Women's Participation in the Workforce

Limited workplace protections & benefits

Workplace protections - including fair labor laws, safe working conditions, maternity benefits, and access to social insurance - help ensure that workers have stable employment and predictable income. When these protections are weak or absent, many workers, particularly women, are pushed into informal or low-wage jobs that lack job security, benefits, and reliable pay.

Why is this barrier important?

Women are overrepresented in sectors such as domestic and informal work, and as migrant workers. In these roles, gaps in workplace protections limit their ability to earn stable incomes, build financial histories, and participate fully in the formal financial system. This reinforces gender gaps in income, job security, and long-term economic stability. Without stable income, employer-linked benefits, or documented employment history, many women struggle to save consistently, build assets, qualify for credit, or maintain consistent use of financial services. Gaps in financial records and digital transaction histories can lead financial service providers (FSPs) to overlook women as viable customers, shaping product design and delivery that further exclude them. Strengthening workplace protections can improve income stability, enhance financial resilience, and support women's sustained participation in the labor market and formal financial systems.

Connected Barriers

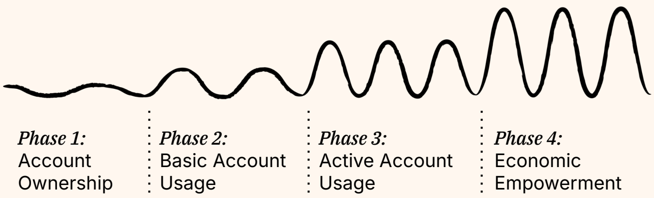
Institutional Norms & Practices
Lack of women in policy or financial institution leadership

Consumer Protection
Financial abuse & harm

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

Informal and domestic workers, of which a disproportionate share are women, are largely excluded from labor protections and the formal financial system.

Informal work makes up a significant portion of global employment, especially in LMICs and especially for women. However, these jobs often exist outside of the regulatory environment, leaving workers vulnerable to income shocks, sudden job loss, and potentially unsafe working conditions, and without social protections such as insurance, paid leave, and contracts. Evidence from the COVID-19 pandemic and its aftermath indicates that this vulnerability is exacerbated in times of shock and uncertainty. Similarly, informal businesses are frequently cut off from formal financial operations.

- Informal workers account for nearly 60% of the global workforce—and up to 90% in LMICs. While these individuals are vital to their economies, they are typically excluded from formal labor protections, contracts, and social insurance systems. The absence of formal benefits and social protections makes accessing child care difficult—reinforcing norms that leave women in the home—and undermines the financial security of entire households. (OECD, 2024)
- Informal employment frequently fails to provide basic safeguards such as contracts, maternity leave, sick leave, and social insurance. Because informal work is often invisible to regulatory systems, workers are exposed to unsafe conditions and especially vulnerable to income shocks and crises. (Oxfam, 2022)
- Street vendors and domestic workers face elevated risks of violence and harassment at work, while self-employed workers often lack pension and maternity protections, increasing vulnerability to poverty. (UN Women, 2023)
- Legal protections are limited for the 38.3 million domestic workers in the Asia and Pacific region. Approximately 61.5% are entirely excluded from labor law coverage, 64% do not have the right to weekly rest, and only 19% receive the same annual leave entitlements as other workers. (ILO, 2021)
- In Indonesia, 97% of female informal workers lack employer-linked social protection and 98% do not receive maternity benefits or access to childcare, disincentivizing female labor force participation. (World Bank, 2023; MicroSave, 2024)
- Domestic workers in Nigeria remain largely excluded from social security, labor rights, and minimum wage protections due to policy gaps, weak enforcement, and registration systems designed for formal employment. This structural exclusion entrenches informality and limits pathways into protected, formal work. (UNICEF, 2020)
- In Sierra Leone, informal firms are disconnected from the formal financial sector due to low access to funds and collateral, lack of trust in the system, and unfavorable loan terms. Only 7.4% of 1,147 firms surveyed reported owning a bank account, and women-owned firms were less likely to do so (6.3%, compared to 9.3% of men-owned firms). (Sierra Leone Ministry of Finance, 2023)
- Policy guidance from UN Women highlights that extending labor protections to informal and domestic workers requires structural reforms, including simplified registration systems for domestic work, standardized contracts, recognition of self-employed workers, legal recognition of cooperatives and unions, and expanded coverage of minimum wage and social protection schemes. Expanding these protections—particularly in LMICs—has been identified as critical to reducing women's economic vulnerability and strengthening their access to labor rights, grievance mechanisms, and income security. (UN Women, 2023)

Key evidence relevant to this barrier

Even in formal jobs, legal and social protection systems may not equitably reach women and men.

Many countries lack basic gender-equal labor protections—such as equal pay laws, equal pension eligibility, and adequate and equitable parental leave. Existing social security systems also tend to penalize career interruptions or part-time work related to caregiving, leaving women with lower lifetime earnings and retirement benefits.

- Fewer than half of countries mandate equal pay for equal work despite evidence that shows wage gaps narrow in countries that implement legal reforms advancing gender equality and increasing female labor force participation. (IMF, 2022)
- Across 62 economies, women and men are eligible for full pension benefits at different retirement ages. On average, men receive larger pension payments than women and experience greater financial security at the end of their working lives. (World Bank, 2023)
- Maternity leave coverage remains limited—particularly for informal, domestic, and migrant workers—while global average paternity leave is just nine days, reinforcing unequal caregiving burdens. (ILO, 2023)
- Social security and pension laws often disadvantage women who have periods of absence or part-time work due to childcare, resulting in lower retirement benefits compared to men. (IMF, 2022)
- Approximately 2 billion workers globally, and 90% of workers in LMICs, depend on the informal economy but are largely unrecognized by social protection systems. During the COVID-19 pandemic, informal workers experienced disproportionate income loss and weakening labor protections, exacerbating existing gender vulnerabilities. (CGAP, 2020)
- Bangladesh and Cambodia: In Bangladesh and Cambodia, informal women workers experienced declines in both wages and labor protections during the pandemic. Garment workers saw their pay reduced, while others reported intimidation and threats from supervisors and factory owners. 28% of workers in Bangladesh and 56% in Cambodia stated that workers' rights had worsened since the pandemic. (Oxfam, 2022)
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Structural discrimination and occupational restrictions limit women's economic opportunities.

Many economies impose legal or structural barriers that restrict women's participation in certain occupations, such as restricting their ability to work in mining or operate industrial machinery. Women are also more likely to work in part-time, temporary, or low-protection jobs and face slower career progression, harassment risks, and heavier unpaid care burdens.

- About 90 economies continue to impose at least one occupational restriction on women, such as restrictions to work in mining or operate industrial-grade machinery. These legal constraints are strong predictors of gender wage gaps. (IMF, 2022)
- The 2026 report from Women, Business and the Law found that 73 economies restrict women's employment in certain tasks, industries, and occupations, and at certain times of day. The most common sectors with such restrictions globally are mining (43 economies), manufacturing (36 economies), and construction (23 economies). Restrictions tend to be related to capital-intensive, industrial work, which is also generally higher paying. (World Bank, 2026)
    - *Mining*: Bosnia and Herzegovina, Brazil, Lebanon, Eswatini, and Cameroon place restrictions on

Key evidence relevant to this barrier

    women working underground in mines, and quarries. (World Bank, 2026)

    - *Manufacturing*: Argentina restricts women's employment with machinery and circular saws, while Fiji and Belarus prohibit women's work related to chemicals and raw materials. (World Bank, 2026)
    - *Construction*: Belarus, Thailand, Colombia, and Tajikistan restrict women from working with construction machinery, industrial painting, and scaffolding, and Mali prohibits women from working for construction companies with other employees outside of their family. (World Bank, 2026)

- Women are overrepresented in temporary, part-time, and low-protection jobs. They face slower rates of promotion and shoulder unpaid care burdens, which limits lifetime earnings. (World Bank, 2013)