



## Women's Participation in the Workforce

# Complex business registration requirements

Business registration can enable entrepreneurs to formalize their enterprises and access finance, legal protections, government programs, and opportunities for enterprise growth. However, **registration requirements such as tedious and complex paperwork, renewal requirements, and costly fees can make registration difficult to navigate.** These barriers often disproportionately affect women entrepreneurs who face greater time constraints, mobility restrictions, income gaps, and limited access to digital tools and information.

### Why is this barrier important?

When business registration processes are difficult to navigate, many women-owned businesses remain informal and excluded from formal financial systems and legal protections. Informality limits women entrepreneurs' ability to open bank accounts, access credit, build financial histories, and participate in business development programs. Without formally registering their businesses, women often rely on personal or informal financing, which can constrain investment, limit growth, and increase vulnerability to economic shocks. Barriers to formalization, like complex business registration requirements, reduce the visibility of women-led enterprises in financial systems and markets, limiting financial service providers' development of business services that value women as customers.

### Connected Barriers



*Women's Participation in the Workforce*  
Lack of formal job opportunities



*Consumer Protection*  
Fear of making mistakes



*Entry & Capability Barriers*  
Low data footprint among women  
Low digital financial capability



*Product & Market Design*  
Lack of reliable & high-quality in-person services  
Complex onboarding process

### Most Relevant Segments

**1**

Excluded, marginalized

**2**

Excluded, high potential

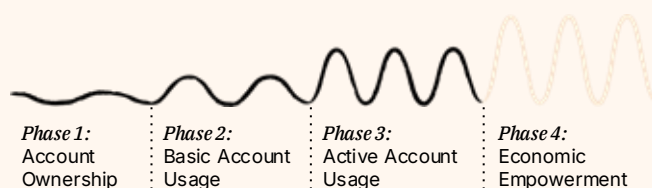
**3**

Included, underserved

**4**

Included, Not underserved

### Customer Journey Relevance





### Key evidence relevant to this barrier

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#### **Administrative complexity disproportionately discourages women from registering businesses.**

Lengthy, multi-step procedures, required in-person visits, recurring and/or unclear fee structures, and paperwork requirements create significant barriers to registration, particularly for women. Women are generally more time- and mobility-constrained, which can make it difficult for them to travel to registration offices. They may also have less access to disposable income and tend to be more risk-averse, which can make them hesitant to pay registration fees. Finally, they may be unable to obtain necessary official documentation, such as lease agreements, proof of address, and identification.

- Globally, 83.4% of women-owned enterprises operate informally, rising to 95.5% in low-income countries. Structural barriers - including complex registration procedures, limited asset ownership, unequal property rights, caregiving responsibilities, and lower access to technology - disproportionately constrain women's transition into the formal sector. Operating informally limits access to formal finance, legal protections, and social insurance, reinforcing women's economic vulnerability. ([ILO, 2025](#))
- A 2024 study of firms in Bangladesh finds that women have majority ownership of only 1.7% of formal firms, compared to 14.5% globally and 9.6% regionally, and about 90% of businesses operate informally. This study also found a 31 percentage point gender gap in trade license ownership. Women are less likely to obtain licenses due to uncertainty about requirements, burdensome paperwork and complex procedures, including a process requiring 7-8 procedural steps, annual renewals, multiple in-person visits, and administrative fees. Remaining unlicensed keeps many women-owned firms in the informal sector, limiting access to formal finance and business development services. ([MSC, 2024](#))

#### **Social norms and harassment further deter women from engaging with formal institutions.**

Women entrepreneurs face discriminatory treatment or harassment during licensing and financial processes. In some contexts, laws or customary expectations require permission from male relatives for women to register a business, further limiting their ability to formalize independently. Women who are required to make in-person visits for registration have reported facing harassment and discrimination from officials.

- Women entrepreneurs report higher exposure to harassment and discriminatory treatment during official processes such as licensing, permitting, and loan applications, increasing the perceived and actual costs of formalization and discouraging engagement with formal institutions. ([World Economic Forum, 2025](#))
- In some countries, women are required—formally or informally—to obtain permission from a male family member to register a business, reflecting restrictive household norms that limit women's independent economic participation and formalization ([World Economic Forum, 2025](#))
- Women entrepreneurs in Nepal report difficulty obtaining necessary documentation, such as lease agreements, for registration ([Karki, Xheneti, & Madden, 2021](#))

#### **Targeted policy reforms can improve women's business formalization.**

Evidence suggests that laws and policies simplifying procedures, reducing costs, improving access to information, and using trusted outreach channels can meaningfully increase women's participation in business registration and formal economic systems.

- A World Bank study of 3,000 informal firms in Malawi found that female-owned businesses receiving registration assistance and information formalized at significantly higher rates (83%) and increased their use of formal financial services. Participating women-owned



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### Key evidence relevant to this barrier

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- firms subsequently experienced sales and profit increases of 28% and 20%, respectively, demonstrating the growth impact of simplified formalization and financial integration. ([World Bank, 2019](#))
- Policies that create simpler procedures and reduce administrative burdens increases engagement in business registration. For example, in Bangladesh discounted renewal rates and targeted outreach have been used to lower cost and information barriers that disproportionately deter women entrepreneurs from formalization. ([MSC, 2024](#))