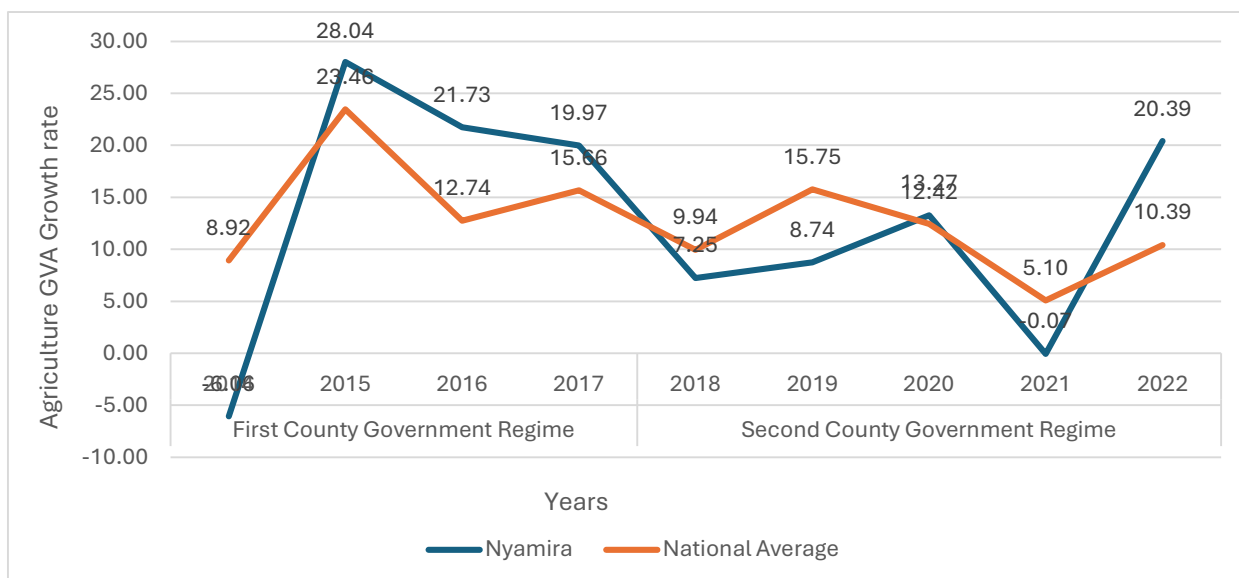


Data Source: KNBS 2023-Gross County Product

### Agriculture Sector

The average agriculture GVA growth rate (2013-2022) for Nyamira County is 12.58 per cent, which is below the national average of 12.71 per cent as shown in Figure 3.

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

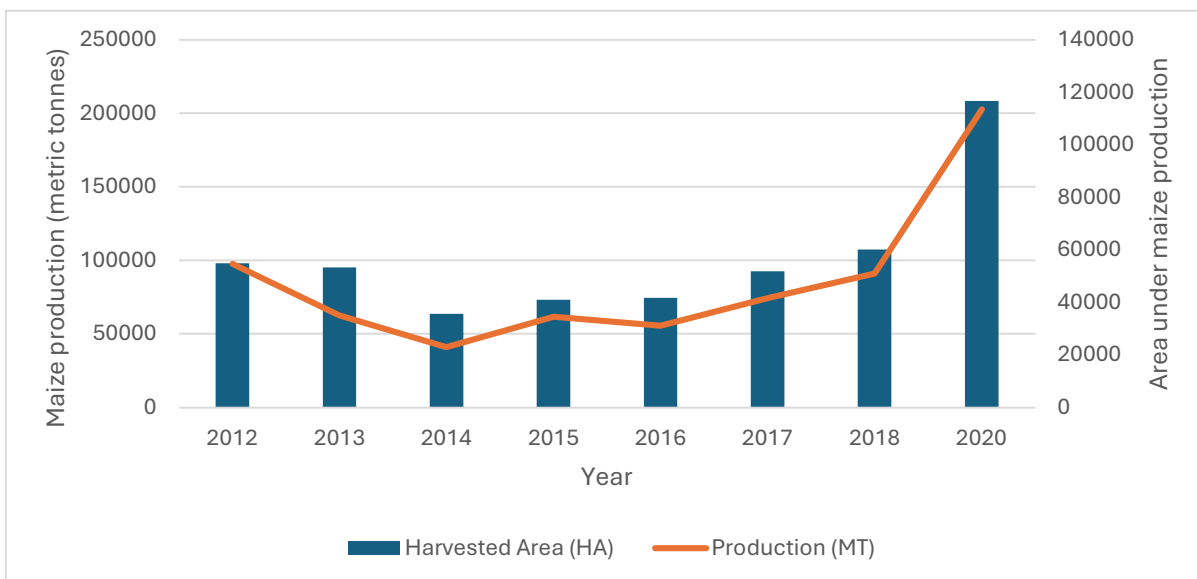


Data Source: KNBS 2023-Gross County Product

Maize, the main staple food in the country, is the main food crop produced in Nyamira County. Both the area under maize production and total maize production are low despite

the high crop production potentials in the county. There is an upward trend since 2015, in both the area under production and the total production (Figure 4).

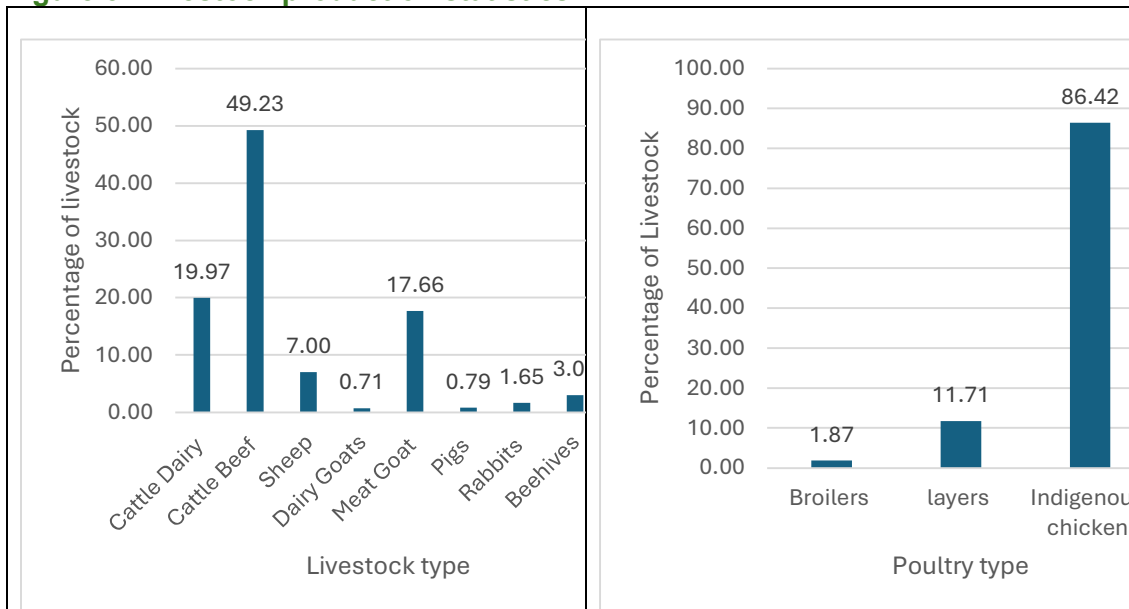
**Figure 4: Maize production and area of maize harvested**

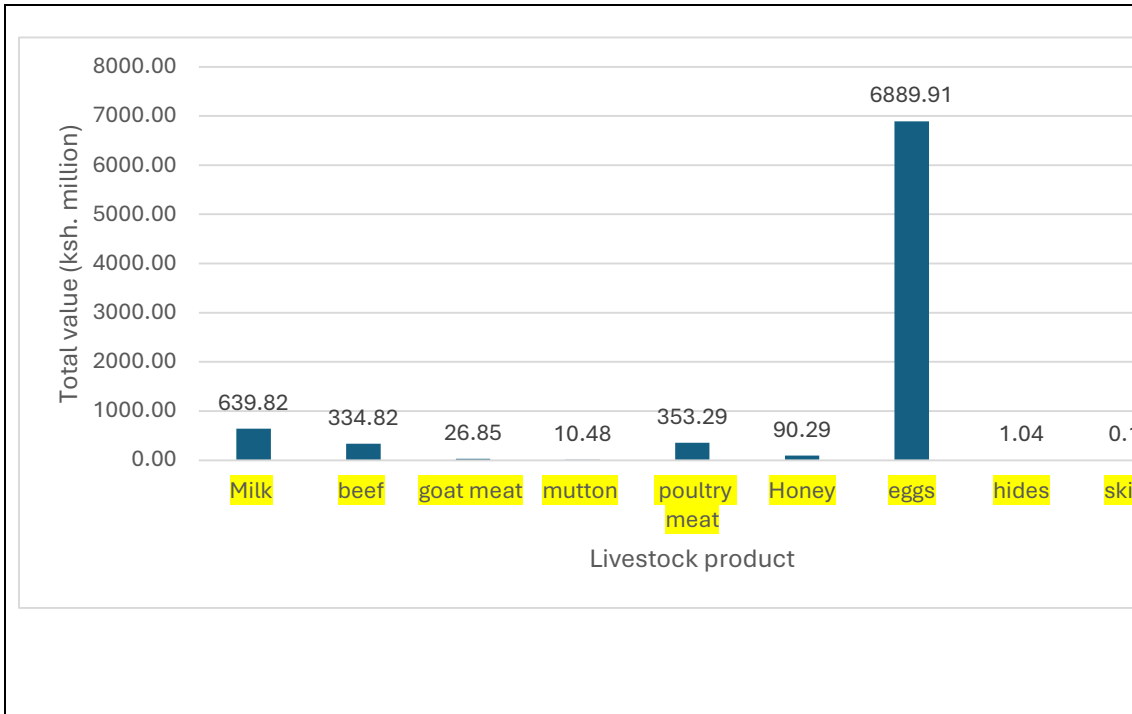


Data source: National Information Platform for Food and Nutrition (NIPFN)

Livestock production is on a smaller scale compared to crop production. The most common type of livestock in the county includes beef cattle, meat goats and dairy cattle. Poultry production is significantly high with indigenous chicken as the most common type. Eggs have the highest economic value indicating the potential in poultry farming in the county (Figure 5).

**Figure 5: Livestock production statistics**



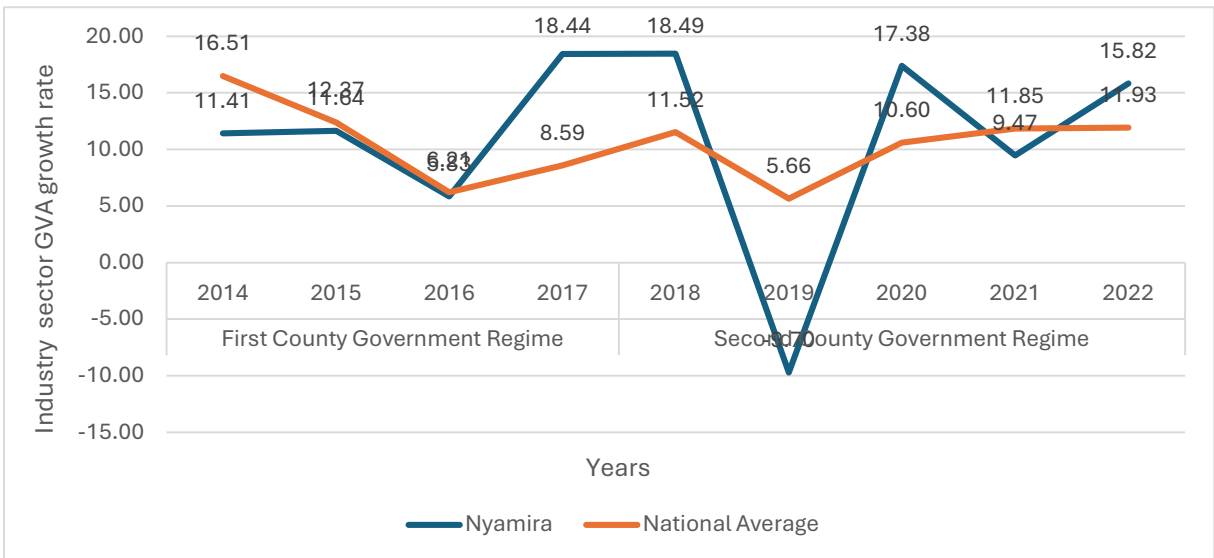


Data source: National Information Platform for Food and Nutrition (NIPFN)

### Industry Sector

The average industry sector growth rate is 10.98 per cent which is slightly above the national average of 10.58 per cent as shown in Figure 7.

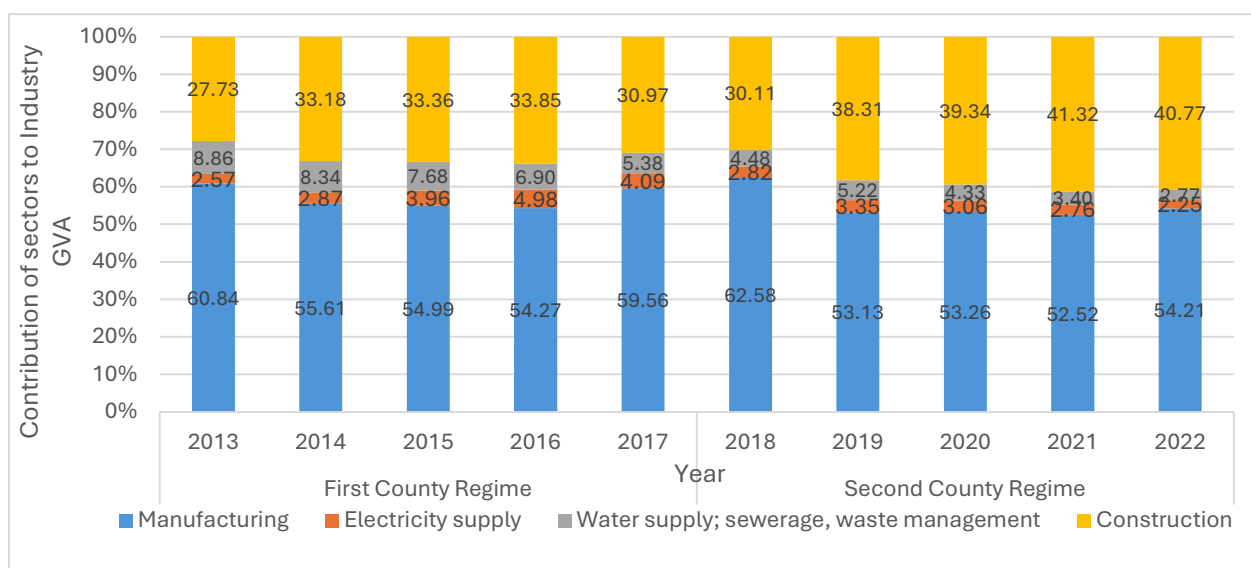
**Figure 6: Nyamira County industry GVA growth rate**



Data Source: KNBS 2023-Gross County Product

Manufacturing dominates the industry sector as shown in Figure 8.

**Figure 8: Contribution of industry sectors to industry GVA**

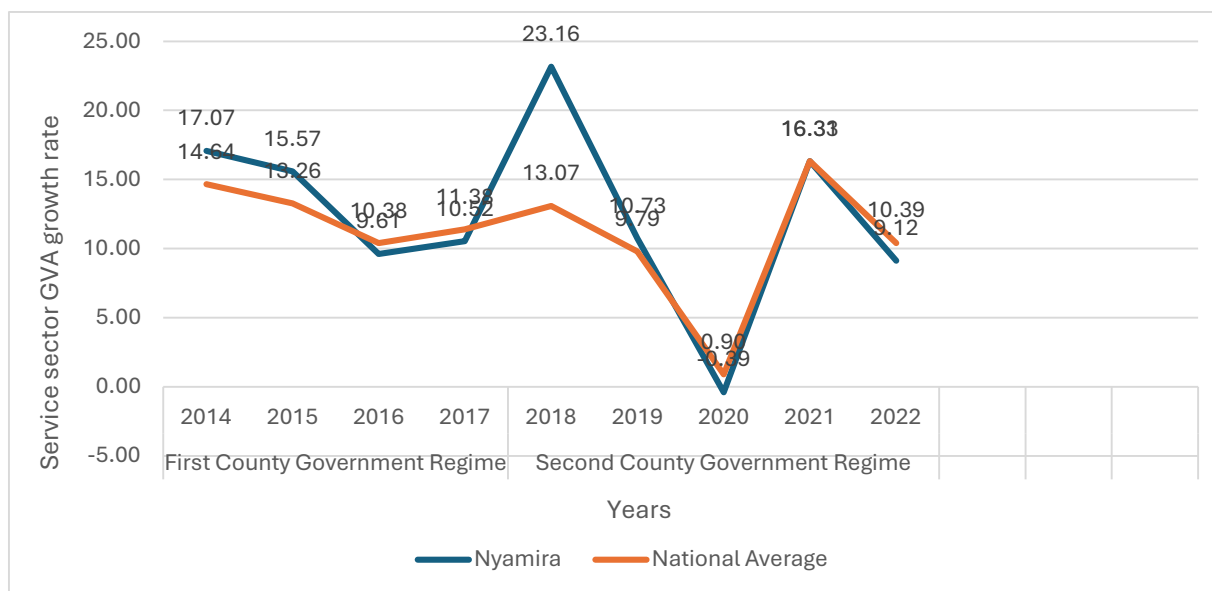


Data Source: KNBS 2023-Gross County Product

### Services Sector

The average growth rate of services sector is 8.83 per cent, which is below the national average of 11.13 per cent as shown in Figure 9.

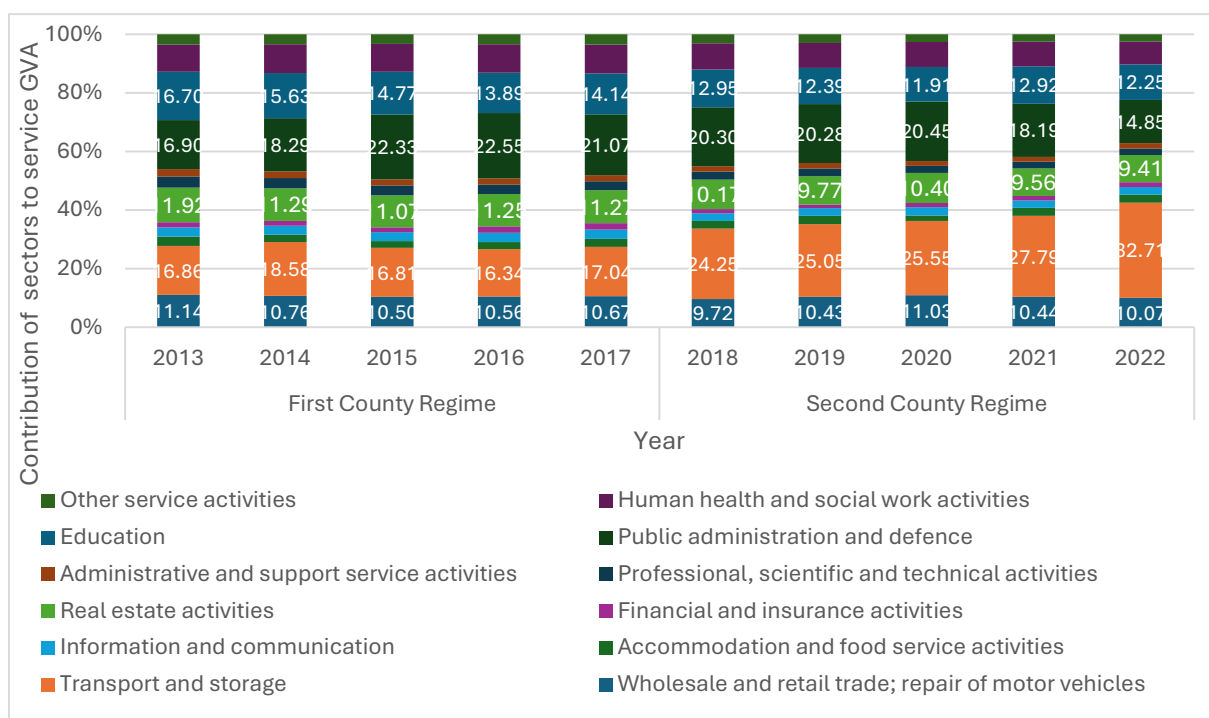
**Figure 7: Nyamira County services sector GVA growth rate**



Data Source: KNBS 2023-Gross County Product

Transportation and storage services dominate, contributing 22.10 per cent to services sector. The public administration and defence services are second contributing 19.52 per cent while education services contribute 13.75 per cent as shown in Figure 10.

**Figure 8: Contribution of sub-sectors to the services sector GVA**



Data Source: KNBS 2023-Gross County Product

### Quantity and Quality of Labour Force

Nyamira County has a total of 338,500 working-age population, which is about 55.90 per cent of the county population. Most of the working-age population is youthful (18-34 years) at 45.83 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	23,515	23,303	46,818	13.83
18 –24	31,843	36,038	67,881	20.05
25-34	36,060	51,184	87,244	25.77
35-64	66,712	69,845	136,557	40.34
<b>Total</b>	<b>158,130</b>	<b>180,370</b>	<b>338,500</b>	

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

Most of the population in Nyamira sub-counties are persons in the working age categories. Borabu sub-county has the highest percentage of working-age persons at 58.55 per cent as shown in Table 2 below.

**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	
Borabu	73,167	5,615 (13.11)	8,036 (18.76)	10,391 (24.26)	18,798 (43.88)	42,840 (58.55)
Manga	94,207	7,225 (13.58)	10,505 (19.75)	13,943 (26.21)	21,524 (40.46)	53,197 (56.47)
Masaba North	111,858	8,851 (14.12)	12,654 (20.19)	15,776 (25.17)	25,398 (40.52)	62,679 (56.03)
Nyamira North	167,261	12,956 (14.19)	18,634 (20.41)	23,927 (26.21)	35,789 (39.20)	91,306 (54.59)
Nyamira South	159,070	12,171 (13.76)	18,052 (20.40)	23,207 (26.23)	35,048 (39.61)	88,478 (55.62)

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

Nyamira County has a high performance of socioeconomic indicators that affect the quality of labour as reported in Table 3. However, interventions are required to reduce stunting and teenage pregnancies.

**Table 3: Human capital indicators**

Human Capital Indicators	County	National Average
Literacy rate	85.10	78.41
Pre-primary net enrolment rate (2019)	80.89	67.51
Primary school net enrolment rate (2020)	92.40	77.72
Secondary school Net enrolment rate (2020)	78.60	54.18
Average years of schooling (2014)	8.70	7.78
Percentage of children 12 -23 months fully vaccinated (%)	92.10	74.97
Percentage of stunted children	13.50	19.75
Percentage of teenage pregnancy	15.50	15.79
Primary to secondary transition rates (2020)	91.20	86.13
Pupil-teacher ratio (primary school)	26.00	28.28
Food poverty head count (%)	33.40	33.63
Child Poverty head count (%)	33.80	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

The performance of essential infrastructure and capital indicators is higher than the national average as shown in Table 4. However, interventions are required to increase internet connectivity at schools and in households and increase access to improved sanitation and housing quality.



**Table 4: Essential infrastructure and capital indicators**

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019 census)	42.90	38.52
Distribution of Population using the Internet (2019 census)	15.90	18.69
Rural Access Index (2018)	92.05	63.72
Access to improved sanitation (2018)	40.00	59.04
Access to improved water (2018)	83.60	65.33
Financial inclusion level (2021)	76.80	81.01
The proportion of primary schools with Internet	16.65	27.65
Proportion of secondary schools with functional internet	23.70	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	41.26	51.71
Percentage of households using bank usage (overall)	47.80	38.18
Percentage of households using mobile money	72.50	78.58

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

### County Employment Statistics

The employment to population ratio for Nyamira County is at 65.78 per cent, with most of those working being the non-youth working population per cent (35-64 years) at 35.00 per cent while the youth are at 29.84 (Table 5). The percentage of the employed by gender is 39.14 for male and 43.40 for female. The unemployment rate is at 5.33 per cent with unemployment being slightly higher for the youth (18-34 years) at 3.26 per cent and those between 35-64 years at 1.95 per cent. The percentage of persons 5–17 years old working is 2.69 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 22.24 per cent, as they are pursuing schooling. It is low for the persons of prime age (25-64 years) at 6.01 per cent.

**Table 5: Nyamira County employment statistics**

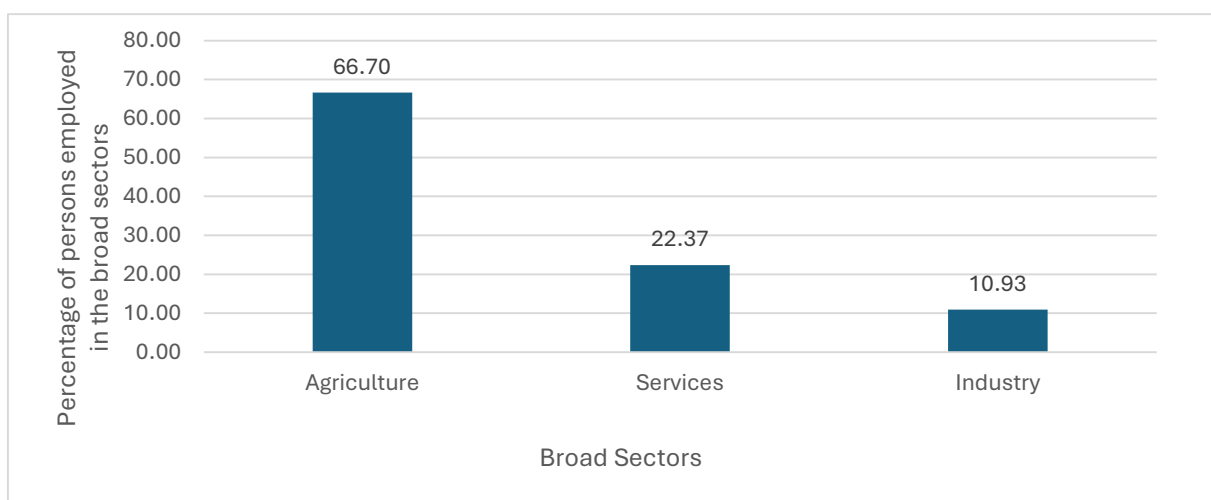
Employment statistics	Youth	Non youth
Employment to population ratio (%)	29.84	35.00
Unemployment rate	3.26	1.95
Percentage of persons 5-17 years old working	2.69	-
Inactivity rate	22.24	6.01

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

### Sectoral Employment

The agriculture sector is the highest employer in Nyamira County at 66.70 per cent followed by the services sector at 22.37 per cent. The industry sector is third at 10.93 per cent as shown in Figure 11.

**Figure 9: Percentage of persons employed in the broad sectors**

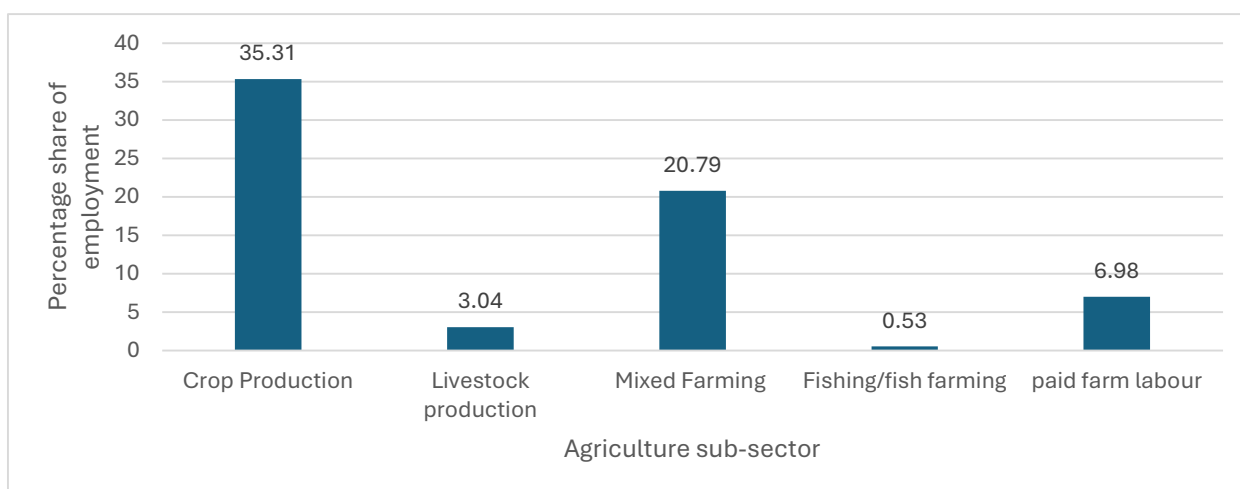


*Data Source: KNBS 2021- Kenya Continuous Household Survey*

### **Agriculture Sector Employment**

In agriculture, the majority are those practicing crop production. There is also a significant population practicing mixed farming (Figure 12).

**Figure 10: Percentage share of employment in agriculture sub-sectors**

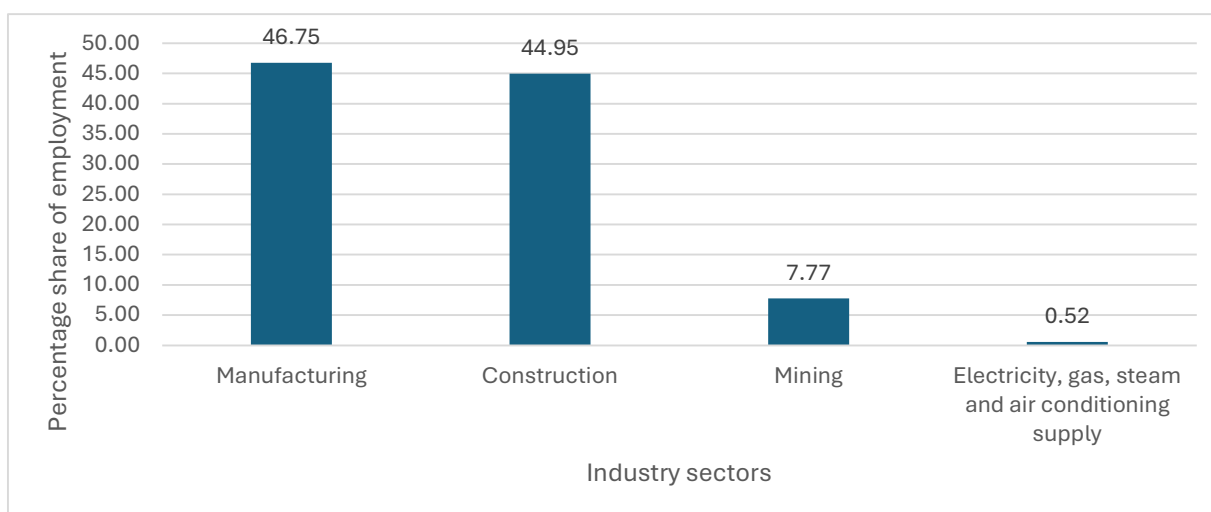


*Data Source: KNBS 2021- Kenya Continuous Household Survey*

### **Industry Sector Employment**

The majority of those working in the industry sectors are in manufacturing, followed by the construction sub-sector (Figure 13).

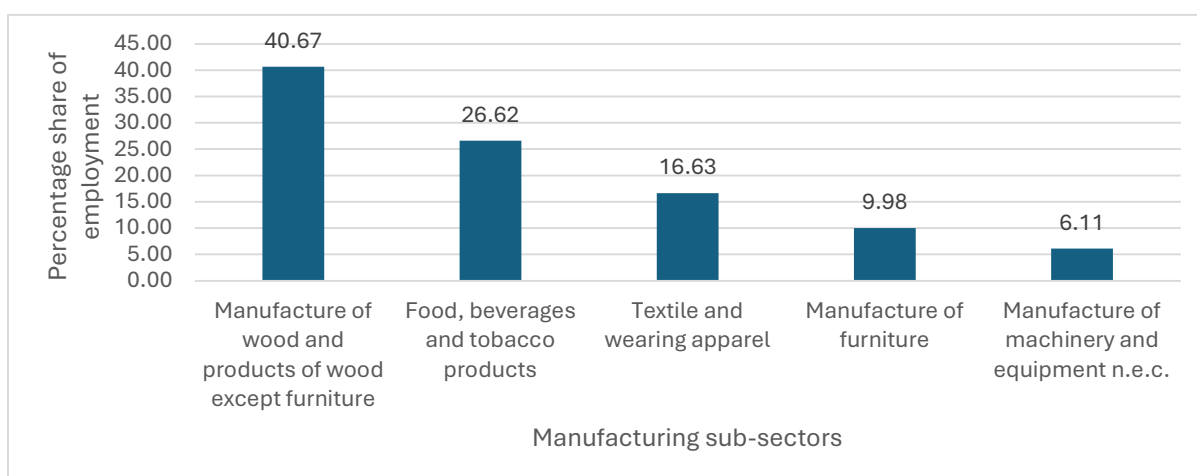
**Figure 11: Percentage share of employment in the industry sub-sectors**



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

A disaggregation of employment in manufacturing shows that most of those employed in the sector, work in low-technology manufacturing sub-sectors such as manufacture of wood products, food products and textile industries (Figure 14). These sectors are heavily dependent on the agriculture sector for raw materials.

**Figure 12: Percentage share of employment in the manufacturing sub-sectors**

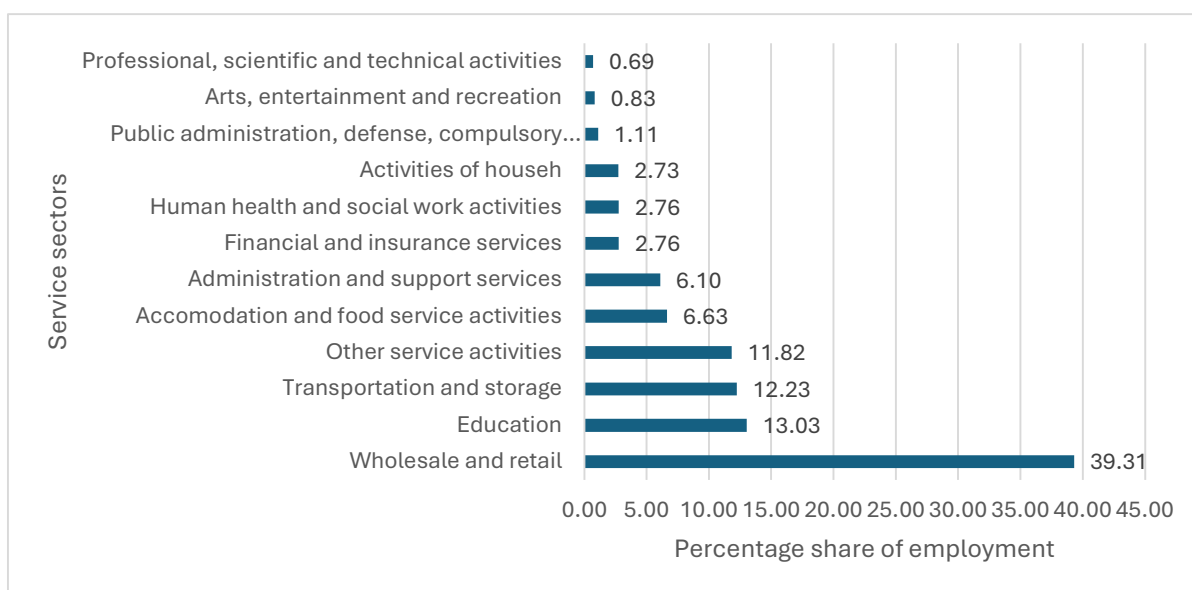


*Data Source: KNBS 2021- Kenya Continuous Household Survey*

### Services Sector Employment

Most of those working in the services sector work in wholesale and retail trade, followed by transportation and storage (Figure 15). Retailing and wholesaling industries represent the intermediate steps in the distribution of merchandise between producers and consumers of goods. Despite the higher share of employment in the services sector, the output of the sector remains low with the sector having high levels of informality.

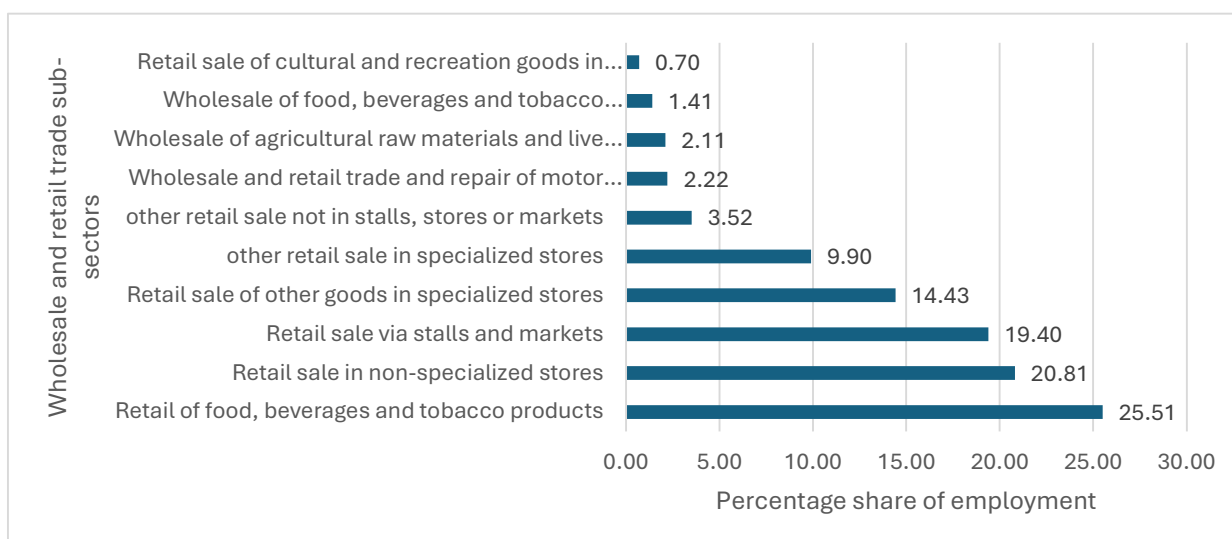
**Figure 13: Percentage share of employment in the services sector**



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

In the wholesale and retail trade, and repair of motor vehicle sector, most work in the retail of food, beverages, and tobacco products (Figure 16). This indicates linkages with the agriculture and manufacturing sectors as they serve as an intermediary between the sectors and the consumers.

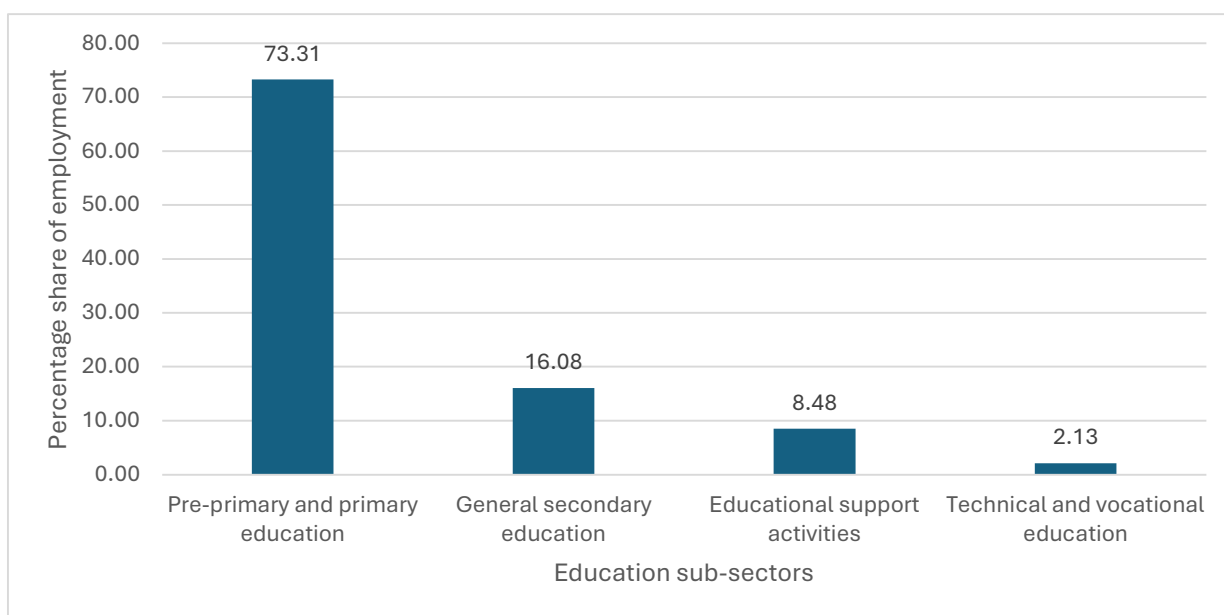
**Figure 14: Percentage of persons employed in the wholesale and retail trade; repair of motor vehicle sub-sectors**



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

In the education sector, most of those employed are in pre-primary and primary education (Figure 17).

**Figure 17: Percentage share of employment in the education sub-sectors**

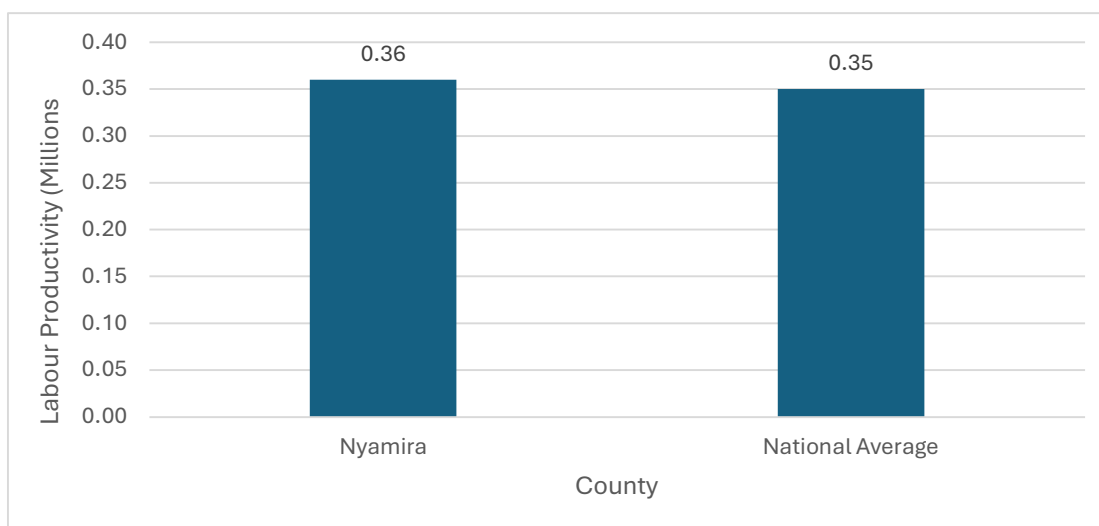


Data Source: KNBS 2021- Kenya Continuous Household Survey

### Labour Productivity

Labour productivity<sup>1</sup> for Nyamira County is slightly above than the national average as shown in Figure 18.

**Figure 15: Labour productivity ratios (millions)**

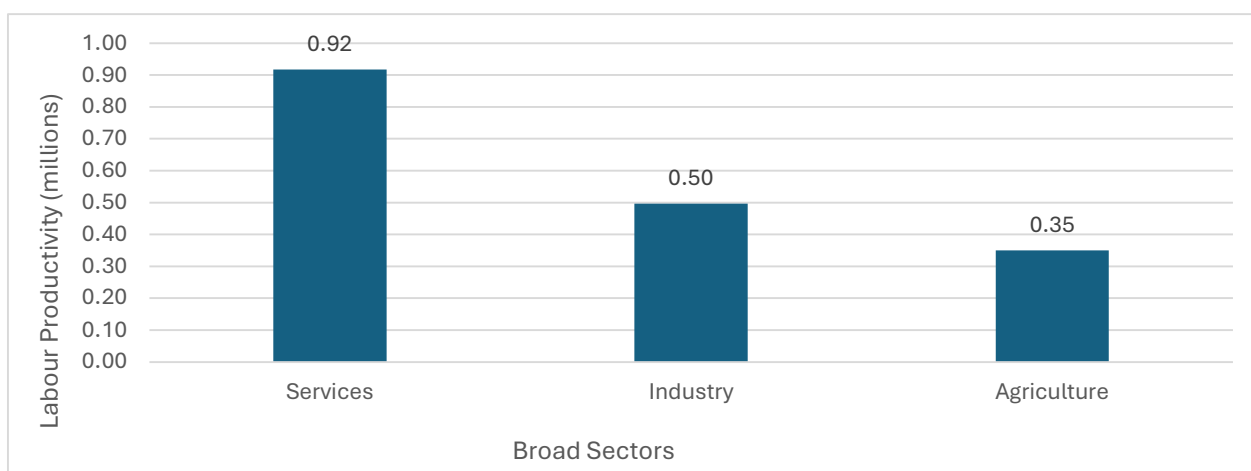


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

The services sector has the highest productivity, followed by the industry sector, and thirdly the agriculture sector as shown in Figure 19.

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

**Figure 16: Labour productivity by sectors**

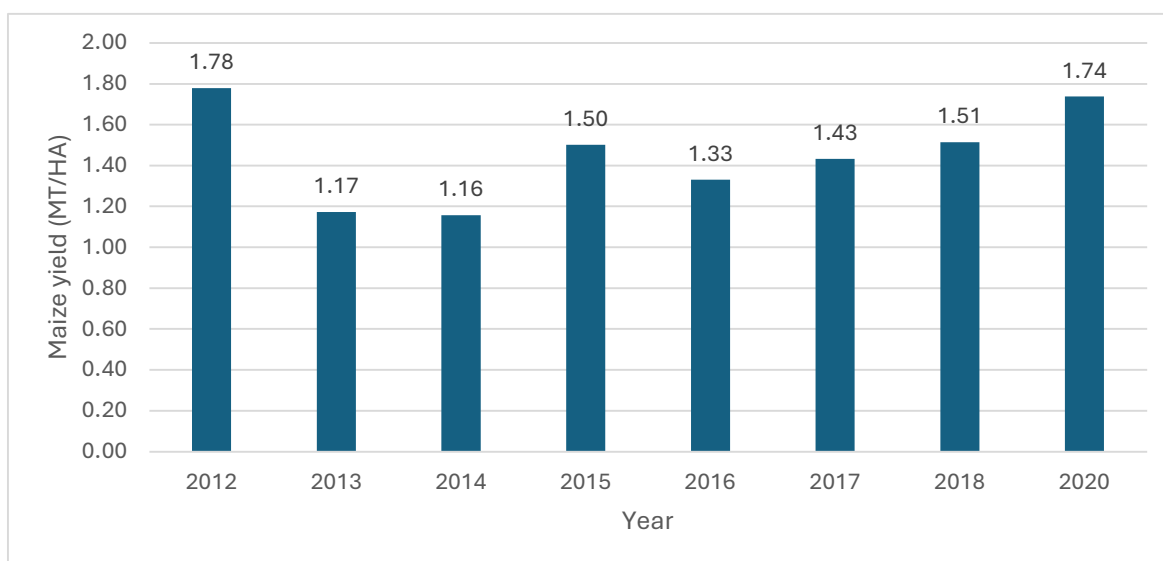


*Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey*

### **Agriculture Productivity**

In agriculture maize productivity is fluctuating and moderate at an average of 1.45 MT/HA (Figure 20). The highest maize yields were in 2012 while the lowest was in 2014.

**Figure 20: Maize yield (MT/HA)**

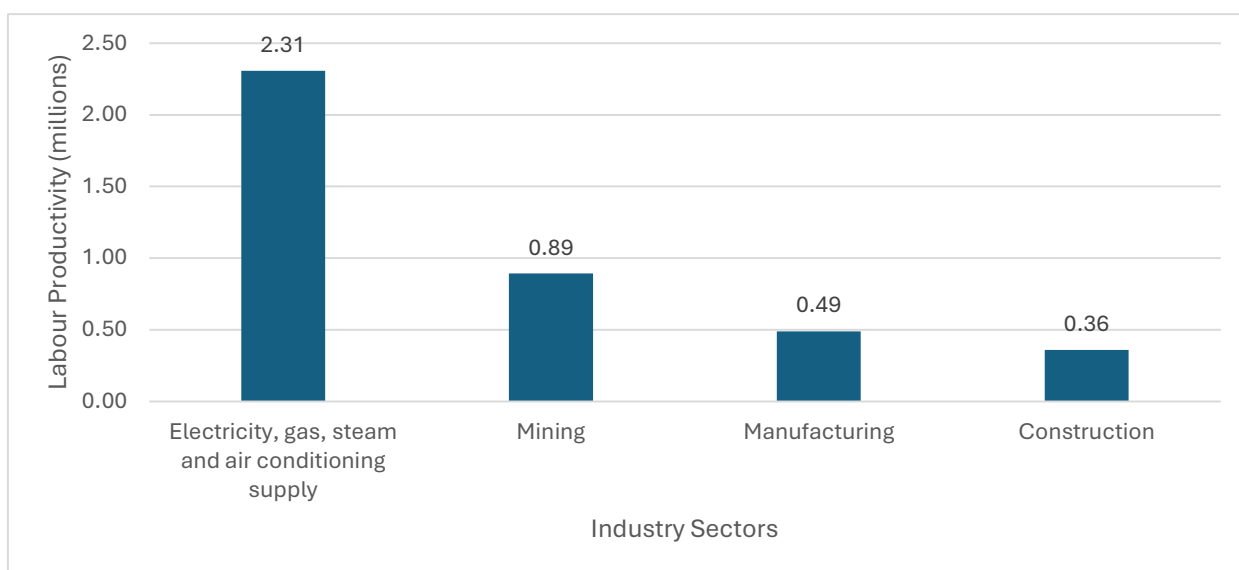


*Data source: National Information Platform for Food and Nutrition (NIPFN)*

### **Industry Sector Labour Productivity**

Electricity, gas, steam and air conditioning supply and mining sectors had the highest labour productivity in the industry broad sector as shown below in Figure 21.

**Figure 21: Labour productivity by industry sectors**

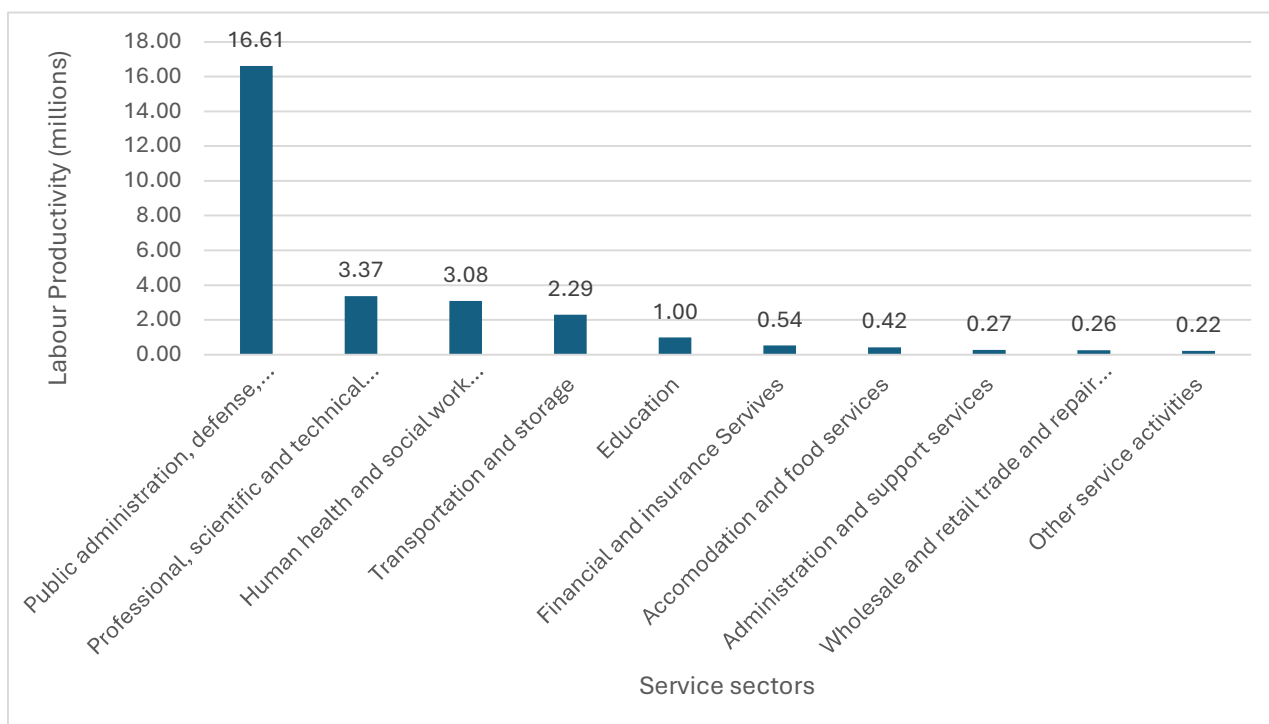


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

### Services Sector Labour Productivity

Public administration, defence and compulsory social security sub-sector have relatively higher labour productivity compared to other sub-sectors in the services sector as shown in Figure 22.

**Figure 17: Labour productivity in the 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 sector has the largest share of gross value added. Despite the high potential for agriculture, maize production is low and potential in dairy and poultry farming is not fully exploited. Manufacturing dominates the industry sector while the transportation and storage sector dominates the services sector.
- (ii) The indicators of quality of labour are within the national averages. However, intensified interventions will reduce stunting, teenage pregnancies, child and food poverty. Further, increasing school enrolment remains a priority.
- (iii) Some of the essential infrastructure and capital indicators are within national averages. Interventions are however, required to increase internet connectivity increase access to improved sanitation, financial inclusion and housing quality.
- (iv) The agriculture sector is the highest employer with the majority practicing crop production. Manufacturing has the highest employment in industry with manufacture of wood products dominating. In the wholesale and retail trade sector employment is concentrated in the retail of food, beverages, and tobacco products.
- (v) Labour productivity is slightly above the national average labour productivity. The services sector has the highest productivity while the agriculture sector has the least productivity.

## Policy Recommendations

- (i) Increase agriculture productivity by developing the livestock value chain where small farmers are integrated into the dairy value chains, exploring the potential for maize production, 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 reduce teenage pregnancies by creating awareness and supporting teenage mothers to continue with education. Increase secondary school enrolment to facilitate upgraded skills development.
- (iv) Create an enabling environment for private sector growth by investing in essential infrastructure to improve access to electricity and internet and improving financial inclusion.



## Acknowledgement

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