



Policy Brief

Thinking Policy Together

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Assessing Labour Productivity for Bomet County

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Overview of the County

Bomet County is a member of two economic blocs, namely the Lake Region Economic Bloc (LREB) and the North Rift Economic Bloc (NOREB). The county is a non-ASAL county with less than 10 per cent aridity levels. The county has a total land mass of 1,630 km², making it one of the smallest counties in the country and has five Sub-Counties, namely Bomet East, Bomet Central, Chepalungu, Konoin, and Sotik.

Key Highlights

The productivity of Bomet County is characterized by the following:

- (i) Agriculture dominates the Gross Value Added (GVA) for Bomet County. Maize production has been on the rise since 2016 while milk and honey dominate the livestock products. Maize production still has unlocked potential. Manufacturing share to industry GVA is declining.
- (ii) Although the quality of labour is within the national average, interventions are required to reduce child poverty and therefore stunting. Further, several of the essential infrastructure and capital indicators are below the national average, including access to electricity, improved water and sanitation, financial inclusion, and internet connectivity.
- (iii) The agriculture sector employs most of the workforce, mainly in mixed farming while industry has the lowest with majority in construction. Those in manufacturing are mainly employed in industries that manufacture food products. In the services sector, the wholesale and retail trade sector dominate with majority being in retail sale of food, beverages and tobacco products.
- (iv) Labour productivity is slightly lower than the national average. Although, agriculture dominates the county GVA and has the highest share of employment, it has the lowest productivity. The industry sector has the highest labour productivity, mainly attributable to the high productivity in the mining sector. In the services sector, the public administration has the highest labour productivity.

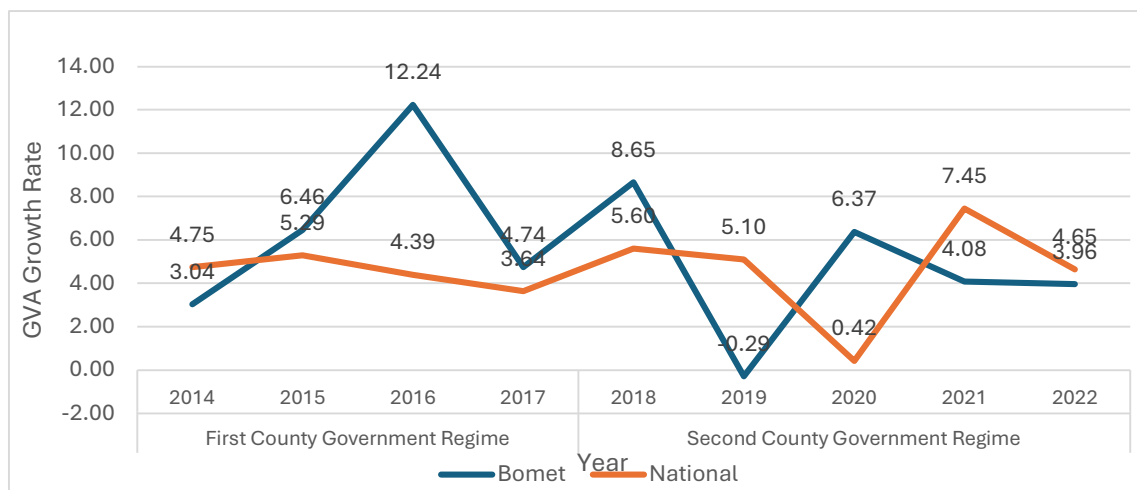
To improve productivity

- (i) Improve quality of labour by implementing nutrition-sensitive programmes to reduce stunting, initiate social protection programmes that aim to reduce child poverty, and promote secondary school transition to upgrade skills development.
- (ii) Invest in provision of essential infrastructure, including access to electricity, improved water and sanitation, financial inclusion, and Internet connectivity.
- (iii) Create an enabling environment for the MSMEs to enhance their productivity. This includes improving food safety, preservation, and processing skills with majority of those in wholesale and retail sector engaged in retail sale of food and beverages services sector.
- (iv) Improve and sustain agriculture productivity by exploiting the dairy and apiculture value chain. Further, unlock potential for maize production.

Bomet County Economic Performance

Bomet County contributes on average 1.5 per cent of the National Gross Value Added, with an average GVA of Ksh 106,8958 million. The GVA per capita for Bomet County is Ksh 122,073, with an average population growth of 1.9 per cent and overall poverty levels at 45.4 per cent. Bomet County has an average GVA growth rate of 5.47 per cent in 2013-2022, which is above the national average growth rate of 4.37 per cent as shown in Figure 1. The highest growth rate was experienced in 2016 at 12.24 per cent while the lowest growth rate was experienced in 2019 and 2020 due to the COVID-19 pandemic.

Figure 1: Bomet County GVA growth rate

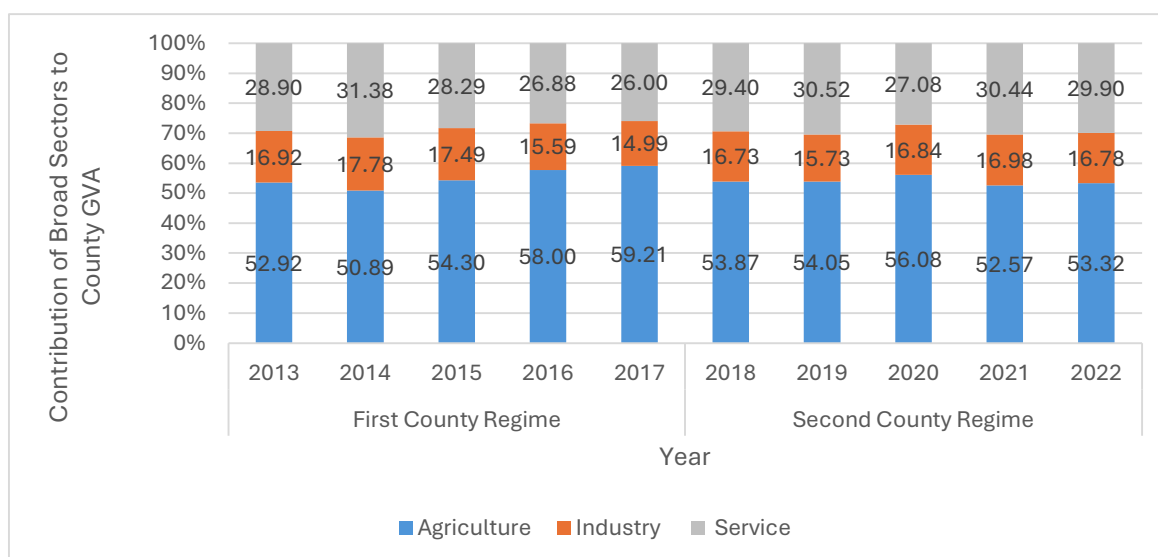


Data Source: KNBS 2023-Gross County Product

Sectoral Analysis of GVA

The agriculture sector is dominant in Bomet County, with an average contribution to GVA of 54.52 per cent. Tea farming and dairy production are the main agricultural activities in the county. The services sector is second, contributing an average of 28.88 per cent to the GVA while the industry sector contributes only 16.58 per cent as shown in Figure 2.

Figure 2 : Contribution of broad sectors to Bomet County GVA

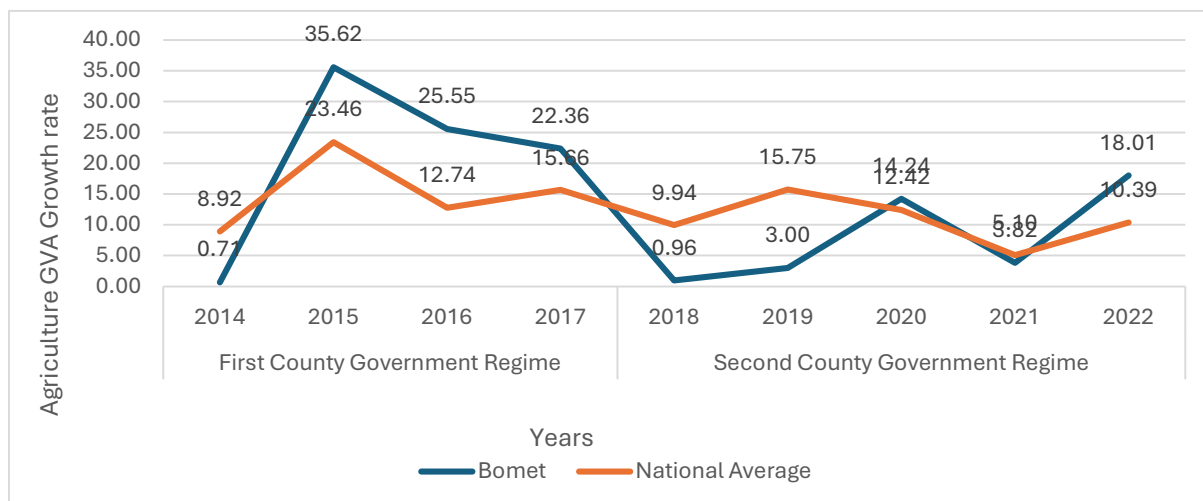


Data Source: KNBS 2023-Gross County Product

Agriculture Sector

The average growth rate of agriculture sector GVA in 2013-2022 is 13.81 per cent, which is above the national average of 12.71 per cent as in Figure 3. Lower growth rates were in 2014 and 2018 due to drought episodes.

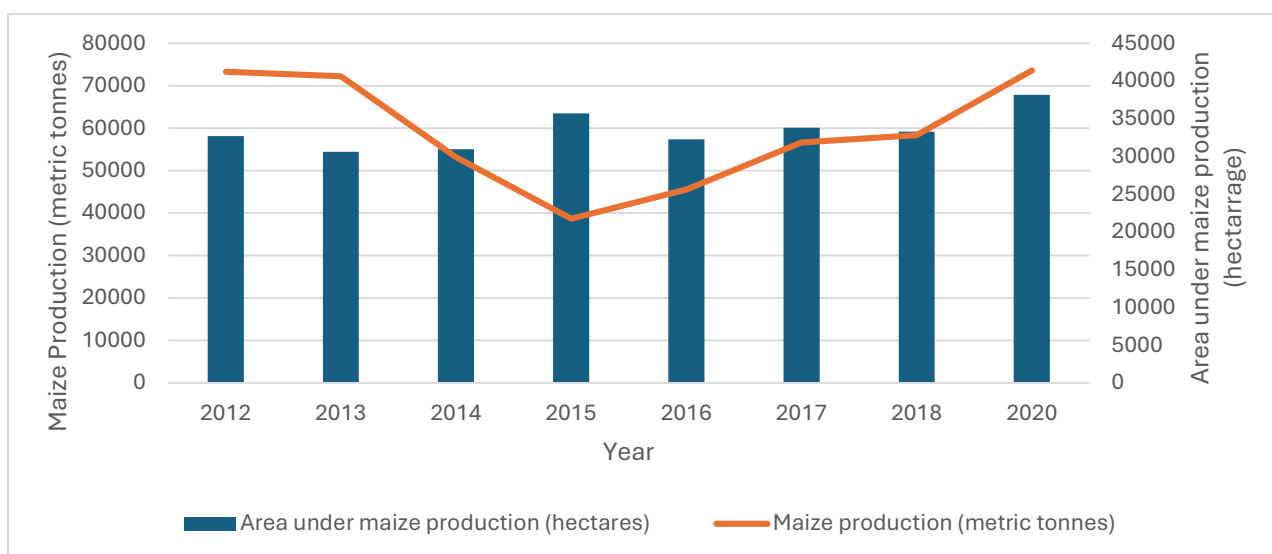
Figure 3: Bomet County agriculture GVA growth rate



Data Source: KNBS 2023-Gross County Product

Crop production dominates the agricultural production as the county is largely rural. Tea is the main cash crop while maize is the most dominant food crop in Bomet County. The hectareage of maize harvested has remained relatively constant over the years while maize production has fluctuated and mainly declined as shown in Figure 4. A significant decline in the hectareage of maize harvested was in 2015 and 2016 due to fall armyworm invasion in the African region.

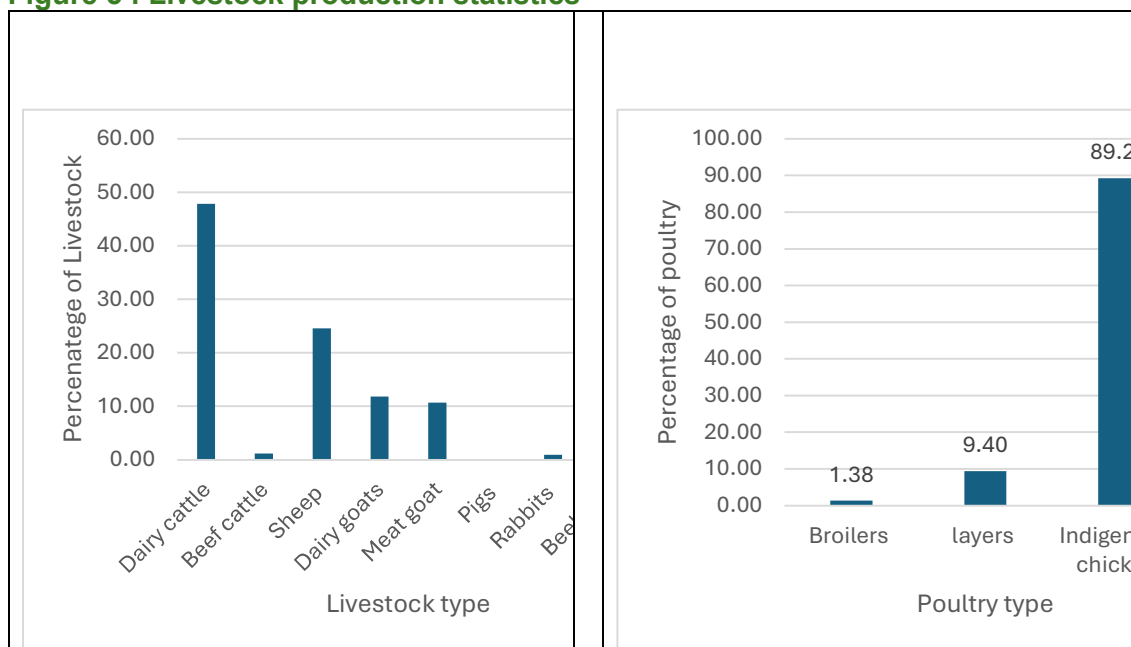
Figure 4: Maize production and area of maize harvested

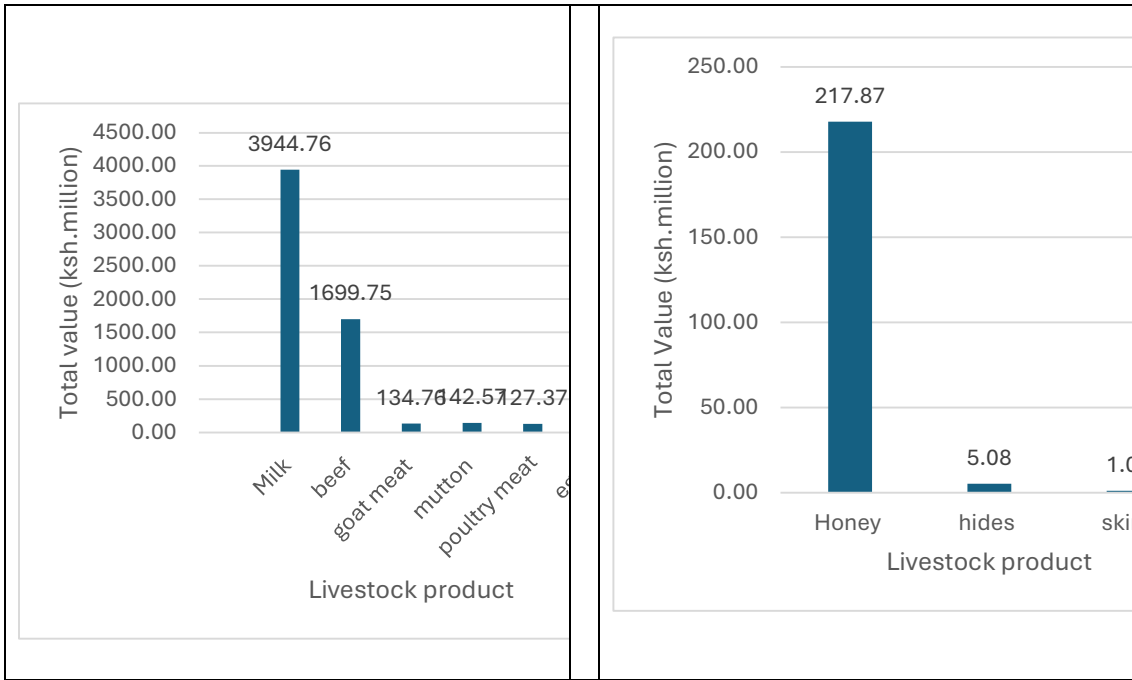


Data source: National Information Platform for Food and Nutrition (NIPFN)

Although overall livestock production in Bomet County is on a smaller scale compared to crop production, the county has a significant number of dairy cattle. Poultry production is significantly high in the county, with the most common type being indigenous chicken. Bomet County has a comparative advantage in dairy farming, reflected in the high total value of milk as shown in Figure 5.

Figure 5 : Livestock production statistics



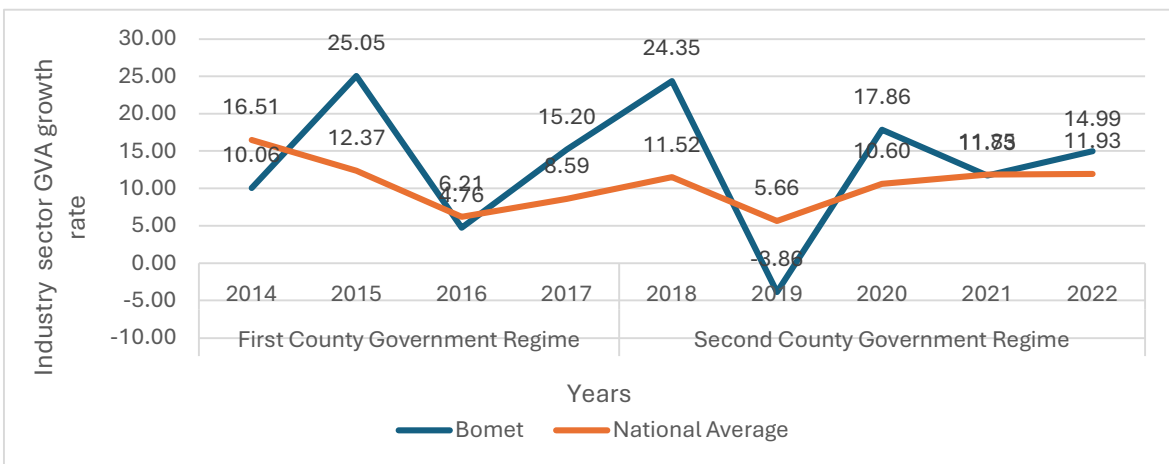


Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector

The average growth rate of the industry sector is 13.35 per cent, which is above the national average of 10.58 per cent as shown in Figure 6.

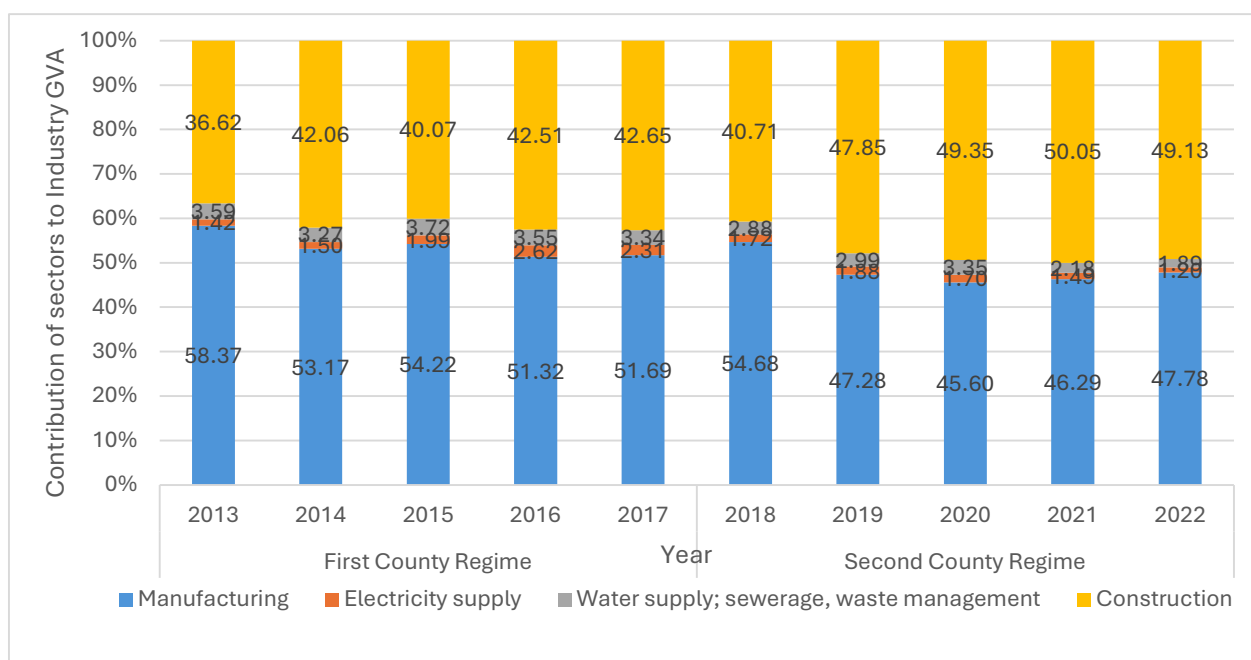
Figure 6 : Bomet County industry sector GVA growth rate



Data Source: KNBS 2023-Gross County Product

Manufacturing dominates the industry sector as shown in Figure 8 in the first county government regime. Most of the manufacturing firms in Bomet County are tea factories and milk processors. In the second regime, the construction sector dominates the county GVA in the second county as shown in Figure 7. The growth of the construction sub-sector can be attributed to increased urbanization and investments in essential infrastructure such as roads and public buildings by both the National and County governments.

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

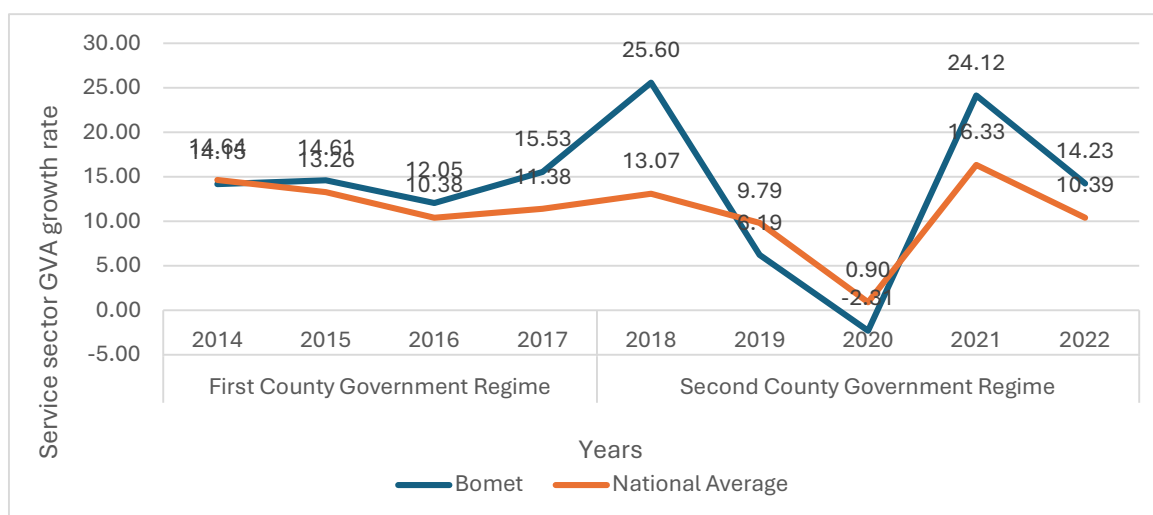


Data Source: KNBS 2023-Gross County Product

Services Sector

The average growth rate of service sector is 10.35 per cent, which is below the national average of 10.39 per cent as shown in Figure 8.

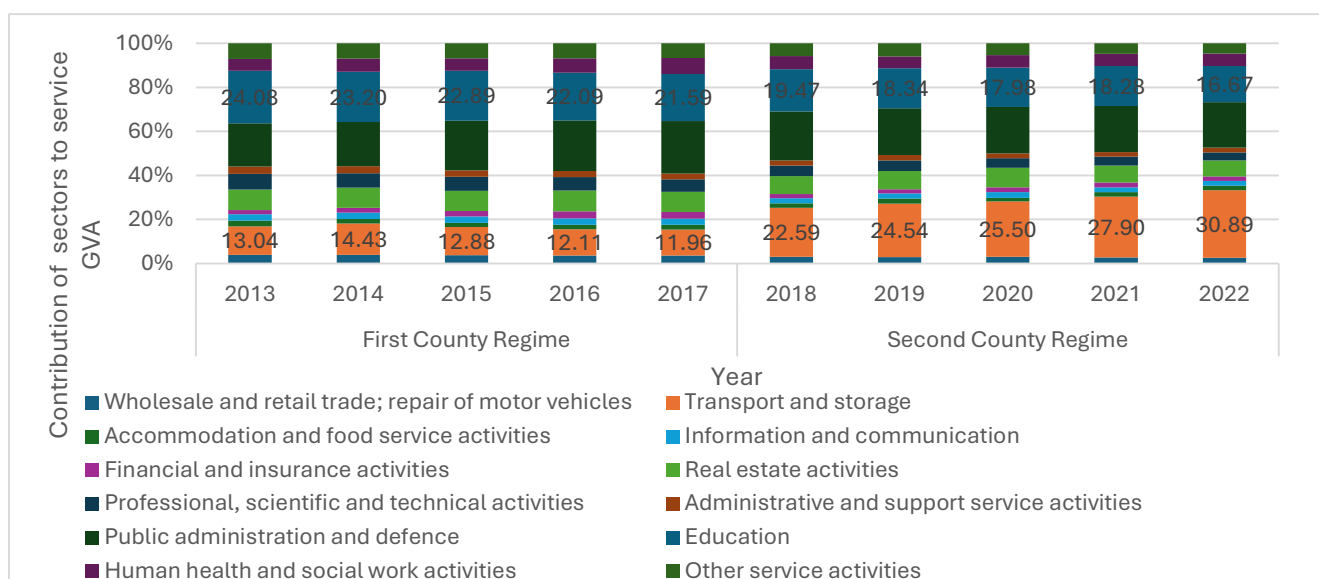
Figure 8 : Bomet County services sector GVA growth rate



Data Source: KNBS 2023-Gross County Product

In the first county government regime, the education sector dominated the services sector, contributing the highest to the service GVA at an average of 22.71 per cent. In the second county regime, the transport and storage sub-sector dominated in contribution to the services GVA with an average contribution of 26.29 per cent. The accommodation and food services activities sub-sector contributed the least to the services GVA at an average of 2.10 per cent over the periods of the two regimes as shown in Figure 9.

Figure 9 : Contribution of sub-sectors to service sector GVA



Data Source: KNBS 2023-Gross County Product

Quantity and Quality of Labour for Bomet County

Bomet County has a total of 479,057 working-age population, which is about 54.71 per cent of the total county population. Most of the working-age population is youthful (18-34 years) at 51.95 per cent as in Table 1.

Table 1 : Distribution of the working-age population by age categories

Working age population	Male	Female	Total	Per centage of total working age population (%)
15-17	36,369	35,040	71,409	14.91
18 -24	57,966	61,826	119,792	25.01
25-34	59,723	69,350	129,073	26.94
35-64	81,682	77,101	158,783	33.14
Total	235,740	243,317	479,057	

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

Most of the population in Bomet sub-counties are persons in the working age categories. Bomet Central has the highest percentage of persons of working age at 57.16 per cent. In all the sub-counties of Bomet County, the youthful (18-34 years) are the majority with those from Sotik dominating with the highest youthful working-age population at 52.54 per cent. Bomet East and Bomet Central follow closely with 52.17 per cent and 51.28 per cent, respectively, 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 per centage of the total
		15-17	18 -24	25 -34	35-64	

						sub-county population
Bomet East	144,267	11,660 (15.26)	19,775 (25.88)	20,089 (26.29)	24,891 (32.57)	76,415 (52.97)
Chepalungu	164,833	14,300 (16.81)	21,567 (25.36)	21,128 (24.84)	28,065 (32.99)	85,060 (51.60)
Konoin	163,504	12,842 (13.78)	22,459 (24.10)	26,604 (28.54)	31,296 (33.58)	93,201 (57.00)
Sotik	227,851	19,019 (15.31)	30,442 (24.50)	32,569 (26.22)	42,199 (33.97)	124,229 (54.52)
Bomet Central	175,211	13,588 (13.57)	25,549 (25.51)	28,683 (28.64)	32,332 (32.28)	100,152 (57.16)

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

Bomet County has high performance for most of the socio-economic indicators that affect the quality of labour. However, interventions are needed to reduce the percentage of teenage pregnancy, increase primary to secondary transition rates, and reduce the food poverty rates as shown in Table 3.

Table 3: Human capital indicators

Human capital indicators	County	National average
Literacy rate (2019)	78.90	78.41
Pre-primary net enrolment rate (2019)	76.62	67.51
Primary school net enrolment rate (2020)	85.80	77.72
Secondary school net enrolment rate (2020)	78.40	54.18
Average years of schooling (2014)	7.80	7.78
Percentage of children 12 -23 months fully vaccinated (2022)	81.30	74.97
Percentage of stunted children (2022)	22.10	19.75
Percentage of teenage pregnancy (2022)	9.00	15.79
Primary to secondary transition rates (2020)	84.60	86.13
Pupil teacher ratio (primary school) (2020)	34.00	28.28
Food poverty head count (%) (2021)	30.50	33.63
Child poverty head count (%) (2021)	48.00	42.67

Data Sources: KDHS 2022, KPHC 2019, Basic Education Statistical Booklet, 2020, 2021 KNBS Kenya Poverty Report

Most of the essential infrastructure and capital indicators that support the production of county output are below the national average as shown in Table 4. Therefore, interventions to improve the indicators and enable the country to increase output are needed.

Table 4: Essential infrastructure and capital indicators

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019)	22.10	38.52
Rural Access Index (2018)	94.53	63.72
Access to improved sanitation (2018)	31.00	59.04
Access to improved water (2018)	27.80	65.33
Distribution of population using the internet (2019)	16.60	18.69
The proportion of primary schools with internet (2020)	17.45	27.65

Proportion of secondary schools with functional internet (2020)	27.80	35.13
Per centage of households by housing material composite-finished materials(adequate) (2019)	34.79	51.71
Financial inclusion level (2021)	78.60	81.01
Percentage of households using bank usage (overall) (2021)	31.90	38.18
Percentage of Households using mobile money	75.20	78.58

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

County Employment Status

The employment to population ratio for Bomet County is at 68.18 per cent. Most of those working being the youthful population (18-34 years) at about 35.85 per cent as shown in Table 5. The percentage of the employed by gender is 39.55 per cent for male and 43.10 per cent for female. The unemployment rate is at 3.34 per cent with unemployment being higher for the youth (18-34 years) at 2.48 per cent and non-youth (35-64 years) at 0.79 per cent. The percentage of persons working aged 5-14 years and 15-17 is 1.61 per cent and 1.43 per cent, respectively. The inactivity rates are higher for the youth category (15-24 years) at 26.77 per cent while it is low for the persons of prime age (25-64 years) at 4.52 per cent.

Table 5 : Bomet County employment statistics

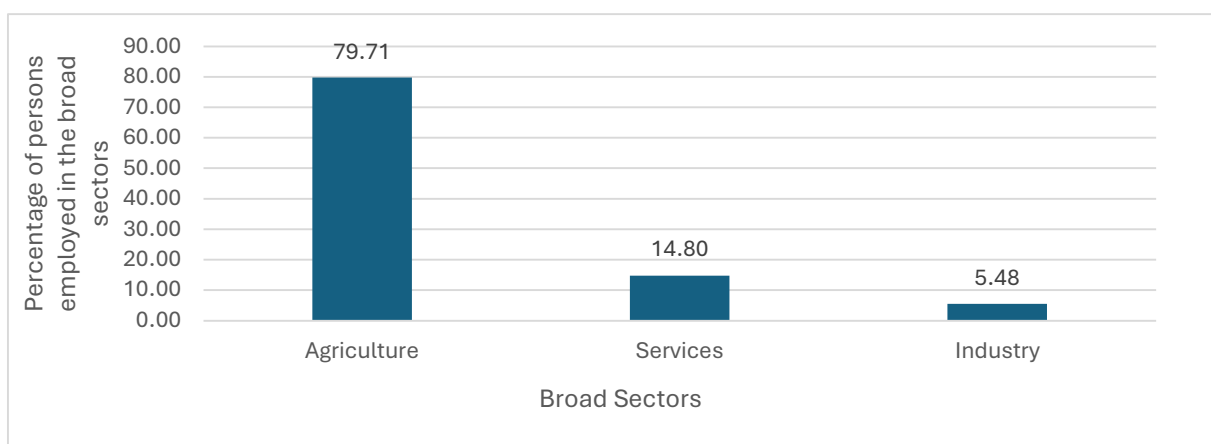
Employment statistics	Youth	Non-youth
Employment to population ratio (%)	35.85	31.25
Unemployment rate	2.48	0.79
Percentage of persons 5–17 years old working	3.04	-
Inactivity rate	26.77	4.52

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

Sectoral Employment

The agriculture sector is the highest employer in Bomet County at 79.71 per cent followed by the services sector at 14.80 per cent, while the industry sector employs only 5.48 per cent of the working population as shown in Figure 10. The agriculture sector is often associated with low productivity and is seen as a reservoir of underemployed workers. The continued dominance of the agriculture sector in the share of employment also indicates a low transfer of labour out of agriculture into higher-productivity sectors such as industry and services.

Figure 10: Percentage of persons employed in the broad sectors

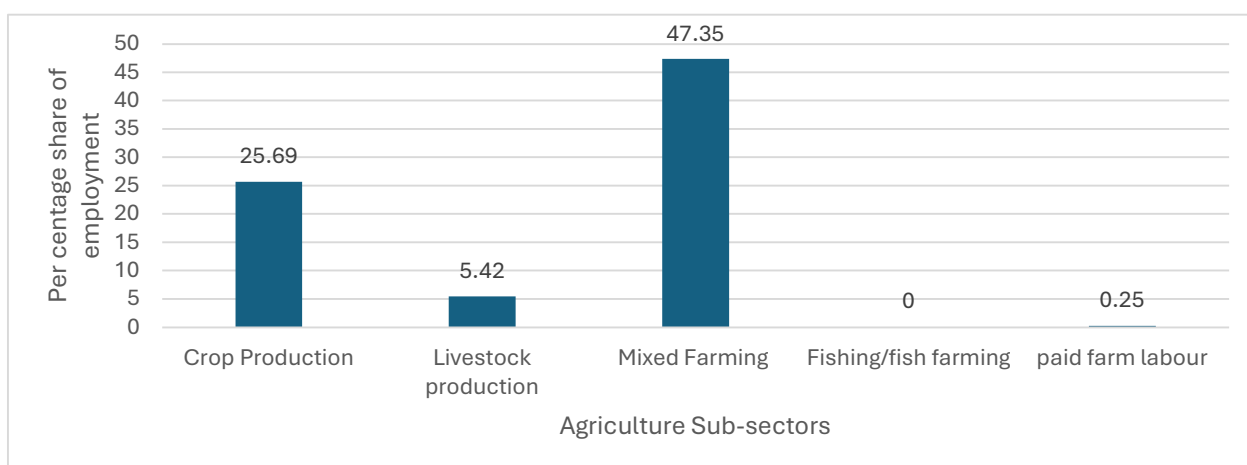


Data Source: KNBS 2021- Kenya Continuous Household Survey

Agriculture Sector employment

In agriculture sector, mixed farming has the highest share of employment in Bomet County as tea and maize production is done alongside dairy production as shown in Figure 11.

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

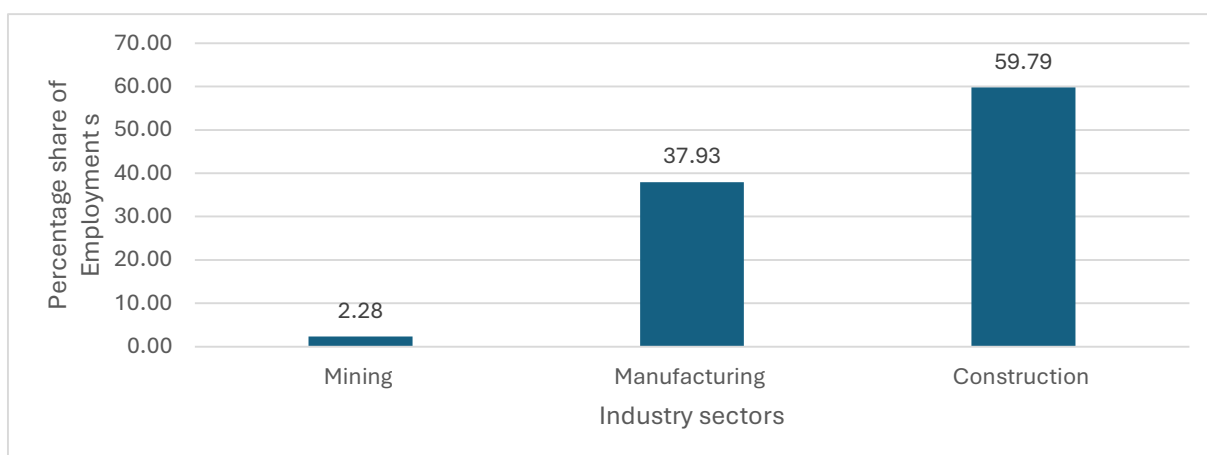


Data Source: KNBS 2021- Kenya Continuous Household Survey

Industry Sector Employment

In the industry sector, construction and manufacturing sub-sectors dominate the share of employment (Figure 12). The main activity in mining was quarrying of stones. In the construction sub-sector, the main activity with the highest share of employment is the construction of buildings.

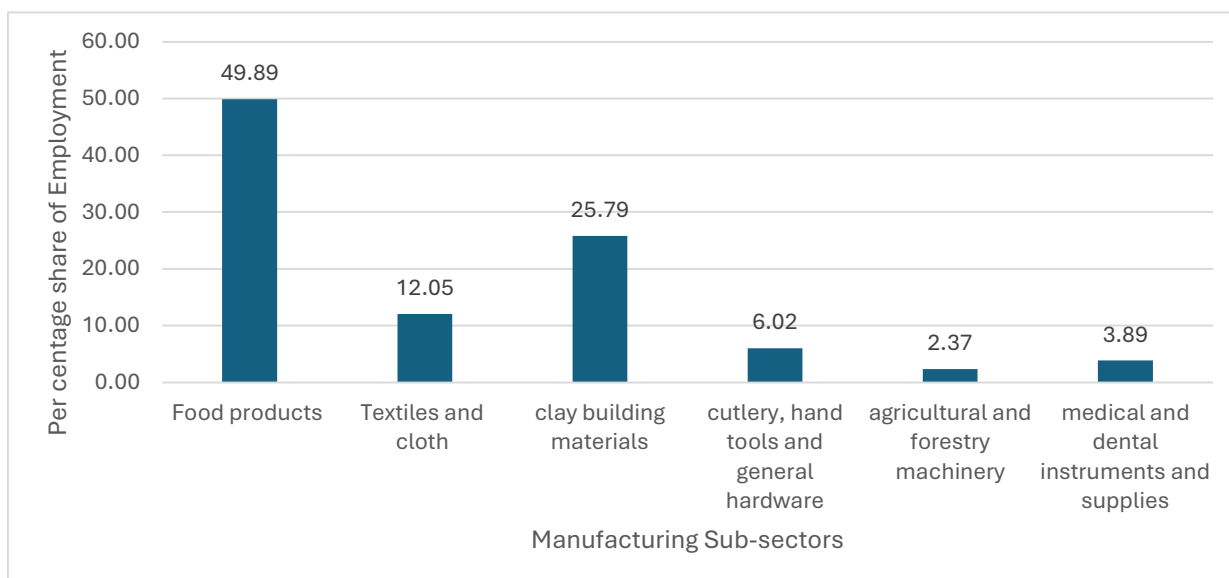
Figure 12 : Percentage share of employment in the industry sectors



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 manufacturing of food products, clay building materials and textile industries as shown in Figure 13. These sectors are heavily dependent on the agriculture sector for raw materials.

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



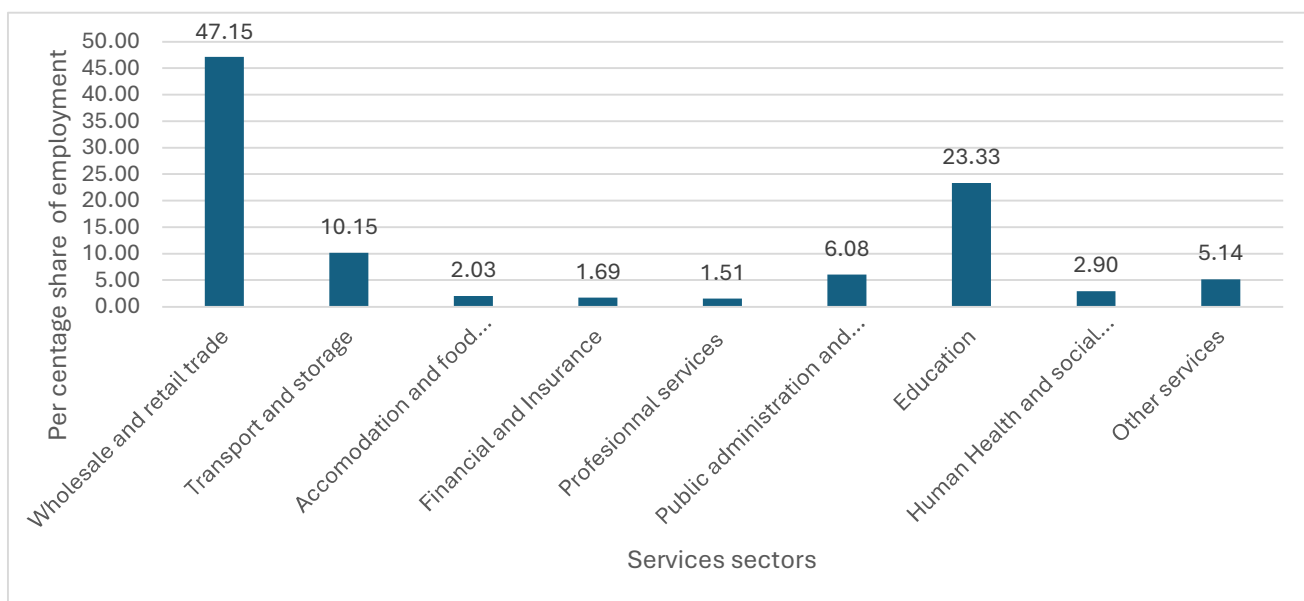
Data Source: KNBS 2021- Kenya Continuous Household Survey

Services Sector Employment

The majority of those working in the services sector work in wholesale and retail trade, followed by the education sector as shown in Figure 14. Retailing and wholesaling industries represent the intermediate steps in the distribution of merchandise between producers and consumers of goods. Wholesale and retail trade services (commerce) are crucial to the efficient and effective flow of goods from producer to consumer. This sector is labour-intensive, hence it is among the largest employers the world over. Despite the

higher share of employment in the service sector, the output of the sector remains low, with the sector having high levels of informality.

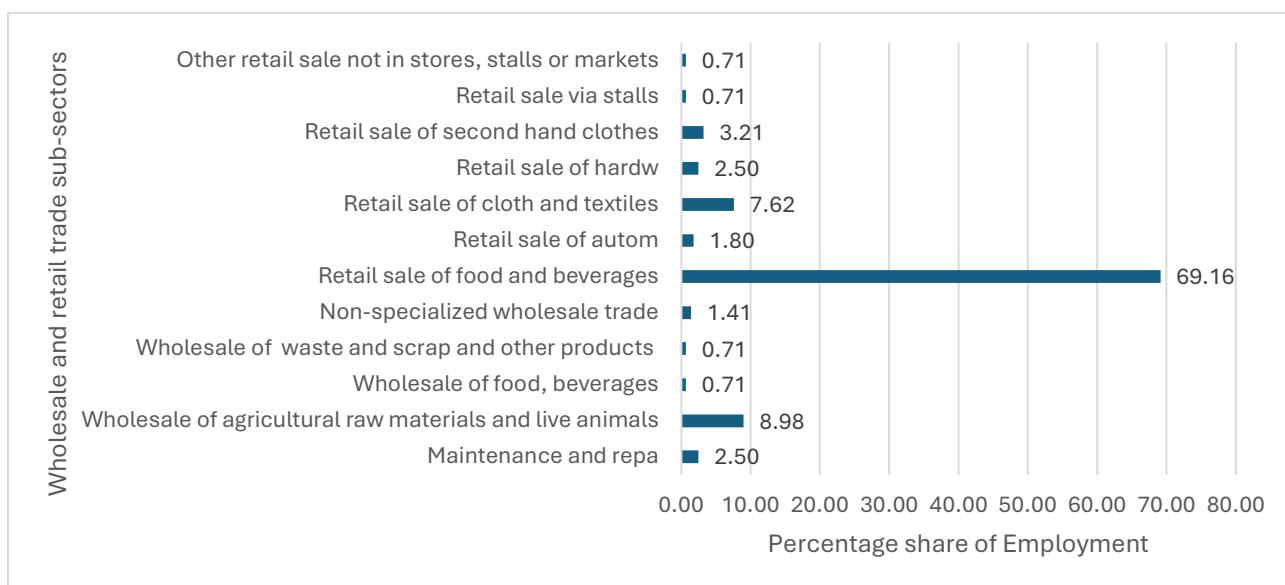
Figure 14: Percentage share of employment in the services sector



Data Source: KNBS 2021- Kenya Continuous Household Survey

The retail sale of food and beverages dominates employment in the wholesale and retail trade sector as shown in Figure 15. This indicates linkages with the agriculture and manufacturing sectors as they serve as an intermediary between the sectors and the consumers.

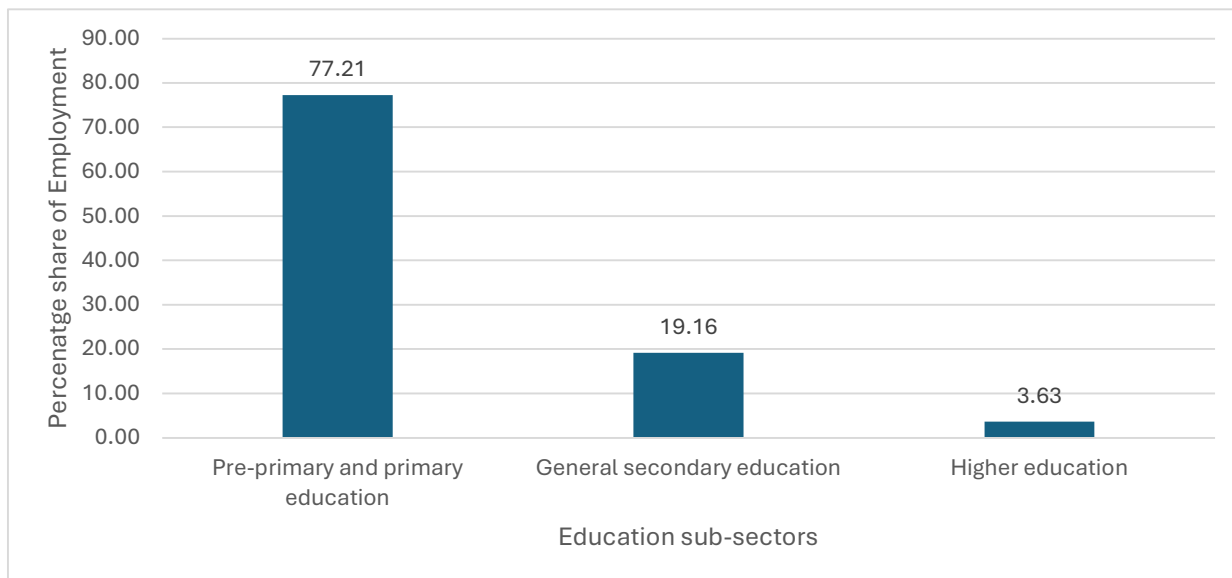
Figure 15: Percentage share of employment in the wholesale and retail trade, repair of motor vehicle sub-sectors



Data Source: KNBS 2021- Kenya Continuous Household Survey

In the education sector, pre-primary and primary education has the highest share of employment as shown in Figure 16. The education sector continues to dominate wage employment in Kenya, especially in the rural counties.

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

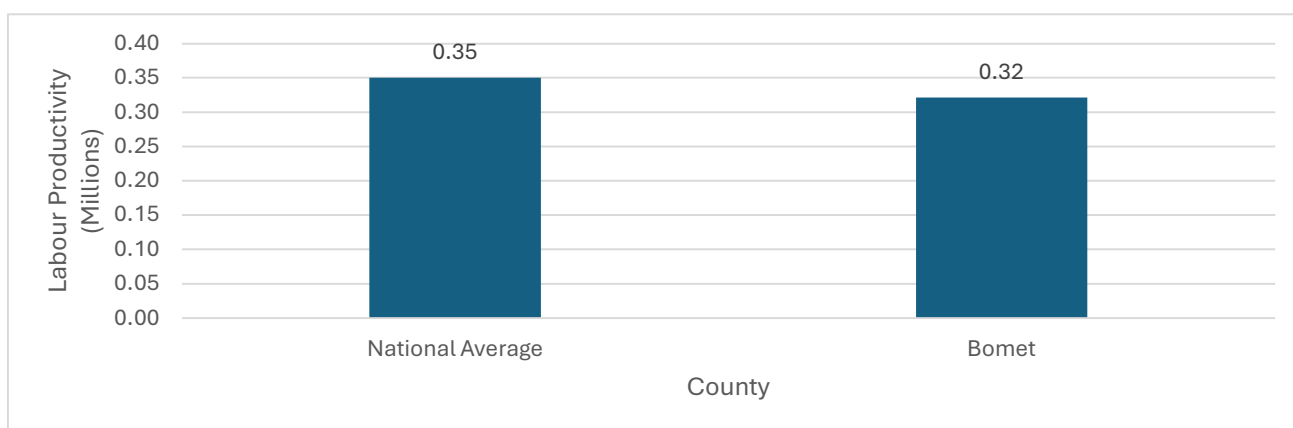


Data Source: KNBS 2021- Kenya Continuous Household Survey

Labour Productivity

Bomet County labour productivity is 0.32 per cent, which is lower than the national average labour productivity of 0.35 per cent as shown in Figure 17.

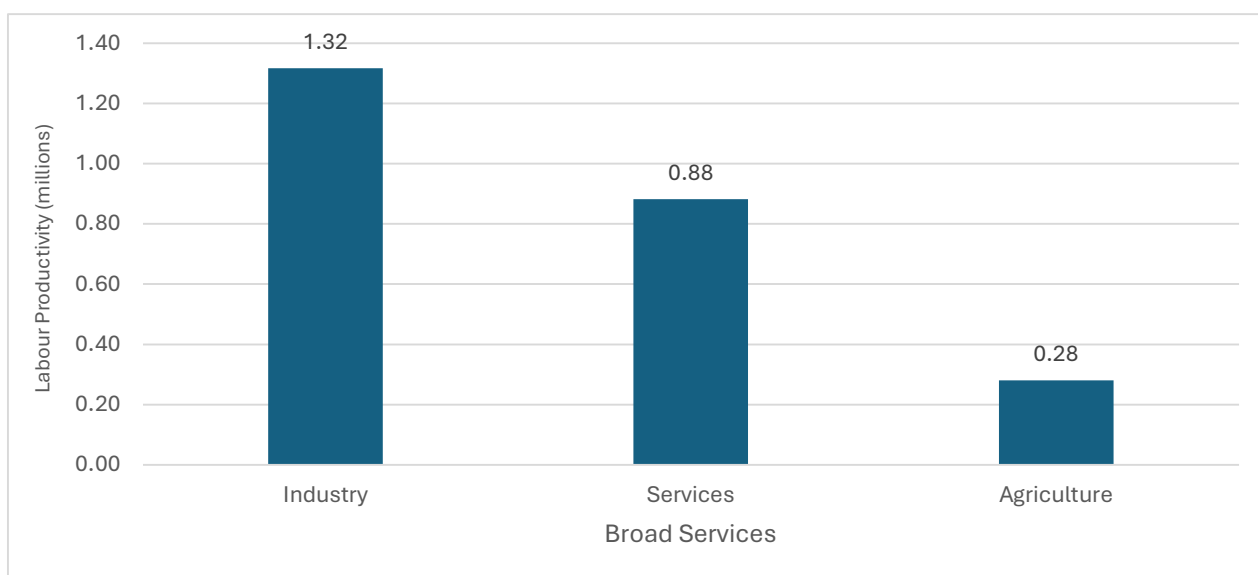
Figure 17: Labour productivity ratios (millions)



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

In Bomet County, the industry sector has the highest labour productivity at 1.32 per cent, followed by the services sector at 0.88 per cent and the agriculture sector at 0.28 per cent as shown in Figure 18.

Figure 18 : Labour productivity by sectors

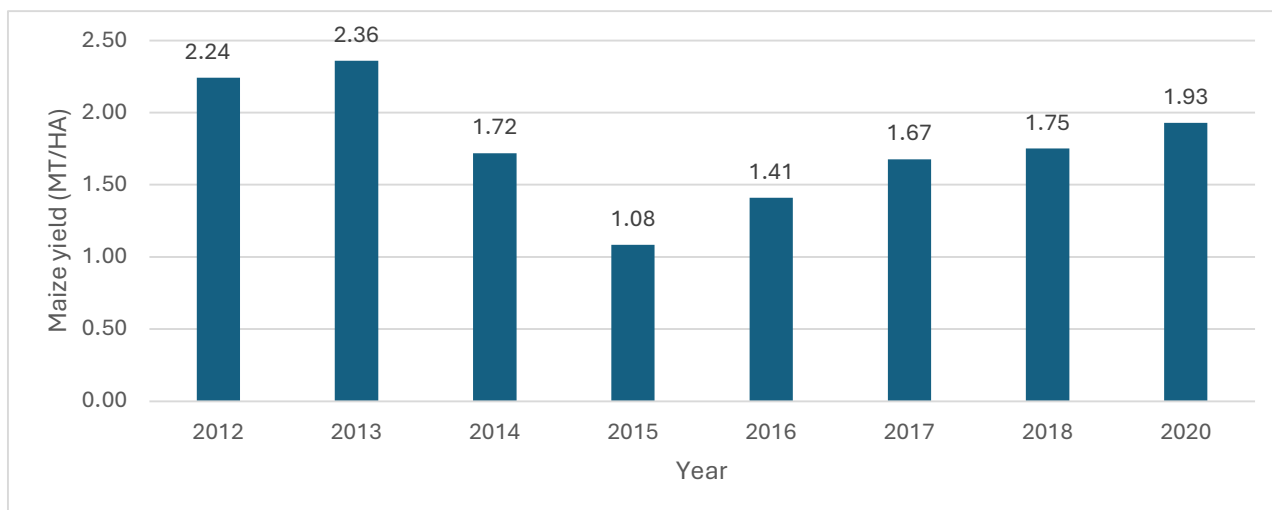


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Agriculture Productivity

In the agriculture sector, maize productivity has been declining over the years despite the hectareage of maize harvested being relatively constant as shown in Figure 19. The highest declines were in 2015 and 2016, which is attributable to the fall armyworm invasion that affected the Africa as a region.

Figure 19: Maize yield (MT/HA)



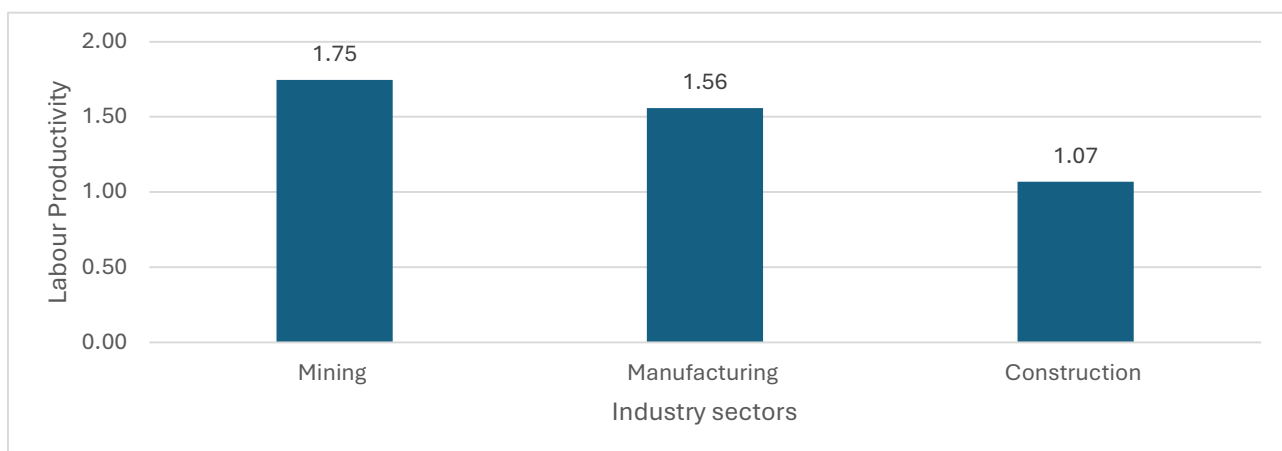
Data source: National Information Platform for Food and Nutrition (NIPFN)

Industry Sector Labour Productivity

A disaggregation of labour productivity in the industry sector reveals that in Bomet County, the mining and quarrying sector had relatively higher labour productivity. The

construction sector has the lowest labour productivity despite having the highest share of employment in the industry sector as in Figure 20.

Figure 20: Labour productivity in industry sectors

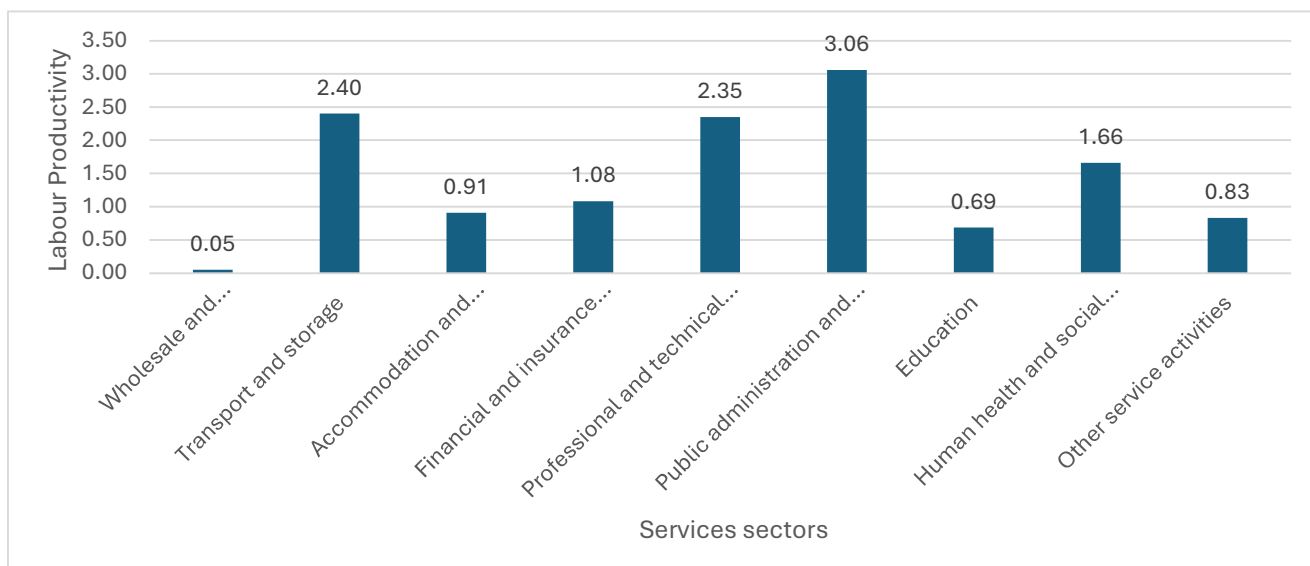


Data Source: Author's computation using KNBS 2023-Gross County Product and KNBS 2021- Kenya Continuous Household Survey

Services Sector Labour Productivity

The public administration and defence sub-sector, which is a non-market service, has the highest labour productivity while among the market services, transport and storage has the highest labour productivity. The wholesale and retail trade sector, which had the highest employment in the services sector had relatively lower labour productivity as shown in Figure 21.

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 agriculture sector dominates the share of GVA for Bomet County. Maize production has been on the rise since 2016 while milk and honey dominate the livestock products. The share of the manufacturing sector is declining but remains substantive in the industry broad sector. The transport and storage services dominate the services sector.
- (ii) The quality of labour is within the national average. However, interventions are required to reduce child poverty and therefore stunting. Over 50 per cent of the population is 18-34 years.
- (iii) Several of the essential infrastructure and capital indicators are below the national average. It means significant investment is required to improve access to electricity, improve water and sanitation, financial inclusion, and Internet connectivity.
- (iv) Unemployment rate is at 3.34 per cent and highest among the youth. A high level of inactivity among the youth implies that they are pursuing schooling. The agriculture sector employs most of the workforce mainly in mixed farming while industry has the lowest with majority in construction. Those in manufacturing are mostly in the manufacture of food products. In the services sector, the wholesale and retail sector dominate, with majority in retail sale of food and beverage.
- (v) Labour productivity is slightly lower than the national average. The industry sector has the highest productivity while the agriculture sector that dominates the county GVA has the lowest productivity. In industrial sector, the highest productivity is in the mining sector. In the services sector, public administration has the highest productivity.

Policy Recommendations

- (i) Improving quality of labour remains a priority necessitating implementation of nutrition sensitive social protection programmes that aim to reduce child poverty and stunting. Promoting secondary school transition is also a priority.
- (ii) Investment in provision of essential infrastructure to attract investments in various sectors is needed. This includes access to electricity, improved water and sanitation, financial inclusion, and Internet connectivity.
- (iii) Create an enabling environment for the MSMEs to thrive. This including in food safety, preservation, and processing as the majority of those in wholesale and retail sector are engaged in retail sale of food and beverages services sub-sector. This will help to reduce wastage and improve incomes.
- (iv) Improve and sustain agriculture productivity by exploiting the dairy and apiculture value chain. Further, unlock the potential for maize production.

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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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