



# Unlocking Women's Entrepreneurship through Childcare Reform

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This Brief explores how childcare responsibilities shape women's entrepreneurial choices and business growth, drawing on data from the *Women, Business and the Law* project as well as complementary evidence from Bangladesh, Brazil, and Nigeria. Globally, women spend nearly three times as much time providing unpaid care compared to men, constraining their ability to start and grow firms. While laws enabling women's economic participation are expanding globally, limited supportive childcare policies limit women's choices and entrepreneurial potential. Even where laws exist, gaps in their implementation or enforcement as well as prevailing social norms may shape how families divide care, how markets respond, and how policymakers prioritize childcare. This Brief highlights the importance of incorporating care systematically into entrepreneurship policy. It calls for expanding affordable and quality childcare, addressing social norms, and supporting women-led care enterprises through accelerators, market access platforms, and tailored financial products. It highlights initiatives like the *Women Entrepreneurs Finance Initiative (We-Fi)* as models for coordinated investment in the care economy to unlock women's entrepreneurial potential.

## The Hidden Costs of Care for Women Entrepreneurs and the Opportunities for Investing in Care

Globally, women entrepreneurs drive innovation, create jobs, and deliver solutions to pressing social and economic challenges (Bullough et al. 2022; Dufflo 2012). Yet behind many of their success stories lies an often-overlooked obstacle: the unequal burden of unpaid care work, specifically childcare. Childcare is one of the most time-consuming forms of unpaid care work. Globally, women spend nearly three times as much time on unpaid care as men, limiting the time, flexibility, and resources they can dedicate to entrepreneurial activities, particularly during their prime working and entrepreneurial years (ILO 2018).

A growing body of evidence reveals that care responsibilities directly shape women's labor force participation, and by extension, their ability to start and sustain businesses (Goldin 2014; Halim et al. 2023; Hotz et al. 2018; Niesten 2025). An estimated 708 million women are out of the workforce due to unpaid care responsibilities, compared to just 40 million men (ILO 2024). This

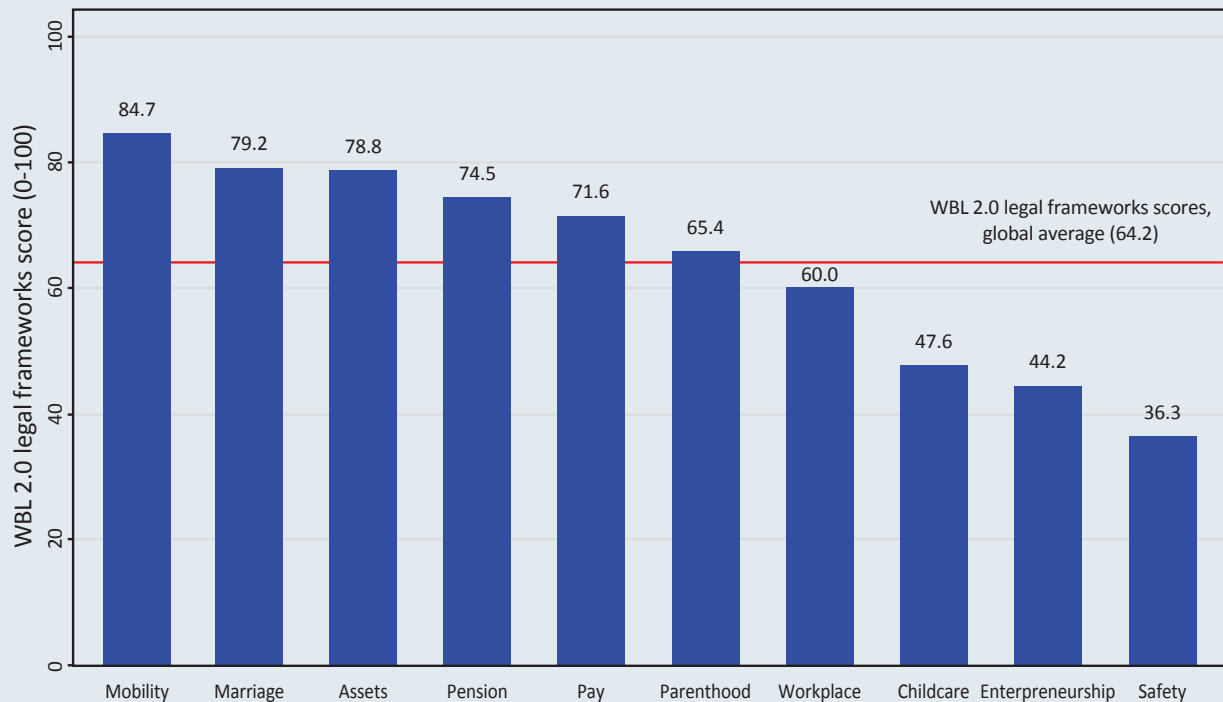
constrains not only individual opportunity but also broader economic output. Increasing female labor force participation could boost GDP up to 20 percent, with particularly substantial gains in developing countries where gender gaps remain widest (Goldberg et al. 2025).

While women entrepreneurs are not a homogenous group, ranging from necessity-driven livelihood entrepreneurs to high-growth startup founders (GEM 2023; We-Fi et al. 2025), care responsibilities can shape women's entrepreneurial choices and business growth. First, unpaid care acts as a labor supply barrier. Women may turn to self-employment when traditional employment becomes incompatible with care demands. During the COVID-19 pandemic, childcare closures pushed many women into "necessity entrepreneurship", entrepreneurship born out of difficult economic circumstances, as wage work was no longer feasible (Conroy and Rupasingha 2025; Tribin 2023). Second, inadequate childcare availability limits productivity and firm growth. Women with caregiving duties often have less time to invest in their businesses, face mobility constraints compelling them to work from home, and experience heightened stress and burnout (Iversen and

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**Figure 1** The Childcare–Entrepreneurship Gap in Legal Frameworks

Source: *Women, Business and the Law 2024* database.

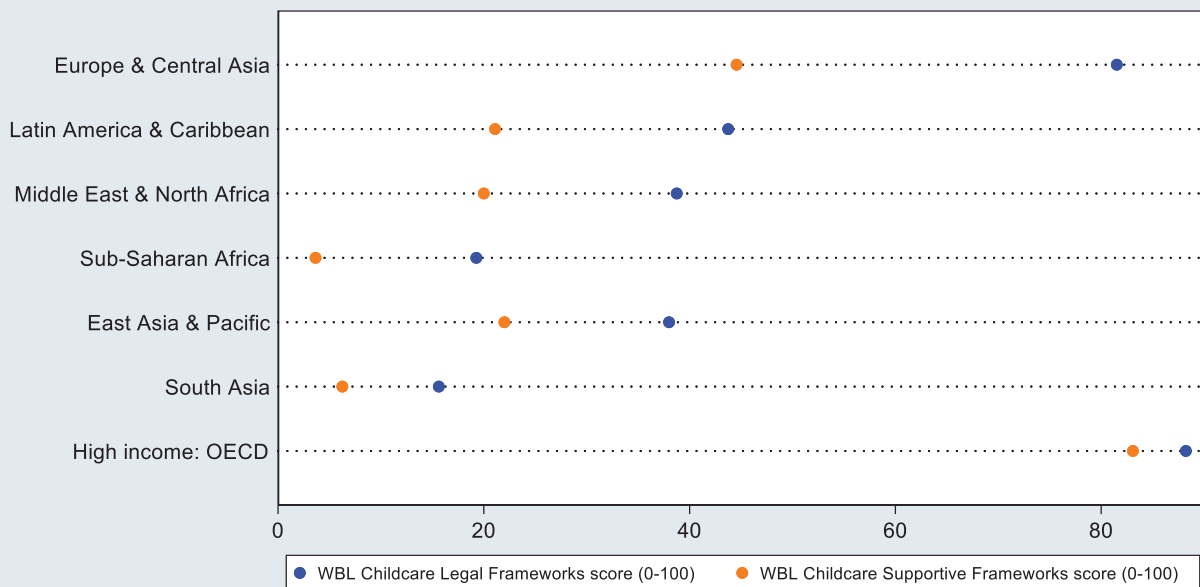
Rosenbluth 2010). The impact is significant: in some contexts, women-led businesses with care obligations experience up to 48 percent lower profitability due to “time poverty” compared with those without such responsibilities (Delecourt and Fitzpatrick 2021). Third, care responsibilities affect women entrepreneurs indirectly through their workforce, as women-led firms are more likely to employ women (Chiplunkar and Goldberg 2024), whose own caregiving constraints can affect performance and productivity. Yet unpaid care also represents a significant opportunity: women care entrepreneurs are uniquely positioned to innovate, scale care services, and capture growth in an industry projected to add 475 million jobs globally by 2030 (ILO 2018).

This Brief explores the interconnections between childcare and women’s entrepreneurship, a policy-relevant area where empirical evidence and policy analysis remain limited. Drawing on quantitative data from *Women, Business and the Law* (WBL), WBL-Gallup pilot data on women’s lived experiences, as well as on qualitative interviews conducted with women entrepreneurs, the Brief examines how legal frameworks and social norms related to childcare shape women’s entrepreneurial opportunities. The analysis is developed in the context of a new round of *Women Entrepreneurs Finance Initiative (We-Fi)* investments in the care economy.

## Beyond Legal Reform: Why Implementation of Childcare Laws and Policies Matters for Women Entrepreneurs

The World Bank’s *Women, Business and the Law* project measures laws—or the absence thereof—that affect women’s economic opportunity across different life stages: Safety, Mobility, Work, Pay, Marriage, Parenthood, Childcare, Entrepreneurship, Assets, and Pension, covering 190 economies. The *Entrepreneurship* topic assesses women’s legal capacity in entrepreneurial activities such as starting and running a business, signing a contract, and opening a bank account, as well as their ability to become business leaders and win public contracts. The *Childcare* topic focuses on laws regulating the supply of and the demand for center-based childcare services for children under the age of three, and includes indicators on the availability, public finance, and quality of childcare services. *Childcare and Entrepreneurship* are two of the lowest-scoring topics measured (Figure 1).

While childcare laws have been shown to increase labor force participation by up to 2.2 percent (Anukriti et al. 2025), legal reform alone is not enough. Legal equality must be accompanied by policies and systems that enable women to exercise their rights in practice. On childcare specifically, there is a substantial implementation gap across all regions with the largest gaps appearing Europe & Central Asia, Latin America & the Caribbean, and the Middle East & North Africa (Figure 2). While several regions have made strides in

**Figure 2** Implementation Gaps in Childcare across all Regions

Source: *Women, Business and the Law 2024* database.

codifying childcare-related laws, the actual implementation of supportive frameworks, such as access to publicly available registries of childcare providers, financial support for both parents and nonstate childcare providers, and monitoring of high-quality services through publicly available quality reports, lags significantly behind. This pattern reveals a critical insight: having laws on the books does not guarantee that women automatically are able to access affordable, quality childcare.

### How Women Navigate Childcare in Different Contexts

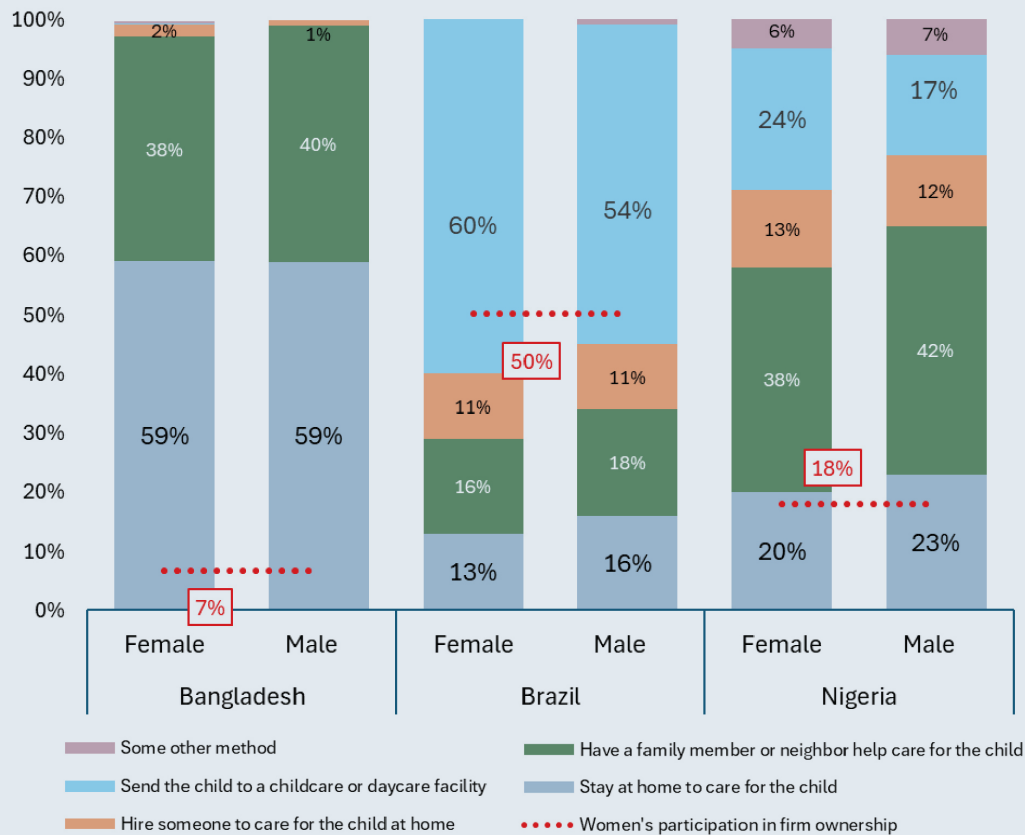
*Women, Business and the Law*, in collaboration with Gallup, Inc., collected individual-level data on women's lived experiences. The survey was carried out as part of the Gallup World Poll in Bangladesh, Brazil, and Nigeria, surveying 1,000 adults per country. This innovative approach captures how men and women experience laws in practice, complementing traditional legal indicators with insights on actual behaviors and perceptions (Saavedra-Caballero et al. forthcoming). Insights from the WBL-Gallup pilot data illustrate how different care responsibilities shape women's economic opportunities in different contexts (Figure 3).

Across all three countries, women and men express remarkably similar perceptions of the primary childcare method used by most women with young children in their

communities, suggesting broad agreement on prevailing norms. Yet, across countries, the childcare solutions used by women differ fundamentally.

Bangladesh has the lowest availability of formal childcare solutions among the three countries. Virtually no women use childcare or daycare facilities, while 59 percent stay home to care for children and 38 percent rely on family members or neighbors. This pattern reflects both limited formal childcare infrastructure and deeply embedded social norms that position women as primary caregivers. In this context, women's participation in firm ownership stands at just 7 percent. Haniem Maria Chowdhury, founder and owner of Tahoor, a fashion brand in Bangladesh, and mother of twins further explains the importance of family support: “[e]specially in my early years, my mother helped a lot. My factory was very close to her house, so after school closure I could leave my sons with her and go to the factory”. She noted that having her mother nearby was a decisive factor in choosing the location of her company's factory, since it allowed her to manage both her business and family life more easily.

In Brazil, the picture is strikingly different. Over 60 percent of women report using formal childcare facilities, and relatively fewer women stay home or rely on family members to care for children. This greater reliance on formal childcare frees up time for economic participation and is associated with a higher rate of women's participation in firm ownership (50 percent). Yet quality, affordability, and

**Figure 3** Childcare Solutions for Women Vary by Context

Source: WBL-Gallup pilot data on individual perceptions (2025), Enterprise Surveys data on women's participation in firm ownership (most recent survey). Graph depicts answers to the question: "What is the primary method of childcare used by **most women** with at least one child under 5 years old in the city or area where you live: (1) Stay at home to care for the child; (2) Send the child to a childcare or daycare facility; (3) Have a family member or neighbor help care for the child; (4) Hire someone to care for the child at home; (5) Some other method. Individual-level data were collected in 2024 (n=1,000) and are representative at the national level.

reliability remain concerns even where formal childcare exists. Renata Betti, co-founder of Talent Academy in Brazil, describes the constant adaptation required: "[t]he first thing I did was find childcare close to my home; that was my number one criterion." Periods when childcare facilities close reveal the fragility of these arrangements. "Vacation time in Brazil? What are we going to do when childcare closes? In the first years of a startup, you almost never take vacation," she continues. When COVID-19 hit, these systems collapsed entirely: "[i]t was one of the hardest periods of my life... I had to work from home alone with my daughter, with no help and with no daycare available."

Nigeria falls between these two extremes, where formal caregiving options are evolving. About 24 percent of women use formal childcare facilities, 38 percent rely on family members or neighbors, and 20 percent stay home, reflecting a transitional system with both formal and informal elements. Women's participation in firm ownership similarly stands at a moderate 18 percent. Yetunde Adeyemi, founder of a leading commercial bakery in Lagos, notes that "...caregiving responsibilities have definitely impacted business

endeavors, influencing both the pace and the structure of my growth. As a mother and an entrepreneur, I have had to carefully plan and navigate the challenges of running my business while caring for my children."

These divergent patterns underscore a critical insight: care constraints are universal, but their form and intensity vary sharply across legal, social, and institutional contexts. Implementation challenges are not only technical, they are also deeply social. Prevailing gender norms often dictate who accesses services, how they are delivered, and whether they are prioritized in practice. In many contexts, caregiving continues to be viewed as a woman's responsibility rather than a shared responsibility between parents. Renata Betti states: "Even though both me and my husband are entrepreneurs, and we both contribute financially to our household, the responsibility for everything related to our daughter still falls on me... I'm the one who has to know when she has a doctor's appointment, what vaccines she needs to take, and when she gets sick at school, it's always me whom they call. It's always the mom... The mentality is still that the mother is responsible for all of this."

This dynamic is also mirrored in research which shows that even when formal childcare is available, women often remain the default caregivers due to social expectations, limiting their capacity to pursue entrepreneurial ventures that require time, mobility, and risk-taking (Bullough et al. 2022; Goldstein et al. 2024). In Brazil, for instance, 71 percent of men entrepreneurs report being able to dedicate more than 40 hours per week to their businesses, compared to only 49 percent of women entrepreneurs (SEBRAE 2023). In Bangladesh, social norms, family expectations, and limited childcare options mean that women often depend on informal networks. Haniam Maria Chowdhury describes the tension between entrepreneurial demands and societal expectations: “[a] client may want to meet at a specific time, but society expects women to be flexible for their family, not for their business.” In Nigeria, women combine entrepreneurship with childcare in ways shaped by both tradition and evolving support systems. “Historically, you would see women going to trade or farm with babies on their backs, juggling work and childcare at the same time”, Yetunde Adeyemi explains. Though childcare options have expanded, expectations have not shifted at the same pace: “[p]eople often believe women with children should prioritize childcare over business. That mindset can be very limiting.”

Social norms continue to link women’s caregiving responsibilities with negative perceptions of working mothers and persistent beliefs that men are better suited for business leadership (Figure 4). This perception can limit political will, public investment, and institutional accountability for care provision. Addressing childcare

challenges without confronting these gendered expectations risks leaving underlying structural inequalities intact, where women can participate, but only within boundaries defined by their unpaid care roles.

### Incorporating Childcare more Systematically into Entrepreneurship Policy

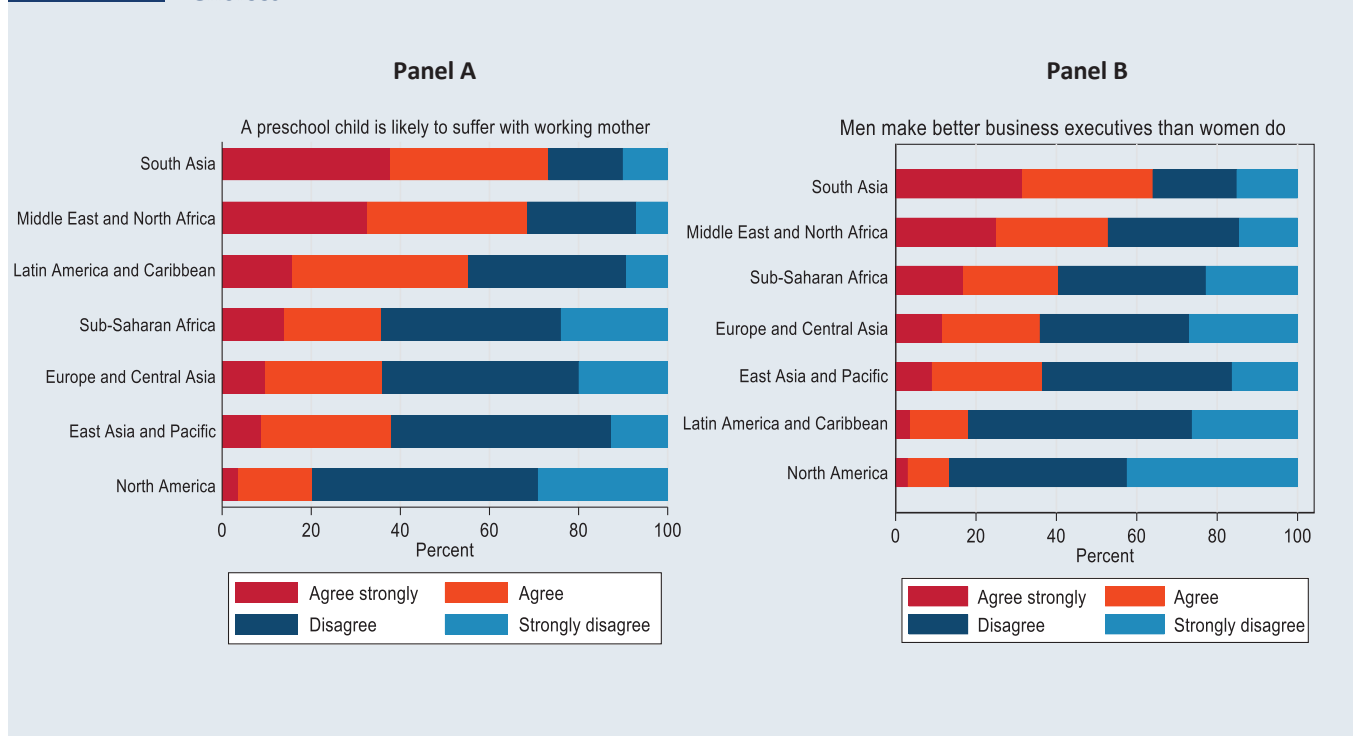
Women’s entrepreneurship is often shaped by care arrangements, formal or informal, fragile or supportive, that determine women’s time, flexibility, mobility, and ultimately their economic potential. When care policies and entrepreneurship frameworks are designed to reinforce one another, it can result in a powerful multiplier effect for gender equality and economic development.

**Care constraints are a structural barrier to women's entrepreneurship.** Whether navigating the high cost of private childcare, reliance on family networks, or social expectations around care, women entrepreneurs constantly negotiate care responsibilities alongside business ones. Without addressing these constraints, women will continue to build businesses in the narrow margins left by unpaid care.

**Investing in care is smart economics.** Investing in quality care services can support women’s entry into entrepreneurship, enhance the productivity of women-led businesses, and generate employment in a sector that is both labor-intensive and resilient in the face of automation. At the same time, investing in women care entrepreneurs as innovators and service providers supports the development of scalable, culturally responsive care solutions, ranging from

Figure 4

### Social Norms and Perceptions Around Childcare and Entrepreneurship are Shaping Women’s Choices



Note: Percent of respondents by region to the World Values Survey question: To what extent do you agree or disagree with the following statement Panel A: “A preschool child is likely to suffer if his/her mother works.” Panel B: “Men make better business executives than women do” (WVS, Wave 7).

technology-enabled platforms to community-based services.

**The care economy is an untapped market opportunity.**

Demographic shifts will intensify care demands beyond childcare. By 2100, almost half of the planet will be over 60 years old (UN 2023). Women are likely to continue bearing the majority of caregiving responsibilities, both for children and for aging family members. Supporting women-led businesses in the care sector can serve a double dividend: creating jobs in a growing field while easing the care burden for others. However, policymakers must be cautious not to reinforce occupational segregation by confining women to low-paid, feminized care sectors, which could limit their access to higher-productivity industries. Investments in the care economy should complement, not replace, efforts to support women’s entrepreneurship across all sectors.

**Public-private collaboration is essential.** Addressing rising global care needs requires coordinated public–private action and aligned investment across governments, development partners, financial institutions, and the private sector, supported by blended finance, technical assistance, and policy instruments. Examples that inspired a recent We-Fi round of funding to support women care entrepreneurs

include the support of care business accelerators, market-matching and procurement platforms, alongside supply-side financial measures such as adapted credit assessments and tailored financial products.

**Care and entrepreneurship policies must complement each other.**

Beyond childcare provision, entrepreneurship strategies including business development services, financing programs, and market access initiatives should explicitly address care constraints. This includes designing programs with flexible hours, offering childcare stipends, integrating care services into entrepreneurship hubs, and promoting more equitable sharing of unpaid care within households through policies such as paternity leave, shared parental leave, and tax reforms that incentivize equal caregiving. Redistributing care responsibilities between parents is essential to dismantling the structural barriers that disproportionately affect women entrepreneurs.

Ultimately, supporting women entrepreneurs means supporting the care systems around them. By pairing investments in childcare with tailored support for women entrepreneurs, both those using care and those providing it, policymakers can unlock women’s full entrepreneurial potential.

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