



By: *Indermit Gill - Tea Trumbic*

# Gender equality delivers measurable economic returns



In 2012, facing a shrinking labor force and economic stagnation, then-Japanese Prime Minister Abe Shinzō bet on women.

To encourage more women to work, his government rolled out a series of reforms, including expanded childcare, enhanced parental leave, and tax incentives for firms that promoted women.

By 2019, **2.5 million additional women** were employed, female labor-force participation reached **67%**, and job placement for graduates was nearly universal.

The conclusion is straightforward: When barriers to women's workforce participation are removed, economic outcomes improve.

Today, developing economies face the opposite challenge: a massive youth bulge.

Over the next 10-15 years, **1.2 billion young people** will enter the labor market in these economies, which are expected to generate only about 400 million jobs over that period, implying an unprecedented jobs deficit.

Ensuring that young women – roughly half of this bulge – have the same opportunities as men to participate fully in the economy will be crucial to turbocharging growth and employment.

## Supporting women's economic participation

As more women join the workforce on equal terms, they will increasingly start businesses and create jobs.

Research shows that in most countries, closing the opportunity gap could boost GDP by **as much as 20%**.

In recent decades, dozens of countries have taken the first step toward supporting women's economic participation by reforming family, labor, and financial laws.

## Women today have about two-thirds of the legal rights that men enjoy, up from barely half at the turn of the century

As a result, women today have about **two-thirds** of the legal rights that men enjoy, up from barely half at the turn of the century.

But too many countries fail to take the next step. The World Bank's Women, Business and the Law 2026 report shows that even where protections exist on paper, fewer than half of the policies and services needed to implement them are in place.

And a new enforcement index reveals that these laws are applied only about half the time, creating a massive gap between legal rights and lived reality.

Today, only **4% of women** worldwide live in countries that recognize nearly full legal equality, while none of the 190 countries covered by the Women, Business and the Law 2026 report provides women with the same legal environment as men across all ten assessed areas.

## Safety, childcare, entrepreneurship

The biggest gap is in safety. Limited and inconsistent protection from gender-related violence prevents women from joining and remaining in the workforce.

Similarly, laws against sexual harassment vary considerably depending on the environment: 143 countries ban it at work, but only 90 address it online, 63 in education, and just 36 in public spaces.

Another weak area is entrepreneurship. Women can legally start businesses in most countries, but they still face obstacles to securing funding: Only about half of all countries support equal access to credit.

## Just 40 countries require minimum representation of women on corporate boards

The lack of diversity in leadership is another barrier to entrepreneurship, as just 40 countries require minimum representation of women on corporate boards.

Childcare is the third-weakest area, with the lack of affordable and high-quality services keeping too many women out of paid work.

While 146 countries regulate childcare services for children under the age of three, fewer than half (66) set comprehensive quality standards, like caregiver-to-child ratios, group-size limits, education or training requirements, and mandatory periodic inspections. And only 78 offer financial or tax support to families.

These deficiencies depress labor-force participation rates, reduce hours worked, and slow formal employment and firm creation, all of which are vital to long-run growth, tax revenues, and resilience.

### The good news

The good news is that governments have started to address the most problematic areas over the last few years.

Twenty-two economies, many in Latin America and the Caribbean, enacted reforms to improve women's safety. Six of them – Belize, Bolivia, Bulgaria, Peru, Suriname, and Zambia – raised the legal minimum age for marriage or removed the parental-consent exception, closing a loophole that enabled child marriage.

Seven economies – Argentina, Brazil, Mali, San Marino, Sri Lanka, the United Kingdom, and Uruguay – introduced or strengthened cyberharassment laws.



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Some progress has also been made on building supportive frameworks for entrepreneurship, with 21 reforms across 19 economies.

Suriname's Trade Register Act now allows women to register businesses in the same way men do, removing a long-standing structural barrier.

Ecuador's Organic Law to Promote the Economy of Ecuadorian Women Entrepreneurs bans gender-based discrimination in credit evaluation, adds oversight, and introduces sanctions for noncompliance.

Thirteen economies strengthened women's representation on corporate boards. But, overall, implementation has been uneven.

*For governments seeking more jobs and growth, the question is not whether they can afford to close the opportunity gap for women, but how they can afford not to.*

By aligning laws that empower women with systemic changes, enforcement mechanisms, and public reporting, policymakers can track results, adjust strategies, and, perhaps most importantly, show that gender equality delivers measurable economic returns.

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Business, and the Law project.