

The Effect of Islamic Regulations on Women: Evidence from Indonesia

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It is commonly believed among westerners that fundamentalist Islam is oppressive towards women and limits their economic opportunities. I use Islamic regulations that were passed between 1999 and 2005 in Indonesia to test this hypothesis. These regulations fall into four different categories- veiling, Islamic knowledge, zakat (tithing), and social order. Veiling regulations, which convey a message of traditionalist gender roles, are correlated with lower female employment. When controlling for pre-treatment trends via synthetic control, veiling regulations do not have significant effects on employment. I also test for differences between the matrilineal region of West Sumatra and the rest of Indonesia. I find evidence of an economic downturn in West Sumatra based on decreasing employment rates for both men and women. Fertility rates also increase in West Sumatra. In most of Indonesia districts that pass Islamic regulations have lower rates of female employment prior to treatment, but this pattern does not hold for West Sumatra.

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