



Women's Participation in the Workforce

Lack of formal job opportunities

Formal employment - work that provides stable income, legal protections, and access to employer-linked benefits and insurance - is a key pathway to economic resilience and financial inclusion. When formal job opportunities are limited, structural barriers including discriminatory hiring practices, unequal access to education and networks, and constraints related to caregiving and mobility disproportionately restrict women's access to these roles.

Why is this barrier important?

Limited and unequal access to formal employment constrains women's ability to participate in and benefit from the formal financial system. Formal jobs typically provide stable wages, benefits, and verifiable income streams that enable saving, access to credit, insurance, and long-term asset building. By contrast, informal work generates irregular and undocumented earnings, limiting women's ability to build financial histories and access formal financial services. This reinforces reliance on informal financial mechanisms and constrains long-term economic mobility.

Connected Barriers

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Policy & Regulation
Broader legal constraints
- 

Institutional Norms & Practices
Lack of women in policy or financial institution leadership
- 

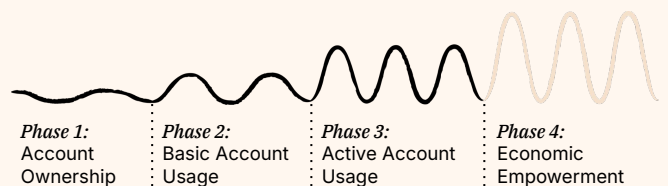
Women's Participation in the Workforce
Limited workplace protections and benefits
- 

Digital & Physical Infrastructure
Lack of female agents

Most Relevant Segments

- | | | | |
|------------------------|--------------------------|-----------------------|---------------------------|
| 1 | 2 | 3 | 4 |
| Excluded, marginalized | Excluded, high potential | Included, underserved | Included, Not underserved |

Customer Journey Relevance





Key evidence relevant to this barrier

Structural barriers limit women's access to formal job opportunities.

Women's concentration in informal employment reflects limited and unequal access to formal job opportunities. Structural constraints - including labor market segmentation, hiring bias, and restricted access to networks and higher-paying sectors - reduce women's likelihood of entering formal employment, even when they seek it.

- There are large gender differences, favoring men, in the proportion of people who want a job but don't have one. Survey data from India shows that 73% of women expressed a preference for "regular, part-time" work, but only 10% of employed women actually worked in such a job. (VoxDev, 2024)
- The scale of women's informal work underscores the structural nature of limited access to formal employment and labor protections: 83% of women are in informal employment in South Asia; 74% in Sub-Saharan Africa; and 54% in Latin America. (UN Women, 2023)
- The Asia and Pacific region employs 38.3 million domestic workers, making it the largest employer of domestic workers globally. Approximately 84.3% of domestic workers in the region are informally employed, and 78% are women. (ILO, 2021)
- Approximately 85% of India's workforce is employed in the informal sector, which contributes to over 50% of national GDP. More than 17 million women are engaged in home-based work, with an additional 12.48 million in non-agricultural informal activities. Despite their economic contribution, these women remain largely outside formal labor and financial systems. (Accion, 2025)

- While Nigeria has expanded elements of its Social Protection Agenda - including job creation and skills programs such as N-Power and the Government Enterprise and Empowerment Programme (GEEP) - most informal workers, including domestic workers, remain outside formal labor and social protection systems. This exclusion underscores the limited pathways from informal work into protected, formal employment. (UNICEF, 2020).
- The COVID-19 pandemic disrupted women's employment and reversed progress towards gender parity in labor market participation. Recovery has been slow and uneven, with ongoing economic and technological shifts presenting further risks on women's access to stable and formal job opportunities. (WEFORUM, 2023).

Discriminatory hiring and structural biases restrict women's access to formal jobs.

Employer bias and structural discrimination limit women's access to formal jobs, even when qualifications are comparable.

- In urban Pakistan, employers were 11.5 percentage points less likely to prefer CVs with a female name in a hypothetical CV-rating exercise, and in the same labor market, the authors found that gender differences in employment outcomes are far larger than gender gaps in indicators of search behavior (VoxDev, 2024).
- Many employers advertising on prominent job portals in both China and India have been shown to have gendered preferences which, when conveyed either explicitly or implicitly to jobseekers, attract an applicant pool skewed towards those preferences (VoxDev, 2024).



Key evidence relevant to this barrier

- AI development's perpetuation of biases: When women's perspectives and experiences in AI development and deployment, algorithms and technologies used in areas such as hiring and recruitment may replicate existing gender biases, leading to inequitable outcomes ([WEFORUM, 2023](#)).
- Gender-intentional legal frameworks support women's employment and economic growth: Evidence shows that antidiscrimination laws and the removal of legal barriers to women's employment, property ownership, and credit access increase women's labor force participation and support overall economic growth. Countries with more gender-intentional legal systems experience sustained increases in women's participation in the labor market without reducing men's employment, while stronger property, inheritance, and divorce rights further improve women's economic agency and employment outcomes ([Women, Business, and the Law, 2026](#)).
- Social norms shape employer attitudes and societal perceptions, influencing hiring and promotion decisions. Surveys indicate that 25% of women and 37% of men believe men make better executives (UNDP, 2023), highlighting persistent biases that limit women's career advancement. Addressing these norms is critical to removing barriers to women's full participation in the workforce ([Women, Business, and the Law, 2026](#)).
- A MicroSave study found that 59% of respondents lacked dependable and affordable daycare infrastructure, and 98% were unaware of any local or government childcare support for informal workers. High costs, limited availability, and low trust in childcare services push many women toward flexible informal work rather than stable formal employment. ([MicroSave, 2024](#)).
- Latin America: Women perform approximately three-fourths of unpaid care work in Latin America, with this labor valued at roughly 21% of GDP. The disproportionate unpaid care burden limits women's ability to enter and remain in formal labor markets, particularly where childcare costs are high and service availability is limited ([Milken Institute, 2024](#)).
- Evidence from India shows that restrictive gender norms—particularly discomfort with women interacting with men outside the household—limit women's ability to take on formal employment roles requiring travel, training, or interaction with male colleagues and supervisors ([IMF, 2021](#)).
- Analysis from *Women, Business and the Law* finds that the implementation of childcare laws is associated with higher female labor force participation, with access to childcare linked to an average 1.0 percentage point increase initially, rising to as much as 2.2 percentage points within five years of implementation. ([Milken Institute, 2024](#); [World Bank, 2024](#)).

Care responsibilities and social norms not only shape women's labor supply, but also influence employer perceptions and hiring decisions, further limiting women's access to formal jobs.

Women's access to formal employment is shaped by structural constraints outside the labor market, including unpaid care responsibilities, mobility limitations, and restricted access to professional networks.

- In lower-income contexts, job search is often highly structured around social networks and referrals- these networks may disadvantage women as they are highly segregated by gender; women often have smaller networks that are more focused on family ties; and women may face mobility and time constraints that prevent them from maintaining social connections outside of the household ([VoxDev, 2024](#)).



Key evidence relevant to this barrier

Limited access to formal employment constrains financial inclusion.

The nature of informal work directly constrains women's ability to access and use formal financial services. Without stable, documented income or employer-linked benefits, women remain financially "invisible" to formal financial systems.

- 1.6 billion people remain outside of the formal financial system. With thin or nonexistent credit histories and documented assets, informal workers remain statistically invisible, limiting exposure to formal financial services and constraining asset-building and economic stability ([Accion, 2025](#); [Accion, 2026](#)).
- Limited access to formal credit can reinforce women's concentration in low-paying informal work. Evidence from Turkey shows that access to formal credit - particularly when paired with training and networking support - enabled women to transition from informal employment into more stable positions in retail and services sectors, illustrating the role of financial access in expanding formal employment pathways. ([CGAP, 2025](#)).
- Over 80% of women entrepreneurs in Latin America enter business out of necessity and operate informally, signaling limited access to formal employment pathways. Although women-owned SMEs account for 67% of regional employment, they face substantial financing gaps - \$5 billion for microenterprises and \$93 billion for women-led SMEs - limiting scale and formal integration. ([Milken Institute, 2024](#)).

Emerging evidence on solutions and pathways

Addressing barriers to women's access to formal employment requires coordinated interventions across labor markets, social policy, and employer practices. Emerging evidence highlights the importance of gender-intentional policies and programs that reduce structural constraints, improve access to jobs, and create more inclusive workplaces.

- **Gender-inclusive workplaces generate strong economic returns:** Evidence shows that more inclusive workplaces are more innovative, productive, and profitable, creating higher-quality and better-paid jobs. However, women remain disproportionately excluded from these opportunities. ([Women, Business, and the Law, 2026](#))
- **Targeted employment and skills programs can expand access to formal jobs:** In Argentina, the *Promoting Better Jobs through Integrated Labor and Skills Programs* initiative combines training, job placement, and stipends to address barriers such as caregiving and mobility. Early results track increases in formal employment among women participants. ([World Bank, n.d.](#))
- **Care policies and anti-discrimination measures improve labor market outcomes:** In Colombia, reforms under the *Equitable and Green Recovery DPF* expanded parental leave and prohibited discriminatory hiring practices (e.g., questions about childbearing), addressing key barriers to women's employment and supporting improved labor market participation. ([World Bank, n.d.](#))