



Policy Brief

Thinking Policy Together

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Assessing Labour Productivity for Tharaka Nithi County

By Cecilia Naeku and Esther Irungu

Overview of the County

Tharaka Nithi County is a member of Central Region and Economic Bloc (CEREB). The county is a semi-arid county experiencing between 30-84 per cent aridity levels. The land mass of Tharaka Nithi County stands at 2,609 km². The county has six Sub-Counties namely: Igambang'ombe, Maara, Meru South, Tharaka North, Tharaka South, and Mt. Kenya Forest.

Key Highlights

The productivity of Tharaka Nithi county is characterized by the following:

- (i) The services sector dominates the County Gross Value Added (GVA) while the industry sector has the least share. The potential for honey production is untapped. The construction sector dominates industry while non-market service dominates the services.
- (ii) The quality of labour requires interventions to reduce stunting, food, and child poverty.
- (iii) The essential infrastructure requires interventions to increase electricity and internet connectivity and access to improved water.
- (iv) The agriculture sector is the highest employer, with mixed farming dominating. In manufacturing employment is in textiles and wood industries. Majority of those working in the services sector are in wholesale and retail trade, in other retail in specialized stores.
- (v) Labour productivity is highest in the services sector and agriculture sector the lowest labour productivity. The manufacturing sector has the highest labour productivity in the industry sector while Information and communication sector has higher labour productivity among the services sectors.

To enhance productivity

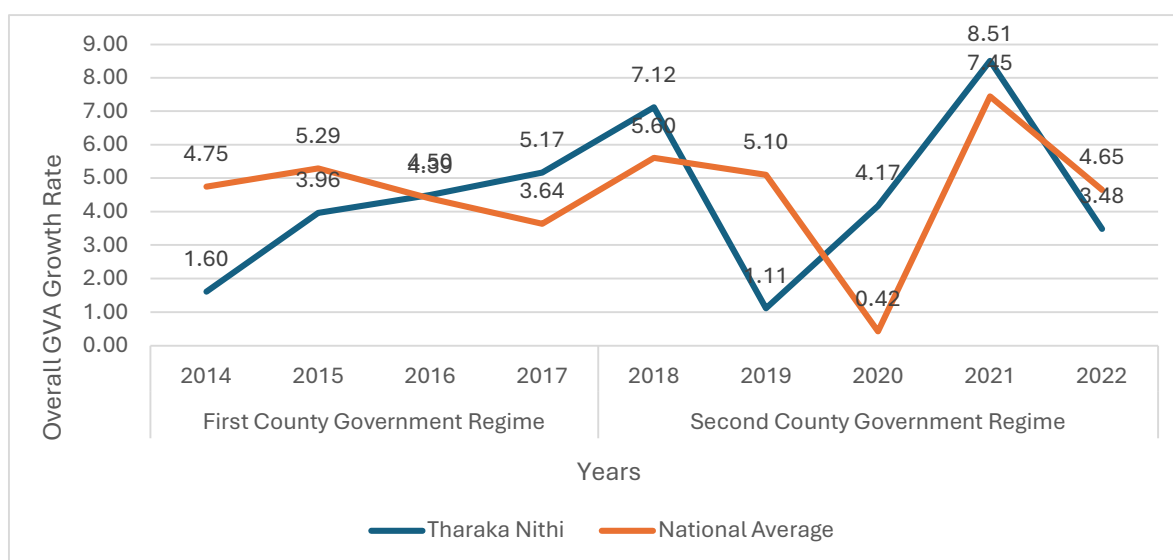
- (i) Enhance crop farming by supporting the farmers with extension services, input subsidies, and prompt responses to pests and diseases.
- (ii) Support livestock production by enhancing integration into the dairy chain and leverage on honey production.
- (iii) Support setting up the County Aggregation Industry Park to enhance the productivity of the MSMEs.
- (iv) Secure quality of future labour force with nutrition sensitive social protection programmes.
- (v) Create an enabling environment for private sector growth by investing in essential infrastructure including electricity, internet connectivity and improved water.

Tharaka Nithi County Economic Performance

Tharaka Nithi County contributes on average to 0.6 per cent of the National Gross Value added with an average GVA of Ksh. 22,0869 million. The GVA per capita for Tharaka Nithi County is Ksh. 112,972.51 with an average population growth of 1.5 per cent and overall poverty levels at 28.1 per cent.

Tharaka Nithi County has shown a steady growth in GVA with an average growth rate of 4.40 per cent in 2013-2022 which is higher than the national average growth of 4.37 per cent as shown in Figure 1. The highest growth rate was in 2021 and lowest growth rate in 2019.

Figure 1: Tharaka Nithi County GVA growth rate



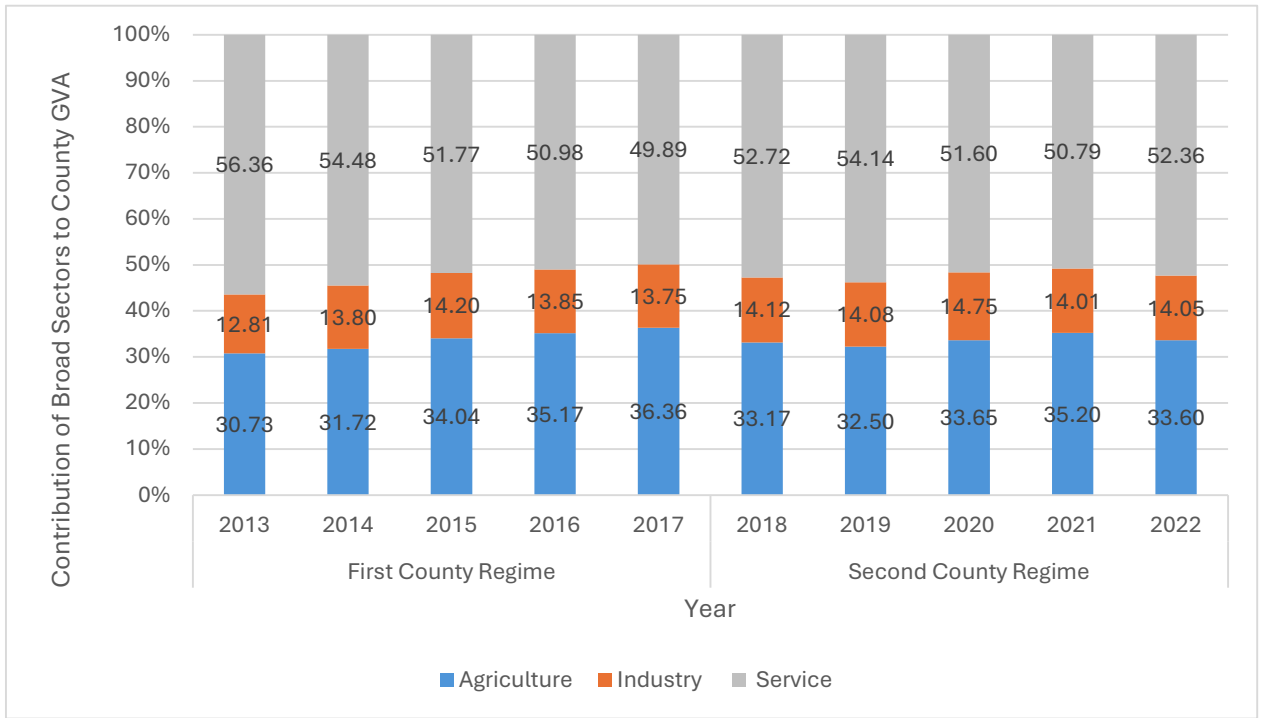
Data Source: KNBS 2023-Gross County Product

Sectoral Analysis of GVA

The services sector is dominant in Tharaka Nithi County with an average contribution to GVA of 52.51 per cent. The agriculture sector is second, contributing an average of 33.61

per cent to the GVA while industry contributes about 13.94 per cent as shown in Figure 2.

Figure 2: Contribution of broad sectors to Tharaka Nithi County GVA

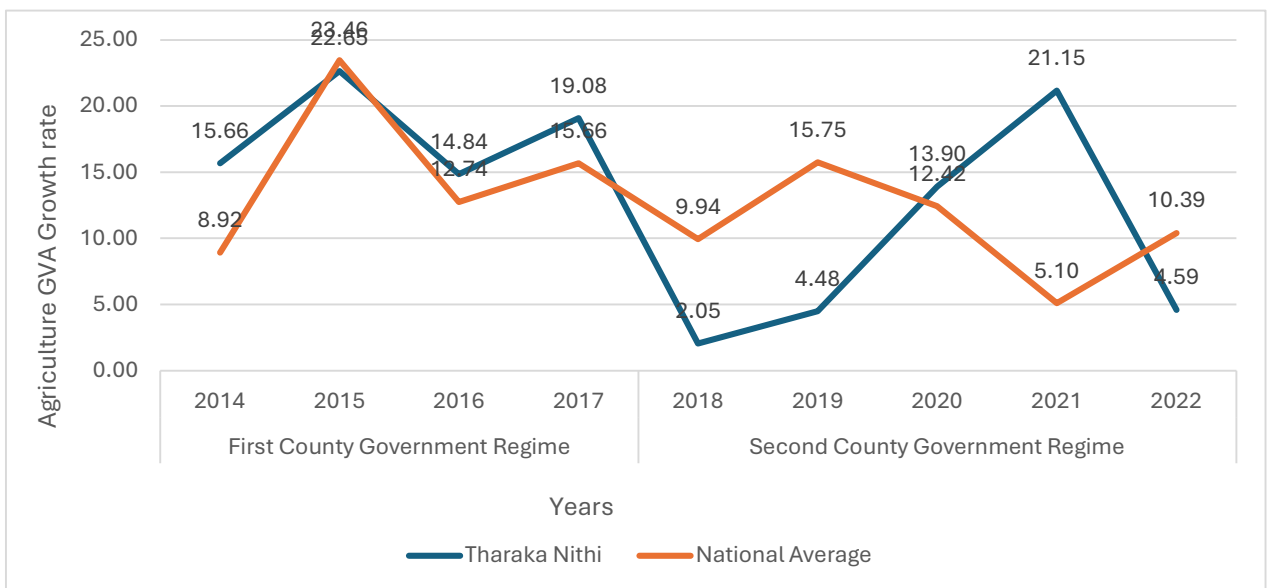


Data Source: KNBS 2023-Gross County Product

Agriculture Sector

The average growth rate of agriculture sector GVA in 2013-2022 is 13.16 per cent, above the national average of 12.71 per cent as shown in Figure 3.

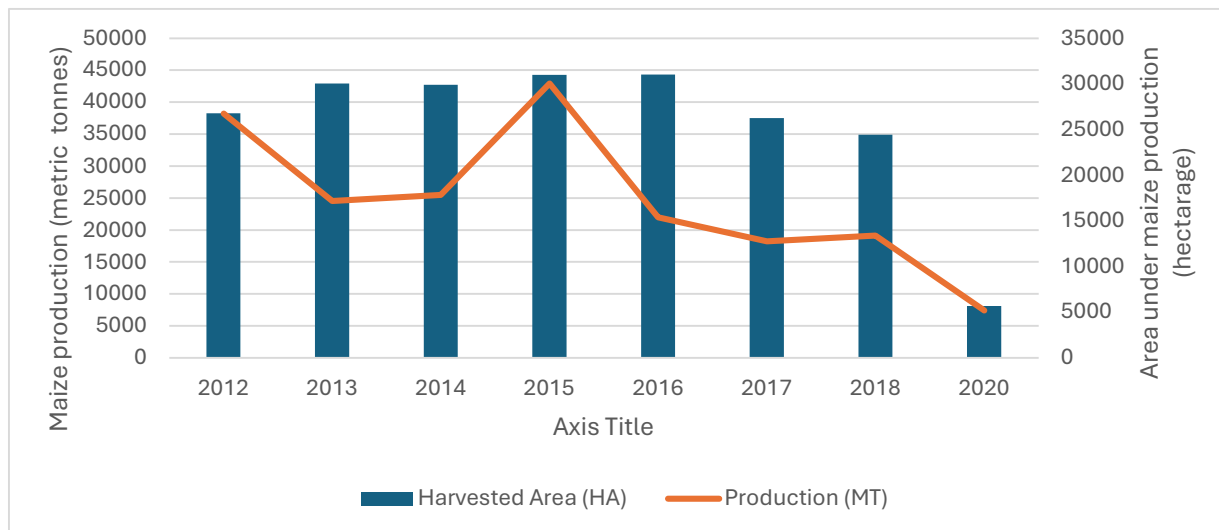
Figure 3: Tharaka Nithi County agriculture GVA growth rate



Data Source: KNBS 2023-Gross County Product

Crop production is the main agricultural sub-sector in Tharaka Nithi County. Maize, the main staple food in the country is also the main food crop produced in Tharaka Nithi County. Although the area of maize production has been constant over the year, maize production has been fluctuating and decreasing (Figure 4).

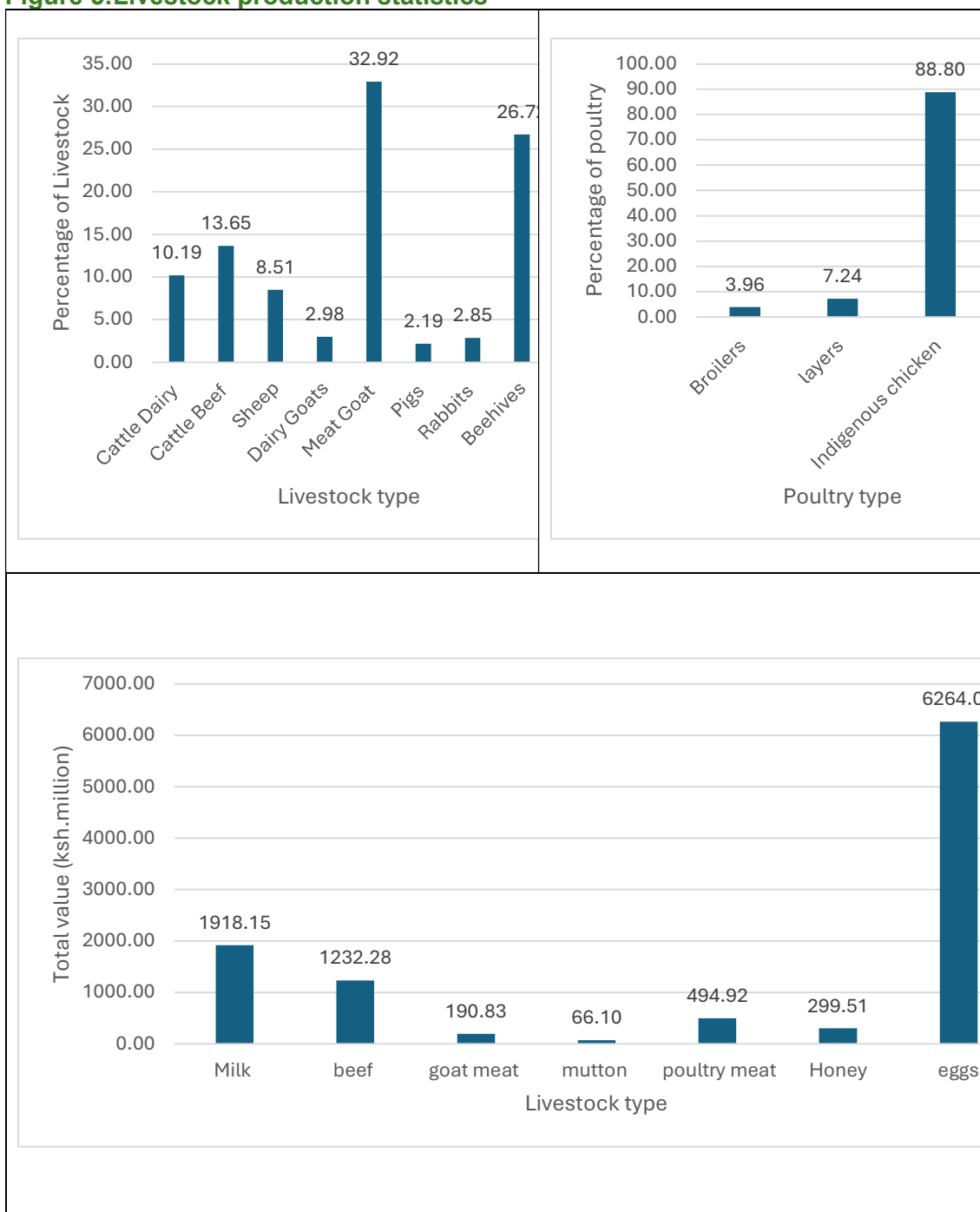
Figure 4:Maize production and area under maize production



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

Livestock production in Tharaka Nithi County is on a smaller scale when compared to crop production. The most common type of livestock in the county are meat goat and beef cattle. The county also has a remarkably high number of beehives. Poultry production is also high in the county with the most common type being indigenous chicken. Eggs, milk, and beef have the highest economic value among the livestock products (Figure 5). Despite the high number of beehives, the value of honey is low, indicating untapped potentials in honey production.

Figure 5: Livestock production statistics

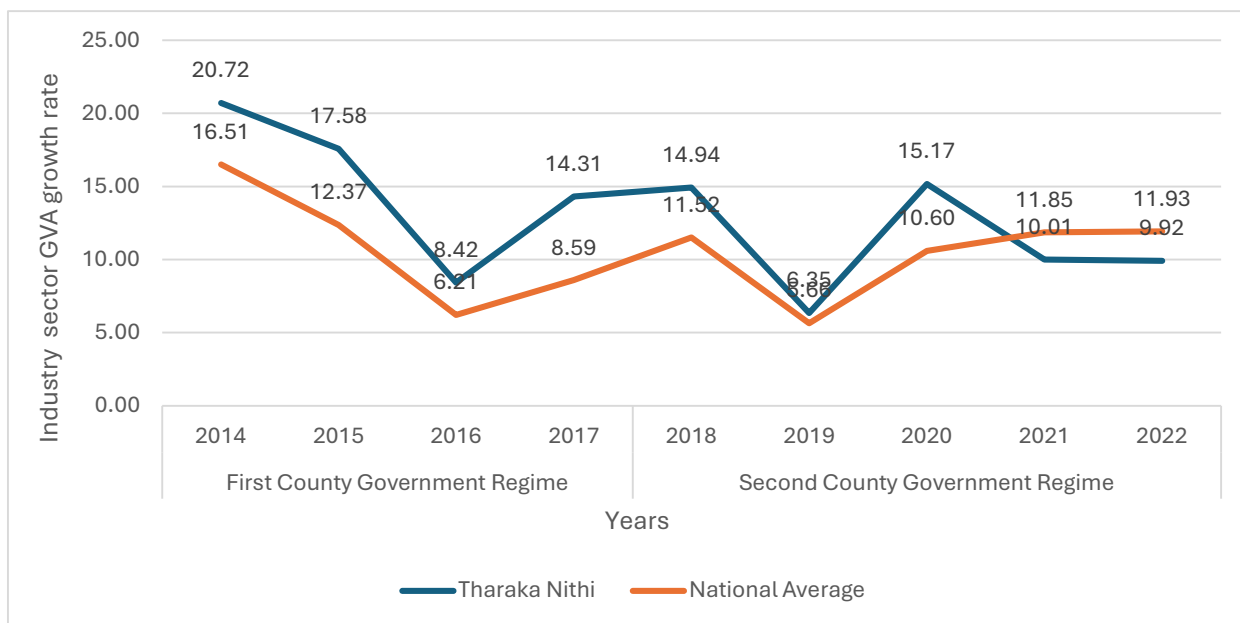


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector

The average growth rate of industry sector is 13.05 per cent which is above the national average of 10.58 per cent as shown in Figure 6.

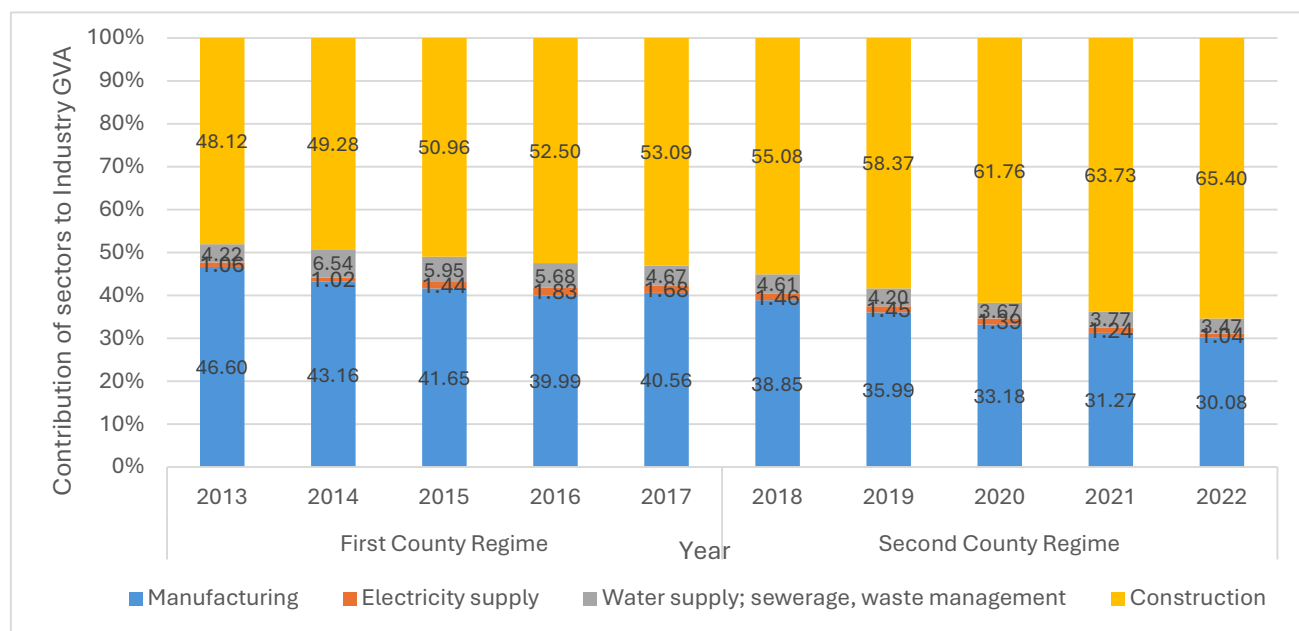
Figure 6: Tharaka Nithi County industry GVA growth rate



Data Source: KNBS 2023-Gross County Product

The construction sub-sector dominates the industry sector as shown in Figure 7.

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

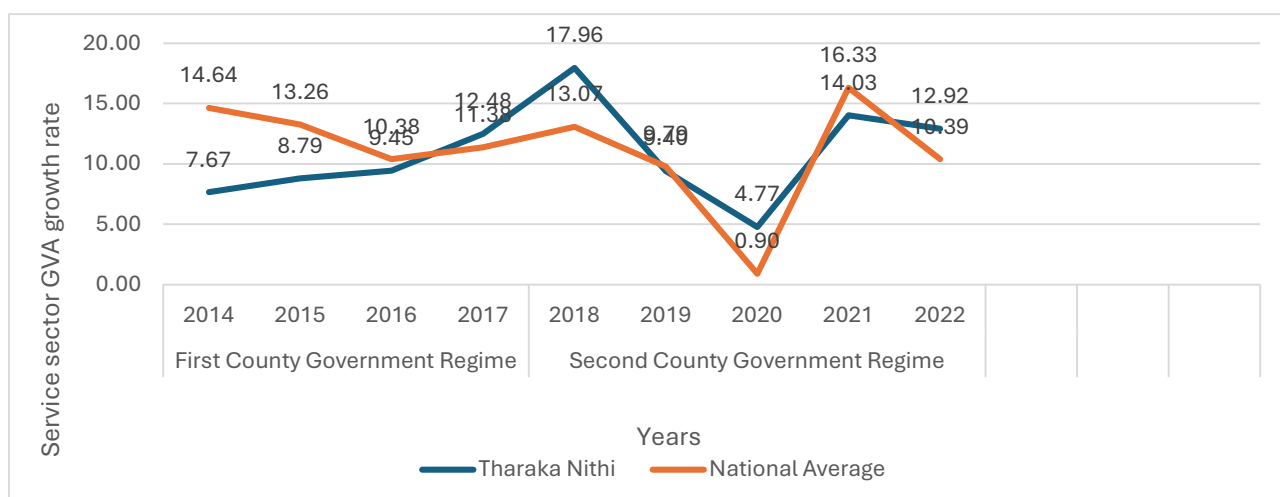


Data Source: KNBS 2023-Gross County Product

Services Sector

The average growth rate of services sector is 12.28 per cent which is above the national average of 11.13 per cent as shown in Figure 8.

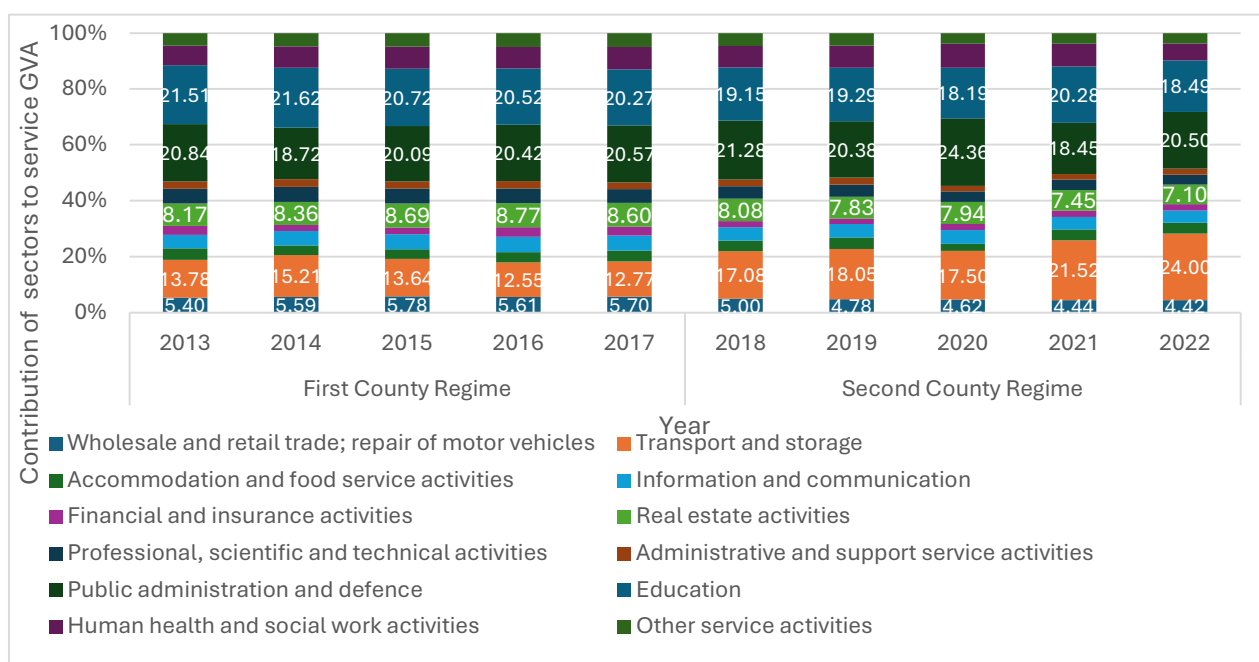
Figure 8: Tharaka Nithi County services sector GVA growth rate



Data Source: KNBS 2023-Gross County Product

The public administration and defence sub-sector, a non-market service dominates the services sector with the highest contribution to service GVA at 20.56 per cent. The education sub-sector is the second highest contributor to services GVA at 20.00 per cent. The transport and storage sub-sector is third at an average of 16.61 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 for Tharaka Nithi County

Tharaka Nithi County has a total of 233,535 working-age population. Which is about 59.40 per cent of the county population. Most of the working-age population is 35-64 years at 44.72 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	13,807	13,638	27,445	11.75
18 –24	23,127	23,771	46,898	20.08
25-34	26,354	28,407	54,761	23.45
35-64	52,191	52,240	104,431	44.72
Total	115,479	118,056	233,535	

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

Most of the population in Tharaka Nithi sub-counties are persons in the working age categories (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	
Igambang'ombwe	53,209	3,998 (13.23)	6,071 (20.09)	7,366 (24.37)	12,789 (42.31)	30,224 (56.80)
Maara	114,894	7,205 (10.21)	12,399 (17.57)	15,741 (22.30)	35,237 (49.92)	70,582 (61.43)
Meru South	91,078	5,512 (9.61)	11,363 (19.81)	13,776 (24.01)	26,718 (46.57)	57,369 (62.99)
Tharaka North	58,343	4,672 (14.62)	7,259 (22.71)	7,410 (23.18)	12,624 (39.49)	31,965 (54.79)
Tharaka South	75,248	6,053 (14.04)	9,746 (22.61)	10,365 (24.05)	16,942 (39.30)	43,106 (57.29)
Mt. Kenya Forest	398	5 (1.73)	60 (20.76)	103 (35.64)	121 (41.87)	289 (72.61)

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

Tharaka Nithi County has high socioeconomic indicators that affect the quality of labour. However, it is important to implement more interventions to reduce stunting, food, and child poverty (Table 3).

Table 3: Human capital indicators

Human capital indicators	County	National average
Literacy rate	81.30	78.41
Pre-primary net enrolment rate (2019)	78.66	67.51
Primary school net enrolment rate (2020)	99.90	77.72
Secondary school net enrolment rate (2020)	97.00	54.18
Average years of schooling (2014)	7.80	7.78
Percentage of children 12 -23 months fully vaccinated (%)	95.30	74.97
Percentage of stunted children	20.50	19.75
Percentage of teenage pregnancy	9.90	15.79
Primary to secondary transition rates (2020)	88.10	86.13

Pupil-teacher ratio (primary school)	23.00	28.28
Food poverty head count (%)	32.00	33.63
Child poverty head count (%)	31.20	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 essential infrastructure and capital indicators in Tharaka Nithi County perform higher than the national average (Table 4). However, more interventions can increase electricity and internet connectivity and access to improved water.

Table 4: Essential infrastructure and capital indicators

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019 census)	34.70	38.52
Distribution of population using the internet (2019 census)	18.80	18.69
Rural Access Index (2018)	76.41	63.72
Access to improved sanitation (2018)	96.00	59.04
Access to improved water (2018)	59.30	65.33
Financial inclusion level (2021)	84.50	81.01
The proportion of primary schools with internet	21.90	27.65
Proportion of secondary schools with functional internet	33.10	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	59.78	51.71
Percentage of households using bank usage (overall)	33.50	38.18
Percentage of households using mobile money	80.10	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 70.11 per cent. Most of those working is the non-youth population (35-64 years) at 40.44 per cent while the youthful population (18-34 years) is at 28.66 per cent (Table 5). The percentage of the employed by gender is 47.53 for male and 49.71 for female. The unemployment rate is at 5.69 per cent while it is lower for the youth (18-34 years) at 3.37 per cent and those between 35-64 years at 2.22 per cent.

The percentage of persons 5–17 years old working is 2.85 per cent indicating that the county has low levels of child labour. Inactivity rate is higher for the youth (15-24 years) at 19.96 per cent, as this age category is still schooling. While low for persons of prime age (25-64 years) at 3.65 per cent which indicates high labour utilization.

Table 5: Tharaka Nithi County employment statistics

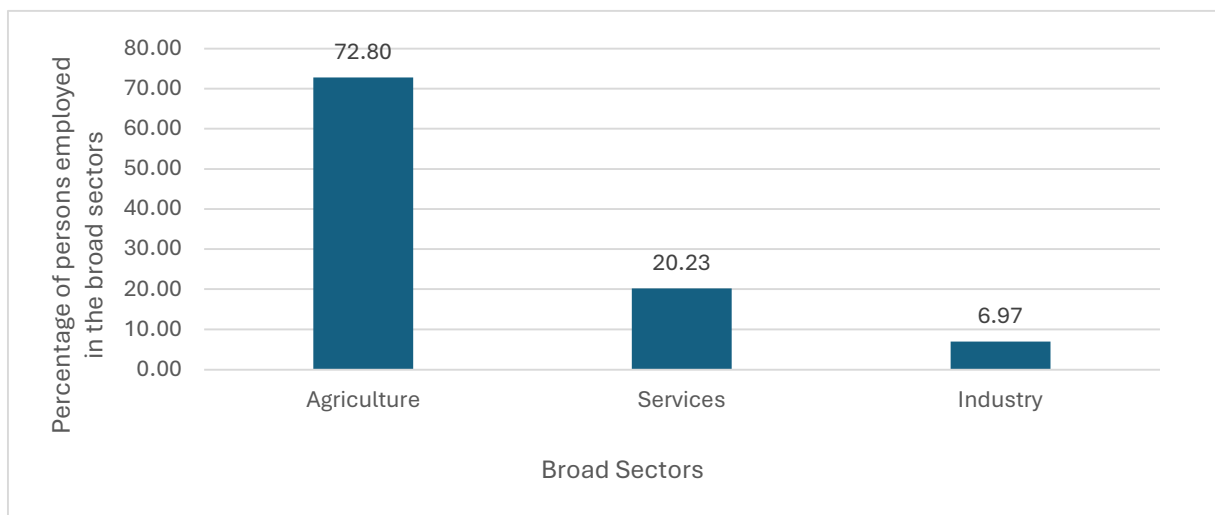
Employment statistics	Youth	Non youth
Employment to population ratio (%)	28.66	40.44
Unemployment rate	3.37	2.22
Percentage of persons 5–17 years old working	2.85	-
Inactivity rate	19.96	3.65

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

Sectoral Employment

The agriculture sector is the highest employer in Tharaka Nithi County at 72.80 per cent followed by the services sector at 20.23 per cent. The industry sector is third at 6.97 per cent as shown in Figure 10.

Figure 10 : Percentage of persons employed in the broad sectors

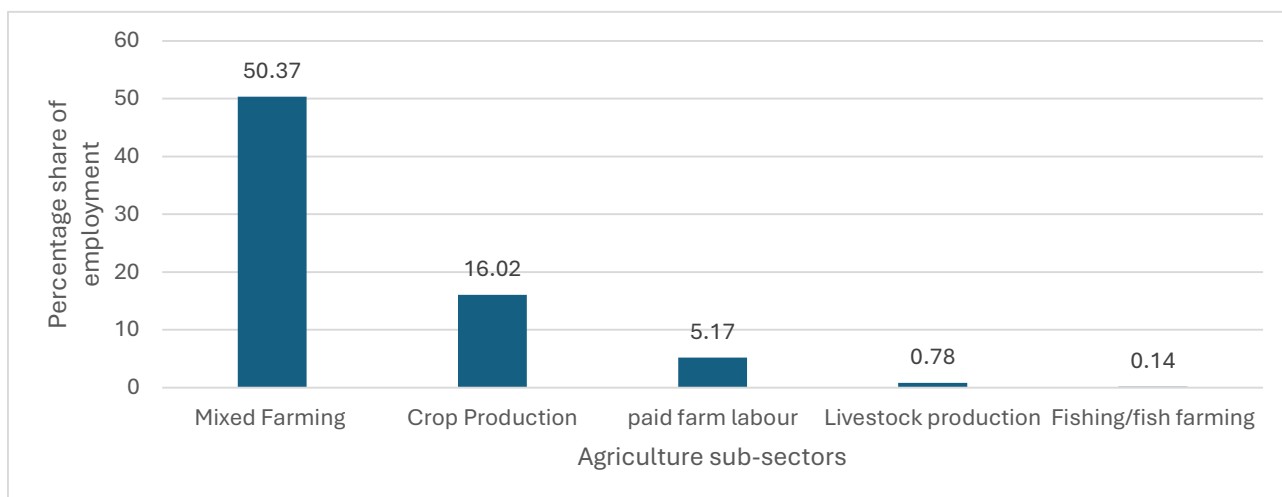


Data Source: KNBS 2023-Gross County Product

Agriculture Sector Employment

In agriculture sector, the majority are those practicing mixed farming as shown in Figure 11.

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

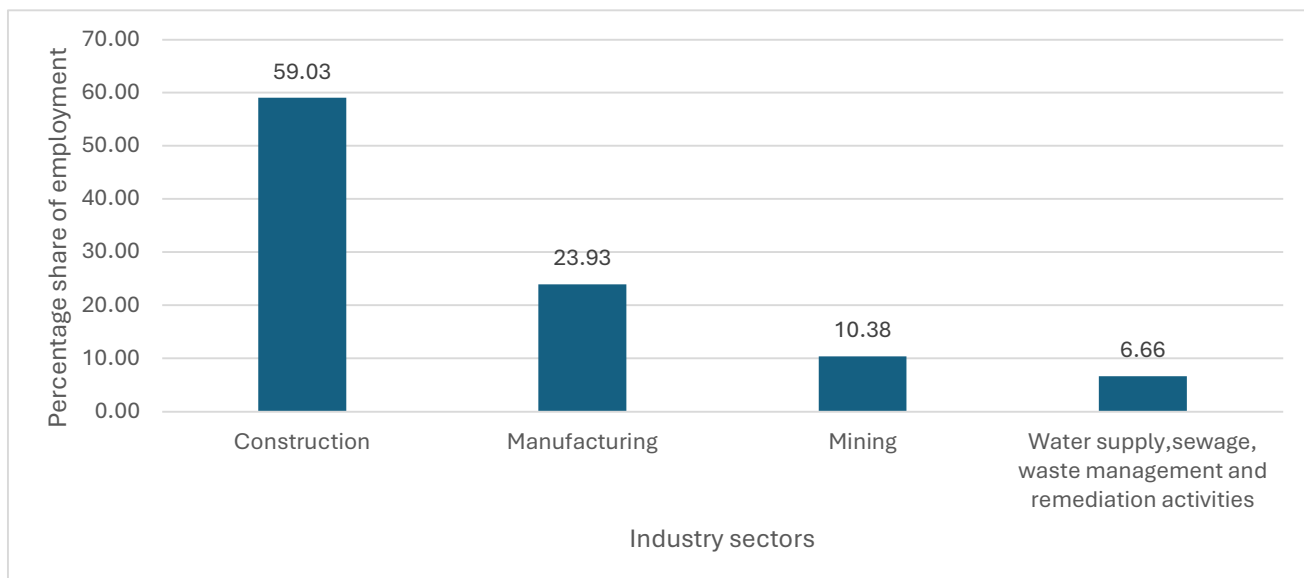


Data Source: KNBS 2023-Gross County Product

Industry Sector Employment

The majority of those working in the industry sector are in the construction of buildings sub-sector (Figure 12).

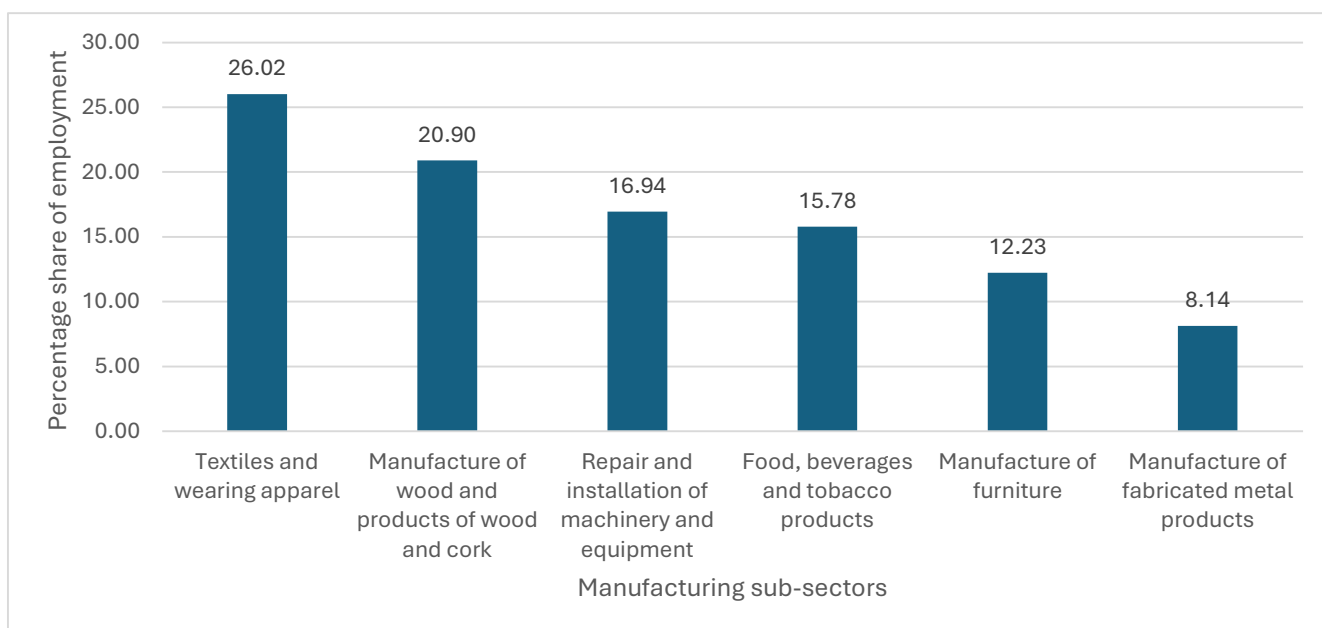
Figure 12: Percentage share of employment in the industry sub-sectors



Data Source: KNBS 2023-Gross County Product

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 textiles and wood industries as shown in Figure 13.

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

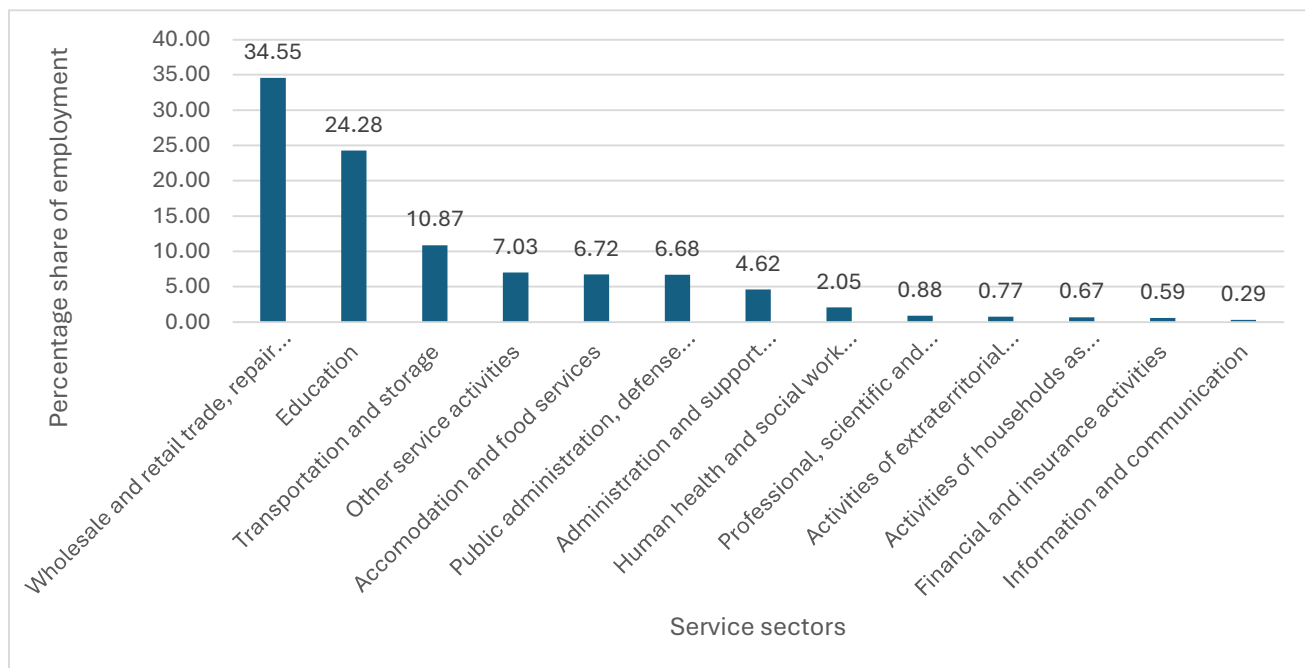


Data Source: KNBS 2023-Gross County Product

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.

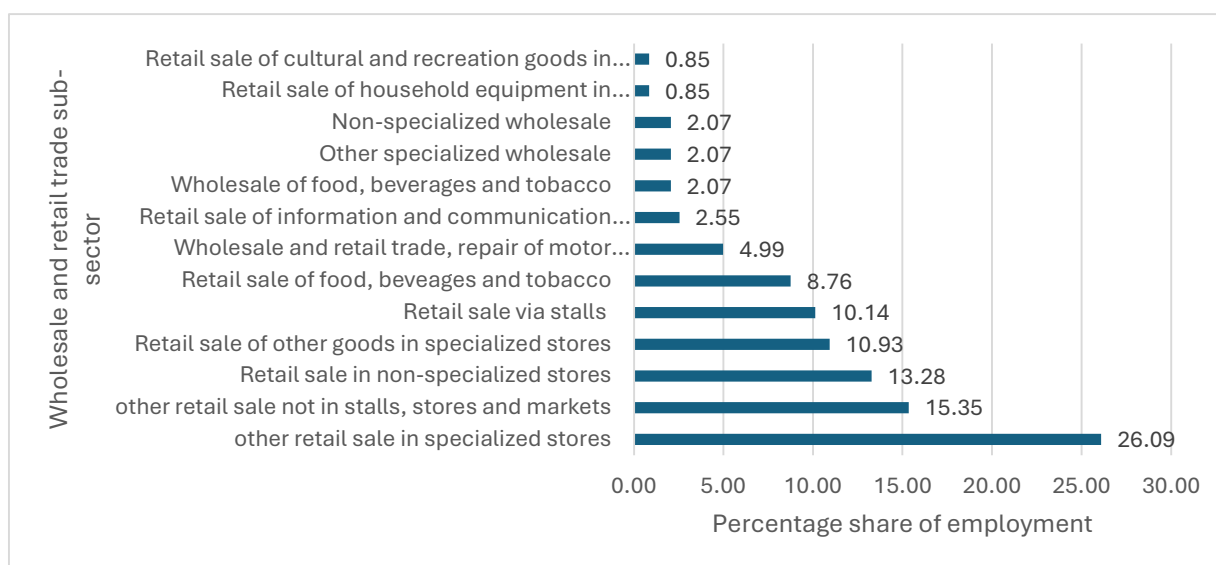
Figure 14 : Percentage share of employment in the services sector



Data Source: KNBS 2023-Gross County Product

In the wholesale and retail trade, and repair of motor vehicles and motorcycles sub-sector, the majority work in other retail in specialized stores as shown below in Figure 15.

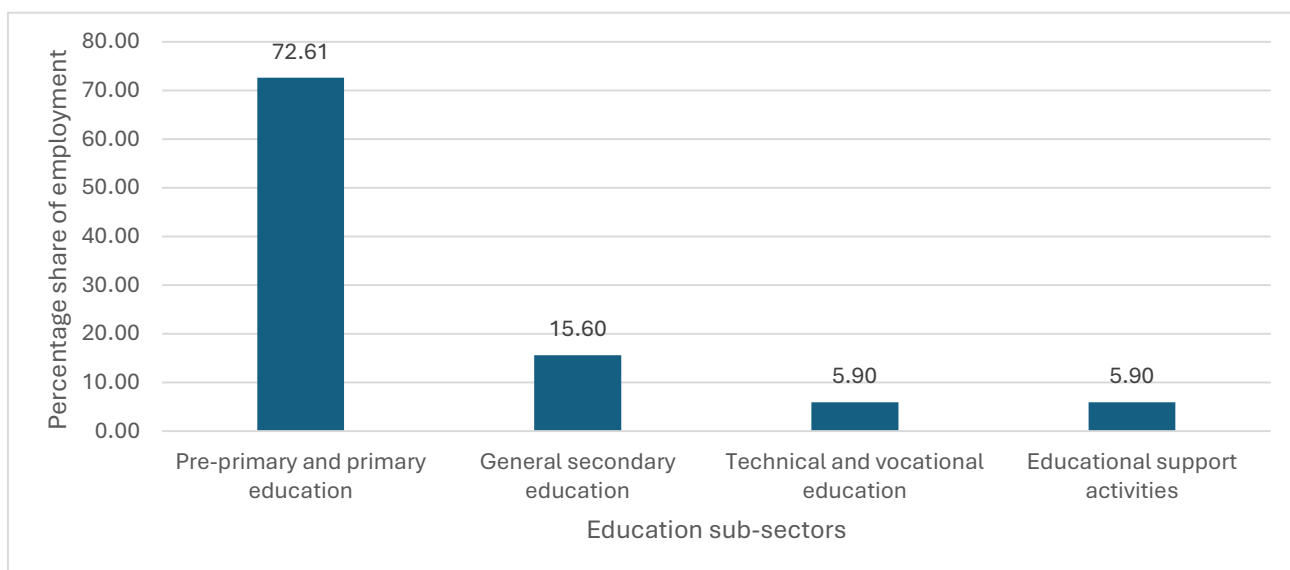
Figure 15: Percentage of persons employed in the wholesale and retail trade; repair of motor vehicle sub-sectors



Data Source: KNBS 2023-Gross County Product

In the education sub-sector, the majority of those employed are in pre-primary and primary education as shown in Figure 16.

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

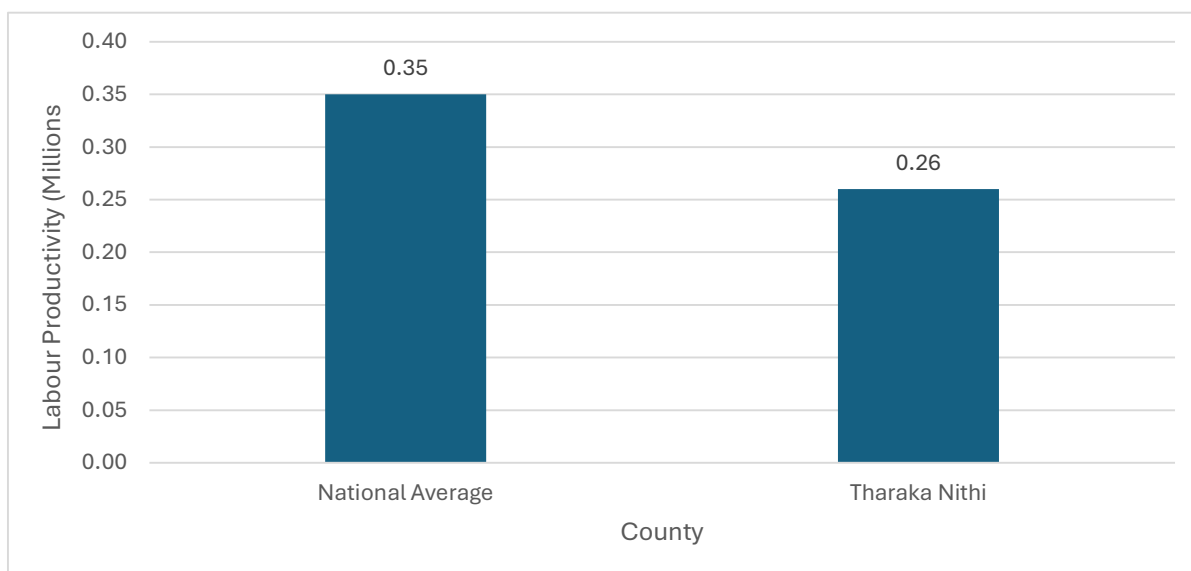


Data Source: KNBS 2023-Gross County Product

Labour Productivity

Labour productivity for Tharaka Nithi County is lower the national average labour productivity (Figure 17).

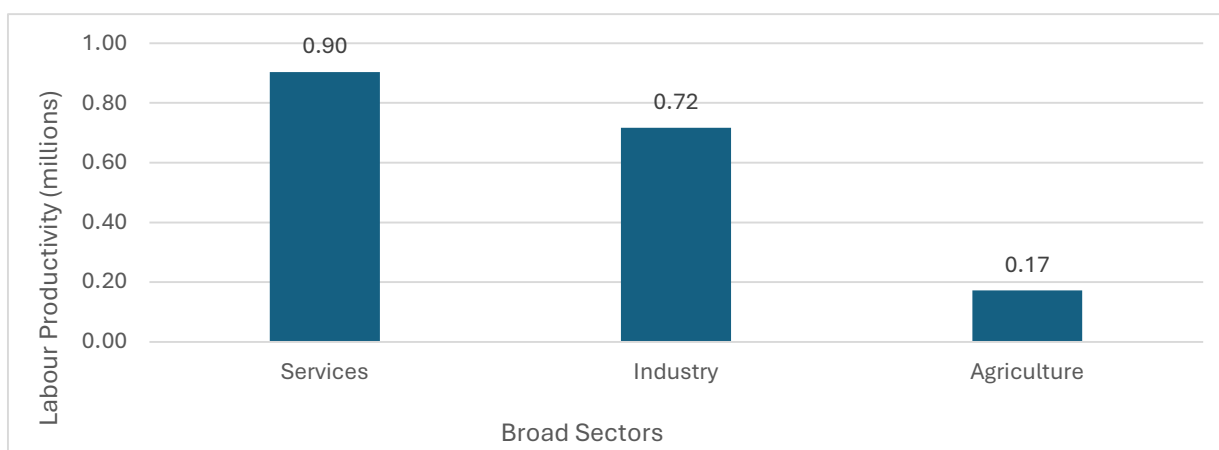
Figure 17: Labour productivity ratios (millions)



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

The services sector had the highest productivity followed by the industry sector while the agriculture sector has the lowest labour productivity (Figure 18).

Figure 18: Labour productivity by sectors

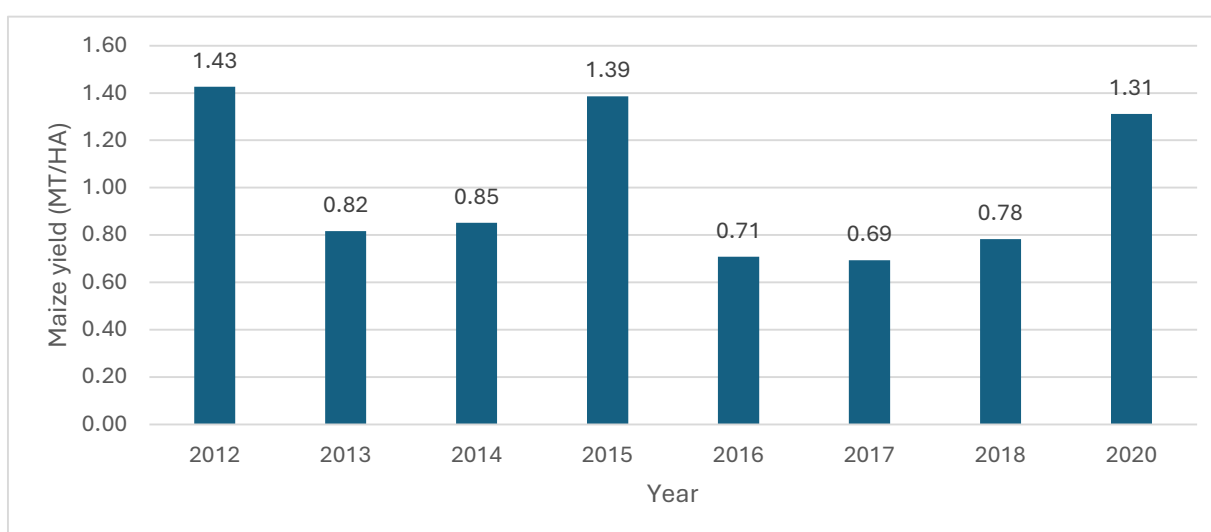


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Agriculture Productivity

Maize productivity as measured by yields has been fluctuating over the years under review. The average maize yield is 1.00MT/HA, the highest yields were in 2012 and lowest yields in 2017 (Figure 19).

Figure 19: Maize yield (MT/HA)

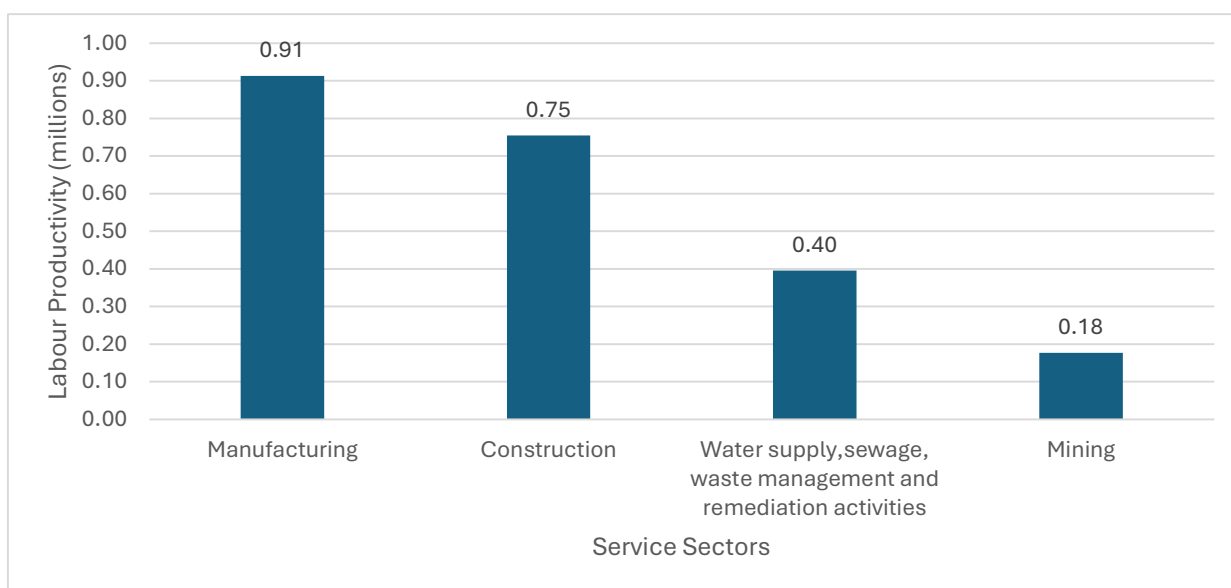


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector Labour Productivity

Manufacturing and construction sub-sectors had the highest labour productivity in the industry sector as observed in Figure 20.

Figure 20: Labour productivity by industry sectors

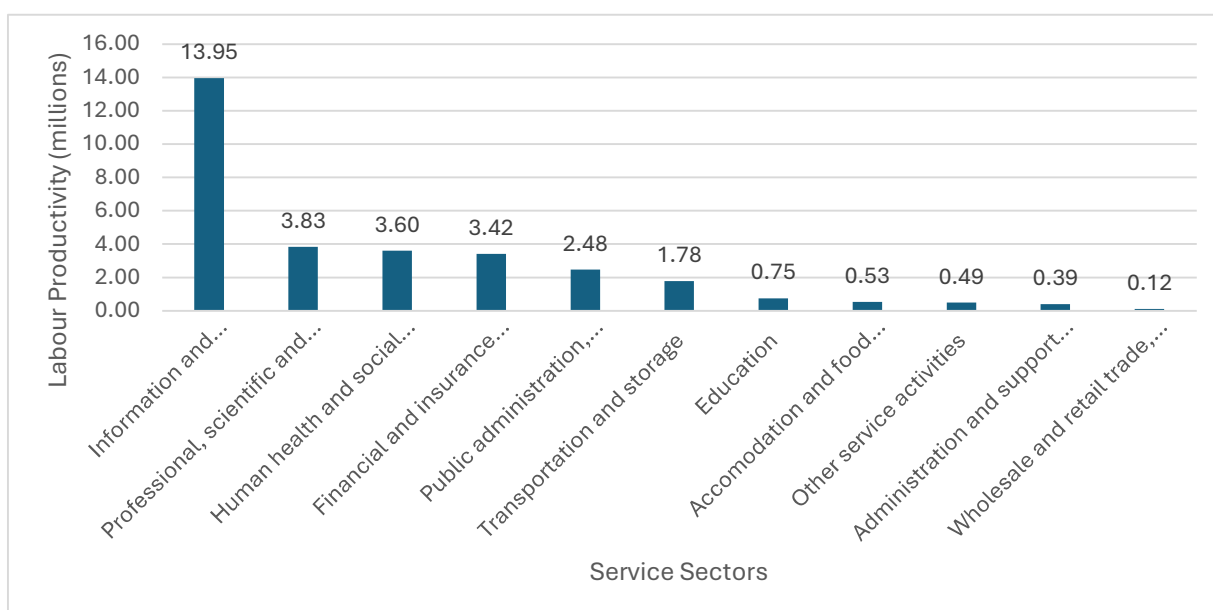


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Services Sector Labour Productivity

The information and communication sub-sector had higher labour productivity when compared with other sectors within the services sector as shown in Figure 20.

Figure 21: Labour productivity in services sub-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 is dominant in the County gross value added while the industry sector has the least share. Maize production has been decreasing while the potential in honey production in the county remains untapped. The construction sector dominates industry while non-market service dominates the services.
- (ii) The indicators of the quality of labour are withing national average. However, it is important to implement more interventions to reduce stunting, food, and child poverty.
- (iii) Most of essential infrastructure and capital indicators performed higher than the national average. However, it is necessary to implement more interventions to increase electricity and internet connectivity and access to improved water.
- (iv) The agriculture sector is the highest employer, with mixed farming dominating. The majority of those working in the industry sectors are employed in the construction sector while employment in manufacturing is in textiles and wood industries. Majority of those working in the service sector are in wholesale and retail trade, the majority working in other retail in specialized stores.
- (v) Labour productivity is lower the national average labour productivity. The services sector had the highest productivity while the agriculture sector has the lowest labour productivity. Maize productivity is low and has been fluctuating. The manufacturing sector has the highest labour productivity in the industry sector while the information and communication sector has higher labour productivity among the services sectors.

Policy Recommendations

- (i) Enhance maize production by supporting the farmers with extension services, input subsidies, and prompt responses to pests and diseases.
- (ii) Further, support livestock production by enhancing integration into the dairy chain. Leverage on honey production by facilitating uptake of modern beekeeping methods; building capacity of farmers on apiculture value chain; and enhancing access to local and internation markets. Also, facilitate farmer in groups to acquire modern honey processing equipment and encourage formation of cooperatives for aggregation and bulk selling of honey. Enhancement of the poultry value chain is necessary.
- (iii) Encourage investments in manufacturing to support the transformation of the agriculture sector through agro-processing and textile industry. This includes supporting the County Aggregation Industry Park to enhance the productivity of the MSMEs.
- (iv) Secure quality of future labour force with nutrition sensitive social protection programmes that would target both child poverty and stunting.
- (v) Create an enabling environment for private sector growth by investing in essential infrastructure including electricity and internet connectivity and access to improved water.

Acknowledgement

The authors acknowledge the special contributions and guidance provided by Dr Rose Ngugi (Executive Director, KIPPRA) throughout the entire process of preparing the county brief. Appreciation also goes to Fridah Njiru for the assistance in compiling data for the brief.

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For More Information Contact:

Kenya Institute for Public Policy Research and Analysis
Bishops Road, Bishops Garden Towers
P.O. Box 56445-00200, Nairobi
Tel: 2719933/4, Cell: 0736712724, 0724256078
Email: admin@kippra.or.ke
Website: <http://www.kippra.org>
Twitter: @kippra.kenya