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Review Article

FORCED DE-DEVELOPMENT: ECONOMIC CONSEQUENCES OF WOMEN'S EXCLUSION FROM AFGHANISTAN'S PUBLIC SECTOR

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Abstract

Following the 2021 political transition in Afghanistan, restrictive policies have systematically excluded women from the public sector and the broader formal economy. This study examines the economic consequences of these gender based employment bans through a systematic review of academic and institutional literature. The findings reveal that women's exclusion constitutes a multi level economic disruption. At the macro-level, it generates a severe labour supply shock, reducing output, weakening productivity, and accelerating long term human capital erosion. At the meso-level, it drives involuntary informalization, displacing women into low productivity activities and distorting labour market dynamics. At the micro-level, the loss of female income undermines household resilience, increases dependency ratios, and exacerbates poverty. Sectoral impacts are particularly evident in healthcare, education, and humanitarian services, where the absence of female workers has disrupted service delivery. This study advances the concept of forced de development, in which institutional restrictions actively reverse prior gains in human capital and labour market participation. By synthesizing evidence across household, labour market, and macroeconomic dimensions, the paper contributes a unified analytical framework that demonstrates how gender exclusion produces mutually reinforcing cycles of economic decline. The findings underscore that sustainable recovery in Afghanistan is unattainable without the reintegration of women into formal economic structures.

Keywords: *Afghanistan, female labour force participation, gender based employment bans, forced de development; informal economy, household poverty, macroeconomic stagnation, labour market exclusion*

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1 Introduction

The integration of women into the formal labour force is widely recognized as a fundamental driver of macroeconomic growth, poverty reduction, and sustainable development (Verick, 2014). Extensive global evidence demonstrates that gender gaps in education and employment artificially constrain the available talent pool and impose significant costs on aggregate economic performance (Klasen & Lamanna, 2009). Traditional economic development models, particularly the U-shaped hypothesis of female labour force participation, posit that processes of modernization and structural transformation gradually shift women from unpaid or informal agricultural labour into formal, non-agricultural employment as human capital accumulates (Kocabıçak & Dildar, 2025, Verick, 2014).

However, the political transition in Afghanistan in August 2021 precipitated a profound reversal of these developmental trajectories. The de facto authorities have systematically dismantled legal and institutional frameworks that previously supported women's participation in public life, issuing sweeping decrees that ban girls from secondary and tertiary education, prohibit female employment in non-governmental organizations and the civil service, and impose severe mobility restrictions through strict mahram (male guardian) requirements (UN Women, 2025a,b). These policies have effectively removed women from the formal economy, generating substantial socio-economic disruptions within an already fragile context (Qazizada, 2024, UN Women, 2025a).

While a growing body of literature documents the unfolding crisis in post-2021 Afghanistan, existing research remains fragmented across disciplines and levels of analysis. Macroeconomic studies primarily quantify the aggregate shock, estimating annual GDP losses of up to 5 percent attributable to women's exclusion from the workforce (UNSDG, 2022). In contrast, meso-level analyses focus on labour market distortions, highlighting rising female unemployment and the involuntary shift of women into precarious, low-productivity informal activities (World Bank, 2025a,b). At the micro-level, localized studies document household-level impacts, including deteriorating food security, rising poverty, and psychological distress associated with the loss of female income and agency (Schwartz et al., 2024, UN Women, 2025b).

Despite these contributions, there remains a critical absence of integrated economic analysis. To date, no systematic review has synthesized these micro, meso, and macro-level findings into a unified framework capable of explaining the broader structural consequences of institutionalized gender exclusion. As a result, the full economic architecture of this crisis remains insufficiently understood.

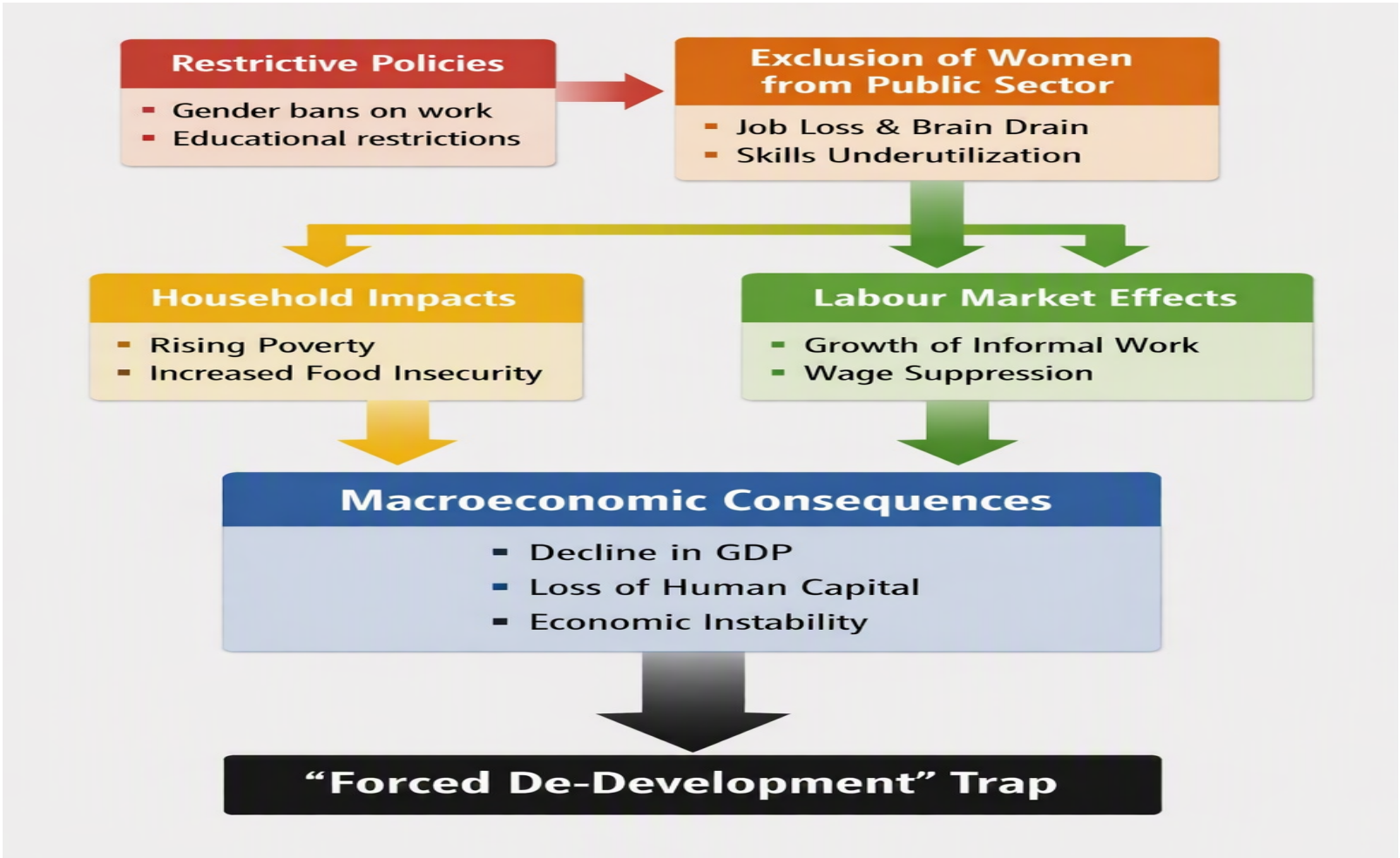
To address this gap, this study conducts a systematic literature review integrating peer-reviewed academic research and institutional evidence from organizations such as the World Bank, United Nations Development Programme (UNDP), UN Women, and the International Labour Organization (ILO) (Bonnet et al., 2019, ILO, 2026, UN Women, 2025a, UNDP, 2023). Through this multi-level synthesis, the paper advances a central theoretical argument: post-2021 Afghanistan does not represent a case of stalled structural transition, but rather exemplifies a process of "forced de-development." The systemic exclusion of Afghan women constitutes a significant deviation from established economic development models and human capital theory (Choudhry & Elhorst, 2018, Kocabıçak & Dildar, 2025, Verick, 2014). By imposing an exogenous labour supply shock that removes women from the public sector and confines them to the informal economy, these policies actively undermine the country's developmental capacity (Kocabıçak & Dildar, 2025, Noori & Vemuri, 2025).

Ultimately, this study contributes to the literature on development and gender economics by providing a unified analytical framework that links women's exclusion to multi-level economic outcomes. By synthesizing evidence across household welfare, labour market segmentation, and macroeconomic performance, the paper demonstrates that the exclusion of women is not merely a social constraint but a structural barrier to economic recovery. Without the equitable participation of women in the formal economy, Afghanistan faces sustained human capital erosion, intergenerational poverty, and long-term economic stagnation (UN Women, 2025a, UNSDG, 2022).

1.1 Contextualizing Women's Labour Force Participation

The relationship between economic development and female labour force participation (FLFP) has long been conceptualized as nonlinear, often described as a U-shaped trajectory reflecting structural transformation processes (Choudhry & Elhorst, 2018, Verick, 2014). Classical economic theories, particularly Human Capital Theory and Labour Supply Theory, suggest that rising levels of female education and declining fertility rates increase the opportunity cost of remaining outside the labour market, thereby incentivizing greater participation under favourable wage and institutional conditions. However, empirical evidence demonstrates that this transition is neither automatic nor uniform. Structural barriers—such as patriarchal norms, unequal property relations, and institutional constraints—frequently inhibit women's movement from unpaid agricultural labour into formal sectors, even in contexts of economic growth (Kocabıçak & Dildar, 2025, Verick, 2014).

Figure 1: **Forced De-Development Framework**



Importantly, recent scholarship emphasizes that indicators such as the capital-to-labour ratio may better capture shifts in women's economic participation than aggregate measures like GDP per capita, as they reflect deeper structural transformations within economies (Choudhry & Elhorst, 2018). These theoretical insights underscore that female labour force participation is not merely a by-product of development but is contingent upon institutional inclusion and equitable access to economic opportunities.

1.2 Global Evidence on Gender and Economic Growth

The global literature overwhelmingly converges on the conclusion that gender-based exclusion from labour markets imposes significant macroeconomic costs. Cross-country analyses consistently show that economies with persistent gender gaps in employment experience slower growth trajectories compared to those that have successfully integrated women into the formal workforce (Klasen & Lamanna, 2009). Beyond direct productivity losses, increased FLFP generates substantial positive externalities, including improved child health outcomes, reduced fertility rates, and enhanced intergenerational human capital formation Kabeer & Natali (2013).

While some export-oriented economies have historically leveraged gender wage disparities for short-term competitiveness, the long-term sustainability of economic growth is closely linked to equitable labour market participation. The exclusion of women not only distorts labour allocation but also suppresses aggregate demand and limits the accumulation of human capital, thereby constraining development potential.

1.3 Pre-2021 Employment Context in Afghanistan

Prior to 2021, Afghanistan's labour market was characterized by deep structural inequalities, although incremental progress had been made in women's education and public sector participation. Despite constitutional guarantees and international support, women's integration into formal employment remained constrained by entrenched socio-cultural norms, security challenges, and institutional discrimination (Mosamim & Villeneuve, 2023, Najam et al., 2024). Female civil servants were often concentrated in lower-tier roles and faced systemic barriers, including workplace harassment and limited career mobility.

Even where policy frameworks promoted inclusion—such as the 30% quota for female civil service participation—implementation gaps persisted due to weak institutional enforcement and societal resistance (Maletta, 2008, Mosamim & Villeneuve, 2023). As a result, a large proportion of Afghan women remained engaged in

informal or unpaid agricultural work, reflecting a structural disconnect between policy intentions and labour market realities. Nevertheless, women contributed meaningfully to key sectors such as healthcare, education, and small-scale entrepreneurship, forming an essential, though often undervalued, component of the economy (Finckenstein, 2023, Qazizada, 2024).

1.4 Post-2021 Gender-Based Employment Restrictions

The political transition of August 2021 marked a profound rupture in Afghanistan's socio-economic landscape, leading to the systematic exclusion of women from education and formal employment. A series of decrees imposed by de facto authorities have restricted women's access to secondary and tertiary education, barred them from working in key sectors—including NGOs and public institutions—and imposed mobility constraints through mahram requirements (Essar et al., 2023, Schwartz et al., 2024, UN Women, 2025a).

These policies function not merely as regulatory measures but as mechanisms of institutionalized exclusion, effectively removing women from public economic life and reversing decades of human capital investment. Consequently, female labour force participation has sharply declined, particularly within formal sectors, resulting in a contraction of labour supply and a structural reconfiguration of the labour market (Ike et al., 2025, World Bank, 2025b).

1.5 Labour Market Distortions and Informalization

The exclusion of women from formal employment has generated significant distortions within Afghanistan's labour market, most notably through the rapid expansion of informal and home-based economic activities. With limited access to formal jobs, women have increasingly turned to low-productivity, home-based work such as tailoring and handicrafts (Noori & Vemuri, 2025).

While these activities provide short-term livelihood support, they are characterized by precarious conditions, low wages, and limited scalability. The influx of displaced female workers into informal sectors has intensified competition and further depressed earnings, reflecting a classic case of labour market saturation under constrained demand conditions. This shift represents not only a redistribution of labour but a broader structural regression, wherein highly educated women are relegated to marginal economic roles, thereby reducing overall productivity and efficiency (Schwartz et al., 2024).

1.6 Household and Microeconomic Consequences

At the household level, the exclusion of women from the workforce has produced severe economic shocks, contributing to declining incomes, rising poverty, and increased food insecurity (World Bank, 2025b). Given that women's earnings have historically been closely linked to household welfare expenditures—including healthcare, nutrition, and education—their removal from income-generating activities has had disproportionately adverse effects on family well-being (Zhu et al., 2024).

Additionally, the loss of economic agency has intensified gendered dependency structures, reinforcing patriarchal dynamics within households. This economic marginalization is further compounded by psychological impacts, including increased stress, anxiety, and social isolation among women, highlighting the multidimensional consequences of labour market exclusion.

1.7 Sectoral Impacts and Service Delivery Disruptions

The removal of women from the labour force has had particularly severe consequences for essential service sectors. In healthcare and humanitarian aid, female workers play a critical role in delivering services within culturally conservative contexts where gender norms restrict interactions between men and women (Barati et al., 2023, Essar et al., 2023).

Restrictions on female employment have therefore disrupted service delivery, limiting access to healthcare and humanitarian assistance for vulnerable populations. Moreover, bans on female education threaten the future supply of skilled professionals, particularly in sectors requiring female staff, such as maternal healthcare and education. This creates a long-term structural deficit that is likely to exacerbate existing development challenges.

1.8 Macroeconomic Consequences

At the macroeconomic level, the exclusion of women represents a significant constraint on Afghanistan's economic recovery and long-term development trajectory. Estimates suggest that restricting women's participation in the workforce results in annual economic losses of up to $1 billion, equivalent to approximately

5% of GDP (Finckenstein, 2023, Qazizada, 2024).

Beyond direct output losses, the reduction in female income contributes to declining aggregate demand, weakening domestic markets and accelerating business closures. Furthermore, the erosion of human capital due to education bans undermines future productivity, while reductions in international aid—linked to human rights concerns—compound economic instability. Together, these dynamics risk entrenching Afghanistan in a cycle of prolonged economic stagnation.

Figure 2: **Multi Level Impact Model (Micro–Meso–Macro Concentric Circles)**



2 Research Gap

Despite the expanding body of literature on Afghanistan's post 2021 economic crisis, existing research remains fragmented and methodologically constrained, limiting its ability to fully capture the systemic economic consequences of women's exclusion. The absence of reliable, large scale micro level data has led to an overreliance on qualitative evidence and approximations, leaving the structure and productivity of informal and home based economies insufficiently understood (Schwartz et al., 2024, World Bank, 2025b).

Furthermore, while current studies document immediate economic disruptions, there is a lack of comprehensive, long term analyses that examine the cumulative effects of simultaneous restrictions on education and employment, particularly in relation to human capital depreciation and demographic change (Essar et al., 2023, Najam et al., 2024). The rapidly evolving policy environment also outpaces existing research, creating a gap in real time analyses of adaptive strategies such as informal education networks, remote work arrangements, and community based coping mechanisms.

Comparative scholarship on fragile states highlights that gender exclusion not only undermines economic resilience but also reverses developmental gains, reinforcing cycles of poverty and dependency (Finckenstein, 2023, Kabeer & Natali, 2013). However, Afghanistan's case remains underexplored in terms of integrated, multi level synthesis. Taken together, these limitations point to the absence of a comprehensive framework linking micro level household impacts, meso level labour market transformations, and macroeconomic outcomes. This study addresses this gap by systematically reviewing and synthesizing existing evidence to provide a holistic understanding of the economic consequences of women's exclusion from Afghanistan's public sector.

3 Research Objective

This study aims to systematically review and synthesize existing academic and institutional literature to analyse the multi level economic consequences of women's exclusion from Afghanistan's public sector following the 2021 political transition. Specifically, the study seeks to examine how gender based employment restrictions affect household welfare (micro-level), labour market dynamics (meso-level), and macroeconomic performance (macro-level). By advancing the concept of forced de development, the research provides a framework for understanding how institutionalized exclusion dismantles human capital, distorts labour markets, and suppresses aggregate economic growth.

4 Material and Methods

This study adopts a systematic literature review design to synthesize existing evidence on the economic consequences of women's exclusion from Afghanistan's public sector following the political transition of August 2021. The systematic review method was chosen to ensure a structured, transparent, and replicable process of identifying, evaluating, and integrating relevant academic and policy oriented literature. The search strategy relied primarily on Google Scholar, complemented by targeted searches of publications from major international organizations such as UN Women, the World Bank, the International Labour Organization (ILO), and the United Nations Development Programme (UNDP). These sources were selected for their extensive coverage of peer reviewed research and high quality policy reports relevant to Afghanistan's socio economic context. A combination of keywords and Boolean operators (AND, OR) was applied to refine search results, using terms such as Afghanistan women employment, female labour force participation Afghanistan, women exclusion Afghanistan economy, gender inequality Afghanistan labour market, and post 2021 Afghanistan women employment.

To ensure relevance and quality, inclusion criteria required studies published between 2001 and 2025, with a primary focus on post 2021 developments, peer reviewed journal articles, working papers, and institutional reports addressing female labour force participation, gender based employment restrictions, and economic impacts. Only English language publications were considered. Exclusion criteria eliminated opinion pieces, editorials, non scholarly sources, studies not directly related to Afghanistan, duplicated records, and those lacking empirical or analytical relevance. The study selection process followed a multi stage screening: initial title and abstract reviews were conducted to assess relevance, followed by full text evaluations to ensure alignment with inclusion criteria. Emphasis was placed on sources providing empirical data, theoretical insights, or policy analysis. The final selection prioritized both academic rigor and policy relevance, ensuring balanced representation of scholarly and institutional perspectives. Data analysis employed a thematic synthesis approach, categorizing findings into labour market distortions and informalization, household and microeconomic impacts, sectoral disruptions, and macroeconomic consequences. This thematic organization enabled identification of recurring patterns, divergences, and gaps, thereby linking micro level household effects to broader macroeconomic outcomes. Despite methodological rigor, limitations remain: reliance on Google Scholar may have excluded some indexed publications from specialized databases, and the scarcity of reliable, large scale data from Afghanistan—particularly after 2021—means many studies rely on estimates or qualitative evidence. However, the inclusion of reports from reputable international organizations mitigates these limitations by providing up to date and context specific insights.

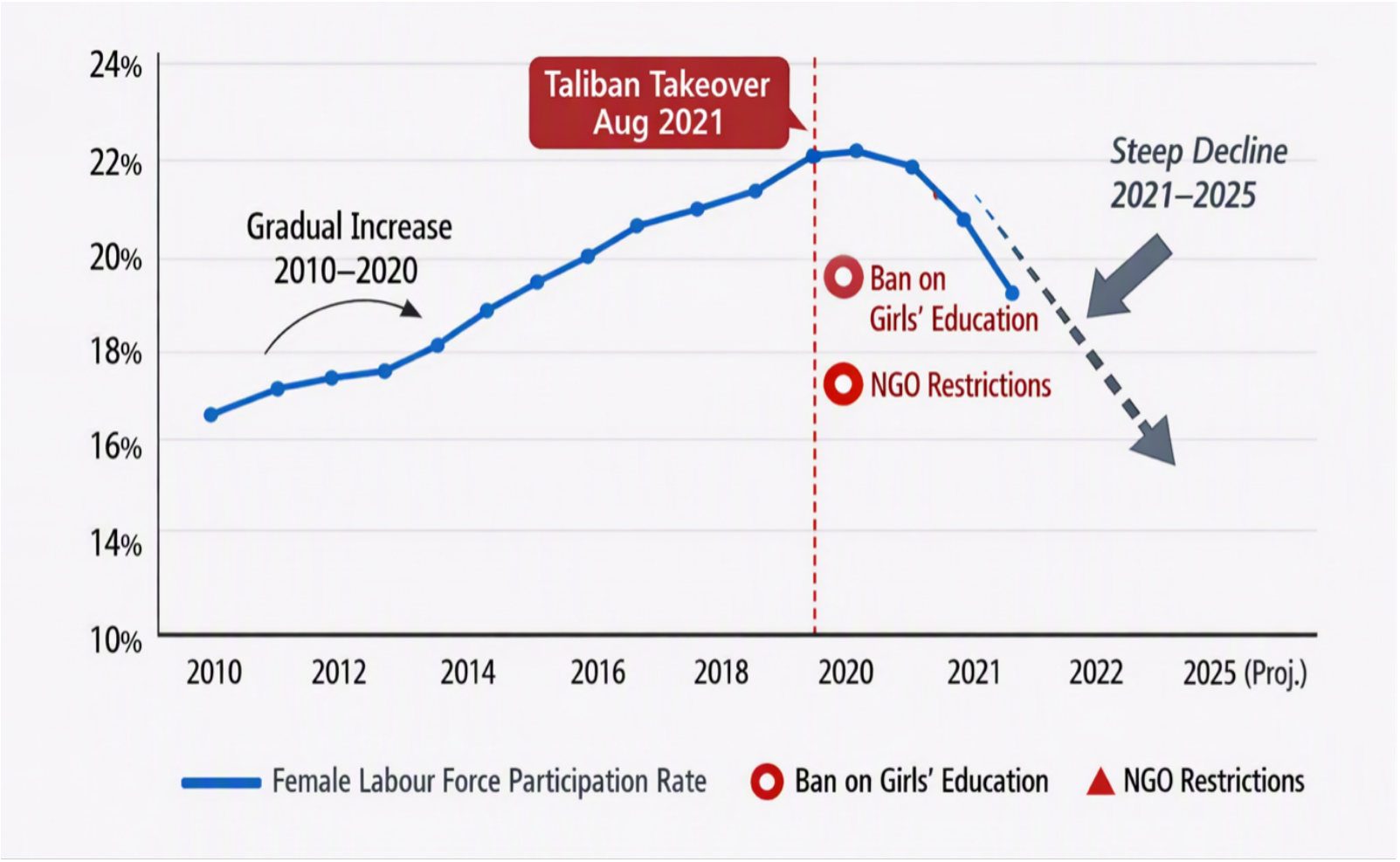
5 Results

5.1 Labour Market Dynamics and Informalization

The literature consistently demonstrates a severe contraction in women's formal employment following the imposition of restrictive policies (Bossuroy et al., 2025, Finckenstein, 2023). Across multiple studies, a clear pattern emerges in which women have been systematically excluded from the public sector and non-governmental organizations, resulting in a dramatic surge in female unemployment (Finckenstein, 2023, Schwartz et al., 2024). However, this decline in formal employment is paradoxically accompanied by an increase in young women's labour force participation, driven by economic distress and household survival needs rather than genuine employment opportunities (Finckenstein, 2023, World Bank, 2025b).

Consequently, the labour market has undergone significant informalization. Displaced from formal employment, a large proportion of women have transitioned into precarious, home-based self-employment, including activities such as carpet weaving and tailoring (Bossuroy et al., 2025, World Bank, 2025b). Within this informal sector, the literature highlights persistent exploitation, characterized by low wages, irregular working hours, and limited bargaining power (Noori & Vemuri, 2025). Moreover, the rapid influx of workers into already saturated sectors has intensified competition, further depressing wages and exacerbating underemployment (World Bank, 2025b).

Figure 3: **Female Labour Force Participation Trend (2010–2025)**



5.2 Household-Level Impacts and Food Security

At the microeconomic level, the sudden loss of female income has generated substantial household vulnerabilities. The reviewed sources consistently link women's exclusion from the workforce to rising poverty and acute food insecurity (World Bank, 2025b). Households that previously depended on female earnings have experienced marked declines in living conditions, with increasing reports of food shortages and malnutrition among women and children (Schwartz et al., 2024, World Bank, 2025b).

Alongside these economic impacts, the literature identifies a significant psychological dimension. Studies consistently report elevated levels of depression, anxiety, and social isolation among women confined to domestic spaces (Schwartz et al., 2024, UN Women, 2025a). Furthermore, mobility restrictions, particularly the enforcement of the mahram requirement, have severely limited women's autonomy, increasing economic dependency on male relatives and heightening vulnerability to adverse coping strategies such as early and forced marriage (Schwartz et al., 2024, UN Women, 2025b).

5.3 Sectoral Disruptions in Healthcare and Education

The systematic exclusion of women from public life has produced substantial disruptions across critical service sectors. In the humanitarian and non-governmental sector, bans on female staff have significantly constrained the delivery of essential aid and services (Essar et al., 2023). Given the central role of female workers in accessing vulnerable populations within a gender-segregated society, their absence has stalled numerous community-based interventions and relief operations (Finckenstein, 2023, UNDP, 2023).

Similarly, the healthcare sector faces acute personnel shortages. The literature emphasizes that restrictions on women's mobility, combined with bans on female participation in medical training, are likely to result in a long-term deficit of female healthcare professionals (UN Women, 2025a). This shortage directly limits women's access to medical services and increases risks related to maternal health outcomes (Essar et al., 2023, UN Women, 2025a). In the education sector, the prohibition of girls' secondary and tertiary education has not only displaced female teachers from employment but has also disrupted the pipeline for future skilled professionals (Finckenstein, 2023, UN Women, 2025a).

5.4 Macroeconomic Outcomes and Human Capital Erosion

Macroeconomic analyses across the literature consistently project severe long-term consequences for Afghanistan's economy. The exclusion of women from formal economic activity represents a substantial labour supply

Figure 4: **Sectoral Employment Comparison**

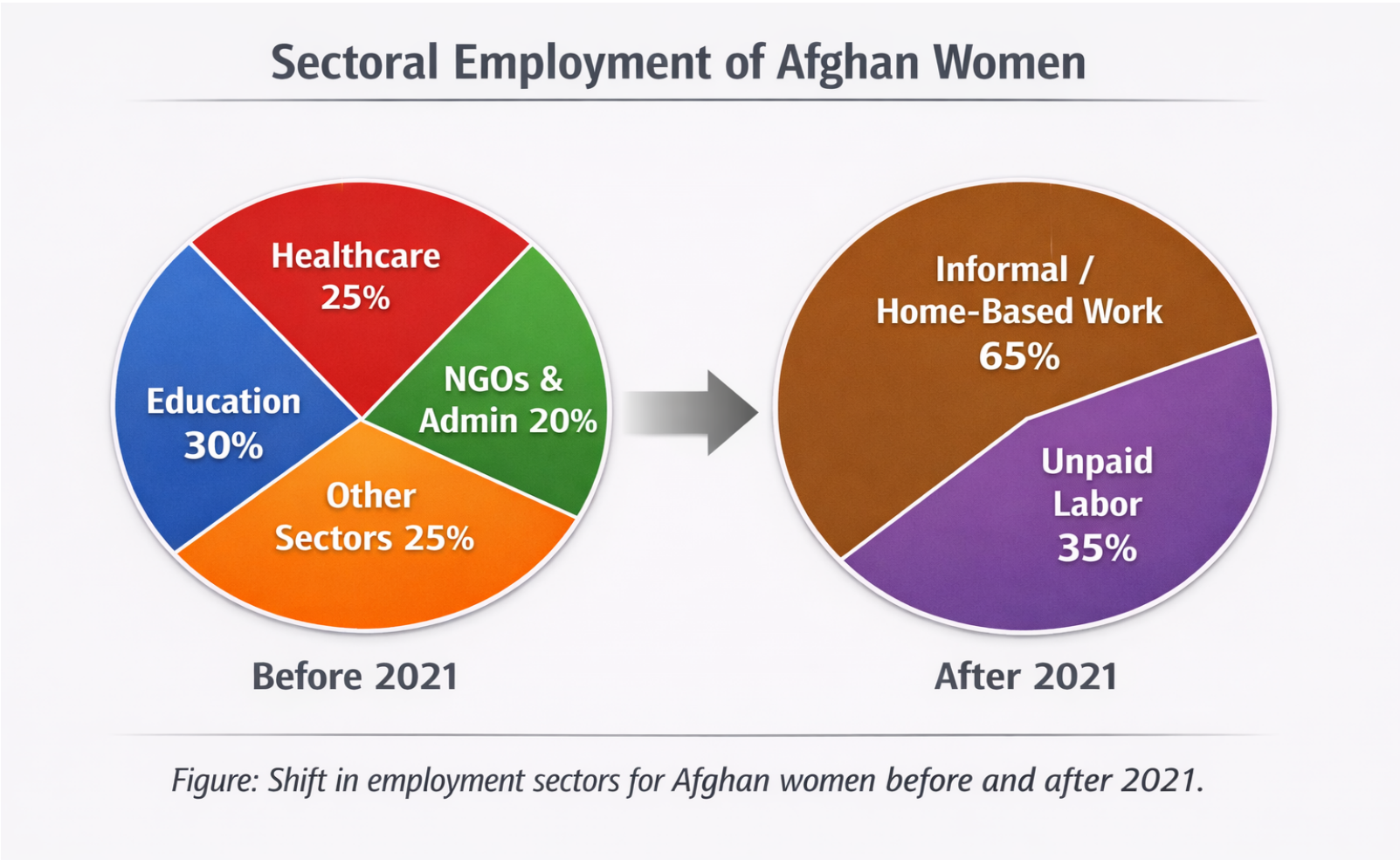


Figure: Shift in employment sectors for Afghan women before and after 2021.

shock, associated with estimated annual economic losses of up to $1 billion, equivalent to approximately five percent of GDP (Qazizada, 2024, UNSDG, 2022).

This contraction in output is accompanied by a decline in aggregate demand, as the loss of female income reduces household purchasing power and contributes to business closures (Finckenstein, 2023, World Bank, 2025b).

Beyond immediate economic effects, the literature highlights the erosion of human capital as a critical long-term consequence. Restrictions on female education are expected to reduce future workforce productivity by limiting skill development and educational attainment (Najam et al., 2024, World Bank, 2025b). In combination with reduced international aid linked to gender-based restrictions, these dynamics indicate a trajectory of sustained structural stagnation (Qazizada, 2024).

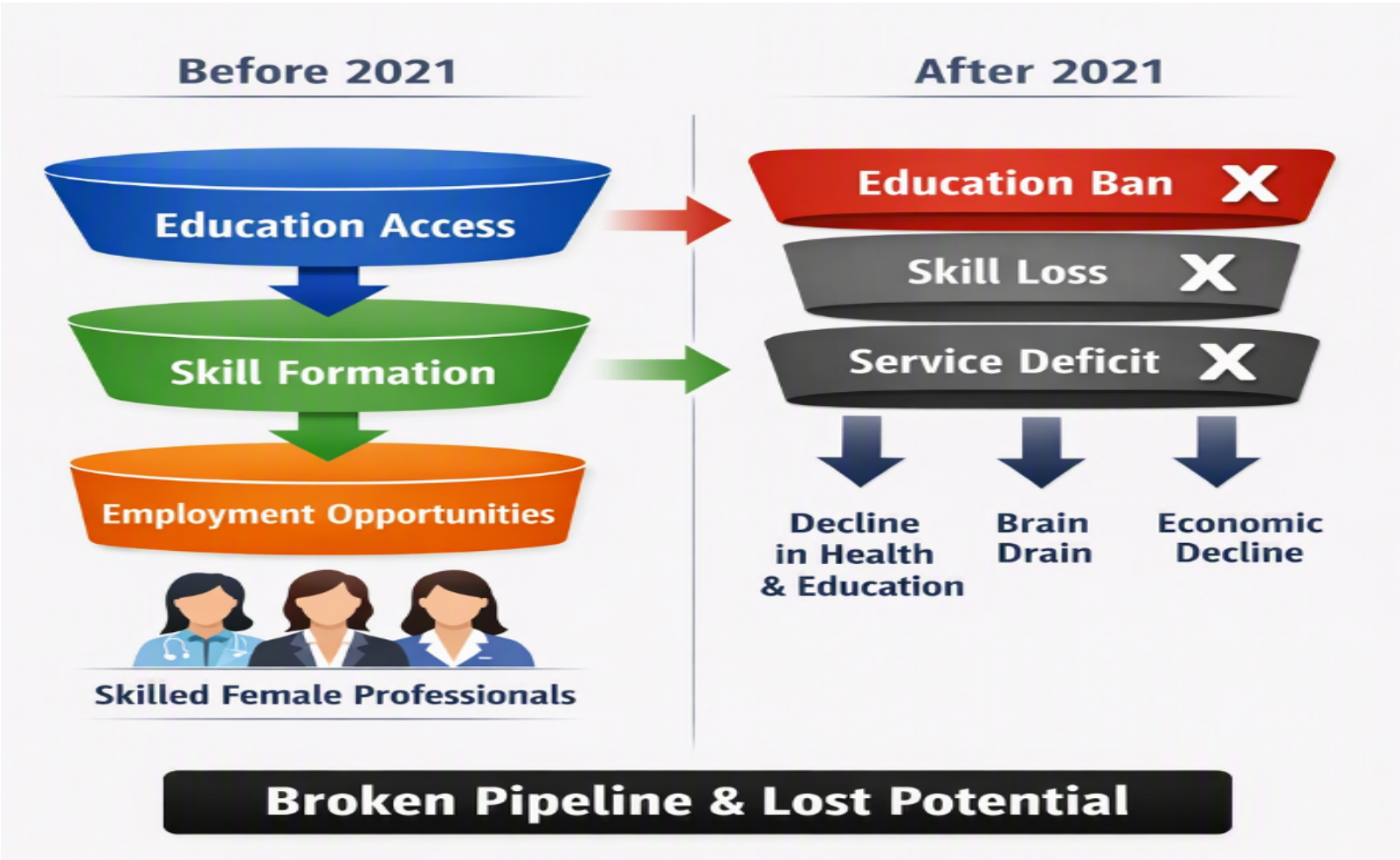
6 Discussion

6.1 Theoretical Reversals: Confronting the Forced De-Development Paradigm

The synthesis of the reviewed literature reveals a fundamental contradiction to traditional economic development paradigms, positioning post-2021 Afghanistan not as a country undergoing a natural structural transition, but rather as experiencing a process of institutionally driven regression, conceptualized here as forced de-development. Classical economic theories, notably the U-shaped hypothesis of female labour force participation (FLFP), posit that economic modernization gradually shifts women from unpaid agricultural labour into formal, non-agricultural employment as human capital increases and fertility declines (Choudhry & Elhorst, 2018, Kocabıçak & Dildar, 2025). However, the literature converges on a stark reversal in Afghanistan: an exogenous, institutionally engineered labour supply shock has forcibly removed women from formal public and non-governmental sectors, redirecting them into the informal, home-based economy (Finckenstein, 2023, Mosamim & Villeneuve, 2023, Schwartz et al., 2024).

This institutional regression directly violates the tenets of Human Capital Theory. Empirical evidence indicates that the monetary rate of return on an additional year of schooling for Afghan women historically stood at 13%—more than four times higher than the return for men (Najam et al., 2024). By banning female secondary and tertiary education and restricting public sector employment, the de facto authorities have actively dismantled this high-yield human capital pipeline (Najam et al., 2024, UN Women, 2025b). Further-

Figure 5: **Human Capital Pipeline Collapse**



more, the literature highlights a severe manifestation of labour market segmentation. Rather than exercising occupational choice, women are subjected to enforced occupational segregation, confined to a narrow set of low-yield informal activities due to strict mobility (mahram) policies and systemic exclusion (Noori & Vemuri, 2025, Schwartz et al., 2024). This enforced segmentation reduces allocative efficiency and deepens structural inequalities within the labour market.

6.2 Macro-Level Impacts: Labour Supply Shocks and Aggregate Demand Contraction

At the macroeconomic level, the literature uniformly demonstrates that the systemic exclusion of women constitutes a severe labour supply shock that cannot be offset through male substitution. Because women contribute complementary skills and entrepreneurial diversity, their removal intrinsically lowers aggregate productivity (Finckenstein, 2023). Multiple macroeconomic models and institutional reports converge on an estimated annual economic loss of $1 billion to 1.4 billion, equivalent to roughly 5% of Afghanistan's GDP (Najam et al., 2024, Qazizada, 2024, UNSDG, 2022).

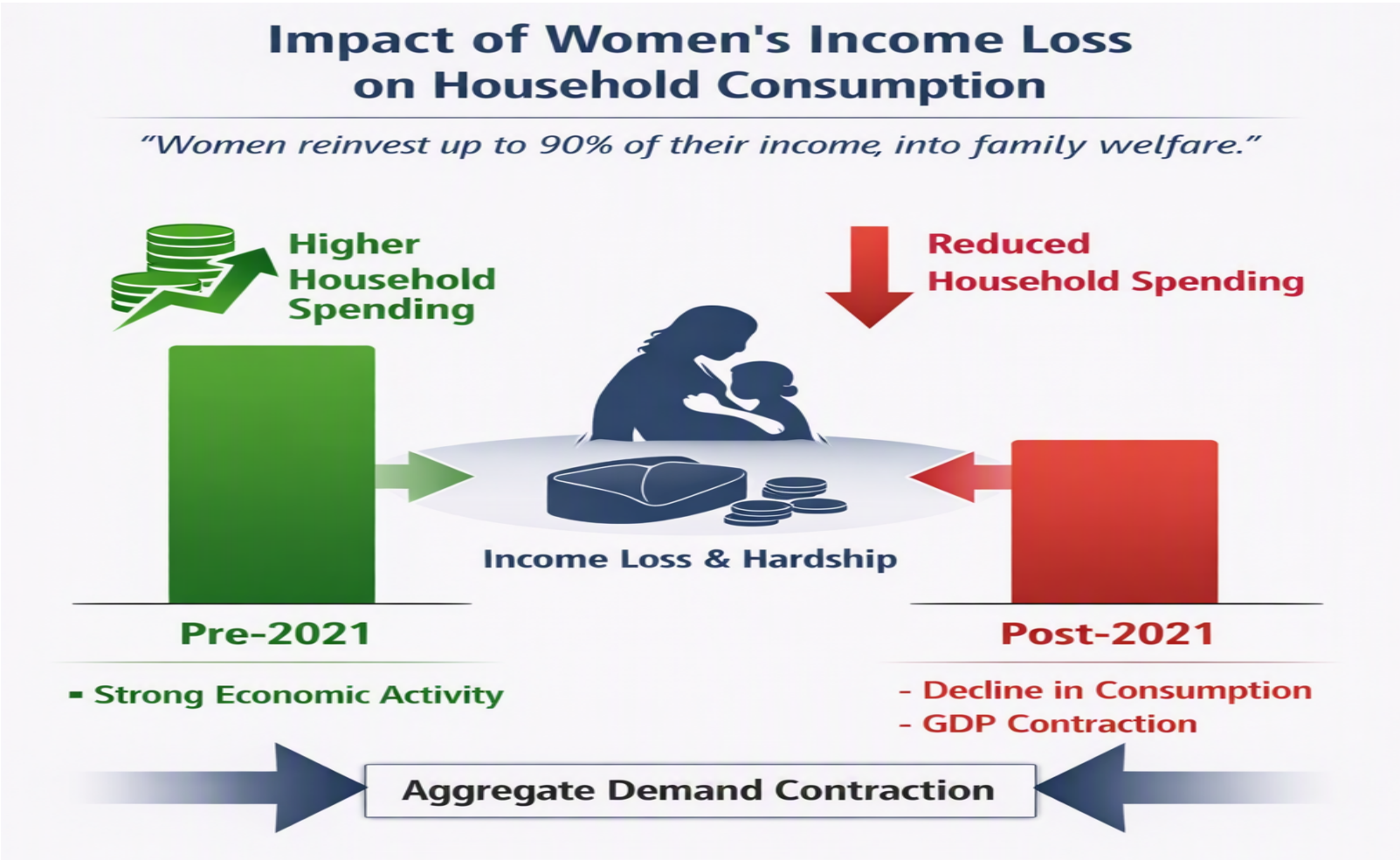
Crucially, the literature identifies a cascading decline in aggregate demand as a secondary mechanism of this macroeconomic disruption. The abrupt termination of female public sector and NGO salaries eliminated the purchasing power of a significant segment of consumers (Finckenstein, 2023, World Bank, 2025b). Because women historically reinvest up to 90% of their income into family welfare and local economies (Qazizada, 2024), their sudden loss of wages has suppressed domestic consumption, contributing to the closure of local markets and women-led enterprises (Finckenstein, 2023). This demand-side contraction, combined with the suspension of foreign aid tied to female NGO participation (World Bank, 2025b), reinforces long-term structural stagnation rather than short-term economic decline (Finckenstein, 2023).

6.3 Meso-Level Distortions: Involuntary Informalization of the Economy

A critical convergence in the literature is the paradoxical rise in young women's labour force participation—an increase of 32 percentage points between 2020 and 2023—driven entirely by survival necessity rather than opportunity (World Bank, 2025b). This reflects a process of involuntary informalization. Excluded from public sector and NGO employment, Afghan women have been pushed into vulnerable, home-based self-employment (Bossuroy et al., 2025).

The literature highlights the dual nature of this informal sector expansion: while it provides a short-term economic lifeline, it is structurally exploitative (Noori & Vemuri, 2025). The sudden influx of highly educated,

Figure 6: **Aggregate Demand Contraction**



formally unemployed women into informal sectors such as carpet weaving and handicrafts has significantly distorted labour market dynamics, leading to reduced bargaining power and pronounced wage suppression (Noori & Vemuri, 2025, World Bank, 2025b). Consequently, underemployment is widespread, with over 80% of self-employed young women working insufficient hours for subsistence-level income, trapped within a segmented labour market lacking legal protections or upward mobility (Bossuroy et al., 2025, World Bank, 2025b).

6.4 Micro-Level Consequences: Household Vulnerability and Psychological Erosion

At the micro level, the exclusion of women from the formal economy translates into severe household-level consequences. The literature consistently links the loss of female formal income to rising poverty and acute food insecurity (Qazizada, 2024, Schwartz et al., 2024). Households in which women possess formal education and employment are historically 52% more likely to be food secure (Zhu et al., 2024). The current employment bans have abruptly removed this critical economic buffer, disproportionately affecting female-headed households and increasing dependency ratios (ILO, 2026, World Bank, 2025b).

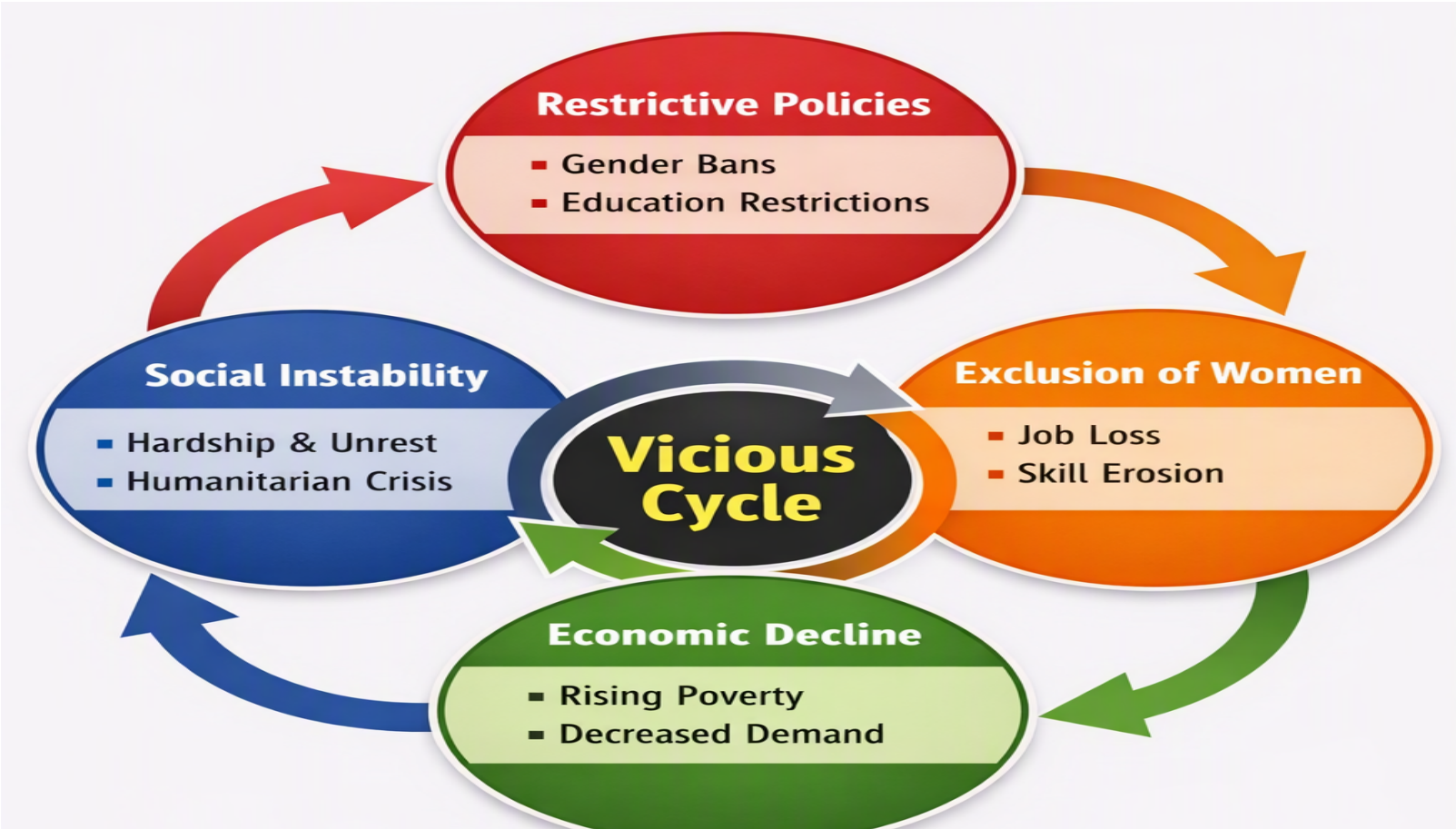
Furthermore, the literature identifies a substantial psychological toll associated with this economic exclusion. The fact that 77.6% of young Afghan women are now Not in Education, Employment, or Training (NEET)—compared to 20.2% of men—has contributed to widespread social isolation, depression, and loss of agency (Schwartz et al., 2024, UN Women, 2025a). The loss of economic autonomy, combined with enforced domestic confinement, has increased vulnerability to negative coping strategies, including a documented rise in early and forced marriages as households respond to economic distress (UN Women, 2025a,b).

6.5 Long-Term Implications: A Trajectory of Intergenerational Stagnation

The synthesis of the literature indicates that the economic consequences of women's exclusion extend beyond immediate GDP losses, embedding long-term structural risks within Afghanistan's development trajectory. The prohibition of female education beyond the sixth grade, combined with restrictions on access to professional training such as medical education, guarantees a future shortage of female professionals in critical sectors (Barati et al., 2023, UN Women, 2025a). In a gender-segregated context, this shortage will severely constrain healthcare and education service delivery, leading to deteriorating maternal and child health outcomes and stalled demographic progress (UN Women, 2025a,b).

Ultimately, Afghanistan's current trajectory reflects a systematic dismantling of the foundational pillars of economic development. By excluding women from the public sector and formal labour markets, the de facto authorities have not merely halted progress but have initiated a structural regression that risks locking the economy into a cycle of long-term fragility, high dependency, and intergenerational stagnation.

Figure 7: **Policy Impact Feedback Loop**



7 Conclusion

This systematic review provides a multi-level synthesis of the economic consequences stemming from women's exclusion from Afghanistan's public sector, demonstrating that the country is undergoing a severe process of "forced de-development." Unlike conventional economic models, where structural transformation gradually facilitates women's integration into formal labour markets, Afghanistan's current trajectory reflects an externally imposed and institutionally enforced regression. At the macro level, this exclusion constitutes a significant labour supply shock, resulting in measurable GDP losses and a contraction in aggregate demand. At the meso level, it has driven a process of involuntary informalization, displacing women into low-productivity and exploitative economic activities while distorting labour market dynamics. At the micro level, the removal of female income has intensified household poverty, increased dependency ratios, and exacerbated food insecurity.

Taken together, these findings highlight that women's exclusion is not an isolated social issue but a systemic economic disruption with mutually reinforcing effects across all levels of the economy. The study's primary contribution lies in demonstrating how micro-level household shocks, meso-level labour market distortions, and macroeconomic contractions interact to produce a self-reinforcing cycle of economic decline.

The implications of these dynamics are profound. Economically, the continued restriction of women's access to education and employment ensures long-term stagnation and sustained human capital erosion. From a policy perspective, meaningful economic recovery is unattainable without the reintegration of women into formal economic structures. If these exclusionary policies persist, Afghanistan risks entrenching a trajectory of intergenerational poverty, institutional fragility, and irreversible economic decline, severely undermining its long-term development prospects.

These findings carry important policy implications. Sustainable economic recovery in Afghanistan is contingent upon the restoration of women's access to education and formal employment. Policies that restrict women's participation not only undermine social equity but also impose significant macroeconomic costs by

weakening labour supply, reducing productivity, and constraining aggregate demand. International development actors and policymakers must therefore prioritize strategies that support women's economic inclusion, including access to education, safe employment opportunities, and targeted support for women operating in the informal economy. Without such measures, efforts toward economic stabilization and development are unlikely to succeed.

8 Conflict of Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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11 Authors' Contribution

Abdul Waris Khoram (AWK) and Ram Shepherd Bheenaveni (RSB): Data collection, research design, conceptualization, methodology, and interpretation.

12 AI Declartion

Artificial intelligence tools were not used for conceptual framing, analysis, or interpretation of this study. AI assistance was limited to grammar and typographical checking, and to generating figures and images relevant to the data and study.

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