

# **LGBT Exclusion in Indonesia and Its Economic Effects**

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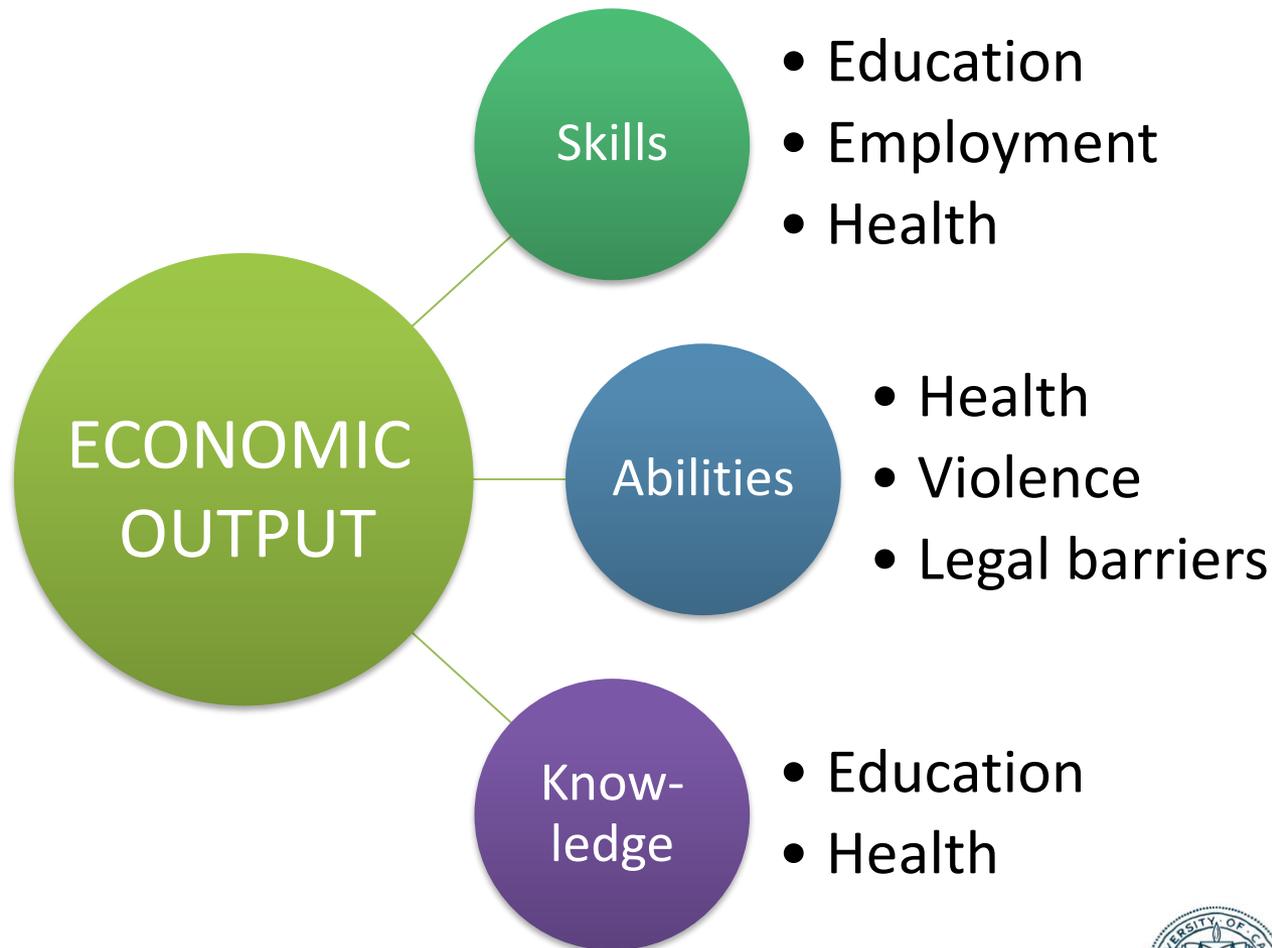
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# Overview

- Document evidence of LGBT exclusion in Indonesia
- Show how patterns of exclusion affect the economy



# Economic cost of exclusion



# Context: SOGIE terminology

- Indonesia-specific gender terms:
  - *Waria* are transgender women; most common term
  - Bugis people of South Sulawesi recognize five genders.
- “LGBT” is now used as an all-encompassing term for sexual and gender minorities.



# Challenge: Little research or data

- No nationwide LGBT demographic data collection.
- Only estimates of numbers of MSM:
  - Ministry of Health estimates 38,000 *waria* and 1.1 million MSM (0.06% and 1.6% of adult male population).
  - Community estimates: 0.8 - 3 million MSM in Indonesia.
- Other limits of studies:
  - Narrow geographical focus
  - Little on Lesbian/Bisexual women or transgender men
  - Not random samples so can't compare
  - Many qualitative studies
- Nevertheless, found multiple studies in each area.



# Legal barriers exist

- Some local laws criminalize homosexuality (Padang Panjang, South Sumatra, Aceh)
- Other legal barriers:
  - Same sex couples are prohibited from adopting
  - ID cards limited to M/F and barriers to change
  - Marriage limited to different sex couples
- No national nondiscrimination law explicitly protects LGBT people



# Public opinion is unaccepting

- % Agree “Homosexuality should be accepted by society” (Pew Global Attitudes Survey):
  - 2007: 3%
  - 2011: 5%
  - 2013: 3%
- In 2006, 67% would not want a homosexual neighbor. (World Values Survey)



# Media portrayal is negative

- LGBT Indonesians portrayed negatively:
  - “homosexuality is immoral”
  - “against Islamic beliefs.”
- In February 2016, the Indonesia Broadcasting Commission (KPI) explicitly prohibited:
  - broadcasts of effeminate men
  - broadcasts that “campaign” for LGBT people.



# Violence is common

- Majority of LGBTs surveyed experienced psychological and/or physical violence during their lifetime.
- Contributing factors:
  - Absence of state protection, discriminatory laws
  - Individual values/beliefs give rise to vigilantism
  - Law enforcement and militant groups sometimes join against LGBTs
- ***Potential economic effect:*** Leads to quitting school or jobs; impairs health; creates housing, transportation, and other barriers.



# Health care barriers & minority stress

- High HIV prevalence for *waria* (24%) and MSM (7.4%)
  - Stigma, violence, and lack of knowledge lead to risky health practices, e.g. intermittent condom use.
  - Lower HIV funding for MSM than other key populations
- High levels of suicidal thinking and attempts; low self-esteem
- Difficulties of access: lack of ID cards; practitioners ill-equipped, discriminate.
- ***Potential economic effect:*** Higher health care costs; higher workplace absenteeism, lower productivity; loss of human capital.



# Educational challenges

- Family rejection may force students to drop out of school
  - Challenges with lack of access to ID cards
  - Loss of family's financial support
- Harassment and bullying by students and educators
- Waria have lower levels of education than MSM
- ***Potential economic effect:*** Lower quality of education received and number of years achieved, reducing skills and knowledge of workers.



# Employment discrimination occurs

- Informal sector employment is common
- Barriers to formal employment
  - Lack of qualifications: education, ID card
  - Discrim. against gender nonconforming applicants
- Can be fired if worker comes out or is outed
- Workplace harassment
- ILO study: 65% of non-LGBTs uncomfortable with LGBT supervisor or coworker.
- ***Potential economic effect:*** Lower productivity, fewer people in formal sector, less experience



# Estimating the cost of exclusion

Need better data than currently available!

- 1. Lost productivity** measured as lost wages because of discrimination
- 2. Losses from health care:** more people with health conditions than would be otherwise
- 3. Losses from reduced education:** difference in output from those with average education



# Estimate for Indonesia based on study of India

- Loss of 0.1% to 1.4% (India):  
**\$862 million - \$12 billion**
- Might be a conservative estimate:
  - Indonesian public opinion is much less accepting than in India.
  - Leaves out effects of those not in official economy: unpaid labor in home, disabled, informal sector.
  - Other effects: foreign investment, tourism.

