



# Policy Brief

*Thinking Policy Together*

**No. 59/2023-2024**

## **Assessing Labour Productivity for Uasin Gishu County**

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### **Overview of the County**

Uasin Gishu County is a member of the North Rift Economic Bloc (NOREB) and is one of the six economic Blocs. The county is a non-Asal county with less than 10 per cent aridity levels. The county land size stands at 2955.3 km<sup>2</sup>. It has six Sub-Counties namely: Ainabkoi, Kapseret, Kesses, Moiben, Soy, and Turbo.

### **Key Highlights**

The productivity of Uasin Gishu county is characterised by the following:

- (i) The services sector dominates the share of gross value addition, with Industry taking the lowest share. Manufacturing share is declining with an expanding construction sector. Transport, storage, wholesale, and retail sub-sectors dominate the services sector. Dairy cattle dominate livestock agriculture, while eggs dominate the livestock products.
- (ii) The quality of labour in Uasin Gishu County is within the national average, but there is need for intervention in secondary schools. Increased access to electricity and internet is an essential infrastructure.
- (iii) The wholesale and retail trade dominates employment in the services sector, with the majority being in the retail of food, beverages, and tobacco products. Majority of those employed in the manufacturing sector work in the manufacture of food products sub-sector.
- (iv) Uasin Gishu County labour productivity is significantly above the national average labour productivity. Labour productivity in the agriculture sector is the lowest with maize production that dominates crop production having fluctuating yields.
- (v) Water supply, sewerage, waste management and remediation activities and manufacturing sectors had the highest labour productivity in the industry broad sector.
- (vi) The real estate sector had higher labour productivity in the services sector. The wholesale and retail trade sub-sector which had the highest employment in the services sector had the lowest labour productivity.

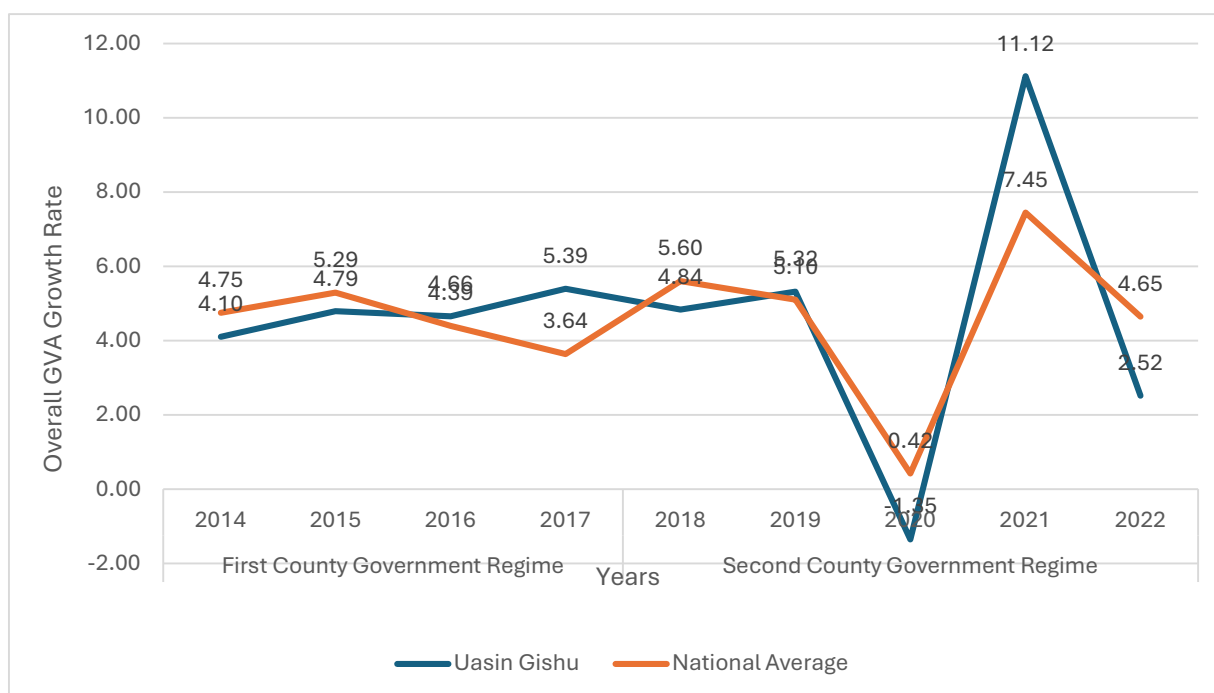
To secure and continue to grow productivity of the county:

- (i) Create an enabling environment for private sector activity to thrive in across all sectors. This will secure productivity level achieved thus far and support increasing productivity in future. This includes investing in essential infrastructure to enhance access to internet and electricity.
- (ii) Encourage investments in manufacturing to support transform agriculture sector with engaged agro processing as well as diversify activities in the services sector. This including supporting the County Aggregation Industry Park and MSMEs.
- (iii) Agriculture productivity is a priority including providing agriculture extension services; subsidizing key farm inputs; and exploiting livestock production and high-value crops.

### Uasin Gishu County Economic performance

Uasin Gishu County contributes on average 2.4 per cent of the National Gross Value added with an average GVA of Ksh 177,7709 million. The GVA per capita for Uasin Gishu County is Ksh 152,834 with an average population growth of 2.7 per cent and overall poverty levels at 40.4 per cent. Uasin Gishu County has shown a steady growth in GVA with an average growth rate of 4.60 per cent from 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 while the lowest in 2020.

**Figure 1: Uasin Gishu County GVA growth rate**



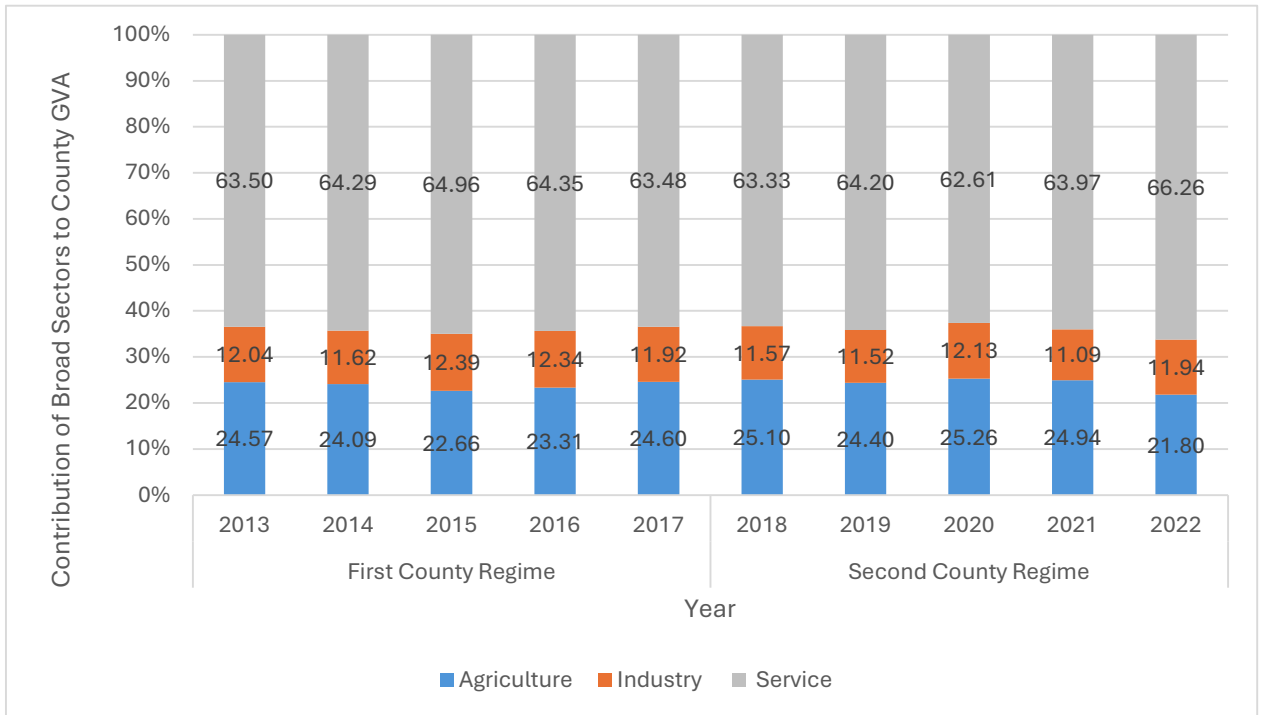
Data Source: KNBS 2023-Gross County Product

### Sectoral Analysis of GVA

The services sector is dominant in Uasin Gishu County with an average contribution to GVA of 64.10 per cent. The agriculture sector is second, contributing an average of 24.07

per cent to the GVA while industry sector contributes about 11.85 per cent as shown in Figure 2.

**Figure 2: Contribution of broad sectors to Uasin Gishu County GVA**

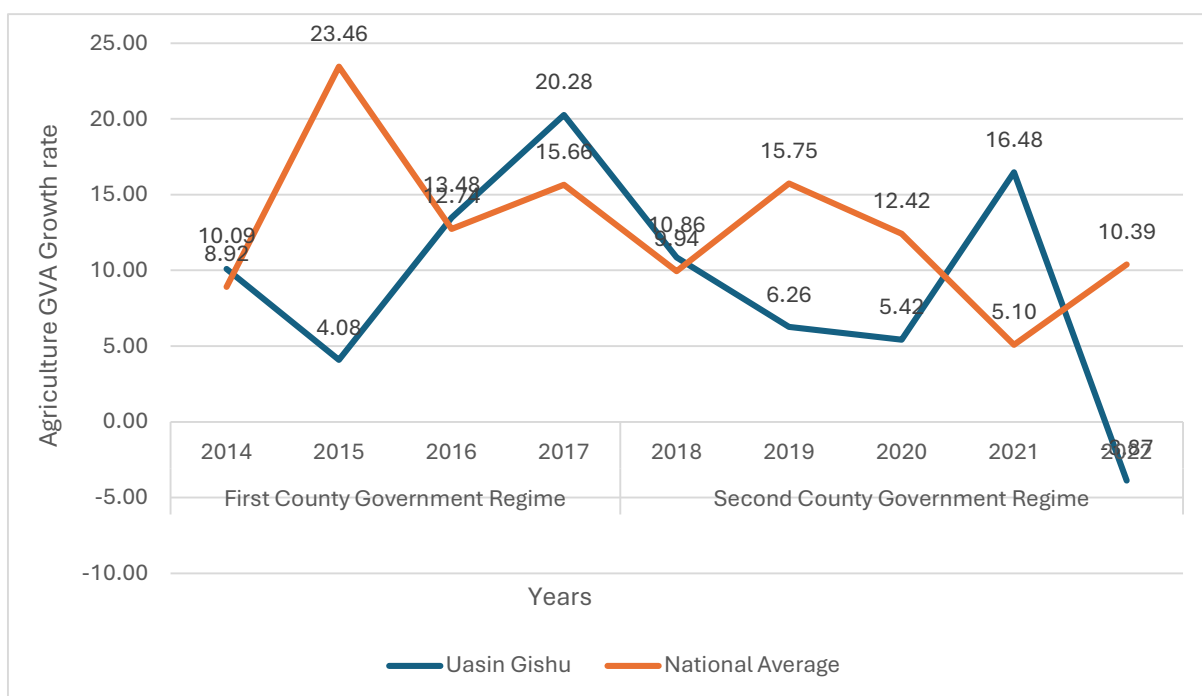


Data Source: KNBS 2023-Gross County Product

**Agriculture Sector**

The average growth rate agriculture sector GVA in 2013-2022 is 9.23 per cent, below the national average of 12.71 per cent as shown in Figure 3.

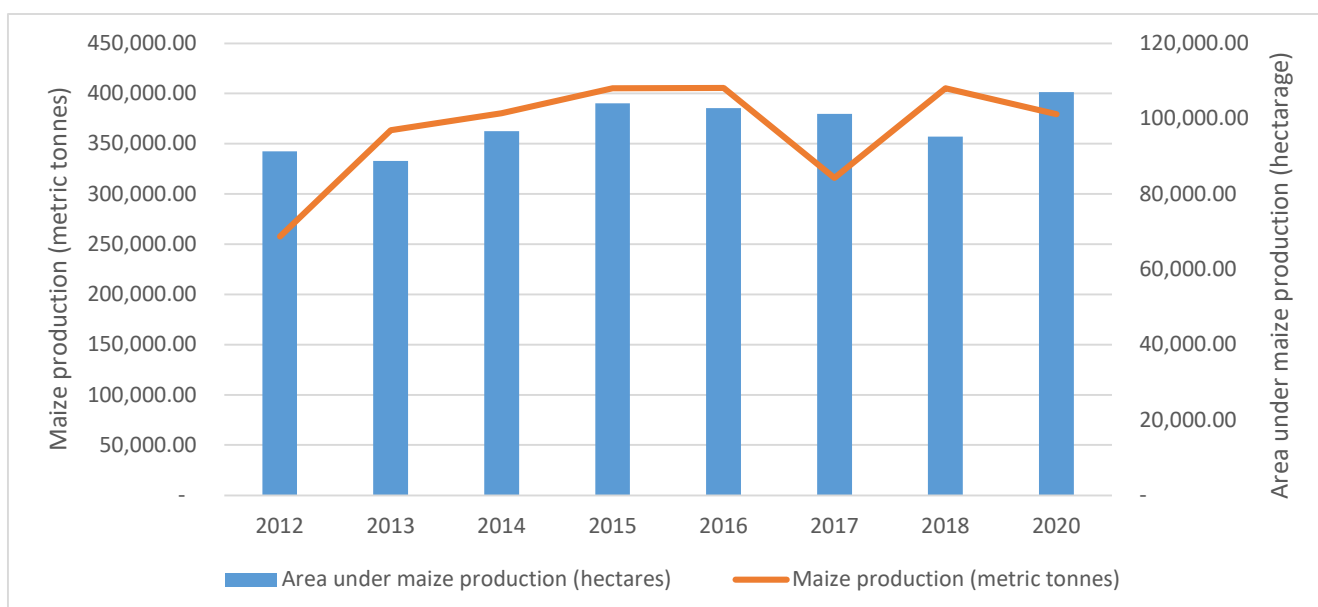
**Figure 3: Uasin Gishu County agriculture GVA growth rate**



Data Source: KNBS 2023-Gross County Product

Maize, the main staple food in the country is also the main food crop produced in Uasin Gishu County. Both maize production and area under maize production have remained constant over the years as shown in Figure 4.

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

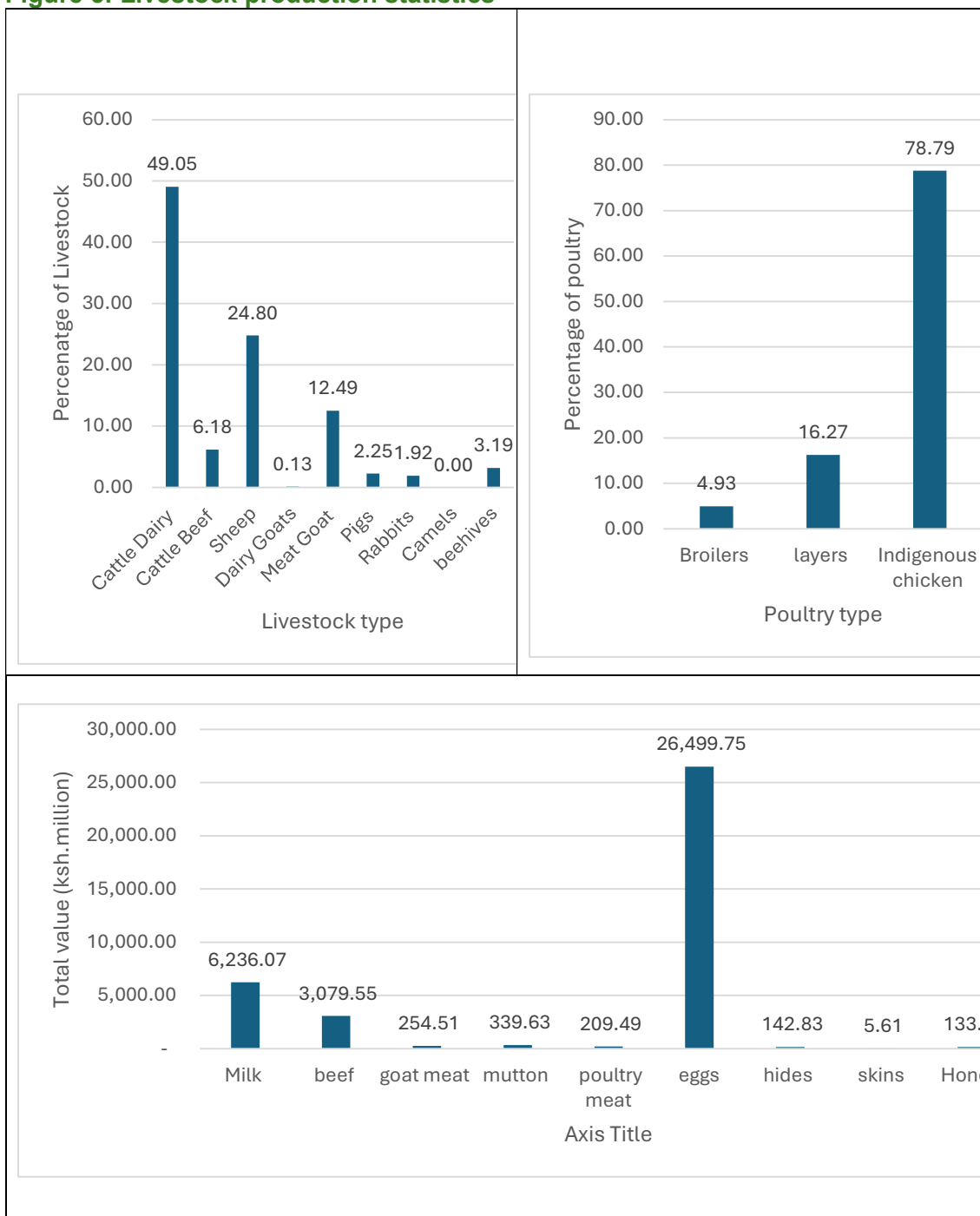


Data source: National Information Platform for Food and Nutrition (NIPFN)

Although overall livestock production in Uasin Gishu County is on a smaller scale when compared to crop production, the county has a considerable number of dairy cattle. Poultry production is also significantly high in the county with the most common type

being indigenous chicken. Uasin Gishu County comparative advantage is in dairy and poultry farming as shown in Figure 5.

**Figure 5: Livestock production statistics**

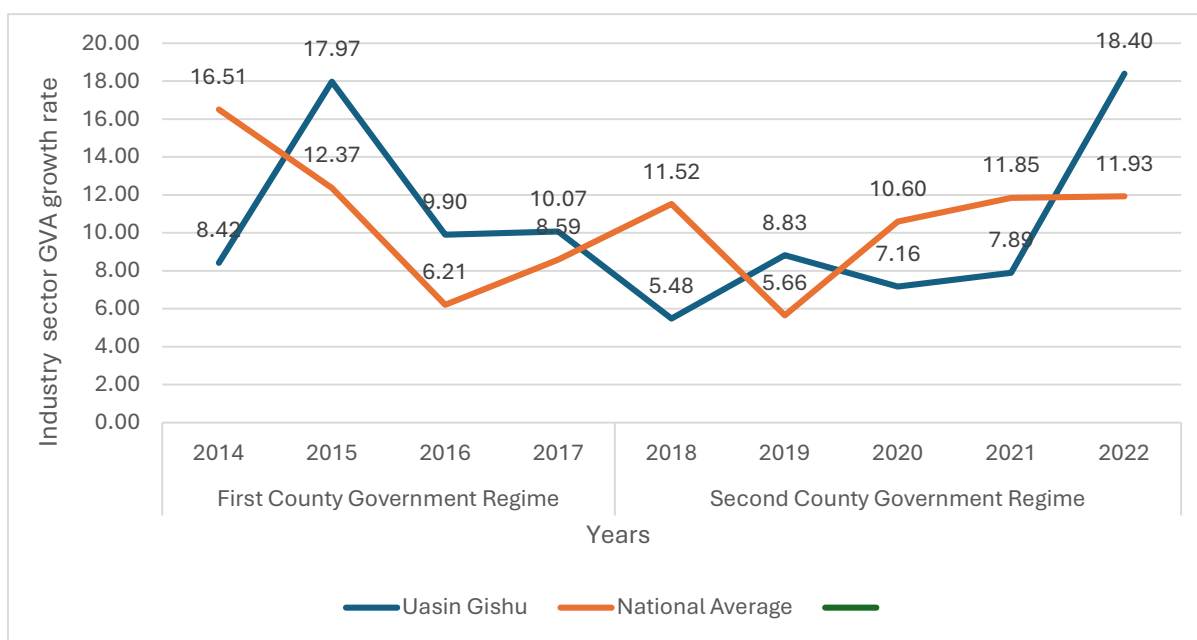


Data source: National Information Platform for Food and Nutrition (NIPFN)

### Industry Sector

The average growth rate industry sector is 10.46 per cent which is slightly below the national average of 10.58 per cent as shown in Figure 6.

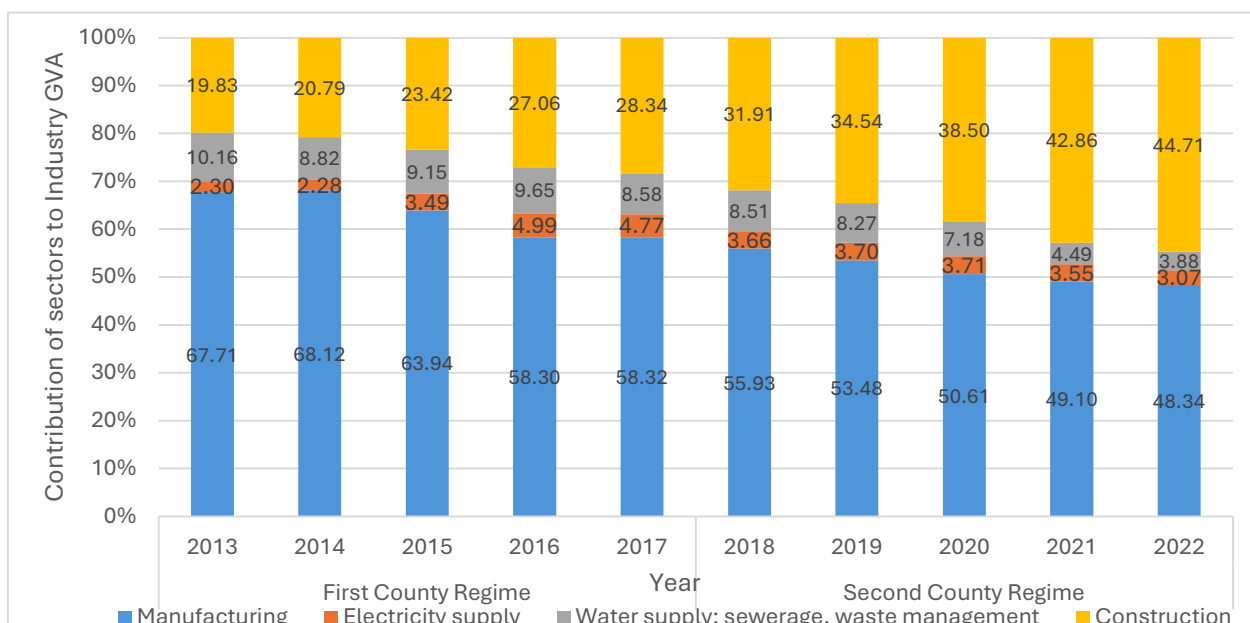
**Figure 6: Uasin Gishu County industry GVA growth rate**



Data Source: KNBS 2023-Gross County Product

Manufacturing dominates the industry sector as shown in Figure 7.

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

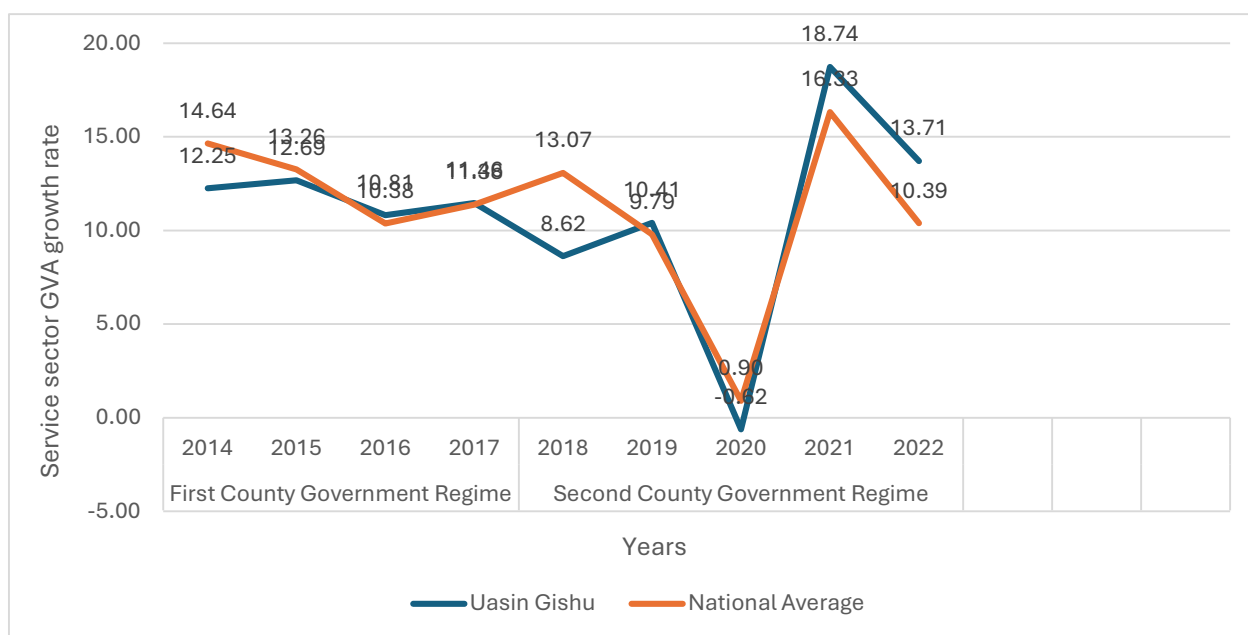


Data Source: KNBS 2023-Gross County Product

### Services Sector

The average growth rate services sector is 9.66 per cent, which is below the national average of 11.13 per cent as shown in Figure 8.

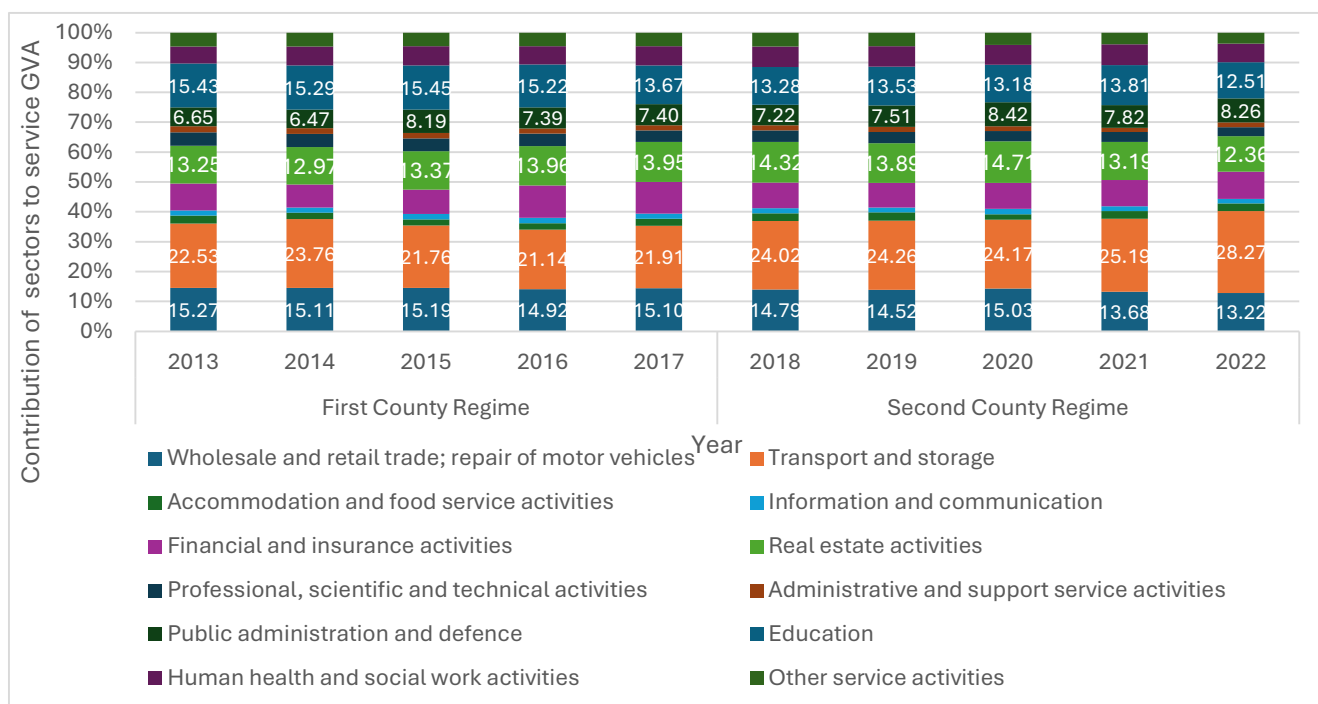
**Figure 8: Uasin Gishu County services sector GVA growth rate**



Data Source: KNBS 2023-Gross County Product

The transport and storage sub-sector dominates the services sector with the highest contribution to service GVA at 23.70 per cent. The wholesale and retail trade sector is the second highest contributor to services GVA at 14.68 per cent. The education sub-sector is third at an average of 14.14 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 Uasin Gishu County

Uasin Gishu County has a total of 700,908 working-age population, which is about 60.26 per cent of the county population. Most of the working-age population is youthful (18-34 years) at 53.69 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	41,280	41,620	82,900	11.83
18 –24	85,874	90,772	176,646	25.20
25-34	97,450	102,198	199,648	28.48
35-64	125,043	116,671	241,714	34.49
<b>Total</b>	<b>349,647</b>	<b>351,261</b>	<b>700,908</b>	

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

Most of the population in Uasin Gishu sub-counties are persons in the working age categories. Kapseret has the highest percentage of working-age persons at 64.02 per cent as observed 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	
Ainabkoi	138,183	9,967 (12.41)	20,412 (25.41)	20,091 (25.01)	29,865 (37.18)	80,335 (58.14)
Kapseret	198,495	12,264 (9.65)	33,088 (26.04)	39,422 (31.02)	42,309 (33.29)	127,083 (64.02)
Kesses	148,794	11,800 (13.79)	20,724 (24.21)	22,002 (25.71)	31,067 (36.30)	85,593 (57.52)
Moiben	181,336	12,683 (11.32)	29,017 (25.90)	33,650 (30.03)	36,701 (32.75)	112,051 (61.79)
Soy	229,089	18,047 (13.86)	32,503 (24.97)	33,487 (25.72)	46,139 (35.44)	130,176 (56.82)
Turbo	267,261	18,139 (11.15)	40,902 (25.13)	48,058 (29.53)	55,633 (34.19)	162,732 (60.89)

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

Uasin Gishu County performed high in socioeconomic indicators that affect the quality of labour as reported in Table 3. However, there is a need for interventions to increase the primary and secondary school net enrolment rates and teacher-pupil ratio.



**Table 3: Human capital indicators**

Human capital indicators	County	National average
Literacy rate	84.80	78.41
Pre-primary net enrolment rate (2019)	81.45	67.51
Primary school net enrolment rate (2020)	77.30	77.72
Secondary school net enrolment rate (2020)	44.30	54.18
Average years of schooling (2014)	9.10	7.78
Percentage of children 12 -23 months fully vaccinated (%)	72.30	74.97
Percentage of stunted children	14.2	19.75
Percentage of teenage pregnancy	10.70	15.79
Primary to secondary transition rates (2020)	88.50	86.13
Pupil-teacher ratio (primary school)	24.00	28.28
Food poverty head count (%)	31.70	33.63
Child poverty head count (%)	43.70	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

Uasin Gishu County has higher performance in for essential infrastructure and capital indicators. However, implementing more interventions will increase access to the internet in both primary and secondary schools as shown in Table 4.

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

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019 census)	63.80	38.52
Distribution of population using the Internet (2019 census)	28.00	18.69
Rural Access Index (2018)	98.27	63.72
Access to improved sanitation (2018)	83.00	59.04
Access to improved water (2018)	69.30	65.33
Financial inclusion level (2021)	87.60	81.01
The proportion of primary schools with internet	23.00	27.65
Proportion of secondary schools with functional internet	32.90	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	56.88	51.71
Percentage of households using bank usage (overall)	35.20	38.18
Percentage of households using mobile money	85.30	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 59.63 per cent. Most of those working is the youth (18-34 years) at about 30.17 per cent while those 35-64 at 28.91 per cent as shown in Table 5. The percentage of the employed by gender is 39.98 for male and 37.72 for female. The unemployment rate is at 9.27 per cent with unemployment being slightly higher for the youth (18-34 years) at 6.49 per cent and those between 35-64 years at 2.66 per cent. The per centage of persons 5–17 years old working is 1.83 per cent indicating that the county has low levels of child labour.

**Table 5: Uasin Gishu County employment statistics**

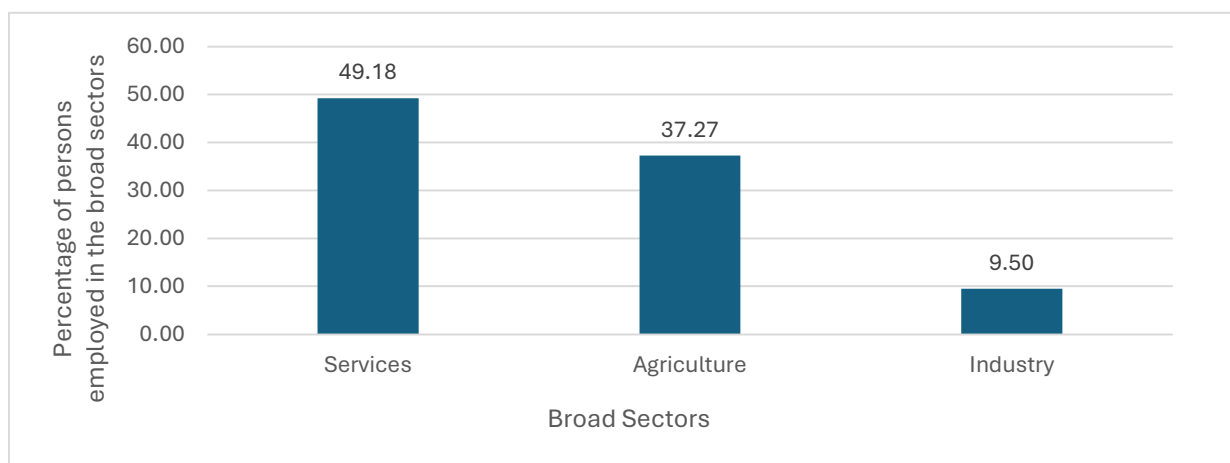
Employment statistics	Youth	Non youth
Employment to population ratio (%)	30.17	28.91
Unemployment rate	6.49	2.66
Percentage of persons 5–17 years old working	1.83	-
Inactivity rate	23.68	6.20

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

### Sectoral Employment

The services sector is the highest employer in Uasin Gishu County at 49.18 per cent followed by the agriculture sector at 37.27 per cent. The industry sector is third at 9.50 per cent as shown in Figure 10.

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

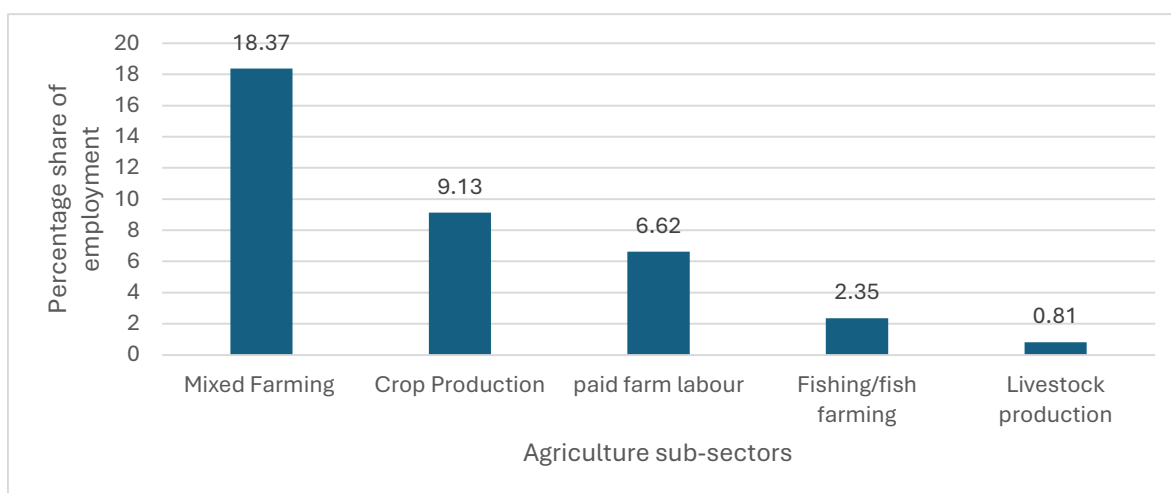


Data Source: KNBS 2021- Kenya Continuous Household Survey

### Agriculture Sector Employment

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

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

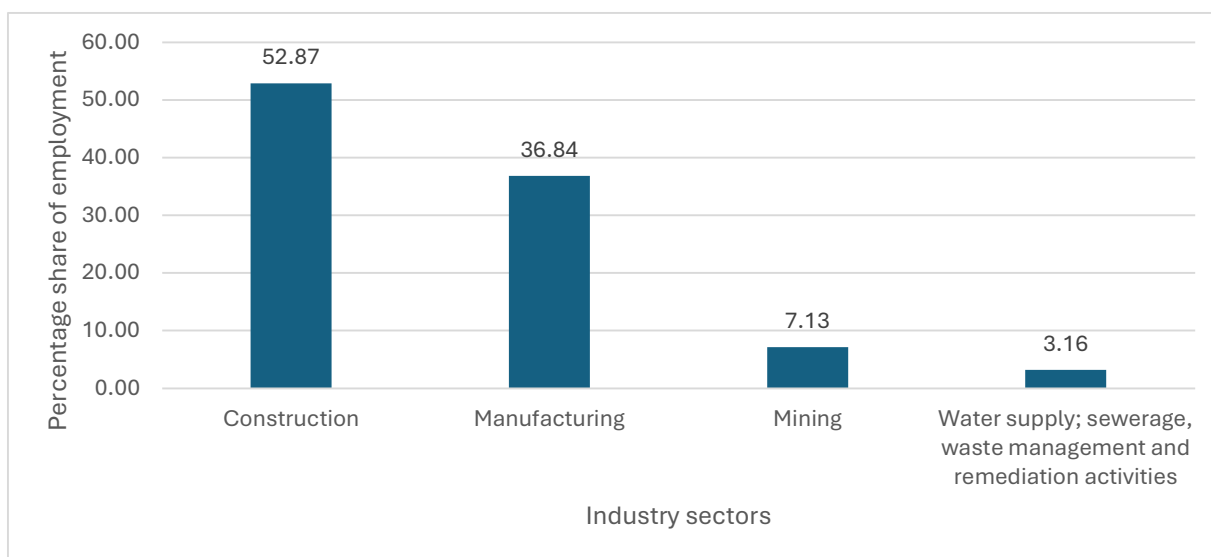


*Data Source: KNBS 2021- Kenya Continuous Household Survey*

### Industry Sector Employment

The majority of those working in the industry sector are in construction. Mining is quarrying of stones as indicated in Figure 12.

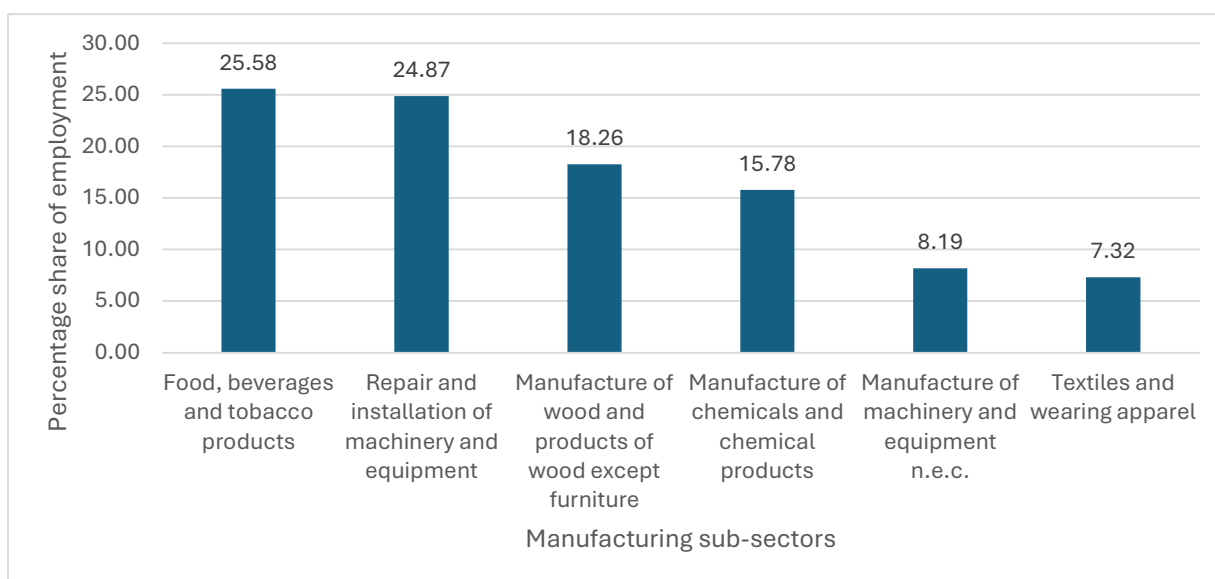
**Figure 12: Percentage share of employment in the industry sectors**



*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, beverage and tobacco products and repairs industries as shown in Figure 13.

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

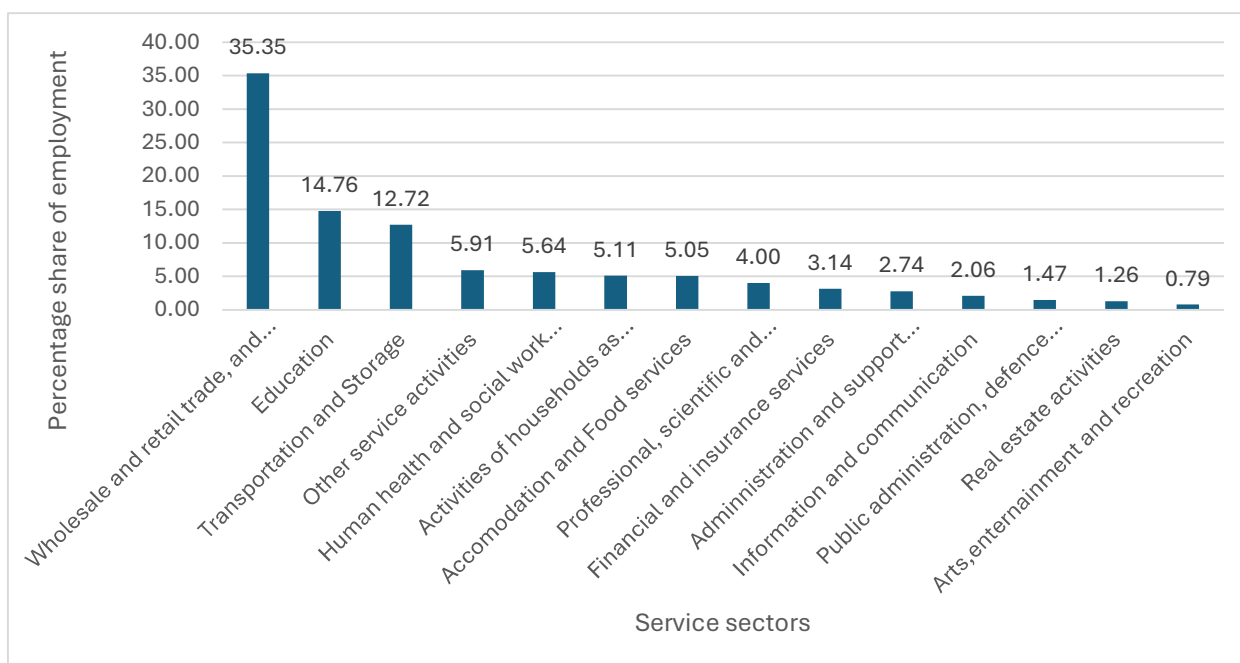


Data Source: KNBS 2021- Kenya Continuous Household Survey

### Services Sector Employment

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

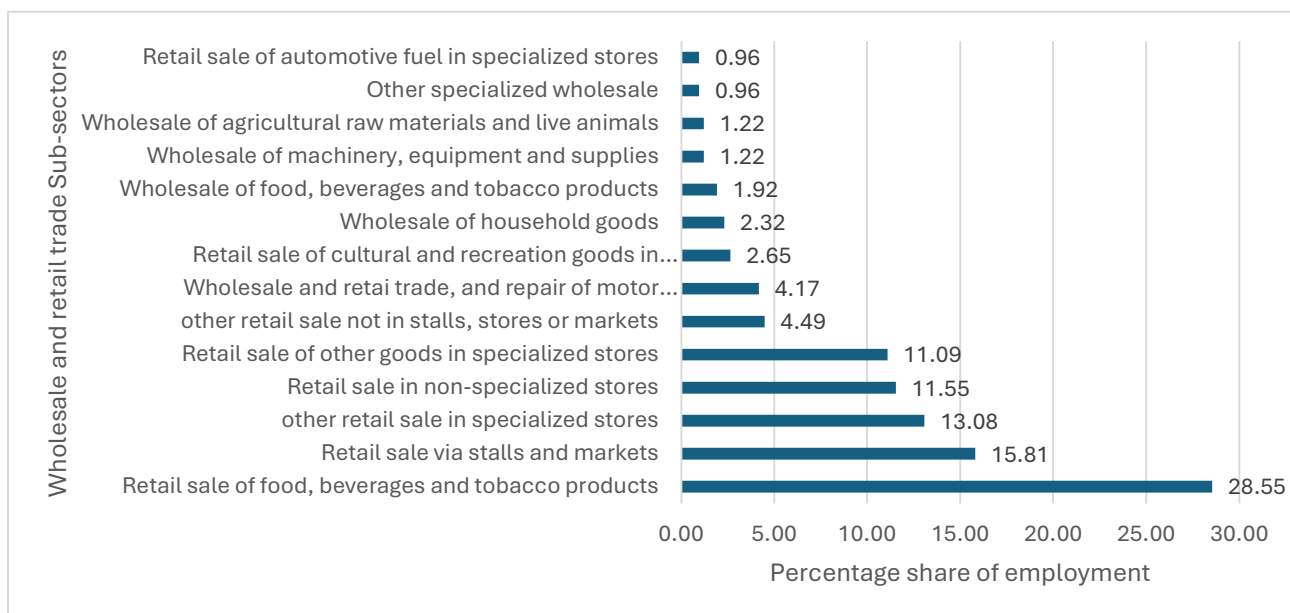
**Figure 14: Percentage share of employment in the service sector**



Data Source: KNBS 2021- Kenya Continuous Household Survey

In the wholesale and retail trade, the majority work in the retail of food, beverages, and tobacco products as shown in Figure 15.

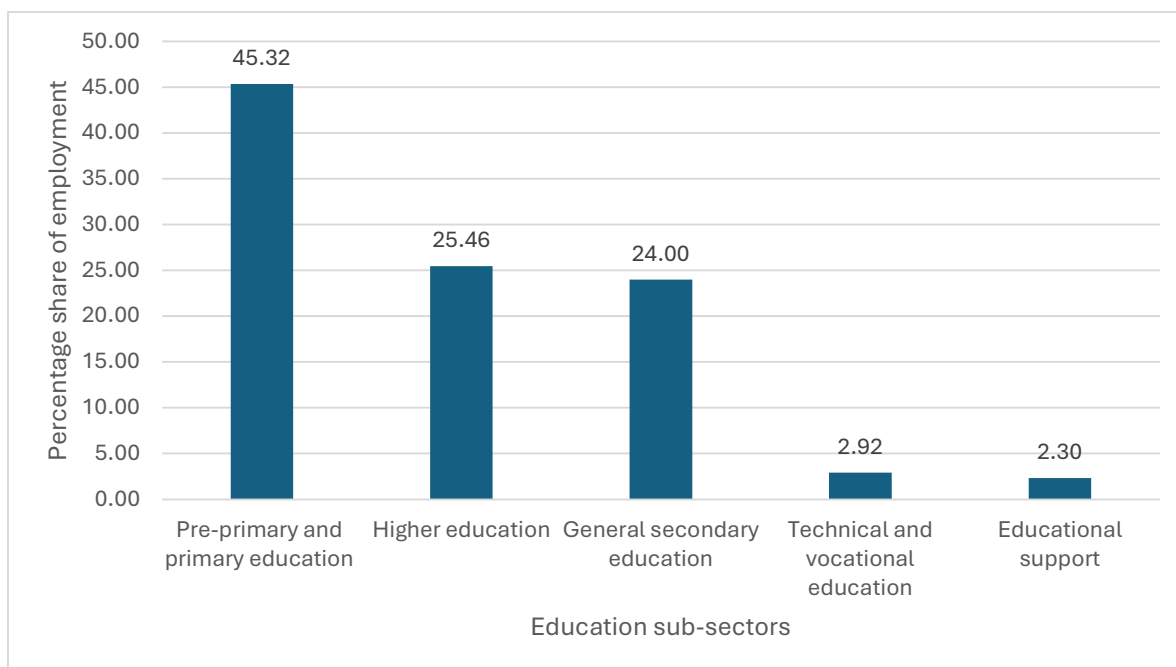
**Figure 15: Percentage of persons employed in the wholesale and retail trade sub-sectors**



Data Source: KNBS 2021- Kenya Continuous Household Survey

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

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

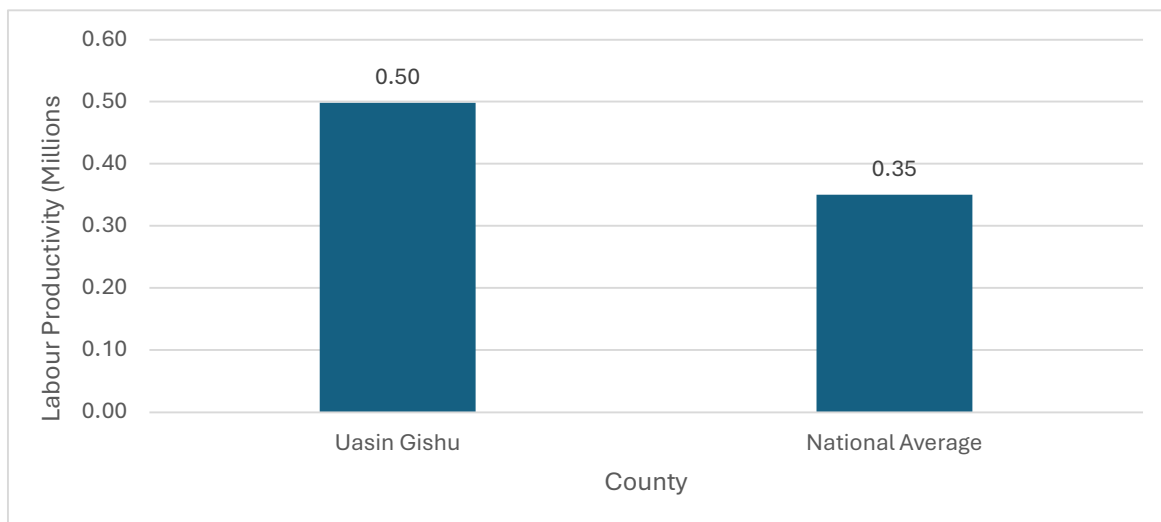


Data Source: KNBS 2021- Kenya Continuous Household Survey

## Labour Productivity

Labour productivity for Uasin Gishu County is 0.50 per cent which is above the national average of 0.35 per cent as shown in Figure 17.

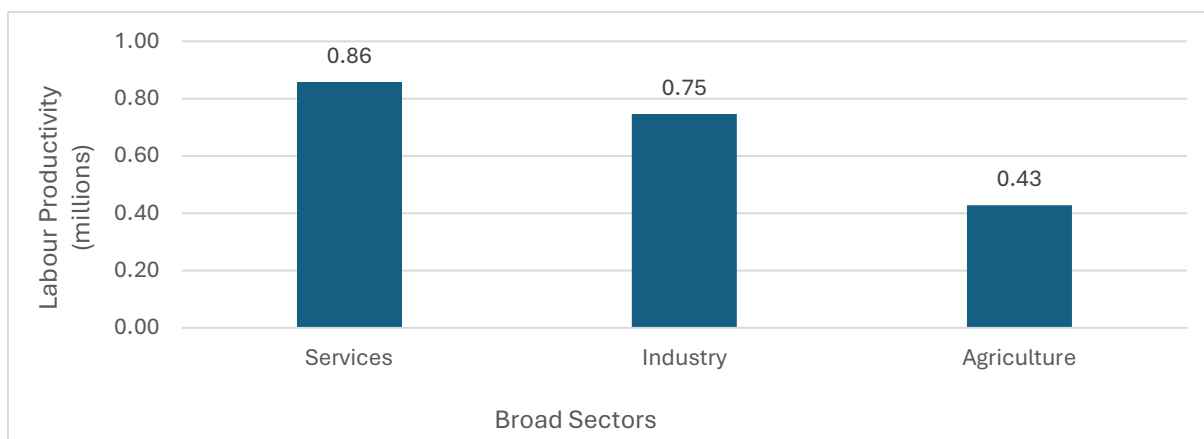
**Figure 17: Labour productivity ratios (millions)**



*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 at 0.86 per cent, followed by the industry sector at 0.75 per cent, and thirdly the agriculture sector at 0.43 per cent as shown below in Figure 18.

**Figure 18: Labour productivity by sectors**

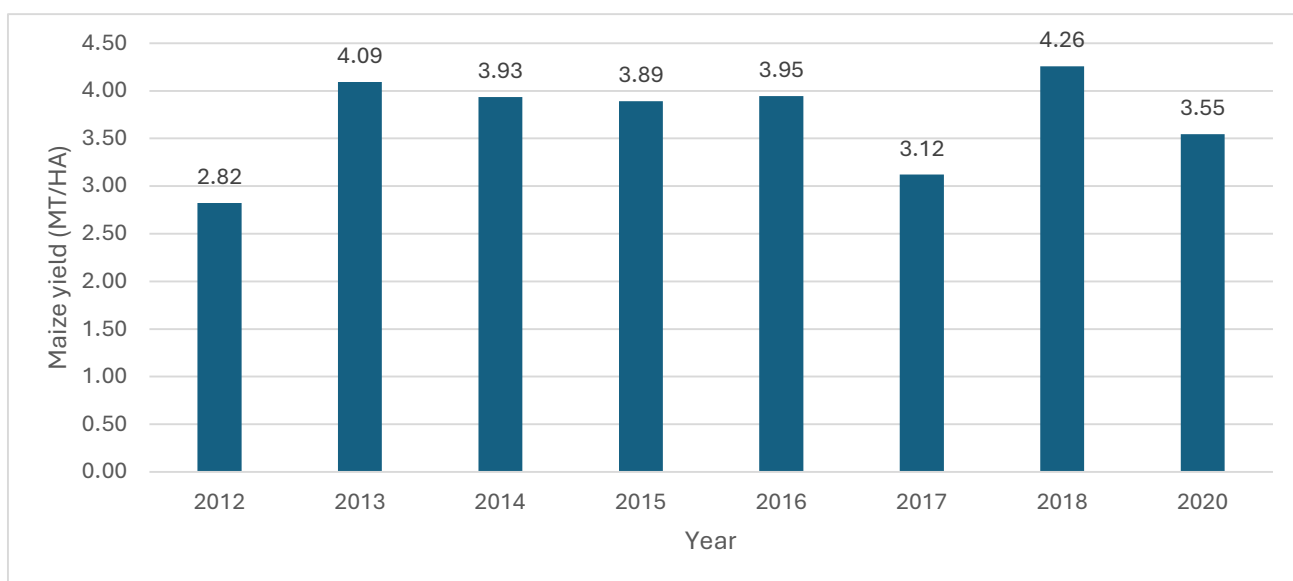


*Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey*

## Agriculture Productivity

In agriculture sector, maize productivity has been constant at an average of 3.70 MT/HA which is high when compared with most counties.

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

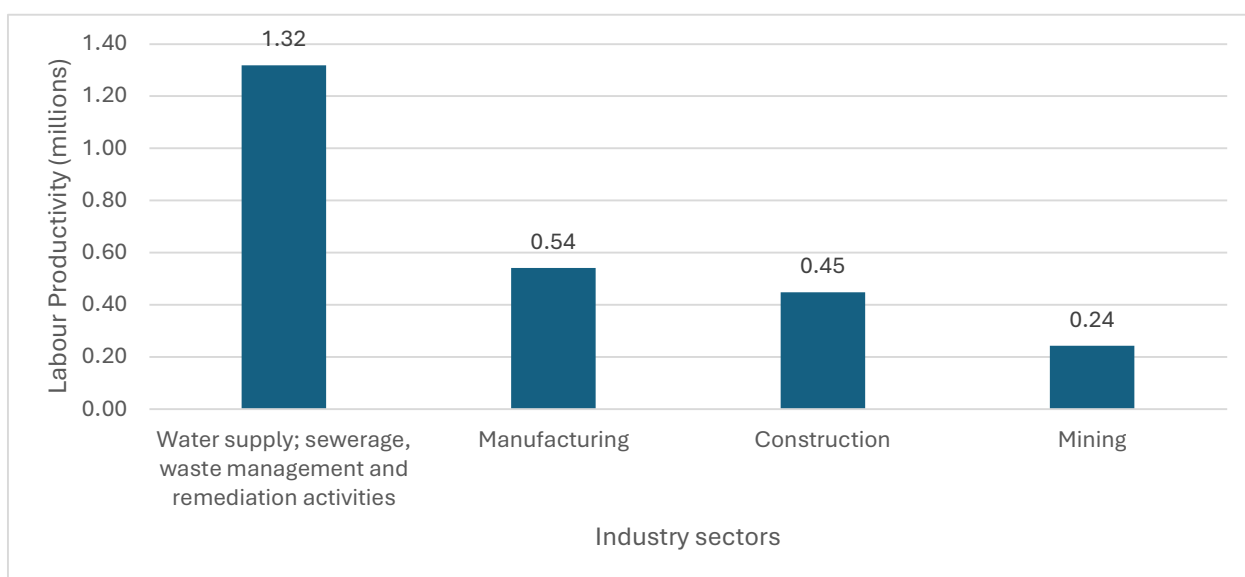


Data source: National Information Platform for Food and Nutrition (NIPFN)

### 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**

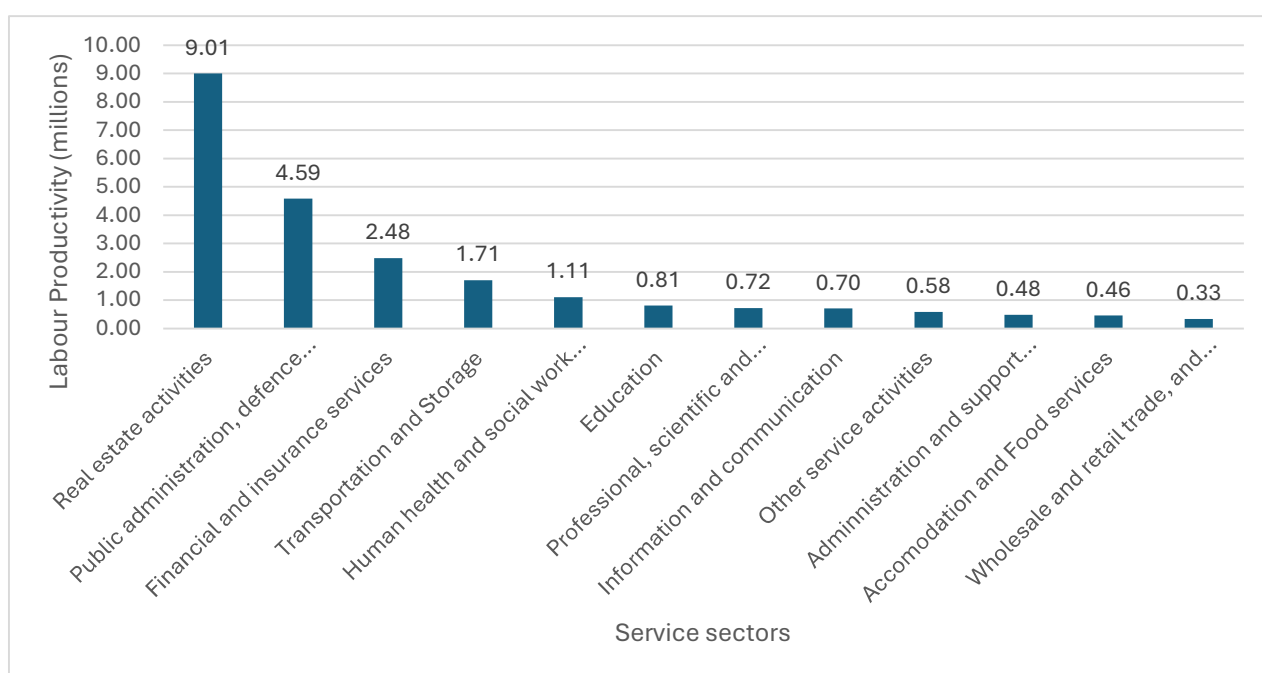


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

### Services Sector Labour Productivity

Real estate sub-sector had 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 sector dominates the share of GVA with industry taking the lowest share. Manufacturing share is declining with the expanding construction sector. Transport, storage, wholesale, and retail sub-sectors dominate the services sector.
- (ii) The quality of labour in Uasin Gishu County is high but there is need for intervention in secondary schools. Increased access to internet in both the primary and secondary schools is an essential infrastructure.
- (iii) Employment ratio in Uasin Gishu County is high at 59.63 per cent while unemployment is low at 9.27 per cent. The wholesale and retail trade dominates employment in the services sector, with the majority being in the retail of food, beverages, and tobacco products. Majority of those employed in the manufacturing sector work in the manufacture of food products sub-sector.
- (iv) Uasin Gishu County labour productivity is significantly above the national average labour productivity. Labour productivity in the agriculture sector is the lowest with maize production that dominate crop production having fluctuating yields.
- (v) Water supply, sewerage, waste management and remediation activities and manufacturing sectors had the highest labour productivity in the industry broad sector.
- (vi) The real estate sector had higher labour productivity in the services sector. The wholesale and retail trade sector which had the highest employment in the services sector had the lowest labour productivity.



## Policy Recommendations

- (i) Create an enabling environment for private sector activity to thrive in across all sectors. This will secure productivity level achieved thus far and support increasing productivity in future. This includes essential infrastructure development with enhance access to internet and electricity.
- (ii) Encourage investments in manufacturing to support transform agriculture sector with engaged agro processing as well as diversify activities in the services sector. This including supporting the County Aggregation Industry Park and MSMEs.
- (iii) Agriculture productivity is a priority including providing agriculture extension services; subsidizing key farm inputs; and exploiting livestock production and high-value crops.

## Acknowledgement

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