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# COUNTRY ECONOMIC MEMORANDUM

## for São Tomé and Príncipe

### Background Notes

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#### Note #14 – The case for economic inclusion of Sexual and Gender Minorities<sup>1</sup> in São Tomé and Príncipe

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#### I. Introduction

1. **The purpose of this analysis is to provide a snapshot of exclusion based on SOGI in São Tomé and Príncipe (STP) and the opportunities for SOGI inclusion especially in the tourism sector.** The main questions for the reader to consider are: Why is the World Bank involved in SOGI? How can STP benefit from SOGI inclusion? What can be done to ensure SOGI inclusion in STP? Finally, the central takeaway from this analysis is that excluding sexual and gender minorities negatively impacts economic development and poverty reduction, whereas including them is beneficial to economic development and poverty reduction.

2. **The theoretical argument is that exclusion costs money.** Exclusion based on sexual orientation and gender identity often begins as early as the primary school years and continues in the workplace, as well as more broadly in the economy and in society. As a result, sexual and gender minorities face significant stigma that prevents them from realizing their productive potential and limits their ability to contribute to the economy and to society. When anyone is excluded from the labor force based on indelible personal characteristics unrelated to ability, such as sexual orientation or gender identity, both the economy and social cohesion suffer.

3. **Sexual and gender minorities face obstacles and exclusion in STP.** In addition to stigma, discrimination and exclusion, a critical challenge that sexual and gender minorities face in STP is the country's geographical isolation and lack of interaction with regions of the world in which significant progress on LGBTI people's rights has been achieved. Other challenges include discrimination in the education and healthcare sectors, as well as in the labor market.

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<sup>1</sup> The World Bank uses the acronym SOGI as short-hand when referring to the issues related to sexual orientation, gender identity, gender expression, and sex characteristics (SOGIESC). On the other hand, when referring to people, the World Bank sometimes uses the acronym LGBTI (lesbian, gay, bisexual, transgender, intersex) or LGBTI+ to represent the full spectrum of people of diverse sexual orientation and gender identity/gender expression/sex characteristics; and sometimes uses the term "sexual and gender minorities" when referring to country or local contexts in which it is not common for sexual and gender minorities to use LGBTI+ or are more likely to use local, culturally-specific, terms instead.

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4. **STP can benefit from SOGI inclusion at the macroeconomic level and in the tourism sector, specifically.** On the macroeconomic level, ensuring opportunity for a significant portion of the population to lead fulfilling lives and to contribute more productively to the national economy is particularly important for a country with a small population such as STP. With regards to tourism, taking advantage of the rise of the global phenomenon of the “pink dollar” by creating an inclusive environment for international LGBTI tourists can contribute to invigorating STP’s lagging tourism sector, and provide opportunities for employment for local sexual and gender minorities.

5. **The data gap is daunting.** The World Bank requires data to underpin its analysis and advocacy of developmental approaches. In the case of SOGI there is a paucity of quantitative data in all countries, developed and developing. In STP, the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) and community-based groups plan to initiate some basic data generation, such as a population size estimation of sexual and gender minorities. For the purposes of this analysis, as much SOGI data and information as it is available from STP and from its peer countries has been included, and this has been complemented with information derived through informal consultations with local CSOs and other informants, some of whom are themselves sexual and gender minorities. Information acquired from the informal consultations is noted whenever it is included in this analysis. In the instances where general trends are extrapolated through examples and experiences from developed or other developing countries, this is explicitly acknowledged.

## II. The World Bank and SOGI Inclusion

### II.a. The lack of data makes it hard to fight SOGI exclusion

6. **Sexual and gender minorities continue to face widespread discrimination and violence in many countries leading to adverse economic and human impacts.** This discrimination and violence leads to exclusion, and this exclusion has adverse impacts on both the lives of sexual and gender minorities as well as on the communities and economies in which they live and work. Increasing evidence indicates that sexual and gender minorities achieve lower education outcomes due to discrimination, bullying and violence; higher unemployment rates; and a lack of access to adequate housing, and health services and financial services<sup>2</sup>. As a result, sexual and gender minorities are likely overrepresented among the poorest 40 percent of the population<sup>3 4 5</sup>. The World Bank attempted to quantify the productivity, investment and other economic costs of LGBT exclusion at the country level in a 2014 report “The Economic Cost of Stigma

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<sup>2</sup> [Sexual Minorities and Development: A Short Film](#). World Bank. 2015.

<sup>3</sup> USAID; the Williams Institute. 2014. [The Relationship between LGBT inclusion and Economic Development: An Analysis of Emerging Economies](#).

<sup>4</sup> OECD. 2017. [LGBTI in OECD countries](#).

<sup>5</sup> Emler CA: [Social, economic, and health disparities among LGBT older adults](#). Generations 201 6 Summer; 40(2): 16–22.

and the Exclusion of LGBT people: A Case Study of India”<sup>6</sup>, and found a potential GDP loss of \$30bn annually, as well as serious discrimination<sup>7</sup>.

7. **In many countries, it is difficult to tackle SOGI-based exclusion, discrimination, and violence.** First and foremost, there is deeply entrenched stigma directed towards people who are, or are perceived to be, sexual and gender minorities, or who do not conform to expected gender roles and norms. A result of such stigma is that there is often a hostile legal framework or at least lack of an enabling legal framework, including no legal protection against SOGI-based discrimination and violence. As of October 2018, over 70 countries continue to criminalize homosexuality<sup>8</sup>.

8. **A major barrier to addressing this stigma and SOGI-based exclusion is the lack of data on the lives of LGBTI people.** Robust, quantitative data on differential development experiences and outcomes of LGBTI people—especially those in developing countries—is extremely thin. This data gap poses a challenge to the World Bank and other development institutions. Most importantly, this data gap puts in jeopardy the achievement of the Sustainable Development Goals (SDGs) and countries’ commitment to the principle of “leaving no one behind” in the effort to end poverty and inequality, as well as the World Bank’s commitment to ending extreme poverty and boosting shared prosperity. Therefore, the World Bank has prioritized generating SOGI-specific quantitative and qualitative data in client countries. This has resulted in recent generation of SOGI-specific data in some countries<sup>9</sup>.

## **II.b. The new WB strategy for SOGI inclusion emphasizes training, data, and operations.**

9. **All World Bank support to clients contributes to the Bank’s Twin Goals of ending extreme poverty by 2030 and boosting shared prosperity, measured as the income of the bottom 40 percent in any given country**<sup>10</sup>. SOGI inclusion contributes not only to shared prosperity but also to eliminating extreme poverty, as sexual and gender minorities are likely over-represented in the economic bottom 40 percent. The World Bank’s approach to SOGI inclusion is through our commitments to gender equality and social inclusion. The links between gender equality and development were well established in the

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<sup>6</sup> Badgett, M.V. Lee, Ph.D.. 2014. [The economic cost of stigma and the exclusion of LGBT people: a case study of India \(English\)](#). Washington, DC: World Bank Group.

<sup>7</sup> 56 percent of white-collar LGBT workers report discrimination, 64 percent of a specific category of gender minority (Kothis) had income below \$70 per month (median income per capita for the general population is \$616), 66 percent of MSM in Chennai had income below \$1.50/day, 28 percent of urban lesbians experienced physical abusive violence in family.

<sup>8</sup> International Lesbian, Gay, Bisexual, Trans and Intersex Association (ILGA): Carroll, A. [State Sponsored Homophobia 2016: A world survey of sexual orientation laws: criminalization, protection and recognition](#). Geneva. May 2016

<sup>9</sup> Reports including: “*The Economic Inclusion of LGBTI Groups*” in Thailand (March 2018), “*Discrimination against Sexual Minorities in Education and Housing, in Serbia*” (June 2018) and “*Life on the Margins*” in the Western Balkans (September 2018).

<sup>10</sup> World Bank Group. 2015. [A Measured Approach to Ending Poverty and Boosting Shared Prosperity: Concepts, Data, and the Twin Goals](#). Policy Research Report; Washington, DC: World Bank. World Bank.

2012 *World Development Report on Gender Equality and Development*<sup>11</sup>, while the importance of social inclusion in development was articulated in the 2013 report *Inclusion Matters*<sup>12</sup>.

10. **Building on its work in HIV/AIDS in recent decades, the World Bank now takes a more comprehensive approach to SOGI inclusion throughout the organization’s management and operations.** SOGI issues have now been included in some strategic documents, such as Systematic Country Diagnostics and Country Partnership Frameworks. The World Bank’s SOGI inclusion priority sectors and issues are access to education, access to health services, access to the labor and financial markets, inclusion in political and civic participation and access to justice, and violence prevention (sexual, gender-based, and other forms of violence). Furthermore, the World Bank has identified the following three key operational foci for SOGI inclusion:

- **Training:** Sensitizing staff and clients about SOGI issues and building capacity to apply a SOGI lens to operations;
- **Data:** Focus on quantitative and qualitative data collection, emphasizing the development outcomes for sexual and gender minorities; and
- **Operations:** Projects, including pilot initiatives, to improve the access of sexual and gender minorities to markets, services, and spaces.

11. **The Environmental and Social Framework (ESF) helps ensure SOGI issues are addressed in World Bank operations.** On the Operational side, the World Bank’s new ESF, through the *Bank Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups*<sup>13</sup>, requires that World Bank projects monitor discrimination, including on the basis of SOGI, and mitigate harms to negatively affected disadvantaged people.

### III. SOGI Overview in São Tomé and Príncipe

#### III.a. STP’s laws are advanced in relation to peers, being behind only Cabo Verde and Seychelles

12. **São Tomé and Príncipe’s legal environment is relatively progressive compared to peer countries.** STP decriminalized homosexuality in 2012 when it introduced a new penal code. The previous code, which dated from 1886 during the colonial period, provided for confinement of people who habitually practice acts against nature.<sup>14</sup> São Tomé and Príncipe has ratified important Human Rights treaties, among others the International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights. The United Nations Economic and Social Council has clarified that

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<sup>11</sup> World Bank. 2012. [World Development Report 2012: Gender Equality and Development](#). World Bank.

<sup>12</sup> World Bank. 2013. [Inclusion Matters: The Foundation for Shared Prosperity](#). New Frontiers of Social Policy. Washington, DC. World Bank.

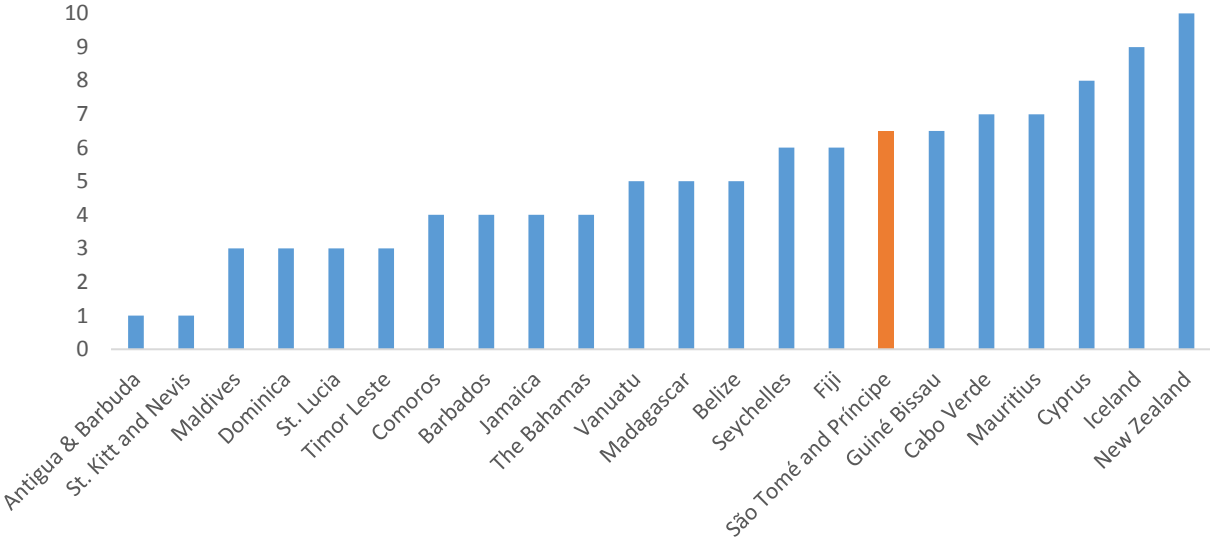
<sup>13</sup> <https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=e5562765-a553-4ea0-b787-7e1e775f29d5&ver=current>

<sup>14</sup> Equaldex. [LGBT Rights in São Tomé and Príncipe](#).

the latter also prohibits discrimination on the grounds of sexual orientation and gender identity.<sup>15</sup> While there is no explicit recognition of same-sex marriage, civil union, or domestic partnership in STP, the country has ratified the African Charter on Human and Peoples' Rights<sup>16</sup> and is a member of the African Union, which supported LGBT anti-discrimination policies with resolution 275.<sup>17</sup> Lastly, São Tomé and Príncipe was a signatory to the UN General Assembly statement supporting LGBT rights in 2008.<sup>18</sup>

13. **When quantifying legal environments, STP fares well compared to peer countries.** Drawing from methodologies previously used by the World Bank *Doing Business* initiative, by converting the components of the legal environment (Table 1) into numerical values (each positive answer is scored 1 and each negative is scored 0) only Mauritius and Cabo Verde score higher than STP, among the peer countries. STP scores the same as the Seychelles and Fiji, but the latter two were not signatories to the 2008 UN General Assembly statement supporting LGBT rights. Accordingly, of the 10 peer countries, STP is the third most progressive. This is encouraging given STP's similarity to legally progressive peer countries, which on average have better performing tourism sectors than the legally non- progressive peer countries. When compared to the extended group of peer countries, STP comes in at the 75<sup>th</sup> percentile, which is a significant achievement given that some of the countries in the extended group are developed countries.

**Figure 1 - Legal score in extended group of peer countries**



<sup>15</sup> United Nations Economic and Social Council (2009) [Non-Discrimination in Economic, Social and Cultural Rights](#) (art. 2, para. 2). Geneva.

<sup>16</sup> Center for International Environmental Law. Human Rights and Climate Change Working Group. [Country Profile: São Tomé and Príncipe.](#)

<sup>17</sup> African Commission on Human and Peoples' Rights. 2014. [275: Resolution on Protection against Violence and other Human Rights Violations against persons on the basis of their real or imputed Sexual Orientation or Gender Identity.](#)

<sup>18</sup> Cf. United Nations. 2008. [Letter dated 18 December 2008 from the Permanent Representatives of Argentina, et. al. to the United Nations.](#) 63rd Session, Agenda item 64(b), U.N. Doc. A/63/635.

**Table – 1. The LGBT Legal environment in Peer countries and the Extended group**

Peer group	Continent	Countries	Criminalization	Recognition of same sex partners in any form	Adoption by same-sex couples	Anti-discrimination laws concerning sexual orientation	Laws concerning gender identity/ expression	Intl Covenant on Civil and Political Rights	Intl Covenant on Economic, Social and Cultural Rights	African Union Member or equivalent	African Charter on Human and Peoples' Rights or equivalent	Signatory to 2008 UN GA statement supporting LGBT rights	Score
Subject	Africa	<b>São Tomé and Príncipe</b>	No since 2012	No	No	No	No	Yes	Yes	Yes	Yes	Yes	6
Peer	Africa	<b>Cabo Verde</b>	No since 2004	No	No	Yes some	No	Yes	Yes	Yes	Yes	Yes	7
Peer	Africa	<b>Comoros</b>	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	4
Peer	Africa	<b>Mauritius</b>	Yes	No	No	Yes all	Yes	Yes	Yes	Yes	Yes	Yes	7
Peer	Africa	<b>Seychelles</b>	No	No	No	Yes some	No	Yes	Yes	Yes	Yes	No	6
Peer	Asia	<b>Maldives</b>	Yes	No	No	No	No	Yes	Yes	Yes	No	No	3
Peer	Caribbean	<b>Dominica</b>	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	3
Peer	Caribbean	<b>St. Lucia</b>	Yes	No	No	No	No	Yes	No	Yes	No	No	3
Peer	Oceania	<b>Fiji</b>	No since 2010	No	No	Yes all	No	Yes	Yes	Yes	-	No	6
Peer	Oceania	<b>Vanuatu</b>	No	No	No	Yes some	No	Yes	No	Yes	-	No	5
Ext group	Africa	<b>Guiné Bissau</b>	No since 1993	No	No	No	No	Yes	Yes	Yes	Yes	Yes	6
Ext group	Africa	<b>Madagascar</b>	No	No	No	No	No	Yes	Yes	Yes	Yes	No	5
Ext group	Asia	<b>Timor Leste</b>	No	No	No	No	No	Yes	No	No	No	Yes	3
Ext group	Caribbean	<b>Antigua &amp; Barbuda</b>	Yes	No	No	No	No	No	No	Yes	No	No	1
Ext group	Caribbean	<b>Barbados</b>	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	4
Ext group	Caribbean	<b>Jamaica</b>	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	4
Ext group	Caribbean	<b>St. Kitt and Nevis</b>	Yes	No	No	No	No	No	No	Yes	No	No	1
Ext group	Caribbean	<b>The Bahamas</b>	No	No	No	No	No	Yes	Yes	Yes	No	No	4
Ext group	Central America	<b>Belize</b>	No since 2016	No	No	Yes all	No	Yes	Yes	Yes	No	No	5
Ext group	Europe	<b>Cyprus</b>	No since 1998	Yes	No	Yes all	No	Yes	Yes	Yes	Yes	Yes	8
Ext group	Europe	<b>Iceland</b>	No since 1940	Yes	Yes	Yes all	Yes	Yes	Yes	No	Yes	Yes	9
Ext group	Oceania	<b>New Zealand</b>	No since 1986	Yes	Yes	Yes all	Yes	Yes	Yes	Yes	-	Yes	10

### III.b. Attitudes towards SOGI are undergoing positive change

14. **While laws may be relatively easy to measure across regions, measuring attitudes poses a significantly greater challenge.** Attitudes can change relatively frequently but would require data collection to enable measurement with confidence. Unfortunately, while surveys of attitudes related to SOGI and sexual and gender minorities exist in some other west African countries, there is no such data in São Tomé and Príncipe or in any of the peer countries; therefore, information about attitudes can only be obtained from qualitative evidence collected through desk review and/or focus group discussions/informal consultations.

15. **By relying on information about legal environments plus some observed social developments, peer countries can be categorized as having either positive-leaning or negative-leaning attitudes towards sexual and gender minorities.** The peer countries with positive-leaning attitudes are Cabo Verde, Mauritius, the Seychelles, Fiji, and Vanuatu. The ones with negative-leaning attitudes are Comoros, the Maldives, Dominica, and St. Lucia. Cabo Verde does not criminalize same-sex behavior and celebrated its first LGBTI Pride march in 2013<sup>19</sup>. Mauritius criminalizes same-sex behavior, but the relevant legal provisions are not enforced<sup>20</sup>. Also, it is one of the few African countries to offer employment discrimination protections specifically based on sexual orientation<sup>21</sup>. The Seychelles recently decriminalized same-sex activity and has offered discrimination protections in the workplace for sexual orientation since 1995 with a reiteration in 2006<sup>22</sup>. In 2015, the first same-sex marriage took place at the residence of the British High Commissioner in the Seychelles and seems to have raised some concerns by religious leaders but not any significant opposition by the public. The Seychelles relies heavily on the tourism sector which is very welcoming of LGBTI tourists<sup>23</sup>. In Fiji, while there have been reports of violence in the past and society tends to lean towards conservative values with regard to SOGI, the visibility of SOGI issues is rising. In 2017, the International Day Against Homophobia, Transphobia and Biphobia (IDAHOT) was celebrated in the capital for the first time<sup>24</sup> and in 2018 the first LGBTQI Pride march took place with the protection of the local police, with the former President Epeli Nailatikau delivering remarks<sup>25</sup>. The situation in Vanuatu is similar to that in Fiji. While still a socially conservative society, IDAHOT was celebrated in 2016 for the first time<sup>26</sup> and in the same year human rights organizations held workshops on women's rights and LGBTI rights, with the participation of the Minister of Health<sup>27</sup>.

16. **Peer countries with negative-leaning attitudes are fewer.** Most notably, Comoros criminalizes same-sex activity and in relatively recent years has actively enforced these laws. The latest reports come

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<sup>19</sup> Human Rights Campaign Foundation. July 2014. Report: The State of Human Rights for LGBT people in Africa.

<sup>20</sup> Ibid

<sup>21</sup> Mauritius, Act No. 42 of 2008 Equal Opportunities Act. Art 2.

<sup>22</sup> Seychelles, Employment Act 1995, Art 2.

<sup>23</sup> SeyGay Holidays. 2016. Are The Seychelles a Gay Friendly destination? Absolutely yes.

<sup>24</sup> Fiji Broadcasting Corporation. 17 May 2017. Celebrating IDAHOT – Love Makes a Family.

<sup>25</sup> The Fiji Times. 17 May 2018. Ratu Epeli to address LGBTQI conference

<sup>26</sup> [Welcome to IDAHOT Newbies!](#) Dayagainsthomophobia.com

<sup>27</sup> Sista. 28 Oct 2016. VPride Foundation and Vanuatu Women's Centre hold first LGBTI Human Rights workshop together.

from 2012-2013 with at least three prosecutions taking place during that time. The US Department of States notes that there are no LGBT organizations in Comoros<sup>28</sup>. The Maldives criminalized homosexuality with its 2015 revision to its Penal Code<sup>29</sup>. That same year, two local men were arrested on charges of homosexuality<sup>30</sup>. The Maldives openly opposes pro-LGBT efforts in the UN<sup>31</sup> and public opinion is not showing any noticeable improvement. In 2014, New Zealand offered asylum to a man seeking to escape the Maldives for fear of prosecution because of his sexual orientation. Later a spokesperson for the President's office confirmed that those seeking asylum to other countries for reasons of sexual orientation would be prosecuted upon reentry to the Maldives<sup>32</sup>. Nevertheless, tourists are rarely subjected to the homophobic oppression to which the local population is subjected<sup>33</sup>. The situation in Dominica is also not positive. There is frequent opposition to LGBT tourism by religious leaders and anti-LGBT verbal and physical violence seems commonplace<sup>34</sup>. While Saint Lucia bans "unfair dismissal" based on sexual orientation, it was the only country in the Americas to oppose the UN declaration on sexual orientation and gender identity in 2008<sup>35</sup>. The US Department of State in its 2015 Human Rights Report states that while anti-same-sex provisions are rarely enforced, societal attitudes towards LGBTI people are very negative in St. Lucia, with LGBTI people facing daily harassment, and denial of access to housing and employment. A final caveat is that most violence based on SOGI is not reported for fear of retribution<sup>36</sup>.

17. **Societal attitudes in São Tomé and Príncipe towards sexual and gender minorities seem to be relatively positive.** STP decriminalized same-sex behavior in 2012, but no sexual or gender minority organizations have emerged. A few organizations that operate in the country and are interested in expanding into SOGI-related activities (like the National Institute for the Promotion of Gender Equality - INPG) lack the necessary know-how. Societal stigma still exists, and same-sex behavior is typically frowned upon. Most sexual and gender minorities rely on temporary jobs, mostly in the tourism sector or in sex work. Some officials in the government have expressed curiosity and interest in meeting with self-identified sexual and gender minorities but local informants describe the government's interest as an "unhealthy curiosity" to identify LGBTI people in São Tomé and Príncipe<sup>37</sup>.

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<sup>28</sup> Human Rights Campaign Foundation. July 2014. Report: The State of Human Rights for LGBT people in Africa.

<sup>29</sup> Maldives Penal Code Art. 410, Para. A, Sect. 8.

<sup>30</sup> Colin Stewart 'Maldives: Lenient no more, island nation arrests 2' 1 September 2015.

<sup>31</sup> Religious Tolerance. 2009. UN 2008 Declaration for the global decriminalization of GLBT activity.

<sup>32</sup> Global Voices 'Homosexual Asylum Seekers from The Maldives Face Prosecution Upon Return' 6 June 2014.

<sup>33</sup> Out of Office. Luke Jackson 'The Law VS Reality: Gay Travel to the Maldives' 23 May 2016.

<sup>34</sup> "A SHADOW REPORT ON THE VIOLATION OF ICCPR OBLIGATIONS RELATING TO LESBIAN, GAY, BISEXUAL, TRANSGENDER PERSONS IN THE COMMONWEALTH OF DOMINICA", Heartland Alliance for Human Needs & Human Rights, submitted to the U.N. Human Rights Committee in July 2011, page 10.

<sup>35</sup> General Assembly: 70th and 71st plenary meeting, morning session, 02:32:00

<sup>36</sup> Us Department of State. Saint Lucia 2015 Human Rights Report.

<sup>37</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018



#### IV. SOGI-related Challenges in São Tomé and Príncipe

18. **Sexual and gender minorities in STP face numerous challenges, such as isolation from information and SOGI networks outside of STP, social exclusion in STP, challenges in education, access to health, access to the labor market, and, for some, violence.** Most of the challenges explored below are common for sexual and gender minorities around the world. Others, such as the isolation of STP, are unique. The challenges are systemic and limit the ability of sexual and gender minorities in STP to partake in, or promote their own, social and economic development, with likely resultant impacts on the country and economy. When it comes to SOGI-based violence, it seems that violence based on sexual orientation may be uncommon, while violence based on gender identity or gender expression may be more common.<sup>38</sup>

##### IV.a. Physical and Virtual Isolation of São Tomé and Príncipe

19. **Sexual and gender minorities have had very limited exposure to LGBTI networks outside of STP due to physical isolation, low income and internet access.** The combination of geography and underdevelopment seem to have inhibited the transmission of ideas and connections to solidarity movements from other parts of the world. The low level of internet<sup>39</sup> penetration (only 28 percent) in STP, and the reportedly low education levels among some sexual and gender minorities<sup>40</sup>, mean that sexual and gender minorities have even fewer opportunities for exposure to the progress happening elsewhere. Given that many sexual and gender minorities in STP likely belong to lower socioeconomic classes<sup>41</sup>, we can safely assume that the percentage of sexual and gender minorities that use the internet in STP is lower than 28 percent.

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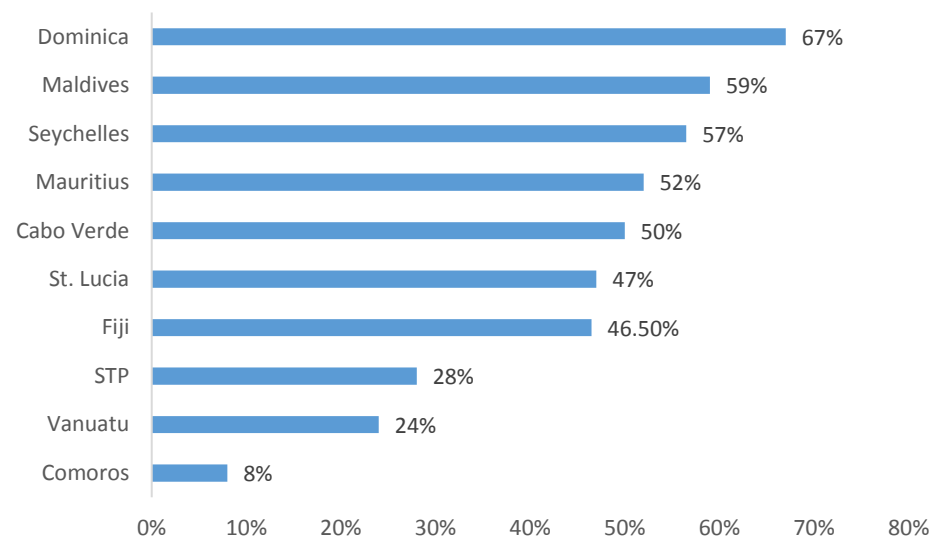
<sup>38</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>39</sup> [The World Bank](#). International Telecommunication Union, World Telecommunication/ICT Development Report and database.

<sup>40</sup> According to the latest HIV/AIDS research tracking rudimentary statistics on behavior, the average completed age of schooling for MSM is 8<sup>th</sup> grade, with less than 10percent having completed 11<sup>th</sup> grade. Unpublished data accompanying the report “Revue du projet VIH et hommes ayant des rapports sexuels avec d’autres hommes à Sao Tome & Principe” submitted to the Global Fund Project and UNDP by Dr. Cheikh Eteka Traore. Dec. 13, 2017.

<sup>41</sup> Ibid and IOF 2010, INE São Tomé and Príncipe. The data from the above survey shows that the “wealthiest” 10 percent of MSM make 46 percent less than the median per capita household income.

**Figure 2- Internet penetration in peer countries: 2016**



Source: World Bank

20. **Anecdotal evidence suggests that sexual and gender minorities in STP struggle to understand fundamental questions about the nature of their own sexual orientation and gender identity<sup>42</sup>.** SOGI-based stigma, while improving, is still prevalent in STP. This means that sexual and gender minorities struggle to understand and come to terms with their own identity; and face daunting challenges when they succeed at coming to terms with it and when they acknowledge or express their SOGI publicly. While stigma is the cornerstone of non-acceptance of one's identity, the lack of contact with international LGBTI equality movements contributes to the problem. A result of the physical and virtual isolation previously noted is that a significant number of sexual and gender minorities in STP still accept the pathologizing of their own sexual orientation and gender identity. In modern parlance this is termed internalized homophobia or transphobia<sup>43</sup>. Greater exposure to regional and global networks would help alleviate notions of pathology, guilt, internalized homophobia, and isolation, thus enhancing self-acceptance.

21. **The lack of an organized and visible community of sexual and gender minorities poses challenges but also opportunities for targeted support.** Some local activists have expressed a desire to form civil society organizations in STP, however, there is a lack of capacity to do so. Nonetheless, it is not necessary to reinvent the wheel as sharing knowledge from successful programs elsewhere could be used effectively and efficiently. The World Bank has the capacity to help design and implement projects to support this in São Tomé and Príncipe.

#### **IV.b. Social Exclusion is detrimental for the individual and the country**

22. **Social exclusion based on SOGI is observable around the world and has detrimental impacts both on the excluded individuals and the economies in which they live.** As originally shown in the report

<sup>42</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>43</sup> Ibid

Inclusion Matters<sup>44</sup>, social inclusion is the foundation of shared prosperity. Exclusion results in significant social, political, and economic costs for minorities. Furthermore, exclusion results in detrimental consequences for human capital development. A World Bank report on Roma estimates an annual productivity loss, due to social exclusion, of €231 million in Serbia and €887 million in Romania.<sup>45</sup> It has also been documented that children with disabilities, another commonly excluded group, are less likely to start school than children without disabilities and have lower rates of completion<sup>46</sup>. In STP, the scarce data and anecdotal evidence point to similar phenomena related to sexual and gender minorities in the lower socioeconomic classes<sup>47</sup>. Isolation, along with opposition from some religious groups, is a challenge to SOGI-inclusive social progress. It has been shown in other contexts, though, that exposure to SOGI issues by television or public figures encourages discussion and raises the levels of awareness and ultimately of acceptance<sup>48 49</sup>. Though public attitude data about SOGI is lacking in STP, anecdotal evidence seems to indicate more positive public attitudes than in some peer countries<sup>50</sup>. However, there is reported stigma and discrimination that lead to social exclusion and shunning, and sometimes, for those with gender expressions that are contrary to expected gender norms, violence. Social exclusion and discrimination are detrimental to the individual, and detrimental to the national economy. As with the issue of isolation, social exclusion can be addressed with information campaigns and by raising the visibility of sexual and gender minorities, areas for which the World Bank can provide technical and capacity building support.

#### IV.c. Discrimination begins in Education

**23. Discrimination against sexual and gender minorities begins as early as primary school, leading to lower educational achievement and lost economic opportunities.** Whether it takes the form of peer bullying, the faculty turning a blind eye, or simply the staff's incapacity to accommodate the needs of children who are or are perceived to be sexual or gender minorities, or to create a safe environment at schools for them, discrimination in education usually stems from the aforementioned societal stigma<sup>51 52</sup>. In the US, a study in 2015 found that 70 percent of LGBT self-identified students felt unsafe at school<sup>54</sup>. In 2007, a UNESCO study in Argentina found that 45 percent of transgender students dropped out of

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<sup>44</sup> World Bank. 2013. Inclusion Matters: The Foundation for Shared Prosperity – Overview. Washington, DC: World Bank. p. 5

<sup>45</sup> De Laat, Joost. 2010. "Roma Inclusion: An Economic Opportunity for Bulgaria, Czech Republic, Romania and Serbia." Policy Note, World Bank, Human Development Sector Unit, Washington, DC.

<sup>46</sup> WHO and World Bank. 2011. World Report on Disability. Geneva: World Health Organization.

<sup>47</sup> See footnote 37.

<sup>48</sup> Pew Research Center. A survey of LGBT Americans. June 13, 2013. Chapter 2.

<sup>49</sup> The Seattle Times, William Douglas, Lesley Clark. Pop culture helps change minds on gay rights. January 1, 2015.

<sup>50</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>51</sup> World Bank. 2018. *Life on the Margins: Survey Results of the Experiences of LGBTI People in Southeastern Europe (English)*. Washington, D.C.: World Bank Group. pp. 45-47

<sup>52</sup> UNESCO. From Insult to Inclusion: Asia-Pacific report on school bullying, violence and discrimination on the basis of sexual orientation and gender identity. 2015

<sup>53</sup> Mahidol University, Plan International Thailand, UNESCO Bangkok Office, Bullying targeting secondary school students who are or are perceived to be transgender or same-sex attracted: Types, prevalence, impact, motivation and preventive measures in 5 provinces of Thailand. 2014

<sup>54</sup> A. Park and F. Halawi, 'Lack of Equal Treatment and Access to Equal Opportunity for LGTBQ People in the United States: Submission to the United Nations Universal Periodic Review of United States of America', The Williams Institute, Los Angeles, 2015.

school because of either bullying by peers or exclusion by school authorities<sup>55</sup>. According to the UNESCO report *Out in the Open*, in an online survey in China in 2012, 59 percent of LGBT respondents reported that bullying had negatively affected their academic performance<sup>56</sup>. In a large 2009 - 2014 survey in England, 37 percent of LGBT young people aged from 16 to 25 said their time at school had been affected by discrimination or fear of discrimination, leading to lower grades<sup>57</sup>. In El Salvador, only 36 per cent of transgender women interviewed for a 2012/2013 study obtained their secondary school certificate, and this was attributed to SOGI-based violence and exclusion<sup>58</sup> <sup>59</sup>. The evidence makes clear that discrimination in schools leads to higher drop-out rates, which in turn lead to reduced employment opportunities, and a lifetime of lost economic opportunity. This is an issue that not only affects the individuals in question but also contributes to negative impacts on GDP, including due the lost investment in human capital.

24. **The evidence suggests that SOGI is still a taboo issue in educational settings in STP<sup>60</sup>.** Attempts by some civil society activists to discuss the experiences of children impacted by SOGI-based exclusion have been unfruitful<sup>61</sup>. The reluctance of education professionals to discuss SOGI points to two issues: (i) the lack of knowledge about the problem by educators, and (ii) the lack of capacity to address the problem. When educators are unaware that a problem exists, they are unable to address it. Even if educators are aware that a problem exists, they must be willing to address it and must know how to address it<sup>62</sup>. Most importantly, sexual and gender minorities are likely below the national education attainment level in São Tomé and Príncipe. Data from HIV programs suggests that, at least among the sampled gay, bisexual and other men who have sex with men (the sample included an even smaller sample of transwomen), only 40 to 50 percent of sexual and gender minorities have completed lower secondary education<sup>63</sup>, compared to a national average for STP of 74.2 percent<sup>64</sup>. The World Bank has the capacity to help design and implement projects to ensure SOGI-inclusion in education<sup>65</sup>.

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<sup>55</sup> UNESCO, *Education sector responses to homophobic bullying*. Paris, France: UNESCO, 2012.

<sup>56</sup> UNESCO, *'From Insult to Inclusion: Asia-Pacific report on school bullying, violence and discrimination on the basis of sexual orientation and gender identity'*, UNESCO, Paris and Bangkok, 2015.

<sup>57</sup> METRO, *'Youth Chances Survey of 16-25 year olds: First Reference Report'*, METRO Youth Chances, London, 2014.

<sup>58</sup> PNUD, *'Informe sobre la situación de los derechos humanos de las mujeres trans en El Salvador'*, PNUD y Procuraduría para la Defensa de los Derechos Humanos, San Salvador, El Salvador, 2013.

<sup>59</sup> UNESCO. *Out in the Open: Education sector responses to violence based on sexual orientation and gender identity/expression*. 2016. p.28

<sup>60</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>61</sup> Ibid

<sup>62</sup> UNESCO. *Out in the Open: Education sector responses to violence based on sexual orientation and gender identity/expression*. 2016. p.15

<sup>63</sup> Unpublished data accompanying the report "Revue du projet VIH et hommes ayant des rapports sexuels avec d'autres hommes à Sao Tome & Principe" submitted to the Global Fund Project and UNDP by Dr. Cheikh Eteka Traore. Dec. 13, 2017.

<sup>64</sup> World Bank. [Education Statistics](#). 2017

<sup>65</sup> Forthcoming: *Brief on Education for Inclusion and Equity in World Bank Projects: Persons with Disabilities, Indigenous Peoples, and Sexual and Gender Minorities*. World Bank.

#### IV.d. Discrimination in Health is caused by lack of sensitization

25. **Discrimination in the health sector manifests in the inability of health professionals to address the issues sexual and gender minorities face.** Because some sexual and gender minorities are disproportionately affected by HIV<sup>66</sup>, health professionals working in HIV programs are often familiar with the challenges sexual and gender minorities face. However, health service needs, including for sexual and gender minorities, go well beyond HIV; for example, mental health support, especially for young sexual and gender minorities, and transition services for transgender people. Despite the familiarity of some providers with SOGI issues, there are still significant barriers for sexual and gender minorities to accessing healthcare. This is a global phenomenon that affects even developed countries<sup>67</sup>. For example, in the US, a 2017 survey found that 9 percent of lesbian, gay, and bisexual respondents and 21 percent of transgender respondents had experienced harsh or abusive language from a medical provider in the previous year<sup>68</sup>. In Thailand 25 percent of sexual and gender minorities reported that they had been treated disrespectfully when seeking healthcare services<sup>69</sup>.

26. **A positive factor in STP lies in the fact that denial of service based on SOGI in health clinics seems not to be common**<sup>70 71</sup>. Even so, most sexual and gender minorities would not present themselves to health service providers, even HIV service providers, as MSM (men who have sex with men) or LGBTI but would seek healthcare as generally sexually active individuals. Only 15 percent of MSM have told their doctor about their sexual orientation<sup>72</sup>. Healthcare services tend to be limited to HIV/AIDS with little or no other services provided for other health issues (even other sexually transmitted infections). There is no gender-affirming care, even psycho-social support, for transgender people<sup>73</sup>.

#### IV.e. Labor Market exclusion perpetuates poverty

27. **Discrimination in the labor market likely leads to lower labor force productivity and loss of economic opportunity for sexual and gender minorities**<sup>74</sup>. SOGI-based discrimination in the workplace contributes to both reduced opportunities for individuals to generate income and to negative impacts on human capital. Data from many countries, including some other Bank client countries, indicates that SOGI-

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<sup>66</sup> WHO. HIV and young men who have sex with men. World Health Organization. 2016

<sup>67</sup> Human Rights Watch. "You Don't Want Second Best" Anti-LGBT Discrimination in US Health Care. 2018

<sup>68</sup> Shabab Ahmed Mirza & Caitlin Rooney, "Discrimination Prevents LGBTQ People from Accessing Health Care," Center for American Progress, January 18, 2018,

<sup>69</sup> World Bank. 2018. Economic inclusion of LGBTI groups in Thailand (Vol. 2): main report (English). Washington, D.C.: World Bank Group. pp. 37-39

<sup>70</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>71</sup> Unpublished data accompanying the report "Revue du projet VIH et hommes ayant des rapports sexuels avec d'autres hommes à Sao Tome & Principe" submitted to the Global Fund Project and UNDP by Dr. Cheikh Eteka Traore. Dec. 13, 2017.

<sup>72</sup> Ibid

<sup>73</sup> Bulletin of the World Health Organization 2017;95:154-156. Ensuring an inclusive global health agenda for transgender people.

<sup>74</sup> M.V. Lee Badgett, Laura E. Durso, Angeliki Kastanis & Christy Mallory. [The Business Impact of LGBT-Supportive Sexual Orientation and Gender Identity Policies](#). The Williams Institute. May 2013.

based discrimination in the workplace is commonplace<sup>75</sup>. Regardless of education level, sexual and gender minorities face discrimination in the search for employment, as well as during the course of employment because of societal stigma. This leads many sexual and gender minorities to hold temporary jobs and contributes to mental health deterioration. The aggregation of such factors likely leads to lost productivity and economic opportunity. While data specific to this issue may not exist yet, the experiences on race and gender paint the same picture<sup>76 77</sup>. Unemployment among sexual and gender minorities has consistently been higher as compared to the general population. Even in the US, the unemployment rate among sexual and gender minorities is 250 percent higher than the general population<sup>78</sup>. Consequently, a disproportionate number of poor sexual and gender minorities engage in sex work due to the lack of economic alternatives<sup>79</sup>.

28. **SOGI-based discrimination in São Tomé and Príncipe fits this pattern.** The few sexual and gender minority business owners make a point of employing sexual and gender minorities<sup>80</sup> but that is not enough. As sexual orientation is often kept private and not revealed to employers or potential employers, discrimination seems to most often affect those who do not fit expected gender norms (i.e., feminine men and masculine women). Anecdotal evidence suggests that the sector that employs the most sexual and gender minorities in São Tomé and Príncipe is tourism<sup>81</sup>. A few people are employed in low skilled jobs, but the majority of sexual and gender minorities rely on temporary opportunities and are in and out of work frequently<sup>82</sup>. The result of this is unstable economic situations for already heavily stigmatized and discriminated against segments of society. When anyone is excluded from the labor force based on indelible personal characteristics unrelated to ability, such as sexual orientation or gender identity, both the economy and social cohesion suffer<sup>83 84</sup>.

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<sup>75</sup> International Labour Organization. Discrimination at work on the basis of sexual orientation and gender identity: Results of the ILO's PRIDE Project. 2012

<sup>76</sup> Isis H. Settles, NiCole T. Buchanan, & Stevie C. Y. Yap. [Race discrimination in the workplace](#). Michigan State University. 2010. Appearing in M. A. Paludi, C. A. Paludi Jr., & E. DeSouza (Eds.), Praeger Handbook on Understanding and Preventing Workplace Discrimination. Westport, CT: Praeger Publishers. Released December 2010

<sup>77</sup> Florent M. Kinkingninhou-Me'dagbe', Aliou Diagne, Franklin Simtowe, Afiavi R. Agboh-Noameshie, Patrice Y. Ade'gbola. Gender discrimination and its impact on income, productivity, and technical efficiency: evidence from Benin. 2008. *Agric Hum Values* (2010) 27:57–69 DOI 10.1007/s10460-008-9170-9

<sup>78</sup> CivicScience. Counting Counts: Quantifying LGBTQ Experiences & Sentiment. 2017.

<sup>79</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>80</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>81</sup> Ibid

<sup>82</sup> Ibid

<sup>83</sup> World Bank. 2018. *Life on the Margins: Survey Results of the Experiences of LGBTI People in Southeastern Europe (English)*. Washington, D.C.: World Bank Group. pp.2, 41-45

<sup>84</sup> World Bank. 2018. Economic inclusion of LGBTI groups in Thailand (Vol. 2): main report (English). Washington, D.C.: World Bank Group. pp. 21-31

## V. How São Tomé and Príncipe can benefit from SOGI inclusion?

### V.a. The macroeconomic cost of exclusion based on SOGI is severe

29. **Exclusion costs money.** The social exclusion of marginalized groups, including but not limited to sexual and gender minorities, is harmful to GDP. Exclusion starts from the early years of schooling and continues throughout the lifecycle, including in the labor market. Even if children manage to get through school without suffering any discrimination (usually by hiding their sexual orientation or gender identity) they face discrimination in the workplace<sup>85</sup>. The World Bank study “The Economic Cost of Stigma and the Exclusion of LGBT people: A Case Study of India” showed that in India the economic cost of exclusion could be as high as \$30 billion in GDP annually<sup>86 87 88</sup>.

30. **Social Inclusion of sexual and gender minorities is not only the right thing to do, but also the smart thing to do.** While the human rights arguments in favor of inclusion based on SOGI are relevant to the work of development, the value-added of the World Bank is in making the case that SOGI inclusion is also the economically smart thing for governments to do. As noted, since sexual and gender minorities are likely overrepresented among the poorest 40 percent of the population, addressing such exclusion should be in the government’s interest.

31. **Hiding one’s identity decreases individual productivity.** There are many self-identifying LGBTI people around the world, in both developing and developed countries, who consider hiding sexual orientation or gender identity as the best way to avoid the stigma and discrimination that they are otherwise very likely to suffer. A UCLA Williams Institute study reviewed the available evidence and found that productivity is stifled when individuals do not bring their “true selves” to work<sup>89</sup>. Employees who do not feel confident that they can be themselves at work are less productive, less likely to enjoy their jobs, and more likely to raise the cost of employment. This negative impact on productivity has a downstream effect on GDP<sup>90</sup>. Consequently, improving openness and acceptance in the workplace and in society in general would benefit GDP growth.

32. **There are steps STP can take to address these challenges.** Some steps can be implemented quickly while others are longer-term and likely require capacity building and technical support. Positive statements by public figures could have a positive effect on both domestic attitudes and on international perceptions of a country as an inclusive place that welcomes all. Programs that ensure inclusive education, non-discrimination in the workplace, and the promotion of economic opportunities, will likely require

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<sup>85</sup> International Labour Organization. Discrimination at work on the basis of sexual orientation and gender identity: Results of the ILO’s PRIDE Project. 2012

<sup>86</sup> Badgett, M.V. Lee, Ph.D.. 2014. The economic cost of stigma and the exclusion of LGBT people: a case study of India (English). Washington, DC: World Bank Group.

<sup>87</sup> World Bank. 2018. Economic inclusion of LGBTI groups in Thailand (Vol. 2): main report (English). Washington, D.C.: World Bank Group. pp. 21-31

<sup>88</sup> World Bank. 2018. *Life on the Margins: Survey Results of the Experiences of LGBTI People in Southeastern Europe (English)*. Washington, D.C.: World Bank Group. pp.2, 41-45

<sup>89</sup> M.V. Lee Badgett, Laura E. Durso, Angeliki Kastanis & Christy Mallory. The Williams Institute. May 2013. The Business Impact of LGBT-Supportive Workplace Policies. p14

<sup>90</sup> Ibid.

external support. The most important starting point, though, is the generation of data to provide evidence of the challenges and opportunities related to SOGI inclusion.

#### **V.b. How can STP benefit from SOGI inclusion in the tourism sector?**

33. **SOGI inclusion in the tourism sector can help increase growth in the sector and thus contribute directly to STP’s economic growth, while helping to reduce poverty including among some of the most marginalized.** Tourism accounts for almost 11 percent of São Tomé and Príncipe’s GDP. Tourism in STP grew from 7.9 percent of GDP in 2013 to 12.7 percent in 2015-2016. Anecdotal evidence suggests that many sexual and gender minorities who have jobs, often only temporary, work in the tourism sector<sup>91</sup>. Thus, a growth of the tourism sector would offer both more opportunities for local sexual and gender minorities and help contribute to STP’s economic growth. This section explores the power of the “pink dollar”, and the potential for increasing tourism to São Tomé and Príncipe.

34. **The power of the Pink Dollar and the inclusiveness of a destination can help grow the tourism sector.** The Pink Dollar is the term used to describe the purchasing power of sexual and gender minorities, which in the US alone reaches almost one trillion dollars<sup>92</sup>. Spending trends in developed countries, where most affluent tourists originate from, indicate that sexual and gender minorities are more likely to spend their money on travel,<sup>93</sup> and when they do they are more likely to explore new destinations, provided those are at least safe<sup>94</sup>. The second point in this section addresses inclusiveness. Inclusive destinations tend to attract more tourists in general, not just more sexual and gender minorities since they are perceived to be safer for all.

35. **Some tourists spend more than others.** The data shows that tourists that choose the more tolerant and inclusive destinations of the peer countries tend to spend more money<sup>95</sup>. There are a few special circumstances among the peer countries that should be noted: The Maldives have successfully marketed their tourism sector as a high-end destination and prices reflect that. Comoros, Dominica, and St. Lucia are easy and cheap destinations for US tourists to reach. The US has traditionally been the source of large numbers of high-spending tourists. The remaining peer countries (Cabo Verde, Mauritius, Seychelles, Fiji, and Vanuatu) are all difficult to reach. Nevertheless, the more tolerant the peer country is (Cabo Verde, Mauritius, the Seychelles, Vanuatu and Fiji), the more it seems to be outperforming STP in tourist spending. Qualitative analysis strengthens this argument: When traveling to a tolerant place people are more likely to explore and venture from their pre-arranged accommodations and activities because they feel safer<sup>96</sup>.

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<sup>91</sup> Consultations with local informants, October 2, 11, 31, November 14, 2018

<sup>92</sup> Jeff Green. Bloomberg. July 20, 2016. [LGBT Purchasing Power Near \\$1 Trillion Rivals Other Minorities](#)

<sup>93</sup> Home Around the World. [Gay Travel Statistics](#). 2009

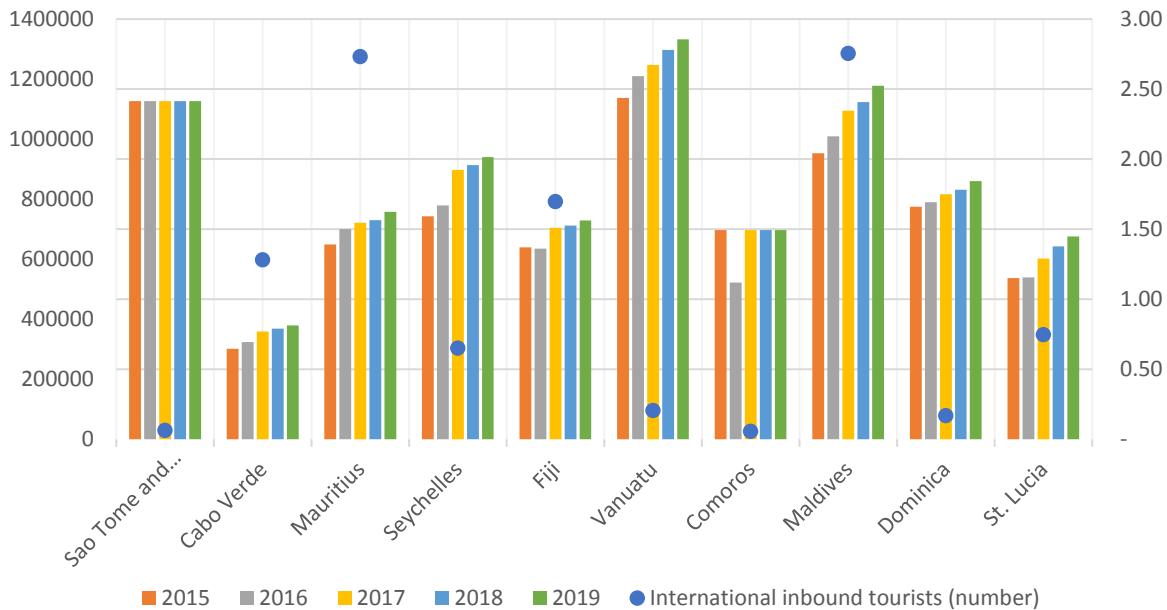
<sup>94</sup> World Tourism Organization (2017), Affiliate Members Global Reports, Volume fifteen – Second Global Report on LGBT Tourism, UNWTO, Madrid.

<sup>95</sup> World Travel & Tourism Council. 2017.

<sup>96</sup> World Tourism Organization (2017), Affiliate Members Global Reports, Volume fifteen – Second Global Report on LGBT Tourism, UNWTO, Madrid.



**Figure 4 - Foreign spending in thousand USD real prices: 2015-2019**



Source: WTTC

### *The power of the “Pink Dollar” can lift STP’s tourism industry*

36. **Globally, LGBTI people travel more frequently and spend more money than their economically comparable non-LGBTI counterparts.** The International Gay and Lesbian Travel Association (IGLTA), in collaboration with the United Nations World Tourism Organization (UNWTO) in the Second Global Report on LGBT Tourism, provide evidence of recent growth both in volume and in value related to LGBTI travelers<sup>97</sup>. The UNWTO estimated in 2016 that 5 to 10 percent of global tourists are sexual and gender minorities<sup>98</sup>. Witeck Communications calculated that in 2016 the LGBT combined purchasing power, in the US alone, was USD 917 billion, almost as high as the African-American and Hispanic-American communities (\$1.2 trillion and \$1.3 trillion respectively)<sup>99</sup>. This estimate assumes a conservative 7 percent of the population to be LGBT. LGBT Capital calculated in 2015 that the global spending power of the LGBT community that year was \$3.7 trillion<sup>100</sup>. By applying the same conservative estimate of 7 percent to the international tourist arrival figures of the UNWTO in 2017 (1.326 million), it can be concluded that almost 93 million overnight travelers internationally were LGBT<sup>101</sup>. Another LGBT-focused research organization, Out Now Global, calculated that in 2016 the global LGBT market for travel was USD \$211 billion annually

<sup>97</sup> World Tourism Organization (2017), Affiliate Members Global Reports, Volume fifteen – Second Global Report on LGBT Tourism, UNWTO, Madrid. p12

<sup>98</sup> ABS-CBN. Daphne Rousseau, Agence France-Press. Escaping the 'bubble': [LGBT tourism eyes new horizons](#). 2018.

<sup>99</sup> Jeff Green. Bloomberg. July 20, 2016. [LGBT Purchasing Power Near \\$1 Trillion Rivals Other Minorities](#).

<sup>100</sup> [LGBT Capital](#). August 2015

<sup>101</sup> UNWTO (2018) Barometer of World Tourism, Vol.16, Issue 4 (October 2018), UNWTO, Madrid, p.4

with a growth rate of 2 percent per year<sup>102</sup>. Community Marketing, Inc. (CMI) in 2009 conducted a study of US sexual and gender minorities and found that gay men and women travelers have an average household income of almost 80 percent of the average US household income and 83 percent of them hold a passport compared to 34 percent of all adults in the US<sup>103</sup>. Sexual and gender minorities tend to not have children, which means they have greater discretion to spend on travel<sup>104</sup>. The managing director of OutofOffice.com estimated that sexual and gender minorities in 2016 had 23 percent more disposable income than the wider market<sup>105</sup>. More specifically, sexual and gender minorities prioritized travel 11 percent more than the general population<sup>106</sup>. In 2017, CMI estimated for the US market that short and long vacations are two of the top three categories sexual and gender minorities spend most of their money on<sup>107</sup>. 59 percent of respondents said they had booked a short vacation in the past year and 48 percent said they had booked a longer vacation<sup>108</sup>. These numbers help illustrate that travel and seeking new experiences are among the most important drivers of spending by sexual and gender minorities, thus offer significant opportunities.

37. **LGBTI people are more likely to choose alternative destinations like STP.** As LGBTI rights become more widespread and the world becomes more accepting, LGBTI people are constantly seeking new, alternative and authentic experiences<sup>109</sup> that include eco-tourism, pristine landscapes, and wildlife exploration<sup>110</sup>; and LGBTI travelers are often willing to go to remote places for these experiences<sup>111</sup>. In 2006, 14 percent of US sexual and gender minorities had planned an overseas vacation in the next six months compared to 7 percent of their heterosexual counterparts.<sup>112</sup> According to the head of the International Gay and Lesbian Travel Association (IGLTA), as more countries become “safer and welcoming”, more sexual and gender minorities seek to escape “the gay bubble” of usual destinations and explore new virgin destinations<sup>113</sup>. Colombia is a good example of this phenomenon since it’s a beautiful and very accepting country that has seen significant increase in LGBTI tourism<sup>114</sup>.

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<sup>102</sup> Out Now Global. [Global LGBT Market Expands -- Now Valued at USD\\$211 Billion Annually](#). 2016

<sup>103</sup> Home Around the World. [Gay Travel Statistics](#). 2009

<sup>104</sup> Experian. [LGBTQ Money Survey: Attitudes, Challenges, and Opportunities](#). 2018

<sup>105</sup> Director. [OutofOffice.com entrepreneur Darren Burn seeks rapid expansion of LGBT-friendly travel brand](#). 2016

<sup>106</sup> Ibid

<sup>107</sup> eMarketer Retail. [LGBT Survey Underscores Broad Shift to Experiential Purchases](#). 2017.

<sup>108</sup> Ibid.

<sup>109</sup> World Tourism Organization (2017), Affiliate Members Global Reports, Volume fifteen – Second Global Report on LGBT Tourism, UNWTO, Madrid. p.60-62,82

<sup>110</sup> Ibid

<sup>111</sup> Ibid

<sup>112</sup> Harris Interactive and Witeck-Combs Communications. Gays and Lesbians More Likely than Heterosexuals to Plan Next Vacation Overseas or in Major U.S. Cities, Survey Finds. 2006

<sup>113</sup> South China Morning Post. [Travel operators eye pink dollars as rich LGBT tourists are more willing to go off the beaten track](#). 2018

<sup>114</sup> Ibid

### *The potential for tourism and growth in STP and entry points for SOGI inclusion*

38. **Inclusive destinations attract more people in general**<sup>115</sup>. SOGI-friendly destinations will attract more sexual and gender minorities because the safety risks are lower, but they also tend to attract all types of tourists, not just sexual and gender minorities. Regarding sexual and gender minorities specifically, the European Travel Commission found in a 2018 survey that LGBTQ persons in Brazil, Russia, and the United States considered an inclusive culture with a history of acceptance the most important factor for choosing or rejecting a destination<sup>116</sup>. Positive reputations often have a snowball effect that leads to the growth of tourism to the benefit of the local population. On a lower level, according to a 2017 survey by Ogilvy, 64 percent of sexual and gender minorities in the US say they are more likely to spend money with brands that are LGBT inclusive and would avoid spending money with companies that do not support LGBT rights<sup>117</sup>. Similar numbers are true for the general population too: 48 percent say they are more likely to spend money with LGBT friendly companies and 65 percent say that inclusive brands are good for the economy<sup>118</sup>. The same survey found that nearly 75 percent of Americans believe businesses need to employ a diverse team of people to best serve customers. Similar results were found by a 2014 Google Consumer Survey<sup>119</sup>. The private sector coalition Open for Business has made the argument that inclusion is good for businesses (including the tourism industry), by categorizing benefits into economy-wide, business-wide, and individual-specific<sup>120</sup>. While these numbers may be skewed for the US market, it is one of the very few markets where such data exists. Since it has been established that the argument in favor of inclusion for private businesses works, then scaling it up to countries and travel destination should be a logical next step. Thus, an inclusive destination will tend to attract more people in general, not just more sexual and gender minorities.

39. **Inclusive access to finance is important for the growth of the tourism industry**. Similarly, when important services such as access to finance are inclusive and socially conscious, they are more accessible to sexual and gender minorities who already have experience in the tourism industry. This means that the country can further benefit from the entrepreneurial spirit of a group that thinks in non-traditional ways<sup>121</sup>.

### *Impact of inclusion on sexual and gender minorities who are citizens of STP and significance for growth in the tourism sector*

40. **An inclusive and tolerant environment matters**<sup>122 123</sup>. Out of the nine peer countries, two thirds of the ones that receive more than 300,000 tourists a year are LGBT-friendly (as shown above in the *Laws and*

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<sup>115</sup> Global Report on Inclusive Tourism Destinations: Model and Success Stories, UNWTO, Madrid. 2018

<sup>116</sup> Peter Jordan, Gen C Traveller on behalf of the European Travel Commission. Handbook on the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) travel segment. European Travel Commission (ETC). 2018. p. 38

<sup>117</sup> Fortune. [Being LGBT Inclusive Is Good for Business, Survey Finds](#). 2017

<sup>118</sup> Ibid

<sup>119</sup> Outnewswire. Bach Polakowski. [America's LGBT 2015 Buying Power Estimated at \\$917 Billion](#). 2016

<sup>120</sup> Open for Business. Jon Miller, Lucy Parker. [Strengthening the economic case](#). 2018

<sup>121</sup> Prudential. [The LGBT Financial Experience 2016-2017](#). p.4

<sup>122</sup> Ibid

<sup>123</sup> Robin Biddulph & Regina Scheyvens. Introducing inclusive tourism. *Tourism Geographies*. 2018. 20:4, 583-588, DOI: 10.1080/14616688.2018.1486880

*Attitudes* section of this analysis). The other three (Dominica, Vanuatu, and Comoros) all have very underdeveloped tourism sectors. São Tomé and Príncipe has all the advantages and very few of the disadvantages of other peer countries when it comes to the potential for developing its tourism, and LGBTI tourism in particular. It is starting with a social and political environment that is better than its lagging peers and, with more inclusion, it has the potential to attract tourist numbers at the same levels as the Seychelles, Cabo Verde, and Mauritius.

41. **When attempting to increase LGBTI tourism there are two avenues.** The first one focuses on the design of services specifically tailored to LGBTI people, while the second focuses on simply ensuring that the LGBTI community is welcome and feels safe at a destination. The first avenue can carry a risk of alienating the most conservative parts of the population. The second avenue is perhaps mostly a marketing one. When it comes to marketing, reality has to match promises, which is why raising awareness of SOGI issues and ensuring inclusion among the local population is of crucial importance.
42. **A more inclusive tourism sector means higher employment rates and higher GDP.** As discussed above, inclusive destinations tend to attract higher numbers of tourists, which helps grow the economy and create more jobs. The growth in the tourism sector leads to higher employment rates<sup>124</sup>. Higher employment rates and tourist spending in São Tomé and Príncipe can reduce poverty. Given that sexual and gender minorities seem to be disproportionately affected by income inequality, the growth of tourism could help alleviate poverty and reduce income inequality among them<sup>125</sup>.

## VI. Conclusion

43. **The potential economic and social benefits of SOGI inclusion clearly outweighs the challenges.** Currently, sexual and gender minorities in São Tomé and Príncipe face isolation from the rest of the world, discrimination in education, healthcare and the labor market. Many of them live in poverty without stable work. Discrimination starts at the early school years and is linked with higher dropout rates, lack of skills and lower labor market productivity for sexual and gender minorities. Nevertheless, some social progress for sexual and gender minorities has been evident in recent years, and illustrates the potential for further inclusion and social integration. São Tomé and Príncipe can take advantage of the phenomenon of the “pink dollar” to boost its growing tourism sector to the levels of the most successful of the peer countries, by cultivating an inclusive environment that is appealing to the general population as well as to sexual and gender minorities.

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<sup>124</sup> World Travel & Tourism Council. 2017.

<sup>125</sup> World Bank. What is Inclusive Growth? World Bank Note. Feb 10, 2009

## Glossary

Terms/ Acronym	Definition
<b>Acronyms</b>	
Bisexual	People who have the capacity for romantic, emotional and/or physical attraction to person(s) of the same sex or gender, as well as to person(s) of a different sex or gender.”
CSO	Civil Society Organization
ESF	Environmental and Social Framework
Gay	A man who predominantly has the capacity for romantic, emotional and/or physical attraction to other men. The term is sometimes used to also describe women who are attracted to other women.
GDP	Gross Domestic Product
Gender	Gender refers to social, behavioral, and cultural attributes, expectations and norms associated with being male or female. There is increasing consensus that gender goes beyond the binary concept of men and women.
Gender Expression	The way we show our gender to the world around us, through things such as clothing, hairstyles, and mannerisms, to name a few.
Gender Identity	Each person’s deeply felt internal and individual experience of gender (e.g. of being a man, a woman, in-between, neither or something else), “which may or may not correspond with the sex they were assigned at birth or the gender attributed to them by society. It includes the personal sense of the body (which may involve, if freely chosen, modification of appearance or function by medical, surgical or other means) and expressions of gender, including dress, speech and mannerisms. Note that this sense of self is separate from sex assigned at birth and is not related to sexual orientation. Gender identity is internal; it is not necessarily visible to others.
GFATM	The Global Fund to Fight AIDS, Tuberculosis and Malaria
Heterosexual	People who are attracted to individuals of a different sex and/or gender identity from their own (also referred to as “straight”).
Homophobia	The fear, hatred or intolerance of homosexual people as a social group or as individuals. It also describes discrimination on the basis of sexual orientation.
IDAHOT	International Day Against Homophobia, Transphobia and Biphobia (May 17)
IGLTA	International Gay and Lesbian Travel Association
KP	Knowledge Product
Lesbian	A woman who predominantly has the capacity for romantic, emotional and/or physical attraction to other women.
LGBTI	Lesbian, gay, bisexual, transgender and intersex people
LGBTI+	Lesbian, gay, bisexual, transgender and intersex people and + is a denotation of everything on the gender and sexuality spectrum
MSM	MSM is the acronym for “men who have sex with men.” It is a behavioral classification of men who engage in sex with other men, regardless of whether they self-identify as <u>gay</u> , <u>bisexual</u> , or <u>heterosexual</u> . The words “men” and “sex” are interpreted differently in diverse cultures and societies, as well as by the individuals involved. Therefore, this term encompasses various settings and contexts in which male-to-male sex takes place, across multiple motivations for engaging in sex, self-determined sexual and gender identities, and

	various identifications with particular community or social groups. The term is intended to reference a particular category of people as a risk-group for HIV.
Pink dollar	The money that all LGBTI people together have available to spend.
SDG	Sustainable Development Goals
Sex	The classification of a person as female, male or intersex. Infants are usually assigned a sex at birth based on the appearance of their external anatomy. A person's sex is a combination of bodily characteristics, including their chromosomes (typically XY chromosome= male, XX chromosome= female), their reproductive organs and their secondary sex characteristics.
Sex Assigned at Birth	The sex classification of people at birth. This is usually assigned by a medical practitioner after a brief review of a newborn's genitalia.
Sex Characteristics	Each person's physical features relating to sex, including genitalia and other sexual and reproductive anatomy, chromosomes, hormones, and secondary physical features emerging from puberty.
Sexual and Gender Minorities	Persons whose sex, gender, sexual orientation, gender identity and/or gender expression differ from those of the majority of the surrounding society.
Sexual Orientation	Each person's enduring capacity for profound romantic, emotional and/or physical feelings for, or attraction to, person(s) of a particular sex or gender. It encompasses hetero-, homo- and bi-sexuality and a wide range of other expressions of sexual orientation.
SGM	Sexual and Gender Minorities
SOGI	Sexual orientation and gender identity
SOGIESC	Sexual orientation, gender identity, gender expression, and sex characteristics
STI	Sexually Transmitted Infection
STP	São Tomé and Príncipe
Trans man	A person whose sex assigned at birth was female, but who identifies as male.
Trans woman	A person whose sex assigned at birth was male, but who identifies as female.
Transgender	Refers to a person whose sex assigned at birth does not match their gender identity. The term "trans" is often used as shorthand.
Transphobia	The irrational fear of those who are gender variant, and/or the inability to deal with gender ambiguity. It also describes discriminatory treatment of individuals who do not conform in presentation and/or identity to conventional conceptions of gender and/or those who do not identify with or express their assigned sex.
UNWTO	United Nations World Tourism Organization