OVERVIEW

Gender gaps in labor force participation persist worldwide. Closing this gap can lead to sizeable gains for economies—a 20 percent increase in GDP per capita, on average. Female labor force participation (FLFP) remains low due to lack of skills, assets and networks, time-based constraints, limited mobility, gender discrimination in hiring and promotion, and restrictive gender norms.

Effective evidence-backed policy options can increase FLFP. They include providing childcare services, disseminating information on work opportunities and returns to employment, training in socio-emotional skills, addressing norms by engaging partners and family members, and targeting women via social protection, safety net, and public-works programs.

The World Bank Group actively supports countries in boosting FLFP through development policy lending, advisory and analytical work, and supporting reforms to address constraining contextual factors, including legal barriers, social norms, and gender-based violence. This note sheds light on an array of policy options that are effective or show promise in improving FLFP. It offers the following takeaways for policymakers:

- **Addressing one constraint is often necessary but insufficient.** Interventions that address multiple constraints (including norms) in combination with policy reforms have the potential to shift women and their economies to a new equilibrium.

- **Norms pose a barrier in all contexts,** especially in countries where FLFP is stagnant or declining. However, norms and attitudes are malleable.

- **Shifts in the demand for women’s work can spark an increase in supply.** Economy-wide demand shocks can erode restrictive norms around women’s work outside the home and increase women’s human capital.

- **Legal reforms are an important pre-condition to fostering FLFP.** They need to be complementary to be successful, for example, pairing parental leave mandates with measures to expand childcare coverage. Effective communication and socialization of such reforms are also needed to foster change.

- **A dearth of cost-effectiveness evidence prevents comparison of alternative policies under constrained budget resources.** This missing ingredient is key to assessing the scalability of interventions.

- **Investing more in the human capital of girls is important but often not sufficient to translate into employment.** Nevertheless, expanding girls’ and women’s access to quality education and health care should remain a top priority.

- **Regional differences and pre-existing conditions affect the levels and growth of FLFP.**
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This thematic policy note is part of a series that provides an analytical foundation for the World Bank Group Gender Strategy (2024–2030). This series seeks to give a broad overview of the latest research and findings on gender equality outcomes and summarizes key thematic issues, evidence on promising solutions, operational good practices, and key areas for future engagement on promoting gender equality and empowerment. The findings, interpretations, and conclusions expressed in this work are entirely those of the author(s). They do not necessarily reflect the views of the World Bank Group or its Board of Directors.

This paper was written by a World Bank Group task team led by Daniel Halim, Michael B. O’Sullivan, and Abhilasha Sahay. The team thanks Margaret Makepeace McClure for excellent analytical support. We thank Kathleen Beegle, Sanola Alexia Daley, and Camilo Mondragon Velez and for their helpful, peer-review comments. We also thank Girum Abebe, Kehinde Ajayi, Hana Brixi, Anna Fruttero, Isis Gaddis, Caren Grown, Tazeen Hasan, Ana Maria Munoz-Boudet, Maria Beatriz Orlando, Laura Rawlings, Jennifer Solotaroff, Priyanka Tayal, and Diego Ubfal for their helpful suggestions.
A mounting body of evidence shows how costly it is for countries to rely on the talents of half of their population to achieve economic growth and shared prosperity. Removing the barriers to female labor force participation (FLFP) can be a central driver of inclusive economic growth (Pennings 2022; Wodon et al. 2017; Kabeer and Natali 2013). However, FLFP has stagnated in most regions of the world over the past three decades and, in the case of South Asia, it has declined, even relative to men's labor force participation (see Figure 1). In settings with relatively smaller gender gaps in participation, such as Sub-Saharan Africa, a large share of women in the active labor market engage in vulnerable employment with inadequate earnings and poor working conditions (Bue et al. 2022). The COVID-19 pandemic has compounded these challenges and triggered disproportionately larger losses in employment and entrepreneurship for women across the globe (Kugler et al. 2021; Alon et al. 2021; Fabrizio et al. 2021b; Liu et al. 2021; Torres et al. 2021).

What factors drive the global gender gaps in labor force participation? Multiple supply-side, demand-side, and contextual factors constrain FLFP.

**FIGURE 1. GENDER GAPS IN LABOR FORCE PARTICIPATION, 1990–2019**

![Gender Gaps in Labor Force Participation, 1990–2019](image)

Notes: The top and bottom line in each sub-figure represent the proportion of men and women engaged in the labor market, respectively. Source: Gender Data Portal (SL.TLF.ACTI.ZS)

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1 Per estimates from Pennings (2022) derived using the Gender Employment Gap index (GEGI), countries stand to gain as much as 20 percent of their GDP per capita if women's employment was as much as men's.

2 FLFP includes women's engagement in wage work, self-employment, casual work, and family/home-enterprise work (both paid and unpaid). It does not include unpaid domestic and care work.
This note draws on an exciting new body of rigorous research to identify policy solutions to increase FLFP. Evidence is presented along three dimensions: supply-side measures to enable women to enter the workforce if they want to, demand side measures to reduce firm-level barriers to hiring women, and cross-cutting policy reforms to help economies shift to a new equilibrium with more jobs for women. The state of evidence is categorized into three groups:

- **“Effective”** indicates that there is more than one causal impact study demonstrating the effectiveness of the policy across contexts.

- **“Emerging”** indicates that there is only one piece of causal evidence, mixed results or a strong body of descriptive evidence pointing to improvements in the performance of women-led firms.

- **“Less promising”** indicates that there is causal evidence that demonstrates that the intervention has limited or negligible impact. In this case, different versions of the policy that could be more successful are discussed.

This note focuses on measures to help women actively pursue and engage in employment, rather than equally important measures that affect women once they are employed, including occupational choice, informality, the gender pay gap, and promotion gaps. It complements scholarly evidence with relevant examples selected from the broad range of operations being implemented by the World Bank Group and its client countries. While these examples are illustrative, it is important to note that contextual factors (such as a country’s level of development, job availability, and social norms) and women’s welfare, human capital levels, and fertility choices can blunt or amplify the effects of these interventions.

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3 Other policy notes in the series cover these topics. Thematic Policy Note on Closing Gender Gap in Earnings (Forthcoming) focuses on women’s labor market outcomes at the intensive margin (i.e., earnings, occupational segregation, and career progression). Similarly, the thematic policy note on What Works in Supporting Women-Led Businesses? (Forthcoming) delineates constraints faced by women engaged in self-employment activities and offers solutions to overcome them.
A range of interventions have been shown to increase the supply of women’s labor by addressing, or even circumventing, constraints related to time availability, skills, and control over resources.

**Childcare:** Growing evidence demonstrates that daycare and preschool interventions can relax women’s time constraints and circumvent social and cultural norms around women’s care roles, though the magnitude of effects varies by context (Evans, Jakiela, and Knauer 2021; Martinez and Perticara 2017; Halim, Perova, and Reynolds 2021; Ajayi, Dao and Koussoube 2022). Addressing barriers to the uptake of these services—including attributes of childcare centers, such as location, hours, and costs, and norms around outsourcing childcare—is critical to achieving the desired outcome (Devercelli and Beaton-Day 2020). Perceptions of what is acceptable with respect to childcare are often influenced by broader social attitudes toward women and work.4

For example, new experimental results from Egypt reveal very low levels of adoption (1–4 percent) among women offered childcare subsidy vouchers ranging from 25 percent to 75 percent of the cost (Zeitoun 2022).5 At the same time, recent evidence from Burkina Faso demonstrates substantial uptake of mobile creche centers located at worksites (25 percent), which tripled the use of childcare centers for children aged 0–6 years (see Box 1). Evidence from Chile shows that increasing the duration of school hours and providing afterschool care—essentially providing zero-cost childcare—can increase maternal labor participation outcomes (Contreras et al. 2012; Berthelon et al. 2015; Martinez and Perticara 2017). Meanwhile, early childhood development home visits do not have the same positive effects on FLFP, likely due to the competing demands on parents’ time (Evans, Jakiela, and Knauer 2021).

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4 In a recent multi-country survey, most respondents agreed that employed mothers can have as warm and strong of a relationship with their children as mothers who do not work; however, the level of support varied considerably between countries, from just over half of adults surveyed in Chile; to closer to two-thirds of respondents in Argentina, China, and India; three-quarters of respondents in South Africa; and more than eight in 10 respondents in France and Taiwan (Child Trends and Social Trends Institute, 2015).

5 The study identifies three key reasons for the low uptake: (i) women stated that nurseries were too far from home, despite the two-kilometer radius of nurseries offered, (ii) several women lost their vouchers, and (iii) others believed that their children were still too young to attend nurseries.
At the same time, less evidence is available on how relaxing elder care responsibilities, particularly in settings with multi-generational households, can support women’s labor market (re)entry.6

**Information:** The provision of information is a low-cost and scalable way to address social norms around women’s work and to help women choose sectors with higher employment prospects. A few effective interventions include the following:

- **Engaging men, boys, and families:** Targeting husbands and extended families offers one promising path to enhancing women’s access to employment. For example, a study from Saudi Arabia shows that addressing men’s misperceptions about the acceptability of women’s work can facilitate women’s job search outside the home (Bursztyn, González, and Yanagizawa-Drott 2020). New evidence from northern India reveals how promoting women’s work opportunities through video testimonials to husbands and in-laws led to increases in women’s employment (McKelway 2021a). However, an experiment with women teachers in southern India found that a light-touch “family orientation” video targeted at the women’s husbands and male relatives did not affect their attitudes or women’s employment outcomes (Dean and Jayachandran 2019), underscoring the “sticky” nature of social norms.

While engaging men for women’s empowerment holds promise, attention should be paid to ensure that it does not give men veto power to prevent women from working (Lowe and McKelway 2021). Over the longer run, challenging the gender attitudes of adolescent boys through classroom-based discussions (which have been shown to be effective) could have implications on the labor force participation of their future wives (Dhar, Jain, and Jayachandran 2022). There is less evidence on the impact of engaging men in gender sensitization trainings in the workplace.

- **Targeting young women:** In India, providing young women with information on sectors where demand is growing was found to significantly increase their employment rates, delay marriage and childbearing, and foster family investments in younger girls (Jensen 2012). Evidence from the Republic of Congo (see Box 2) shows how providing young women with information on tradespecific earnings can shift their preferences toward male-dominated sectors (Gassier, Rouanet, and Traore 2022). A woman’s own aspirations also play a role in her decision to engage in the labor force. New experimental work from Saudi Arabia shows that providing female university students with information on their female peers’ labor force intentions can shift their own aspirations, leading them to increase their expectations of future employment (Aloud et al. 2021).

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**BOX 2. BUILDING SKILLS AND SHIFTING PREFERENCES FOR IN-DEMAND JOBS**

The Congo Skills Development for Employability Project (P128628) strives to boost workforce participation and earnings among young men and women facing constraints related to skills, job search, and firm start-up in the Republic of Congo. These barriers are especially salient for women due to gaps in skills and education. The project is implementing an apprenticeship and functional literacy training program for out-of-school adolescent youth, which is intended to address gender gaps in education that result in disparities in labor force participation. Additional financing was provisioned to scale up life skills training to include prevention of early pregnancy and sexual exploitation faced at educational institutions and the workplace.

The World Bank Africa Gender Innovation Lab is also helping the project address gender-based occupational segregation. It is providing sector-specific information on earnings to address the information barriers faced by women in making labor market decisions and to encourage girls’ participation in high-value, non-traditional occupations. It is fostering a shift from, for example, tailoring and hairdressing to construction and machine operation. Women who receive sector-specific information are 29 percent more likely to apply for a male-dominated job, and both men and women are more likely to apply to more lucrative trades (Gassier, Rouanet, and Traore 2022).

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6 See Moussa 2019 for a review on the relationship between elder care and FLFP.
Financial inclusion: Enhancing women’s control over financial resources and, thereby, strengthening their bargaining power can reduce the risk of resource capture and increase their labor supply. For example, an experimental study with women beneficiaries of a public workfare scheme in central India found that giving them direct deposit bank accounts in their own name (coupled with training) led them to increase their labor supply (Field et al. 2021). This effect was concentrated among women whose husbands had the most conservative attitudes toward women’s employment. In Côte d’Ivoire, an innovative “blocked” savings product that allowed women factory workers to shield their income from redistributive pressure increased their labor supply and earnings (Carranza et al. 2021). In Kenya, access to mobile money was found to be associated with women’s entry into off-farm employment (Suri and Jack 2016). In Ethiopia, an innovative psychometric testing platform is being used to assess credit risk and increase women entrepreneurs’ access to finance (see Box 3).

Socio-emotional skills: Bolstering women’s socio-emotional skills, such as personal-initiative, problem-solving, self-awareness, and negotiation, can increase their likelihood of working outside the home. In India, a psychology-based training program focused on helping women increase their self-efficacy (e.g., by understanding how their abilities could help them realize their goals). This led to short-term increases in women’s off-farm work (McKelway 2021b). Similarly, evidence from safe-space programs—which deliver vocational, empowerment, and soft skills trainings through community mentors in a setting where school-age girls can interact with peers—show enhancement in young women’s socio-emotional skills and a notable increase in self-employment (Bandiera et al. 2020; Buehren et al. 2017). Other evidence from soft skills training programs (i.e., effective communication, team building, time management) is relatively weak: results were not promising for female community college students in Jordan (Groh et al. 2016b), but short-term employment outcomes improved for women in the Dominican Republic (Acevedo et al. 2020).

Cash+ and graduation approaches: Multi-faceted cash+ and graduation interventions for the extreme poor have boosted women’s off-farm enterprise employment and labor supply in Sub-Saharan Africa and South Asia (Bedoya et al. 2019; Bandiera et al. 2017; Bossuroy et al. 2022), as have approaches that combine cash with training (Blattman et al. 2016). This evidence stands in contrast to the findings from the broader cash transfer literature, which suggests that solely giving cash to women (or their households) does not tend to yield increases in their labor supply (Baird, McKenzie, and Özler 2018; Orkin et al. 2022). A growing body of work also cautions against unintended consequences of cash transfer programs, such as exacerbated time poverty, reinforced traditional gender norms of maternal roles, and gender-based violence (Molyneux 2006; Chant 2008; Andrews et al. 2021). Given that most graduation programs entail multiple components whose individual impacts are difficult to assess, findings should be interpreted with care. Boxes 4 and 5 provide examples of cash+ safety net programs supported by the World Bank.

**BOX 3. EASING ACCESS TO CREDIT BY REDUCING THE NEED FOR COLLATERAL**

Launched in 2012, the Women Entrepreneurship Development Project (P122764) provides loans and business training to increase earnings and employment of growth-oriented women entrepreneurs in Ethiopia. Considering women have limited access to collateral and that is one of the key reasons why they are unable to get loans, the project has introduced a new credit technology based on psychometric testing. It can predict the ability of a borrower to repay a loan, thereby, reducing the need for collateral. By 2013, the project had created Africa’s first-ever line of credit solely focused on women entrepreneurs. By March 2019, more than 12,000 women had taken loans and over 16,000 women had participated in business training (Alibhai et al. 2020.)
BOX 4. EMPOWERING WOMEN THROUGH GRADUATION PROGRAMS

The Targeting the Ultra-Poor (TUP) project (P148505)—a subcomponent of the Afghanistan Access to Finance Project (P128048)—was based on BRAC’s graduation approach of helping the ultra-poor. It provided the primary woman of the household a “big push” package of productive assets (cows), training, and stipends, among other goods and services. This type of program has been extensively studied in other settings, with consistently positive results found across the board.

The work in Afghanistan similarly delivered large positive impacts on multiple dimensions of well-being and reductions in gender gaps for labor participation two years after the asset transfer (Bedoya et al. 2019; VoxDev Podcast; blog by Ceyla Pazarbasioglu). Longer-term impacts of the program (4.5 years after the asset transfer) are still being assessed but preliminary results confirm persistent impacts across all main outcomes, including women’s empowerment in the context of concurrent shocks (escalating violence, drought, and COVID-19) in an already fragile environment. Evidence from this project indicates that graduation programs may be an effective tool for reducing gender gaps and improving women’s empowerment through economic interventions, in contexts where women are particularly vulnerable and in conflict zones.

BOX 5. BOOSTING WOMEN’S WORK THROUGH SAFETY NET SUPPORT

The Niger Adaptive Safety Net Project 2 AF (P173013) provides access to safety nets to poor and vulnerable groups in Niger to bolster their capacity to respond to shocks. It is encouraging investment in human capital and facilitating skills development. In Niger, early family formation and restrictive societal norms impose significant barriers to women’s participation in economic activities. Consequently, several activities in this project are designed to address these barriers and boost women’s empowerment. These include a program to foster behavior change among parents and boost parental investments in girls’ human capital and an early-childhood development program to provide training on maternal and reproductive health and birth spacing. A productive inclusion package also offers life skills training with dedicated modules on gender relations and women’s empowerment alongside targeted mentorship to women to boost their self-confidence.

Behavioral interventions: Behavioral approaches, such as helping prospective applicants prepare a job search action plan (Abel et al. 2019), show promise in a limited number of contexts, but more evidence is needed to identify binding constraints and effective solutions for women.

Labor-saving technologies: There is some evidence that the expansion of labor-substituting technologies is linked to increased labor force participation among women. For example, the spread of home appliances in the United States during the 1960s (Coen-Pirani, León, and Lugauer 2010) and Indonesia’s subsidized switch to cleaner cooking fuel (Bharati, Qian, and Yun 2021) were both associated with expansions in FLFP. A rebate program for refrigerators and washing machines in China also contributed to a reduction in the time women spent on household activities and an increase in their labor force engagement (Tewari and Wang 2021). On the other hand, programs such as provision of direct public water supply show some timesaving impacts for women, but that does not translate into increases in labor supply (Gross et al. 2018; Devoto et al. 2012).

Safe and secure transport: While there remains a paucity of evidence on the impact of safe and secure transport on FLFP, new research from Pakistan demonstrates that women-only transport can increase job search activity, highlighting the role of mobility norms and safety (Field and Vyborny 2021). Emerging evidence from the expansion of the Delhi metro system (Seki and Yamada 2020) and Lima’s rapid bus system (Martinez et al. 2020) shows that even gender-blind transport infrastructure has the potential to increase women’s employment relative to men’s.7

7 Gender blind refers to an ideology that chooses to not acknowledge differences between genders. Specifically, it does not recognize societal expectations for different gender roles and how these expectations disproportionately affect each gender.
**Anti-harassment interventions:** Despite the ample evidence of harassment and abuse women face in many workplaces, there is little evidence on the role that reducing harassment can play in fostering women’s entry into the workforce. However, descriptive evidence from India and Bangladesh suggests that awareness and perceptions of the risk of sexual harassment and assault constrain FLFP (Siddique 2022; Ahmed and Kotikula 2021). New experimental work with female college students in India finds that four months after receiving training to raise awareness on sexual harassment, young women were less likely to accept a hypothetical job offer with teams composed primarily of men (Sharma 2022). While this study did not detect an impact on women’s labor market aspirations or the likelihood of working, the results suggest that reducing harassment could facilitate women’s entry into male-dominated sectors. A study in Fiji recommends workplace interventions to address domestic and sexual violence (see Box 6).

**Conventional job and vocational training:** A World Bank Jobs Group review of the evidence finds an inconclusive link between standard training programs and FLFP (Pimkina and de la Flor 2020), while a meta-analysis of vocational training finds only modest positive effects for women (Chinen et al. 2017). However, innovations to training programs—such as conducting pre-training diagnostics to specifically identify challenges faced by women, imparting socio-emotional skills, certifying skills through training, providing mentorship opportunities, providing childcare and transport provision to attend training, inviting women to bring a friend to training programs, and providing online training (see Box 7)—have yielded larger uptake and impact (Beegle and Rubiano-Matulevich 2020). Business training programs have also been shown to help women start their own enterprises in some contexts (McKenzie 2021).

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**BOX 6. BUSINESS CASE FOR WORKPLACE RESPONSE TO GENDER BASED VIOLENCE IN FIJI**

The IFC’s Business Case for Workplace Responses to Domestic and Sexual Violence in Fiji finds that domestic and sexual violence cost Fijian employers almost 10 days of work per employee per year. Of those surveyed, 21 percent of women and 9 percent of men had experienced violence in the last 12 months. The most common form of violence was emotional abuse, harassment or intimidation by a family or household member, followed by physical violence.

Recommendations for businesses that arose from this study include developing firm policies and programs to guide workplace response to domestic and sexual violence. This may involve the company’s approach to allegations of domestic and sexual violence perpetrated by employees and the nonacceptance of violence in any form and establishing small cross-departmental teams of men and women who are trained and supported to assist employees affected by violence.

Following the publication of the report, IFC launched a program to coach trainers to help businesses across the Pacific better support staff affected by domestic and sexual violence. It worked with over 30 companies in Fiji, Papua New Guinea, and Solomon Islands to address workplace bullying and harassment, support employees experiencing domestic and sexual violence, and prevent sexual exploitation.
Non-transport infrastructure: The evidence on expanding access to electricity (Lee, Miguel, and Wolfram 2020; Dinkelman and Ngai 2022) and clean water (Kremer et al. 2011) in developing countries suggests that these infrastructure improvements have muted short-term effects on FLFP, with some exceptions (Dinkelman 2011).

Women collective groups: Women collectives, such as chamas in Kenya, esusu in Nigeria, and self-help groups in India, are a popular mechanism for delivering economic and social support to women. They also contribute to improvements in health and financial inclusion. However, their impact on FLFP is largely inconclusive (Javed et al., 2022; Anderson et al. 2020). Certain aspects of women collectives, such as vocational training, show more impact than others (Desai and Joshi, 2014), but, given that these groups tend to provide multiple treatments simultaneously, it is difficult to determine which components are driving which outcomes.

BOX 7. WOMEN AND ONLINE LEARNING IN EMERGING MARKETS

IFC’s Women and Online Learning in Emerging Markets study examines the role online platforms can play in supporting women’s access to job-relevant courses and credentials and, thereby, advancing their employment opportunities. Online trainings represent a salient opportunity for women, who were more likely than men to report that mobility (22 percent vs 14 percent), safety (26 percent vs 22 percent), and family obligations (22 percent vs 12 percent) are key factors when deciding where to study. Online training lowers some accessibility barriers for women caregivers, 60 percent of whom would postpone or forgo studying if online learning was not an option.

While the platform examined in this study benefited women in absolute terms, the impact was lower relative to men: 34 percent of women learners reported finding a new job, setting up a business, or improving their job or business performance as a result of learning online compared to 40 percent of men. Women were slightly less likely than men to report a new job or promotion (9 percent vs 14 percent), but they were more likely to report improved performance and improved potential. The study also suggests that online learning can support employee upskilling and progression: 13 percent of women learners who were currently employed reported acquiring a new job or promotion (compared to 18 percent of men).
DEMAND-SIDE INTERVENTIONS TO INCREASE FEMALE LABOR FORCE PARTICIPATION

Even when supply-side constraints are alleviated and women enter the labor market to seek jobs, demand side constraints can hinder women’s employment. Addressing these constraints can reduce discriminatory barriers to employment and increase the number of quality jobs for women. There is a relatively small, but fast-growing, evidence base on interventions that can accelerate these changes.

**Signaling and inclusive hiring:** Women may often face barriers to employment due to implicit or explicit biases of employers. Providing credible information and signals to hiring firms can reduce some of these barriers. Evidence from South Africa reveals that signaling one’s skills to firms through a reference letter substantially increased callbacks for women relative to men (Abel, Burger, and Piraino 2020). Further, evidence from Cote d’Ivoire shows that credibly certifying an applicant’s skills can facilitate callbacks and employment (Carranza et al. 2020). Similarly, evidence from Uganda reveals that combining skills certification with vocational training led to large employment gains for women and men three years post-intervention (Alfonsi et al. 2020). At the same time, making the business case to firms to promote gender diversity in hiring and retention can help alleviate demand-side constraints. Box 8 highlights some initiatives aimed at adopting equal opportunity practices.

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**BOX 8. ADVANCING GENDER DIVERSITY THROUGH EQUAL OPPORTUNITY RECRUITMENT PRACTICES**

The IFC-Pakistan Business Council (PBC) is part of the global IFC Women’s Employment Program that provides gender-smart business solutions to IFC clients in manufacturing, agribusiness, and services. When PBC found that most of its firms had fewer than 20 percent women in their workforce, it partnered with IFC to advance women’s employment.

Under this program, a packaging company in Pakistan introduced new equal opportunity recruitment practices in 2015, including recruitment drives at universities and targeted outreach to women job candidates. It established new internal and hiring practices to set 50-percent gender quotas for shortlisted resumes and to invest in internal training and capacity-building for women employees. The company also began using gender-neutral language in its job postings and advertising its family-friendly policies on social media, such as door-to-door transportation services for women employees and an on-site Ladies and Children Area, which includes a daycare. These practices led to a slight increase in the share of women in its workforce (from 3 percent in 2017 to 4 percent in 2018) and an increase in the number of women job applicants, from 5–10 percent in 2016–2017 to approximately 20 percent in 2018. The gap between gender composition at the application and final hiring stage may indicate that outreach activities need to be complemented with stronger, gender-transformative hiring policies, as well as suitable supply-side interventions.

This partnership continues to draw on findings from other IFC projects to make the business case for increasing workforce diversity. The Moving Toward Gender Balance in Private Equity and Venture Capital study, for example, explores the link between financial returns and gender diversity, using data from more than 700 funds and 500 portfolio companies around the world. The study finds that private equity and venture capital funds with gender-balanced senior investment teams generated 10–20 percent higher returns compared with funds that have majority men or women leaders.


**Student employment programs:** Programs that provide young women with temporary work experience in low-quality occupations have limited effects on future employment outcomes (Beam and Quimbo 2021). However, as evidenced in Uruguay, work-study programs offering higher quality jobs with a focus on human capital accumulation can significantly increase future formal employment and earnings and reduce the share of young women who are not in education, employment, or training (Le Barbanchon, Ubfal, and Araya 2021). Similarly, the combination of classroom-based and on-the-job training for poor youth in Colombia had an outsized impact on women’s employment and earnings (Attanasio, Kugler, and Meghir 2011).

**Public works and employment guarantees:** Public works interventions have been shown to directly enhance employment and earnings for women across multiple contexts (Alik-Lagrange et al. 2020; Franklin et al. 2021), although these gains do not typically sustain post-intervention (Brodmann, Galasso, and Devoto 2019; Orkin et 2022). Meanwhile, employment guarantee schemes, such as India’s Mahatma Gandhi National Rural Employment Guarantee Act, have led to disproportionately larger increases in women’s labor supply relative to men’s (Sheahan et al. 2020; Afridi, Mukhopadhyay, and Sahoo 2016).

**Lowering search costs and improving matching:** Firms and women may both benefit from efforts to reduce the transaction costs of finding employment. An experimental study from Ethiopia, for example, finds that subsidizing application costs encourages high-ability women workers to apply for formal vacancies (Abebe, Caria, and Ortiz-Ospina 2021). Another study from Ethiopia finds that transport subsidies triggered an increase in employment for women and men (Franklin 2018), although these short-term effects were not sustained four years after the intervention (Abebe, Caria, Fafchamps, Falco, Franklin, and Quinn 2021). Similarly, facilitating access to information on job vacancies and opportunities can lower search costs. While the evidence from in-person job fairs in the Philippines and Ethiopia suggests only modest effects on participants (Beam 2016; Abebe, Caria, Fafchamps, Falco, Franklin, Quinn, et al. 2021), linking women to widely-used digital platforms shows promise. For example, young jobseekers in South Africa (nearly two-thirds of whom were women) were given four hours of training on how to use LinkedIn, which led to a sustained increase in employment one year later (Wheeler et al. 2022).

**Wage subsidies:** Temporary wage subsidies can spur short-term gains for women (Galasso, Ravallion, and Salvia 2004), but as evidence from Jordan indicates, these effects do not necessarily serve as a stepping stone to long-term employment for women (Groh et al. 2016a).
Gender discriminatory laws can restrict women’s economic opportunities, including their labor force participation. The World Bank’s Women, Business and the Law database, which measures legal and regulatory differences between men and women on accessing economic opportunities, indicates that addressing discriminatory legal barriers can increase FLFP and reduce the gender wage gap (Hyland, Djankov, and Goldberg 2020). World Bank is programming development policy financing and other funding to help countries create an enabling environment to promote FLFP (see Boxes 9 and 10).

**Labor market and family law reforms:** Some studies suggest more women may be induced to enter the labor force with measures to remove legal restrictions for women’s work in specific occupations or at specific times, reduce discrimination in the hiring and dismissal of women, and dismantle mobility restrictions. Other useful measures include mandating equal pay for equal work, legislating pay transparency, and eliminating requirements for women to obtain approval from their husbands for employment. New evidence from Saudi Arabia—a setting with gender-segregated workplaces—suggests that gender-neutral hiring quotas for private firms can increase women’s employment, even when the quotas are not binding (Miller, Peck, and Seflek 2022). Ethiopia’s Family Code reform, which removed restrictions on women’s work outside the home and increased the legal age at marriage, prompted an increase in women’s work outside the home and formal employment, especially among younger women (Hallward-Driemeier and Gajigo 2015). New evidence from Denmark suggests that mandating pay transparency among firms leads to 5 percent more women being hired at middle and entry-level positions (Bennesden et al. 2019). Causal evidence on such reforms is limited and from select contexts. More research is needed to draw more conclusive inferences on their effectiveness.

**Parental leave and flex-work policies:** It is pertinent to examine the role of governments’ parental leave and flex-work policies on women’s workforce participation, since 45 percent of wage employees in low and middle-income countries are engaged in public sector jobs and are, therefore, under the purview of public sector policies. Most causal evidence on this topic stems from developed economies and points to small impacts on women’s employment. The magnitude of impact depends on, among other factors, the duration of the mandated leave (Olivetti and Petrongolo 2017; Rossin-Slater 2018). While causal evidence from developing countries remains scant, some new descriptive research yields two key insights: (i) there is a positive correlation between duration of maternity leave and FLFP (Amin and Islam 2022), and (ii) in countries where there is greater disparity in parental leave (i.e., mothers get much greater leave than fathers), FLFP is low (Hyland and Shen 2022). This sheds light on how, in some context, leave policies may perpetuate unequal intra-household distribution of care work. More research is needed on this topic to draw conclusive policy inferences.

**Personal income tax reforms:** Measures related to taxes—such as neutral marginal tax rates for secondary earners (relative to individual earners), tax credits for childcare (to parents, employers, and childcare centers), and stronger tax incentives to share market work between spouses—tend to be associated with an expansion in FLFP in developed economies (Fruttero et al. 2020; Coelho et al. 2022). The impact of these measures in developing countries would likely depend on the degree of formality in the workforce and ability of the government to collect personal income tax revenue.

**Financial inclusion reforms:** Allowing women to have a bank account in her own name and apply for a loan or open an account without their husband’s approval has the potential to enhance women’s control over financial resources and, in turn, increase their labor supply. However, more evidence is needed to establish the causal impact of these measures on women’s labor market outcomes.

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8 This evidence stands in contrast to policies on expansion of subsidized childcare, which has been found to have stronger employment impacts for working mothers (Olivetti and Petrongolo 2017).

9 The share of female workers in a firm increases by 2.08 percentage points for each log point increase in the number of days of paid maternity leave.

10 For example, in Malaysia, childcare operators benefit from tax exemptions, while child allowances granted to employees by the employer are also tax exempt for both employees and employers.
BOX 9. DEVELOPMENT POLICY FINANCING TO PROMOTE FLFP

World Bank development policy financing (DPF) is helping to eliminate regulatory barriers to women’s workforce participation. The Jordan Second Equitable Growth and Job Creation Programmatic DPF (P168130) supported the government in issuing new regulations to make work more flexible through part-time contracts and remote work and to eliminate restrictions on the types of jobs and hours women can work. It also supported the Ministry of Transport in issuing and enforcing codes of conduct (COC) to address women’s safety and harassment concerns on public transportation. COCs introduced new service agreements with transport operators to regulate the behaviors of passengers, drivers, and operators, and specified new grievance redress mechanisms against harassment and gender-based discrimination. The Egypt Inclusive Growth for Sustainable Recovery DPF (P171311) also focused on transportation measures and included an implementation mechanism for increasing women’s labor in the transportation sector and preventing harassment.

Turkey’s Resilience, Inclusion and Growth DPF turned its attention to addressing the increased demand for affordable childcare services by introducing tax incentives for private nursery schools. It also supported labor law amendments that legalize formal temporary work contracts and various telecommuting work arrangements and extend equal protections to temporary and part-time workers. Formalizing temporary contracts provides an entry point for women who often lack work experience and employment history, due to childcare responsibilities and other barriers. Introducing part-time work, remote and distance work, and telecommuting arrangements can also address some of the economic and cultural barriers women face.

BOX 10. FACILITATING WOMEN’S ECONOMIC TRANSFORMATION

The Mashreq Gender Facility (MGF) (P168157) is a World Bank–IFC initiative that aims to enhance women’s economic empowerment in Iraq, Jordan, and Lebanon by supporting these countries in achieving their targets of substantially increasing FLFP by 2024.

- In Iraq, the MGF supported analytical research on the gap between the country’s legal framework around women’s economic participation and its implementation to inform action by policymakers.

- In Lebanon, the MGF team is partnering with the National Commission for Lebanese Women to identify and lift legal constraints restricting women’s access to the workforce, and to advocate for and assist in the implementation of the Anti-Sexual Harassment Law, which was passed in December 2020, with a focus on sexual harassment in the workplace.

- In Jordan, the MGF is supporting the development of a roadmap on wage protection through digital payments, with focus on how to address the legal and practical challenges that prevent low-income women from engaging in the digital economy.
The focus of policy should be to remove barriers to allow all women and men to pursue and achieve their goals and aspirations. This note attempts to identify measures that allow women to flourish economically in a way that is in line with their own preferences and life situation rather than based on socially prescribed views of women’s roles at home and in the labor market. Based on the evidence and interventions reviewed, the following takeaways emerge for policymakers.

Addressing one constraint is often necessary but insufficient. Even when one-off interventions effectively address one constraint to increase FLFP, these effects typically do not persist over time. Interventions that address multiple constraints (including norms) in combination with policy reforms have the potential to shift women and their economies to a new equilibrium.

Norms pose a barrier in all contexts, especially in countries where FLFP is stagnant or declining, like in India (Klasen and Pieters 2015; Gupta 2022). However, norms and attitudes are malleable (Field et al. 2021) and those concerning the suitability of women’s employment and women’s roles within the household can be tackled directly (e.g., engaging men and families) or even circumvented (e.g., provision of care services) to allow women to work.

Shifts in the demand for women’s work can spark an increase in supply. Economy-wide demand shocks can erode restrictive norms around women’s work outside the home and increase women’s human capital. For example, the growth of the ready-made garment sector in Bangladesh led young women to delay marriage and childbearing, while increasing their education levels in anticipation of employment (Heath and Mobarak 2015).

Legal reforms are an important pre-condition to fostering FLFP. Evidence from OECD economies underscores the role that legal and policy reforms can play in giving women and men equal opportunities in the labor market. Yet many of these reforms need to be complementary to be successful, for example, pairing parental leave mandates with measures to expand childcare coverage. Further, effective communication and socialization of such reforms in the society are pertinent to foster changes in personal attitudes as well as community-wide norms.

A dearth of cost-effectiveness evidence prevents comparison of alternative policies under constrained budget resources. While an increasing number of impact evaluations report cost-effectiveness measures for downstream outcomes like earnings, there are very few that report cost-effectiveness estimates for women’s employment outcomes. Providing these estimates will be a key ingredient to assessing the scalability of interventions.

Investing more in the human capital of girls is important but often not sufficient to translate into employment. Enhancing women’s human capital does not automatically trigger gains in her employment, as the relationship between women’s education levels, fertility choices, and labor force participation varies across settings and sub-populations (Klasen 2019). Nevertheless, expanding girls’ and women’s access to quality education and health care should remain a key priority for policy, given existing inequalities and the economic payoffs of these investments.

Regional differences are substantial and pre-existing conditions matter. This note sheds light on an array of policy options that are effective or show promise in improving FLFP. Yet, differences in levels and growth of this participation across countries could be shaped by an interplay of pre-existing characteristics, like institutions, economic structure, structural change, and persistent gender norms and values (Klasen 2019, Klasen et al. 2021).

The World Bank Gender Group aims to coordinate efforts to raise awareness on the importance of facilitating FLFP. This policy note is just a first step to setting the agenda and engaging with implementing partners, including practitioners, researchers, organizations of women entrepreneurs, and other stakeholders. There is a need for urgent policy action to remedy such gender gaps and promote green, resilient, and inclusive development (GRID).
RESOURCES & REFERENCES

RESOURCES
What Explains Uneven Female Labor Force Participation Levels and Trends in Developing Countries? (Klasen 2019) [ungated version]

Promoting Female Labor Force Participation (Pimkina and de la Flor 2020)

World Bank Gender Data Portal Employment and Time Use section

REFERENCES


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