Managing Retrenchment
Addressing Gender Impacts in Privatization of Kenya Railways

As part of the privatization of the Kenya Railways Corporation, a procedure was developed for retrenching a group of temporary workers which complied with all legal requirements. However, an analysis of the workforce revealed that all retrenched in this “temporary worker” category were women.

The group was relatively small but was identified as facing serious economic problems after retrenchment. Many of these women were single heads of households raising several children. Many had outstanding loans of amounts exceeding the retrenchment payments. While some were reemployed by the KRC on social grounds (i.e., consideration of their family situation), others faced difficulties in finding new jobs, particularly if they were older.

Through its Advisory Services, IFC worked with the client to try to reduce the negative social impacts on this category of workers by proposing the following recommendations:

- Consider the total length of service of the workers when calculating the severance payment. They could invest the funds in a small business or in further education or training, which would help bridge the transition period.
- Provide counseling.
- Offer training in business management courses for three months to those over 40 so that they could gain skills to start small businesses.
- Offer training in administration, business, accounting or HR to increase their chance of finding jobs.
- Consider the use of job placement or temp agencies to help retrenched workers find employment.