



# Policy Brief

*Thinking Policy Together*

**No. 64/2023-2024**

## **Assessing Labour Productivity for Kitui County**

***By Cecilia Naeku and Esther Irungu***

### **Introduction**

Kitui County is a member of the South-Eastern Kenya *Economic Bloc* (SEKEB). The county is classified as a semi-arid county that experiences between 30-84 per cent aridity levels. The county land size is 30,430 km<sup>2</sup> and has 18 sub-counties namely: Ikutha, Katulani, Kisasi, Kitui Central, Kitui West, Kyuso, Lower Yatta, Matinyani, Migwani, Mumoni, Mutitu, Mutitu North, Mutomo, Mwingi Central, Mwingi East, Nzambani, Thagicu and Tseikuru.

### **Key Highlights**

Productivity in Kitui County is characterized by the following:

- (i) The service sector has the highest share of the gross value added, dominated by transport and storage. The largest share of livestock products includes beef, poultry meat, and honey. The industry is dominated by construction, but manufacturing is also sizable.
- (ii) Quality of labour requires efforts to increase secondary school enrolment rates and reduce stunting, food poverty, and child poverty.
- (iii) The essential infrastructure requires interventions to increase access to electricity and the internet, improve water and sanitation, and increase financial inclusion.
- (iv) The agriculture sector is the largest employer engaged in crop production and mixed farming. A majority of those in the industry sector are in construction while those in services are mainly in the wholesale and retail trade.
- (v) Labour productivity is highest in the services sector. In the agriculture sector, crop production is challenged by drought, but the county has a comparative advantage in green grams, which needs to be exploited.

To enhance productivity, there is a need to:

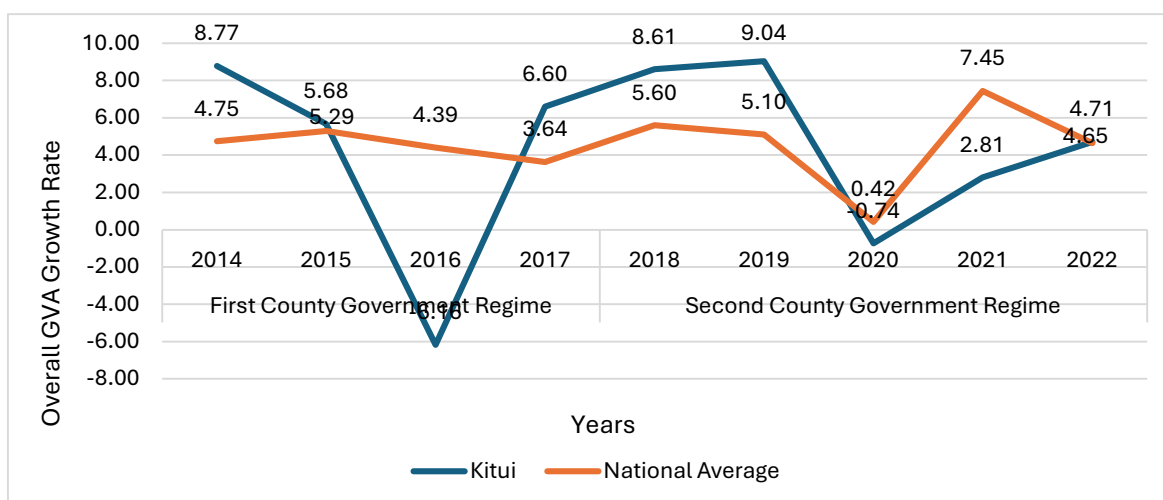
- (i) Building climate resilience in agriculture by encouraging the growing of drought-resistant fast-maturing crops, increasing the uptake of crop insurance, using information from drought early warning systems to inform crop production, and exploiting the potential of green grams.
- (ii) Improve the quality of labour with nutrition-sensitive programmes to reduce food poverty, child poverty, and stunting.
- (iii) Promote secondary school transition and increase teacher-pupil ratio.
- (iv) Attract private investment by providing essential infrastructure that includes increasing access to electricity, improved water and sanitation, financial inclusion, and internet connectivity.

### **Kitui County Economic Performance**

Kitui County contributes on average to 1.3 per cent of the National Gross Value Added with an average GVA size of Ksh 93,3146 million. The GVA per capita for Kitui County is Ksh 82,132.00 with an average population growth rate of 2.1 per cent and overall poverty levels at 55.20 per cent.

Kitui County has shown steady growth in GVA with an average growth rate of 4.37 per cent from 2013-2022, which is the same as the national average growth of 4.37 per cent as shown in Figure 1. The highest growth rate was experienced in 2019. The lowest growth rate was experienced in 2016.

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

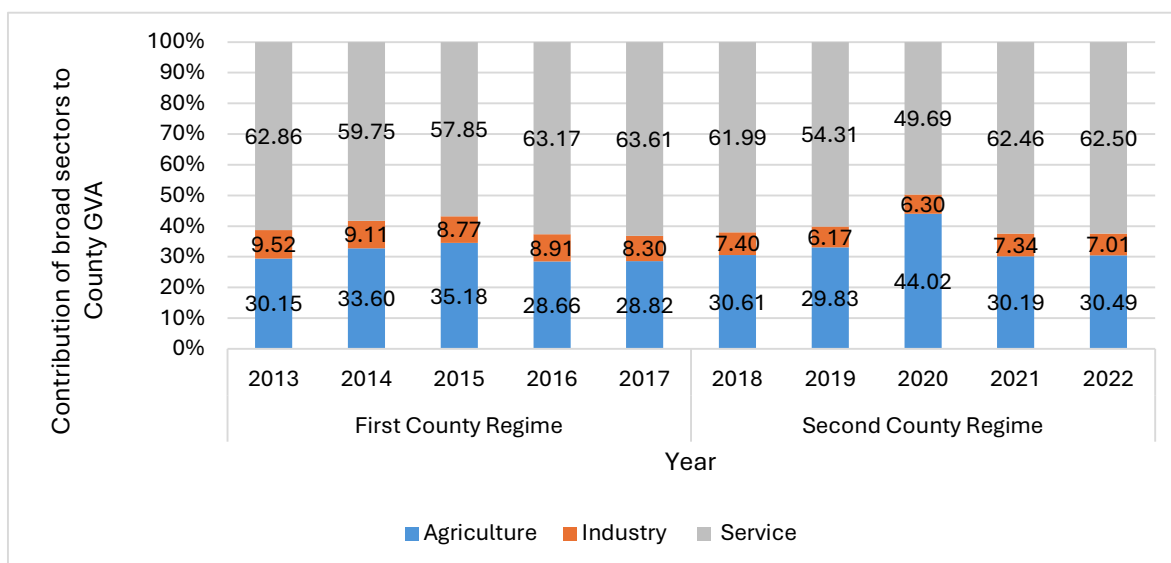


Data Source: KNBS 2023-Gross County Product

### Sectoral Analysis of Kitui County GVA

The service sector is dominant in Kitui County with an average contribution to GVA of 59.82 per cent. The agriculture sector is second, contributing an average of 32.16 per cent to the GVA while the industry contributes about 7.88 per cent as shown in Figure 2.

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



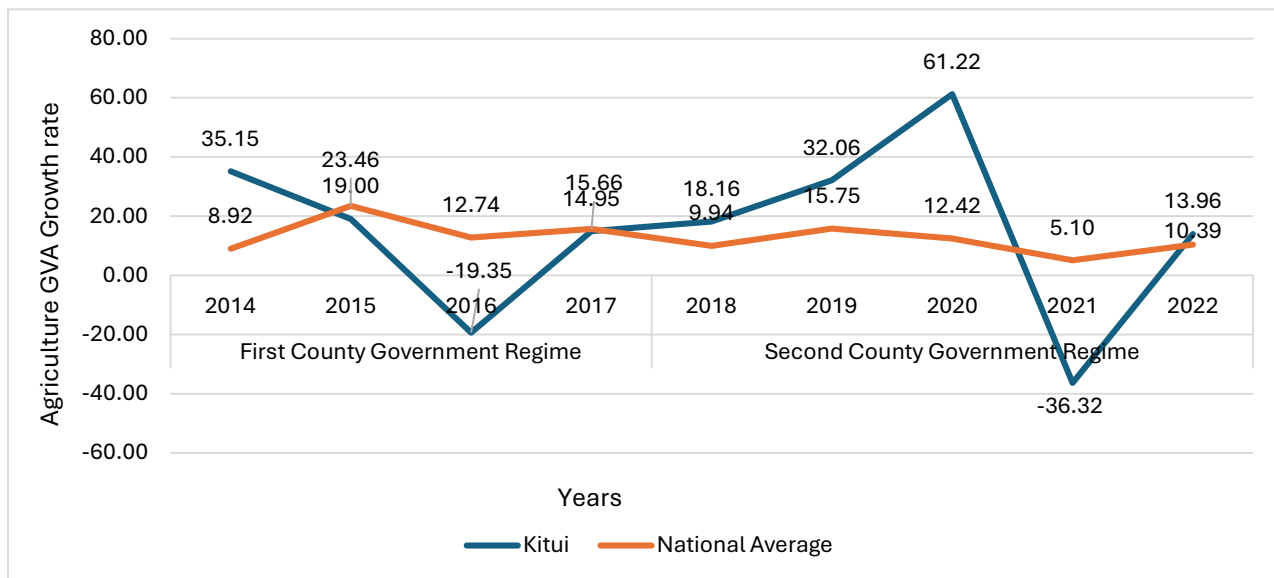
Data Source: KNBS 2023-Gross County Product

### Agriculture Sector

The average agriculture GVA growth rate (2013-2022) for Kitui County is 15.43 per cent, which is above the national average of 12.71 per cent as shown in Figure 3. Despite this,

the agriculture sector in Kitui is highly vulnerable to drought shocks. The 2016/17 drought episodes contributed to a decline in growth of -19.35 while the 2020-2023 multiyear drought led to a decline of -36.32 per cent.

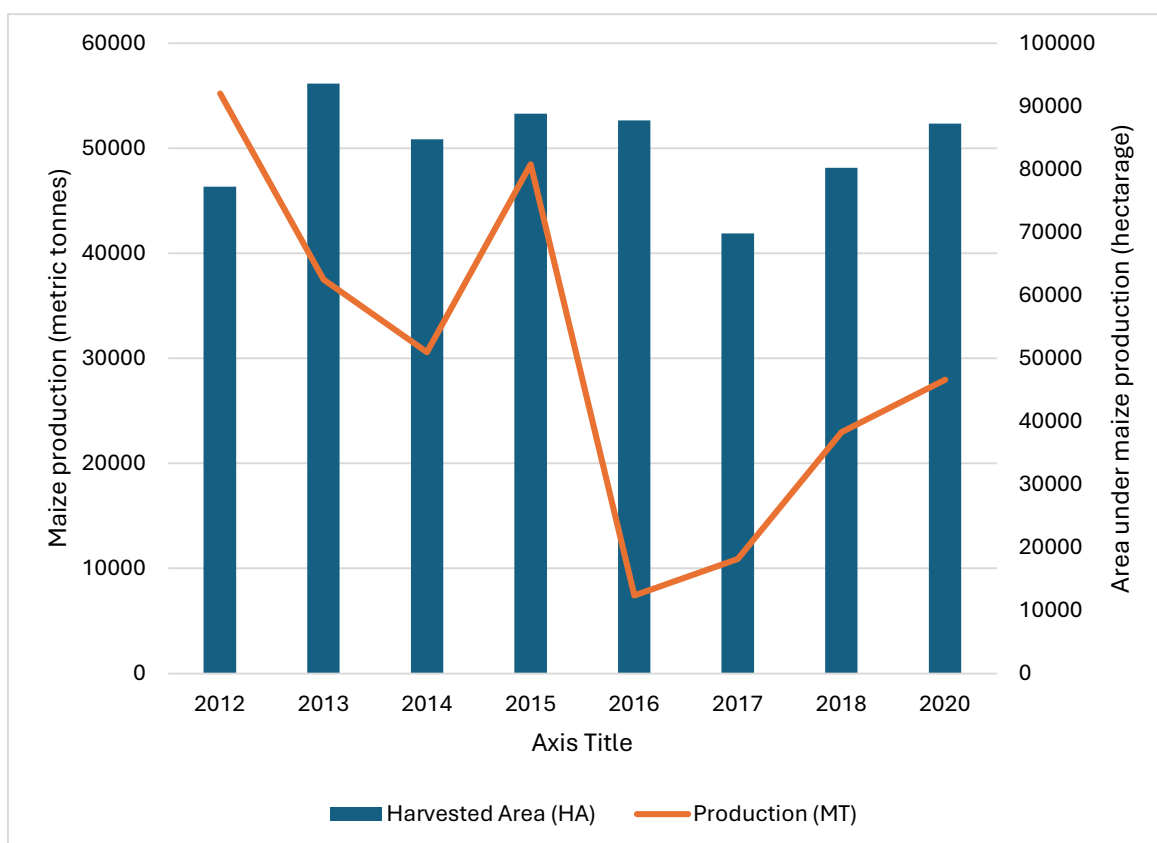
**Figure 3: Kitui County agriculture GVA growth rate**



*Data Source: KNBS 2023-Gross County Product*

Maize, the main staple food in the country is also the main food crop produced in Kitui County. Although the area of maize production has been relatively constant over the years, maize production has been decreasing (Figure 4). The lowest decline in maize production was in 2014, 2016/17, years the country experienced drought episodes.

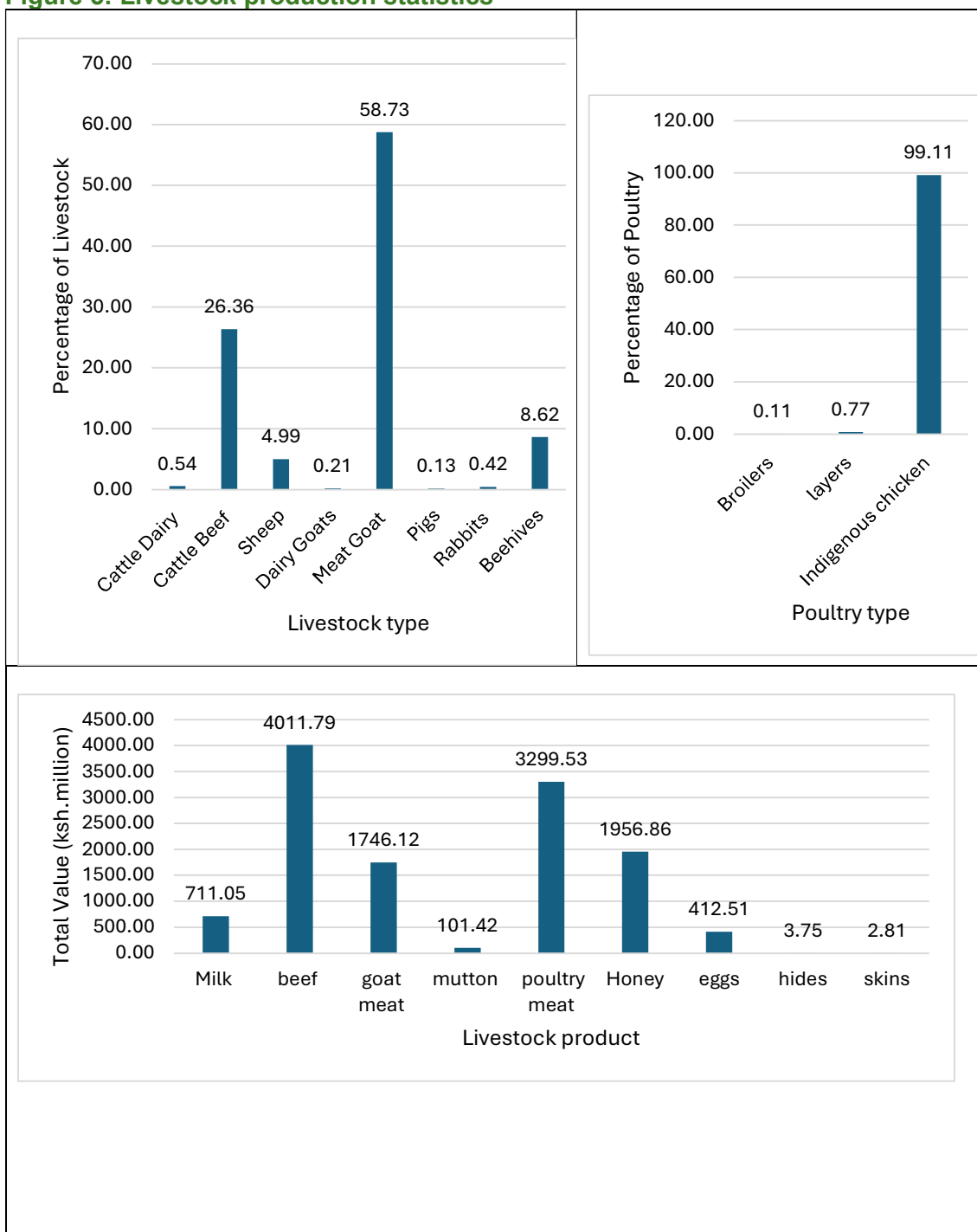
**Figure 4: Maize production**



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

Livestock production is an important economic activity in Kitui County. The county has a substantial high number of beef cattle and meat goats. Meat goats are the most popular livestock kept; poultry farming is comparatively high, indigenous chicken being the most popular poultry type kept. Beehives are significantly high in the county as honey production is a major source of income. Beef, poultry meat, and honey have the highest economic value in the county. The value of marketed hides and skins is very low, as livestock production is yet to be fully integrated into the leather value chain. Additionally, climate change through frequent and severe droughts is also inhibiting the full realization of the potential in livestock production (Figure 5).

**Figure 5: Livestock production statistics**

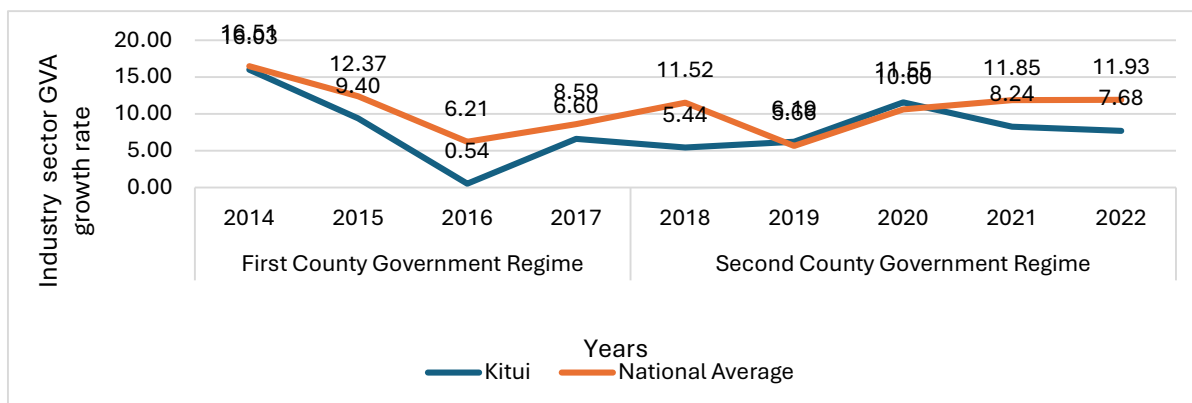


Data source: National Information Platform for Food and Nutrition (NIPFN)

**Industry Sector**

The average industry sector growth rate for Kitui County is 7.96 per cent, which is below the national average of 10.58 per cent as shown in Figure 6.

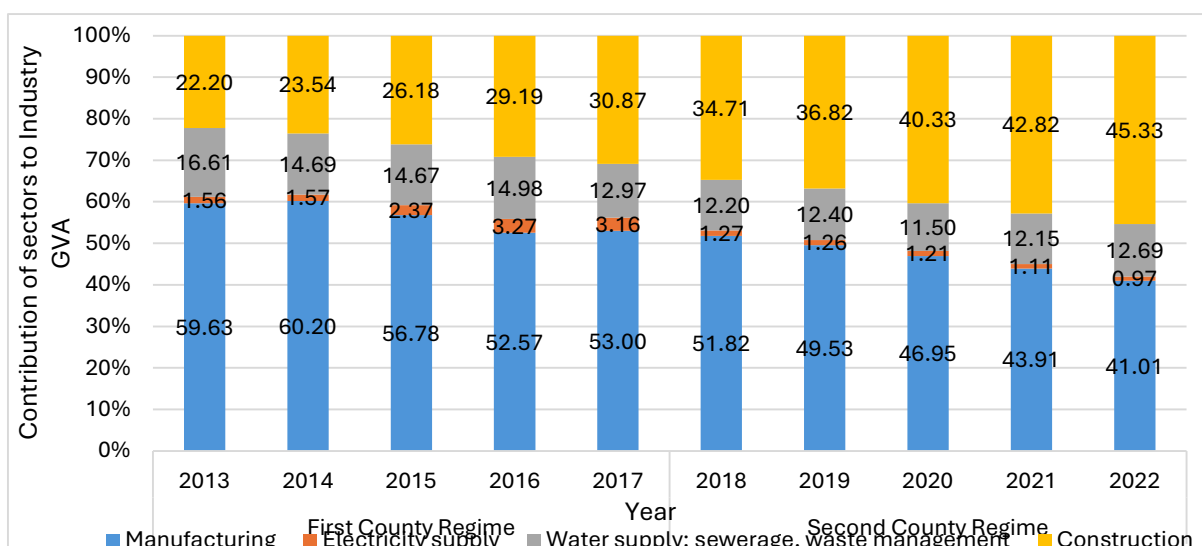
**Figure 6: Kitui County Industry GVA growth rate**



Data Source: KNBS 2023-Gross County Product

Manufacturing and construction are other important sub-sectors in Kitui County as they dominate the industry sector. The share of manufacturing has been declining over the years while that of construction expanded and dominated (Figure 7).

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

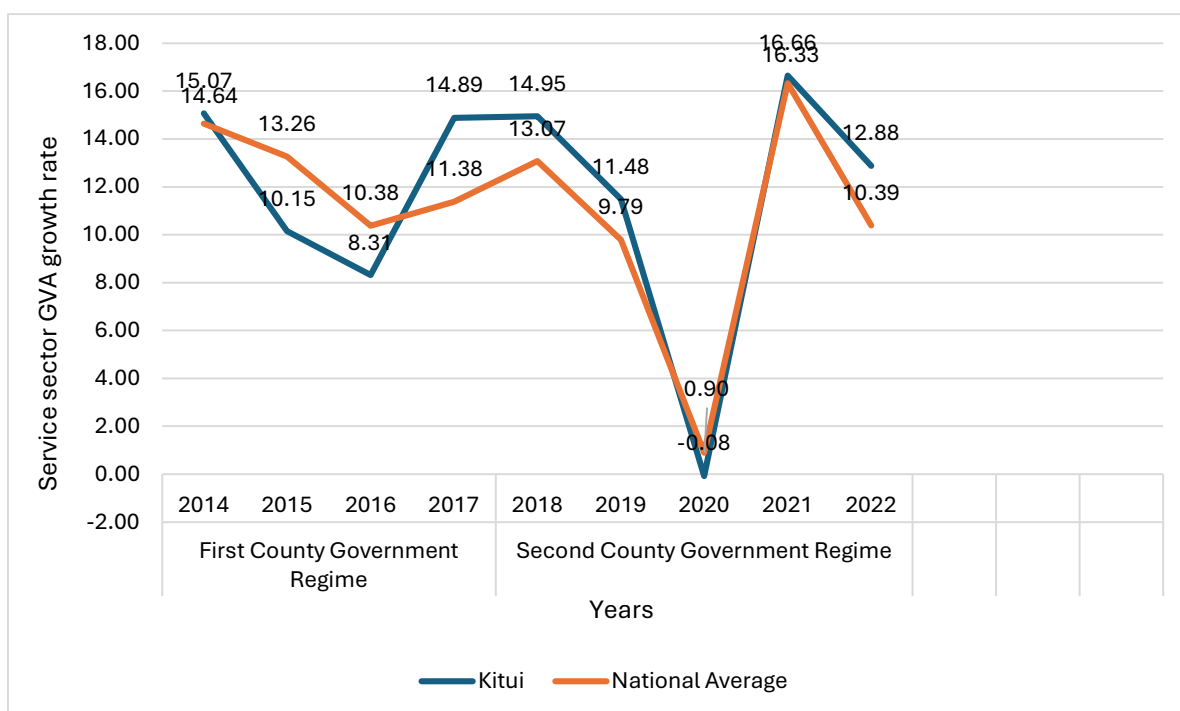


Data Source: KNBS 2023-Gross County Product

### Services Sector

The average service sector growth rate is 9.21 per cent which is below the national average of 11.13 per cent as shown in Figure 8.

**Figure 8: Kitui County Services sector GVA growth rate**

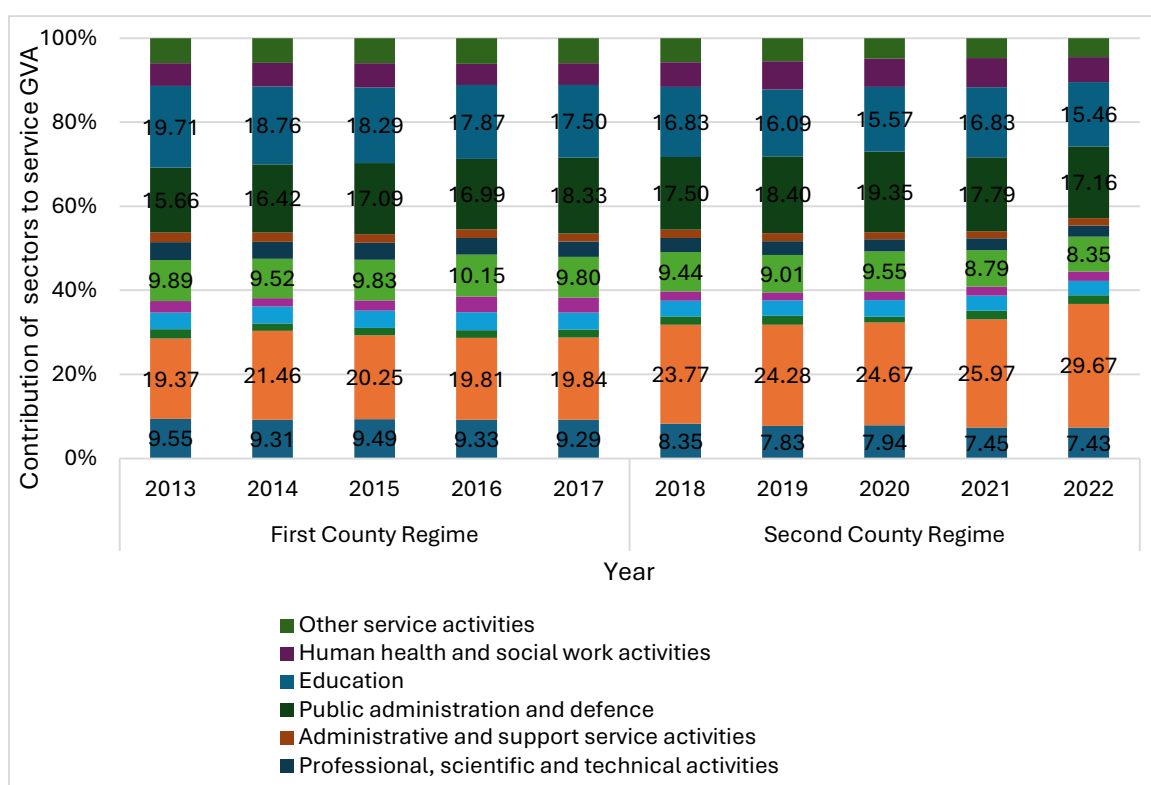


*Data Source: KNBS 2023-Gross County Product*

The transport and storage sector dominates the services sector with the highest contribution to service GVA at 22.91 per cent. The Public Administration and defense sector is the second highest contributor to services GVA at 17.47 per cent. The education sector is third at an average of 17.29 per cent as shown in Figure 9.



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



Data Source: KNBS 2023-Gross County Product

### Quantity and Quality of Labour Force for Kitui County

Kitui County has a total working-age population of 620,269, which is about 54.59 per cent of the total county population. The majority of the working-age population is youthful (18-34 years) at 44.35 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	51,437	49,566	101,003	16.28
18-24	69,096	69,769	138,865	22.39
25-34	61,522	74,678	136,200	21.96
35-64	112,675	131,526	244,201	39.37
<b>Total</b>	<b>294,730</b>	<b>325,539</b>	<b>620,269</b>	

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

The majority of the population in Kitui sub-counties are persons in the working age categories. Kitui Central has the highest percentage of persons of working age at 61.32 per cent as indicated in Table 2.

**Table 2: Sub-county distribution of working-age population by age category**

Sub-county	Total population	Working Age Population				Working age population (15-64) as a percentage of the total sub-county population
		15-17	18-24	25-34	35-64	
Ikutha	82,962	8,332 (19.33)	9,696 (22.50)	8,498 (19.72)	16,570 (38.45)	43,096 (51.95)
Katulani	47,107	4,113 (15.02)	5,843 (21.34)	5,665 (20.69)	11,756 (42.94)	27,377 (58.12)
Kisasi	46,142	4,319 (16.70)	5,784 (22.36)	5,457 (21.10)	10,303 (39.84)	25,863 (56.05)
Kitui Central	105,986	7,343 (11.30)	15,246 (23.46)	17,231 (26.51)	25,174 (38.73)	64,994 (61.32)
Kitui West	70,870	5,852 (14.54)	8,570 (21.30)	8,786 (21.83)	17,035 (42.33)	40,243 (56.78)
Kyuso	76,866	6,947 (17.72)	9,057 (23.11)	8,388 (21.40)	14,807 (37.77)	39,199 (51.00)
Lower Yatta	63,329	5,772 (15.93)	7,778 (21.47)	8,224 (22.70)	14,455 (39.90)	36,229 (57.21)
Matinyani	47,810	3,962 (14.45)	5,766 (21.04)	6,004 (21.90)	11,679 (42.61)	27,411 (57.33)
Migwani	79,251	6,685 (15.18)	9,801 (22.26)	9,704 (22.04)	17,845 (40.52)	44,035 (55.56)
Mumoni	29,344	2,813 (18.89)	3,394 (22.80)	3,161 (21.23)	5,521 (37.08)	14,889 (50.74)
Mutitu	55,284	5,336 (19.17)	5,783 (20.77)	5,662 (20.34)	11,056 (39.72)	27,837 (50.35)
Mutitu North	21,214	1,974 (17.39)	2,265 (19.96)	2,310 (20.35)	4,800 (42.29)	11,349 (53.50)
Mutomo	113,350	11,039 (18.70)	13,093 (22.18)	11,791 (19.98)	23,103 (39.14)	59,026 (52.07)
Mwingi Central	108,713	9,415 (15.45)	14,536 (23.86)	14,632 (24.02)	22,341 (36.67)	60,924 (56.04)
Mwingi East	85,134	8,159 (19.21)	9,448 (22.24)	8,556 (20.14)	16,319 (38.41)	42,482 (49.90)
Nzambani	46,786	3,944 (14.90)	5,841 (22.06)	5,957 (22.50)	10,735 (40.54)	26,477 (56.59)
Thagicu	15,135	1,288 (16.41)	1,920 (24.46)	1,727 (22.00)	2,914 (37.13)	7,849 (51.86)
Tseikuru	40,871	3,710 (17.68)	5,044 (24.03)	4,447 (21.19)	7,788 (37.11)	20,989 (51.35)

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

Although Kitui County has the most socioeconomic indicators that affect the quality of labour higher than the national average, interventions are needed to increase secondary school enrolment and reduce stunting, food poverty, and child poverty (Table 3).

**Table 3: Human capital indicators**

Human Capital Indicators	County	National average
Literacy rate	83.00	78.41

Pre-primary net enrolment rate (2019)	70.55	67.51
Primary school net enrolment rate (2020)	98.00	77.72
Secondary school net enrolment rate (2020)	53.10	54.18
Average years of schooling (2014)	7.10	7.78
Percentage of children 12-23 months fully vaccinated (%)	56.80	74.97
Percentage of stunted children	25.10	19.75
Percentage of teenage pregnancy	9.20	15.79
Primary to secondary transition rates (2020)	82.10	86.13
Pupil-teacher ratio (primary school)	25.00	28.28
Food poverty headcount (%)	34.20	33.63
Child poverty headcount (%)	62.70	42.67

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

The majority of the essential infrastructure that supports the growth of Kitui County GVA is lower than the national average (Table 4). Interventions are needed to increase access to electricity, and internet access, improve water quality and sanitation, and increase financial inclusion.

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

Essential infrastructure indicators	County	National average
Percentage of households with access to electricity (2019 census)	17.10	38.52
Distribution of population using the internet (2019 census)	13.60	18.69
Rural Access Index (2018)	56.32	63.72
Access to improved sanitation (2018)	57.00	59.04
Access to improved water (2018)	53.20	65.33
Financial inclusion level (2021)	80.40	81.01
The proportion of primary schools with internet	34.75	27.65
Proportion of secondary schools with functional internet	30.50	35.13
Percentage of households by housing material composite-finished materials(adequate) (2019)	57.00	51.71
Percentage of households using bank usage (Overall)	31.80	38.18
Percentage of households using Mobile money)	76.70	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 is 66.09 per cent. The majority of those working is the non-youth working population (35-64) is 35.52 per cent, while the youth (18- 34) is 29.28 per cent as shown in Table 5. The percentage of the employed by gender shows a disparity at 39.86 for males and 45.58 for females. The unemployment rate is 4.94 per cent with unemployment being slightly higher for the youth (18-34 years) at 2.95 per cent and those between 35-64 years at 1.87 per cent.

The percentage of persons (5-17 years old) working is 4.14 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 25.06 per cent, which is expected as they are pursuing schooling, while low for the persons of prime age (25-64 years) at 3.10 per cent.

**Table 5: Kitui County employment statistics**

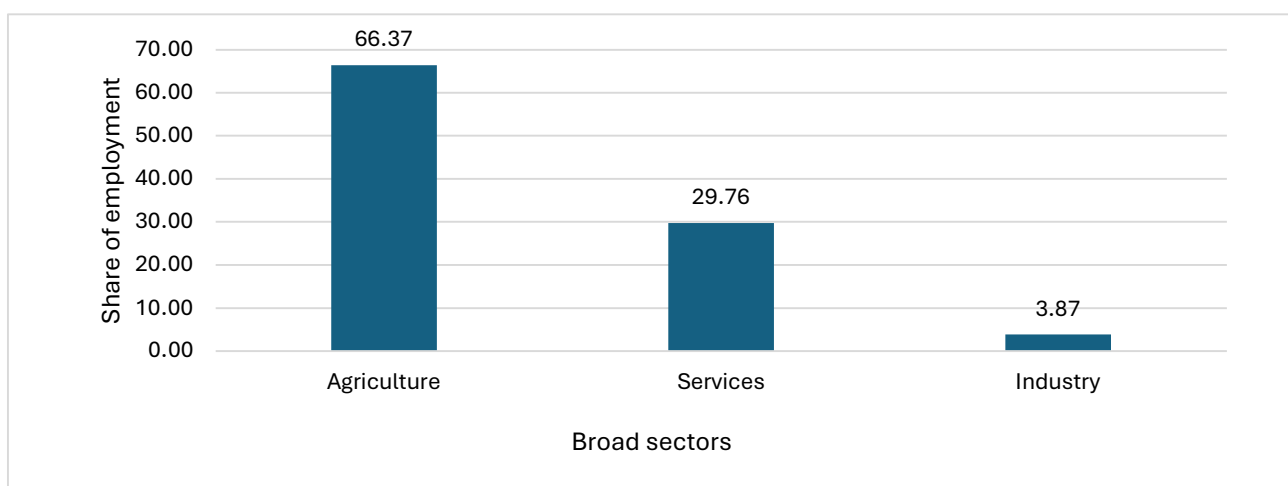
Employment statistics	Youth	Non-youth
Employment to population ratio (%)	29.28	35.52
Unemployment rate	2.95	1.87
Percentage of persons (5–17 years old) working	4.14	-
Inactivity rate	25.06	3.10

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

### Sectoral Employment

The agriculture sector is the highest employer in Kitui County at 66.37 per cent followed by the services sector at 29.76 per cent. The industry sector is third at 3.87 per cent as shown in Figure 10.

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

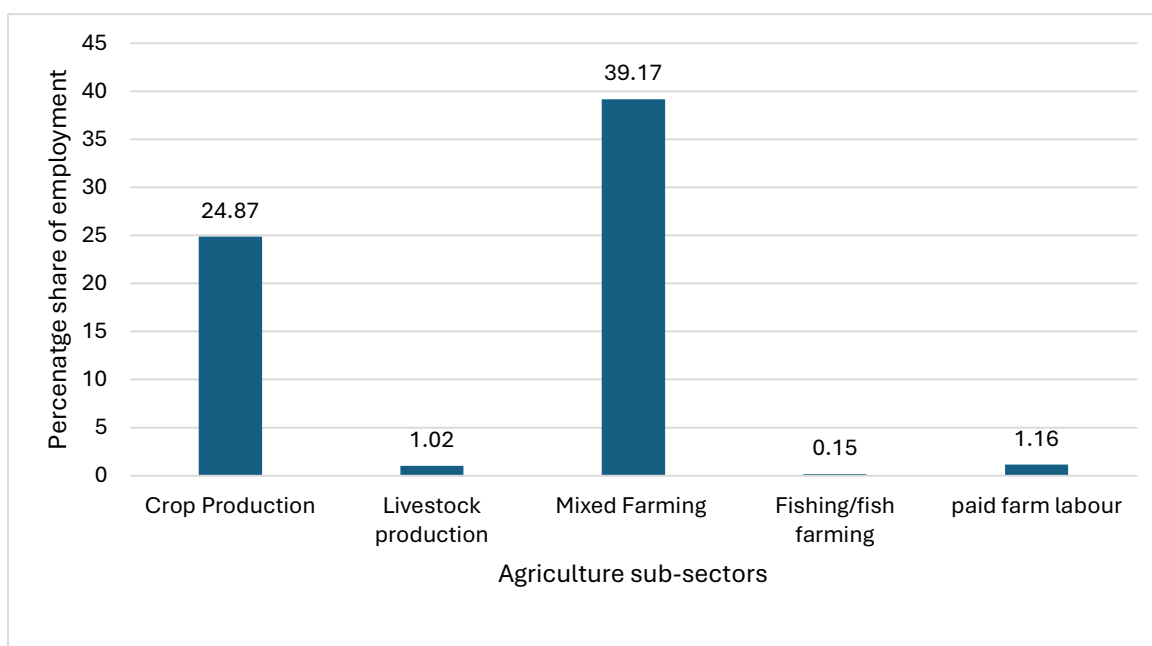


Data Source: KNBS 2021- Kenya Continuous Household Survey

### Agriculture Sector

In agriculture, the majority are those practicing crop production and mixed farming (Figure 11). The main food crops grown in the county are maize, cowpeas, mung beans, millet, and sorghum.

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

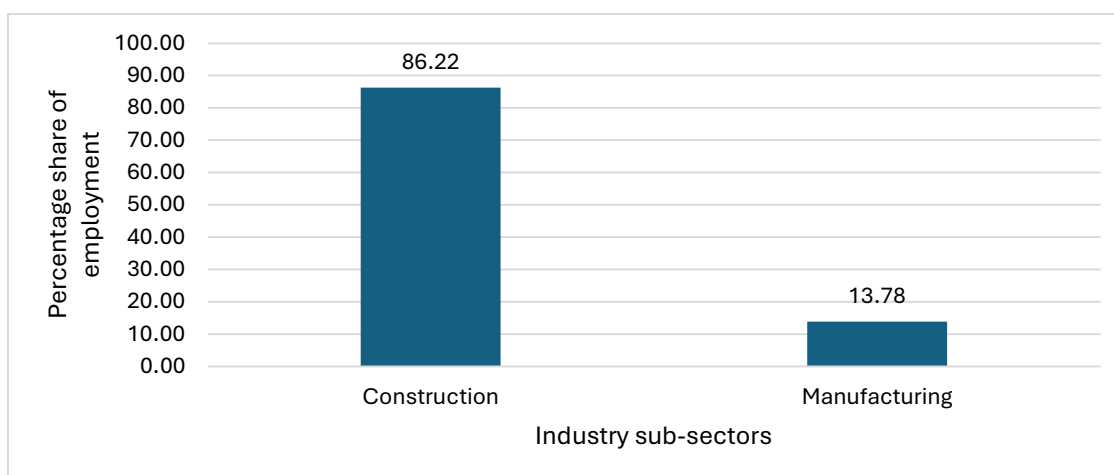


Data Source: KNBS 2021- Kenya Continuous Household Survey

### Industry Sector

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

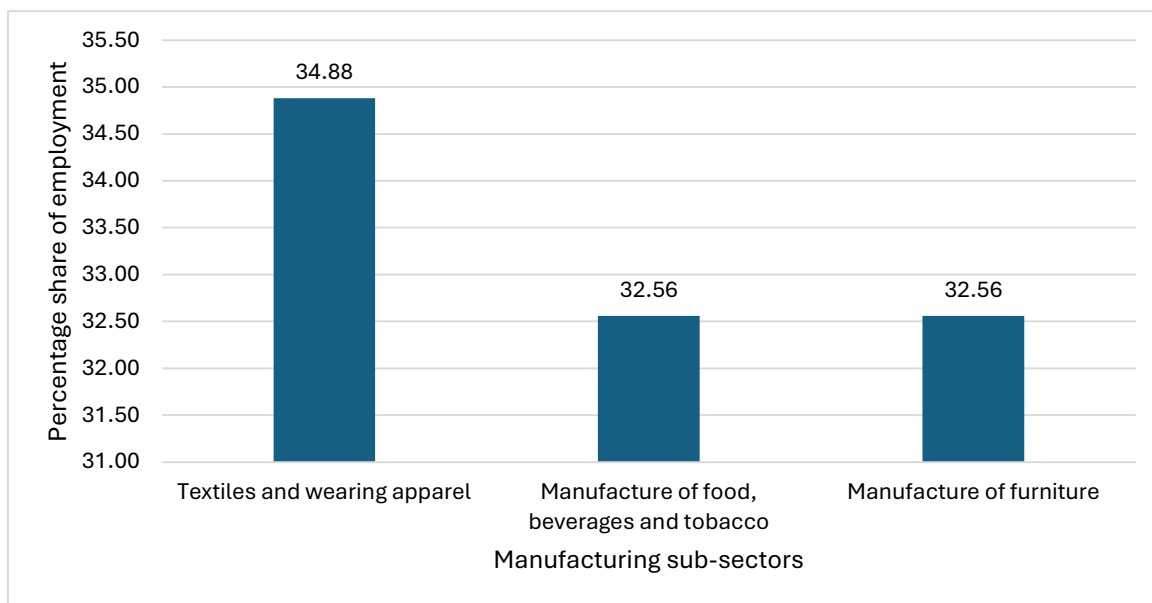
**Figure 12: Percentage share of employment in the industry sector**



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 agro-processing and textile industries as shown below in Figure 13.

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

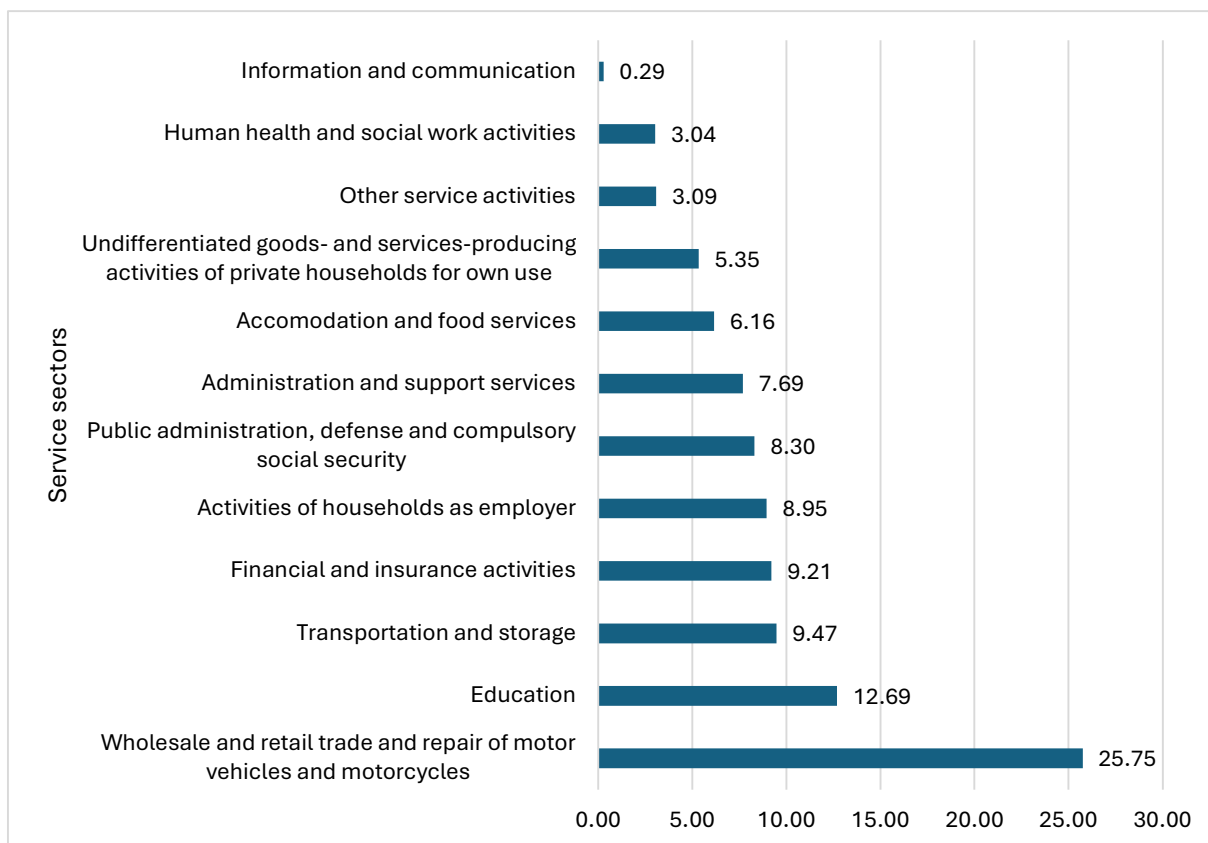


*Data Source: KNBS 2021- Kenya Continuous Household Survey*

### **Services Sector**

The majority of those working in the service sector are in wholesale and retail trade, and repair of motor vehicles and motorcycles as shown in Figure 14.

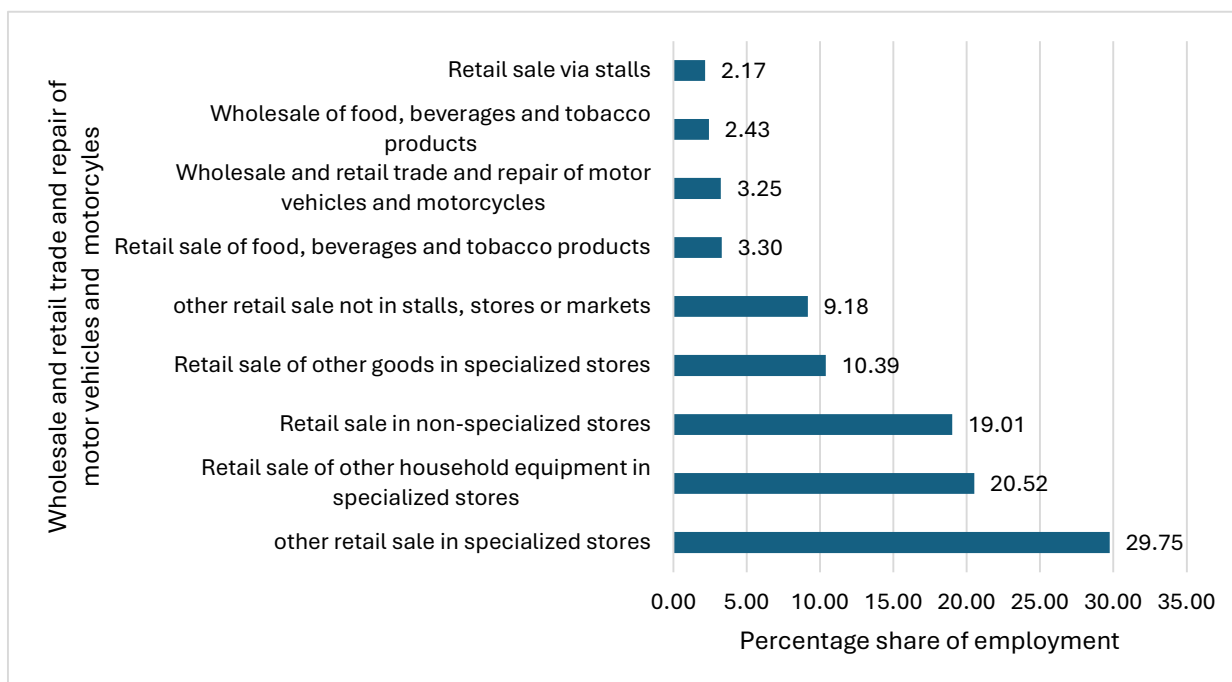
**Figure 14: Percentage share of employment in the service sector**



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

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

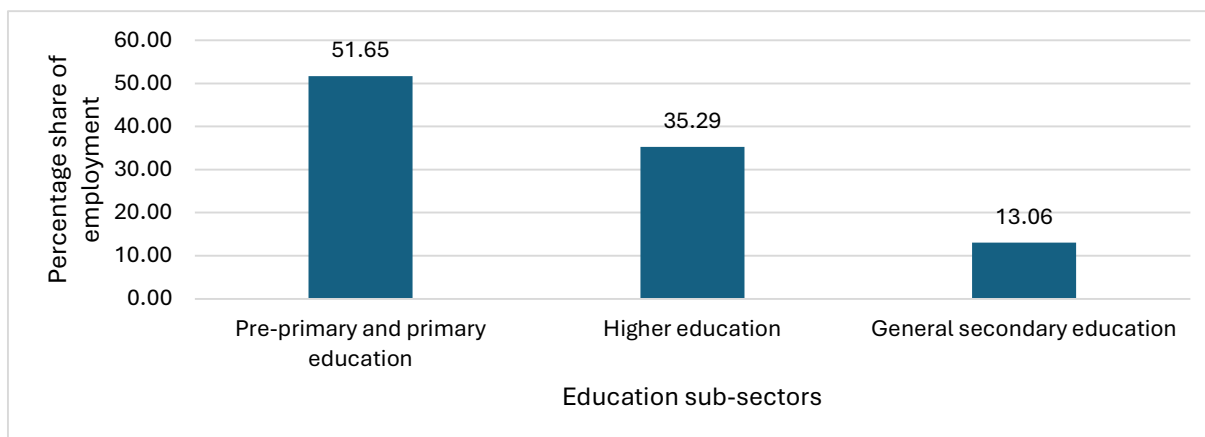
**Figure 15: Percentage of persons employed in the wholesale and retail trade; repair of motor vehicle sub-sectors**



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

In the education 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 education sub-sectors**



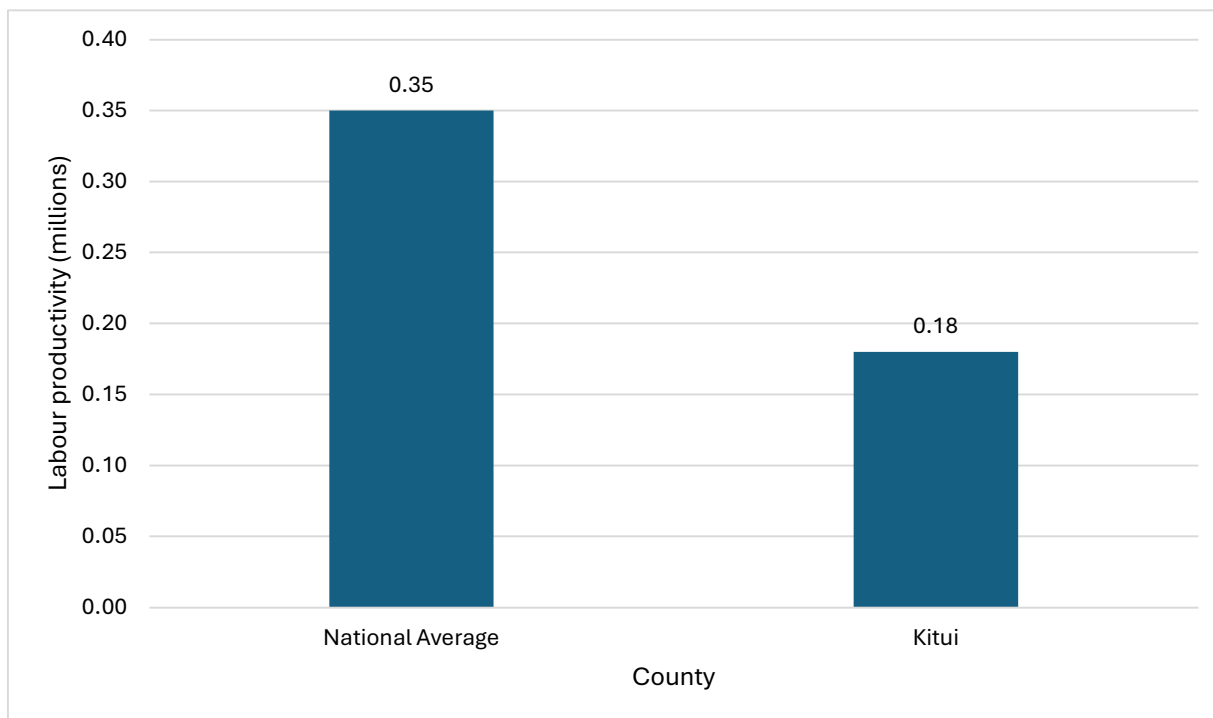
*Data Source: KNBS 2021- Kenya Continuous Household Survey*



## Labour Productivity

Labour productivity<sup>1</sup> for Kitui County is lower than the national average labour productivity (Figure 17).

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



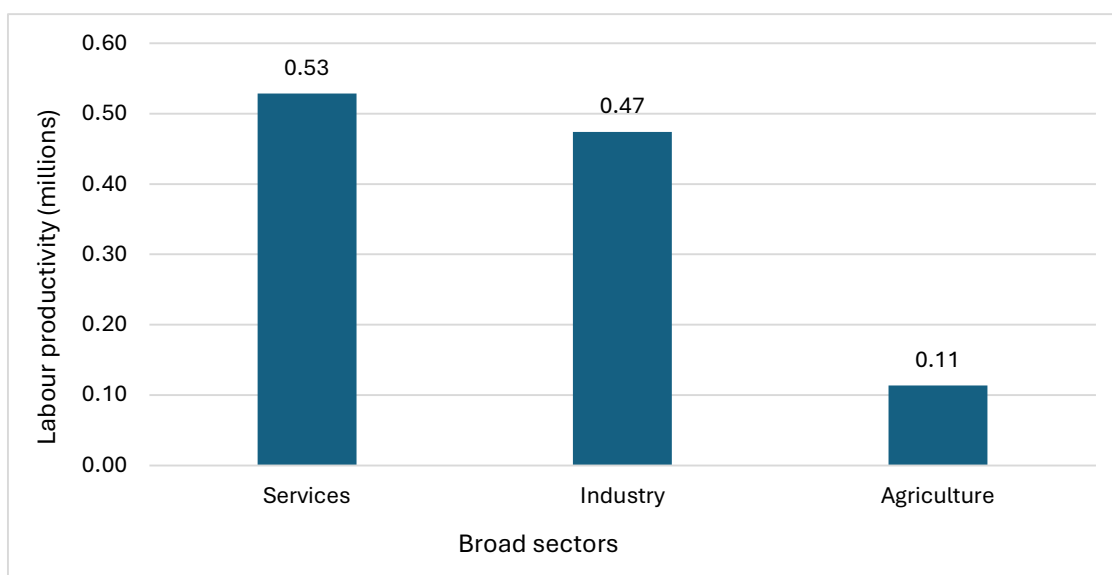
*Data source: Author's computation using KNBS GCP 2023 and KCHS 2021 data*

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

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

**Figure 18: Labour productivity by sectors**

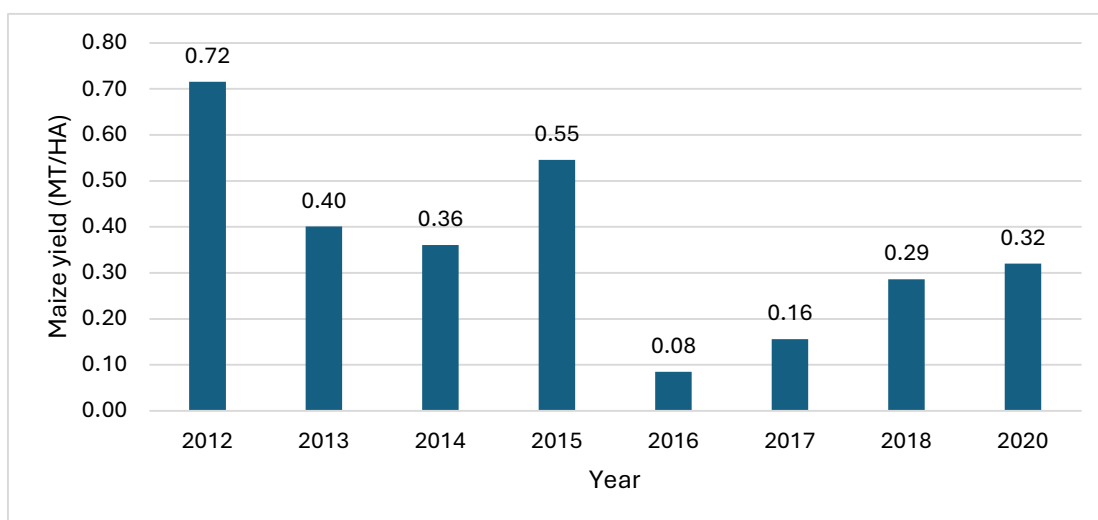


Data source: Author's computation using KNBS GCP 2023 and KCHS 2021 data

### **Agriculture Sector**

In agriculture, maize productivity is low with an average of 0.36 MT/HA for the years under review (Figure 19). The yields have been declining over the years with the lowest declines experienced in 2016 and 2017.

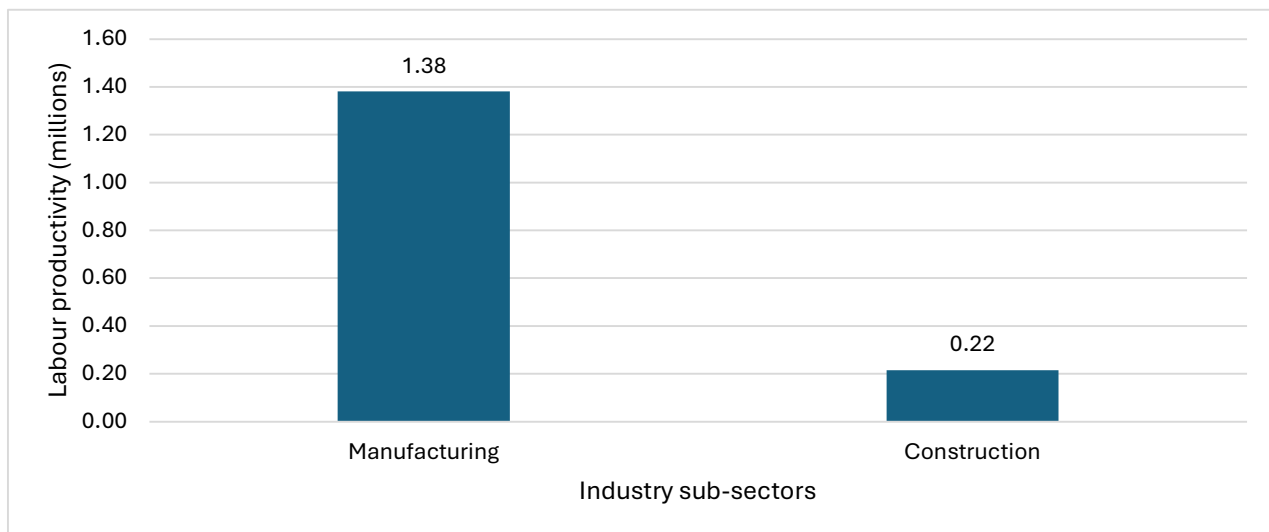
**Figure 19: Maize yield (MT/HA)**



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

## Industry Sector

**Figure 20: Labour productivity in the industry sub-sectors**

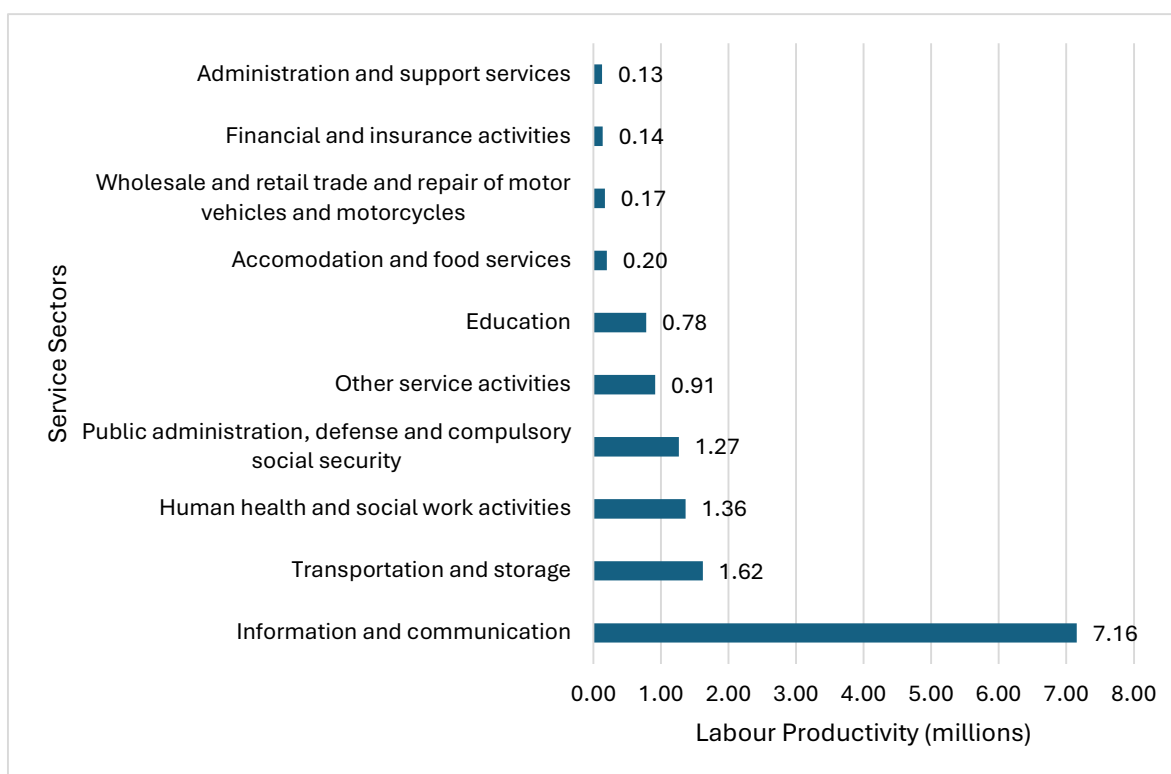


*Data source: Author's computation using KNBS GCP 2023 and KCHS 2021 data*

## Services Sector

The information and communication 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 GCP 2023 and KCHS 2021 data*

### Key Messages

- (i) The service sector has the highest share of county GVA, dominated by transport and storage. The agriculture sector is characterized by mixed farming, and crop production alongside the rearing of cattle and goats for meat. Beef and poultry meat have a significant share of livestock products and very little integration into the value chains. Apiculture is the third livestock product. The industry sector is dominated by construction, but manufacturing is also sizable.
- (ii) The indicators of quality of labour were higher than the national average. Interventions are needed to increase secondary school enrolment rates, and reduce stunting, food poverty, and child poverty.
- (iii) The essential infrastructure that supports the growth of county GVA is lower than the national average. Interventions are needed to increase access to electricity the Internet, improve water and sanitation, and increase financial inclusion.
- (iv) Despite the challenges of drought, the agriculture sector is the highest employer while the industry sector has the lowest share. Those employed engage in crop production and mixed farming. The majority in the industry sector work in construction while those in services are mainly in the wholesale and retail trade, with a majority in retail sales in specialized stores.

- (v) Labour productivity is lower than the national average. The services sector has the highest labour productivity while agriculture has the lowest. Agriculture faces drought challenges which affects crop yield. Maize yields are low and have been decreasing over time, majorly because of climate change and low technology uptake. However, the county has the potential for green grams.

### **Policy Recommendations**

- (i) Building climate resilience in agriculture. This includes encouraging the growing of drought-resistant fast-maturing crops, facilitating the uptake of crop insurance, and optimizing the utilization of information from the early warning systems to inform crop production. Further, exploit the potential of green grams.
- (ii) Leverage honey production by facilitating the uptake of modern beekeeping methods; building the capacity of farmers on the apiculture value chain; and enhancing access to local and international markets. Also, facilitate farmers in groups to acquire modern honey processing equipment and encourage the formation of cooperatives for aggregation and bulk selling of honey.
- (iii) Improve the quality of labour by implementing nutrition-sensitive programmes that aim to reduce food poverty, child poverty, and stunting and promote secondary school transition.
- (iv) Investment in the provision of essential infrastructure to attract investments, especially for the manufacturing sector. This includes increasing access to electricity, improved water and sanitation, financial inclusion, and internet connectivity.

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### About KIPPRA Policy Briefs

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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](mailto:admin@kippra.or.ke)  
Website: <http://www.kippra.org>  
Twitter: [@kippra.kenya](https://twitter.com/kippra.kenya)