LGBT Exclusion in Indonesia and Its Economic Effects

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Overview

• Document evidence of LGBT exclusion in Indonesia
• Show how patterns of exclusion affect the economy
Economic cost of exclusion

**ECONOMIC OUTPUT**

- **Skills**
  - Education
  - Employment
  - Health

- **Abilities**
  - Health
  - Violence
  - Legal barriers

- **Knowledge**
  - Education
  - Health
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-including 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 conomic 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 isouted
• 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.