Policies that help integrate women into the workforce benefit everyone

Equality between men and women is important for both moral and economic reasons. If half of the world’s population cannot reach its full potential, the whole global economy suffers. Despite much progress in recent decades, inequality across gender lines persists in the workforce. Female labor force participation continues to be lower than that of men due to many factors, including wage gaps, unequal access to opportunity, health and education disparities, and legal obstacles.

Equal access to jobs and economic opportunities benefits all people—not just women. For example, countries facing shrinking workforces because of an aging population can expand their labor force by including women.

In most countries, however, at least one legal hurdle prevents women from finding work. In addition to reforming institutions, regulations, and laws that promote discrimination against women, governments can implement family-friendly policies like parental leave and affordable child care. Especially in low-income countries and emerging markets, additional investments in infrastructure, health, and education would help women join the workforce.

There are large regional disparities in female labor force participation.

Globally, women make up 40% of the labor force.

In the Middle East & North Africa it’s 21%.

In sub-Saharan Africa, that number is 63%.

The UN Gender Inequality Index (GII) measures inequality in both opportunities and outcomes, and is closely linked with overall income inequality.

Reducing inequality by 0.1 on the GII leads to a 1% increase in economic growth.

Almost 90% of countries have at least one gender-based legal restriction.
In Europe, 2 out of 10 senior corporate positions are held by women. Increasing that number to 3 out of 10 would result in a 3–8% increase in a company’s return on assets.

The gender wage gap is roughly 16% in OECD countries.

How much would a country’s GDP increase if women’s labor force participation were increased to match men’s?

Reducing the gender gap in labor force participation by 25% by the year 2025 would potentially create 100 million jobs for women.

Fiscal policies that support increased female labor force participation:
- Greater equality between maternity and paternity leave policies
- Social benefits linked to labor force participation
- Access to affordable child and elder care
- Taxes on individual rather than family income
- Investing in infrastructure, education, and health

Prepared by Maria Jovanović. Text and charts are based on the IMF’s ongoing gender research, available at imf.org/gender and drawing on other institutions’ knowledge and data.