About this report

The report is published by Open For Business, a coalition of global companies organized as a charity with the objective of promoting LGBT+ inclusion.

What is the report’s purpose?
This report aims to present a comprehensive evidence base for global LGBT+ inclusion, in order to demonstrate that successful businesses thrive in diverse, inclusive societies and the spread of anti-LGBT+ policies runs counter to the interests of business and economic development. This is the second report from Open For Business: it updates and extends the evidence base, and has a special focus on the economic case for LGBT+ inclusion in cities.

Who is it for?
This report is intended to set out the evidence that will empower those making the case against LGBT+ discrimination, wherever it exists in the world.

Who are the authors?
Companies supporting Open For Business contributed their global perspectives, experience and expertise on the business case for LGBT+ inclusion, and they actively participated in shaping the argument throughout the development of this report. The Open For Business team undertook the final analysis and writing of the report, led by Jon Miller and Lucy Parker of the Brunswick Group. Ann-Kathrin Richter led the research on the core evidence base; Ruairidh Macintosh led the research on the cities section of the report; Drew Keller is the Open For Business Program Director. Additional research on Global Challengers was undertaken by Boston Consulting Group.

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The Open For Business Research Advisory Board

The work of Open For Business is supported by a Research Advisory Board, which provides ongoing guidance and feedback, and helps to ensure the economic case for LGBT+ inclusion is comprehensive and up to date.

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About Open For Business

Open For Business is a coalition of global companies making the case that inclusive, diverse societies are better for business and better for economic growth. The purpose of the coalition is to advance LGBT+ inclusion globally, by promoting a positive economic and business case for equality of opportunity for everyone, all across the world.

Open For Business is a response to the growing backlash against LGBT+ inclusion in many parts of the world. Our coalition partners share a deep-rooted commitment to diversity and inclusion in their own workplaces, and they are concerned about the spread of anti-LGBT+ policies in many countries in which they operate. The economic and business case for LGBT+ inclusion is central to the mission of Open For Business. In 2015, the coalition published a report containing the most comprehensive evidence base linking LGBT+ inclusion to better economic and business performance. This report was pivotal to reframing LGBT+ rights as an economic issue, as well as a human rights issue.

This is the second report of the Open For Business coalition, and further strengthens the economic case. It is intended to fuel our Open For Business programs, which exist on two levels:

Our Local Influencer Program works with senior business leaders in countries with anti-LGBT+ sentiments, creating advocates for positive change by giving them the evidence and the impetus to use their influence. Already, Open For Business has initiated C-Suite networks in nine countries, working closely with local LGBT+ groups.

Our Global Influencer Program harnesses the voice of high profile global business leaders, building a consensus in the international business community around the economic case for LGBT+ inclusion, and raising awareness through top tier global press, social media and events.

Our task is to present the business rationale for global LGBT+ inclusion. The moral case has already been made, and now the economic case continues to grow stronger: successful, enterprising businesses thrive in diverse, inclusive societies and the spread of anti-LGBT+ policies runs counter to the interests of business and economic development.
Open, inclusive and diverse societies are better for business and better for economic growth. This report presents the evidence base that supports this: it demonstrates that businesses thrive in tolerant societies and that the spread of anti-LGBT+ policies runs counter to the interests of business and economic development.

The first Open For Business report synthesized a broad and fragmented evidence base into a clear and comprehensive economic case. It pulled upon the many strands of work that have studied the subject from different angles, including economic growth and development, business performance and productivity, and human resources and talent management. It helped to reframe the global debate on LGBT+ inclusion: as well as a moral imperative, it presented a compelling economic case.

In the two years since the first report was published, we have seen how the economic case for LGBT+ inclusion has the power to catalyze a consensus in the global business community, as well as fueling conversations on-the-ground in countries with anti-LGBT+ policies. This second report aims to build on this momentum. It updates and strengthens the economic case, and it represents the most comprehensive evidence base published to date on LGBT+ inclusion.

The business and economic case for LGBT+ inclusion exists on three levels – economic performance, business performance and individual performance – and the evidence base is presented in the 27 Propositions, outlined opposite.

This report also focuses on a compelling dimension of the economic case: cities. Cities have become a top priority for policymakers and politicians around the world because of their potential to drive economic growth. This report presents the evidence that open and diverse cities are more competitive. LGBT+ inclusion sends a clear signal that a city has a tolerant, dynamic cultural life, and that it is a globally integrated place to do business.

The Open For Business City Ratings

This report introduces the Open For Business City Ratings, which provide a consolidated view of how open for business a city is. It is a guide to which cities are open, progressive and competitive – and which are not. An open for business city is a globally connected, welcoming place for people from all types of backgrounds, including LGBT+ people.
The evidence base

A. Economic performance
The evidence shows that open, inclusive and diverse societies are better for economic growth, and that discrimination on the basis of sexual orientation or gender identity can damage long-term economic prospects.

Proposition 1: Competitiveness
LGBT+ inclusive economies are more competitive.

Proposition 2: Entrepreneurship
LGBT+ inclusion results in higher levels of entrepreneurship, creativity and innovation.

Proposition 3: Corruption
LGBT+ discrimination often goes hand-in-hand with corrupt practices and a lack of openness.

Proposition 4: Direct Investment
LGBT+ inclusion is associated with higher levels of direct investment.

Proposition 5: Global Markets
LGBT+ discrimination may inhibit local companies from connecting to global markets.

Proposition 6: Brain Drain
LGBT+ discrimination results in a ‘brain drain’ – the emigration of talented and skilled individuals.

Proposition 7: Public health
LGBT+ discrimination leads to negative economic consequences as a result of poor health outcomes.

Proposition 8: National Reputation
LGBT+ discrimination impacts perceptions on a world stage, which drive tourism, talent attraction and export markets for consumer goods.

Proposition 9: National Productivity
LGBT+ discrimination leads to lower levels of national productivity.

Proposition 10: Urban Economic Development
LGBT+ inclusion signals a diverse and creative environment, which creates the right conditions for urban economic development.

Proposition 11: National Economic Development
LGBT+ inclusive economies have higher levels of economic development.

B. Business performance
Stronger financial performance flows from the increased ability of LGBT+ inclusive companies to attract and retain talent, to innovate, and to build customer loyalty and brand strength.

Proposition 12: Attracting Talent
Companies that are more diverse and inclusive are better able to compete for talented employees.

Proposition 13: Retaining Talent
Companies that are more diverse and inclusive have higher rates of retention of talented employees.

Proposition 14: Innovation
Companies that are more diverse and inclusive have higher levels of innovation and creativity.

Proposition 15: Collaboration
Companies that are more diverse and inclusive create an atmosphere of trust and communication, which is essential to effective teamwork.

Proposition 16: Customer Orientation
Companies that are more diverse and inclusive are better able to anticipate the needs of all customers, and to access a broader client base.

Proposition 17: LGBT+ Consumers
Companies that are LGBT+ inclusive are better placed to benefit from the large, growing, global spending power of LGBT+ consumers

Proposition 18: Brand Strength
Companies that are more diverse and inclusive have greater brand appeal and loyalty with consumers who want socially responsible brands.

Proposition 19: Financial Performance
Companies that are LGBT+ inclusive have better share price performance, higher return on equity, higher market valuations and stronger cash flows.

C. Individual performance
Individuals working in open, diverse and inclusive environments tend to perform better. A culture of inclusion and diversity can boost individual performance – for everyone, not just LGBT+ individuals.

Proposition 20: Authenticity
Individuals working in open, diverse, inclusive environments are able to be themselves, instead of concealing important aspects of themselves.

Proposition 21: Motivation
Individuals working in open, diverse, inclusive environments have higher levels of motivation.

Proposition 22: Affinity
Individuals working in open, diverse, inclusive environments have greater affinity with values and culture of the workplace.

Proposition 23: Satisfaction
Individuals working in open, diverse, inclusive environments have higher levels of satisfaction.

Proposition 24: Health
Individuals working in open, diverse, inclusive environments are free from discrimination – a cause of poor mental health and physical violence.

Proposition 25: Speaking Up
Individuals working in open, diverse, inclusive environments are more likely to speak up with suggestions to improve performance.

Proposition 26: The Extra Mile
Individuals working in open, diverse, inclusive environments are more likely to go beyond duties and make a contribution to the life and culture of the company.

Proposition 27: Individual Productivity
Individuals working in open, diverse, inclusive environments have greater productivity - more efficient work with higher quality outputs.
Business action on LGBT+ inclusion

The growth of anti-LGBT+ sentiment in some parts of the world is a concern for the global business community. Increasingly, companies are working to curb discrimination and promote diversity in their workplaces, and this becomes difficult in countries that are hostile to LGBT+ people. In the last couple of years, the actions of many leading businesses show their strong support for LGBT+ inclusion, all over the world.

In China, e-commerce company Alibaba sent a strong signal that it backs LGBT+ inclusion when it ran a competition to send 10 same-sex couples from China to get married in California. Same-sex marriage is not legal in China, and a spokesperson for Alibaba, said the contest “hopes to evoke respect and understanding of homosexuality and support the realization of dreams... It’s more of a symbolic kind of gesture.”

Other tech businesses in China are also promoting LGBT+ acceptance. China’s top search engine Baidu has run pro-LGBT+ social media campaigns, and China’s leading restaurant review app, Dianping, runs a dedicated website promoting LGBT-friendly establishments from. Didi Chuxing is China’s leading car hailing app, with more than 400 million users across over 400 cities; the company has run advertising campaigns featuring same-sex couples.

BlueD is China’s leading gay dating app, and is actively working to create acceptance for LGBT+ people. “BlueD has a lot of dialogue in China, with officials, and we help educate society about the gay community,” says BlueD CEO and founder Ma Baoli (aka Geng Le). “We push everything forward.” BlueD now has 27 million users – that’s more than the global app Grindr, which itself was recently bought by Beijing Kunlun Tech, one of China’s leading games developers.

Global companies based in Japan are taking public pro-LGBT+ positions – including Sony, Panasonic, Nomura, Japan Airlines and SoftBank. As well as promoting inclusion in the workplace, companies are sponsoring community events such as Toyko Pride. A spokesperson for SoftBank said, “It is important to make our workplace LGBT-friendly if we want to hire people with diverse social backgrounds.”

In India, companies are backing LGBT+ inclusion despite the country’s anti-LGBT+ laws. Godrej’s senior leadership have been vocal in their support. “I would be proud if we create a culture where our LGBT colleagues can be comfortable being ‘out’ at work and every single one of us is inclusive and respectful of it,” Nisaba Godrej, a director at Godrej, wrote in an email to all employees.

Tata is in the process of drafting a roadmap to have 25% of its Tata Steel workers from diverse groups by 2020. Of this, 5% will be from the LGBT+ community. “There has certainly been a generational shift in opinion on this subject,” said Harish Bhat, Managing Director and CEO of Tata Global Beverages. “The LGBT lifestyle... is a perfectly natural space that exists in our world.”

India’s tech giant Infosys has also spoken up: “At Infosys, the focus has been to ensure employees have a safe and harassment free work place irrespective of their sexual orientation,” said Nandita Gurjar, group head of HR. A culture of inclusion is important for Infosys: like many global companies, it has a truly diverse workforce, with more than 200,000 employees representing 129 nationalities in 50 countries.

In Singapore, 120 local businesses showed their support for LGBT+ inclusion when the authorities banned global companies from sponsoring the annual Pink Dot event. Pink Dot, a celebration of LGBT+ rights, had previously been supported by global corporates such as Barclays, BP, Google and Goldman Sachs. In 2016, only five of 18 sponsors were local. In 2017, local businesses rallied around Pink Dot, including local architect practices, design firms, asset managers and tech companies.

In Africa, Vodacom, a mobile communications company that operates in over 30 countries, set up an LGBT+ network so that members of the company’s LGBT+ community can “be involved with matters related to the LGBT community as a whole.” Sifiso Dabengwa, the former CEO of Africa’s largest cellphone operator MTN, set out a clear position when he told the media that MTN would respect the laws of the countries in which it operates, but would not discriminate against employees on the basis of sexual orientation.

Shell set up an LGBT Network for its employees in Africa, in order to provide “a beacon for staff in countries where it’s not easy, or even legal, to be LGBT,” according to a spokesperson. Bonang Mohale, Chairman of Shell South Africa until recently, commented, “when our people feel included and engaged, they leverage the richness of ideas, backgrounds and perspectives to create business value.”

In the U.S., Starbucks CEO Howard Shultz famously told an investor “sell your shares” after he complained about the company’s support for LGBT+ equality. “The lens in which we are making that decision is through the lens of our people,” he told the company’s annual meeting. “We employ over 200,000 people in this company, and we want to embrace diversity. Of all kinds.”

Apple CEO Tim Cook added his voice to the calls for LGBT+ rights in an opinion piece he wrote for the Wall Street Journal, entitled “Workplace Equality is Good for Business.” He argued that equality is a critical part of the creativity that drives Apple. Some months later, in a piece he wrote for Bloomberg Business on his own sexuality, Cook argued that equality is not just good for business, but good for society: “Part of social progress is understanding that a person is not defined only by one’s sexuality, race or gender.”
A number of CEOs spoke out when the U.S. State of Indiana passed a law that threatened to limit LGBT+ rights, including bosses from Dow Chemical and Eli Lilly. Mark Benioff, CEO of Salesforce, said of Indiana’s lawmakers “they’re voting against business... they’re creating an anti-business environment.” Warren Buffett, CEO of Berkshire Hathaway, also voiced his concerns about the law.

A group of major corporates took an unprecedented stand in the debate on marriage equality: Accenture, American Express, AT&T, Barclays, BCG, EY, GlaxoSmithKline, Google, McKinsey, Microsoft, PwC, and Thomson Reuters were among 370 businesses who signed a successful petition to the U.S. Supreme Court. They were protesting against state laws banning same-sex marriage: the laws contradicted their principles, and were against their business interests.

The principles of non-discrimination are deeply rooted in the business world. “Respect”, “dignity”, “equality”: these are the values that underpin some of the world’s most successful companies. Apple, Infosys, MTN, Goldman Sachs – all are leaders in their fields, and all stress the importance of non-discrimination.

It begs an important question. Why? Companies in all sectors, and from all parts of the world, are speaking out against anti-LGBT+ laws. Why should they go to such lengths to uphold their principles of non-discrimination? Why should they bother? A separate brief to the U.S. Supreme Court, protesting against the Defense of Marriage Act in 2013, described the importance of principles in business:

“Our principles are not platitudes. Our mission statements are not simply plaques in the lobby. Statements of principle are our agenda for success: born of experience, tested in laboratory, factory, and office, attuned to competition. Our principles reflect, in the truest sense, our business judgment.”

Policies that promote anti-LGBT+ legislation would, by force of law, require businesses to rescind that judgment.
Why cities matter

Cities have been incubators of innovation and growth throughout history, and they will be essential to the future progress of nations and regions. More than 80% of global GDP is generated in cities today; they are the lifeblood of the global economy, and increasingly they will determine levels of national prosperity – or poverty.

From midsize cities to megacities, we live in a time of massive and rapid urbanization. Already, more than half the world’s population lives in cities – and by 2030, it is projected that 6 in 10 people will be city dwellers. This phenomenon is almost entirely in the Global South: around 94% of those moving to cities will come from emerging markets.

Successfully managing the growth of cities has become a top priority for policymakers and politicians around the world. They are “the engine-rooms of human development as a whole,” according to UN Habitat, “with dominant roles in economic, political and social life, cities are critical to setting our nations on a more inclusive, productive, creative and sustainable course.”

Urbanization comes with the emergence of a new global urban middle class – which is more likely to be tolerant of different lifestyles. As The Economist put it, “Fast-growing metropolises like Lagos and Manila perform an amazing alchemy by turning poor rural migrants into better-educated […] urbanites.”

Already cities have shown leadership on LGBT+ issues. Buenos Aires, for example, has a constitution that prohibits discrimination on the basis of sexual orientation (1996) – even though this doesn’t exist at a national level in Argentina. The city recognizes civil unions for same-sex couples (2002), and it has employment protections for LGBT+ people (2015).

City politicians have shown they are able to take action on LGBT+ issues even in the face of opposition from national politicians. In 2004, the San Francisco mayor issued an executive order that permitted same-sex couples to legally marry – even though this was in defiance of state law. As a result, the federal courts were asked to rule on the constitutionality of same-sex marriage – which began the path towards the 2015 Supreme Court decision effectively legalizing same-sex marriage.

Support for inclusion from city governments should not be a surprise: they have direct experience of the economic case for global LGBT+ inclusion. They understand that an open and diverse city is more economically vibrant, more innovative, more culturally dynamic, and more likely to become a globally integrated hub for high value businesses. This report aims to provide the evidence that supports these assertions.

City mayors leading the way on LGBT+ inclusion:
The following quotes are public statements of support for LGBT+ inclusion from city mayors in different parts of the world.

“**We have taken a step forward in fostering understanding and tolerance, as well as in eliminating prejudices and stereotypes. We have also given a good example to cities trying to improve the position of LGBT people.**”

Mayor Sandra Pantelic, Belgrade, Serbia

“**LGBT+ inclusion is a political manifestation of Lisbon’s affirmation as a free, open and tolerant city, and it is an essential mark of our political project, especially when the world is witnessing a setback in the area of social rights.**”

Mayor Fernando Medina, Lisbon, Portugal

“**As mayor, I have a responsibility to all the individuals of Kingston. There are individuals who are minorities who have been struggling in terms of their identity and finding their own space. It is important for us to provide safe spaces for them.**”

Mayor Angela Brown-Burke, Kingston, Jamaica

“**Today this is a city proud to embrace sexual and gender diversity. There is substantial progress in the fight against discrimination. We all can fit.**”

Mayor Miguel Ángel Mancera Espinosa, Mexico City, Mexico

“**It’s about time that we should recognize LGBT+ people. They have already been recognized wholly by other countries. It’s about time that we give due recognition and respect for them.**”

Mayor Joseph Estrada, Manila, Philippines

“**Welcome to all our guests from abroad to the gay-friendliest city in the world. We’ve been through a lot: in 17 years, we’ve achieved a different reality in this city.**”

Mayor Ron Huldai, Tel Aviv, Israel
LGBT+ inclusion in cities

Cities that are LGBT+ inclusive are better placed to develop their global competitiveness: evidence shows they have stronger “innovation ecosystems”, greater concentrations of skills and talent, and better quality of life. LGBT+ inclusive cities may be more likely to become globally integrated hubs for high value businesses.

Of course, this report does not claim that LGBT+ inclusion directly causes cities to prosper; but the evidence shows that competitive advantage will go to those cities that are open to new ideas, welcoming to people of different backgrounds, and provide an environment that encourages the free flow of innovation. LGBT+ inclusion sends a clear signal that a city is open for business.

Plenty of data exists to support the economic case for LGBT+ inclusion in cities, covering many dimensions of city performance and productivity. This report analyses this data and presents in a coherent and compelling overall structure.

Global data on LGBT+ inclusion in cities

This report uses a number of correlations to illustrate the relationship between LGBT+ inclusion and city competitiveness. Although no direct causal relationship can be concluded from this data, we can clearly see that LGBT+ inclusion goes hand-in-hand with economic performance and productivity in cities. This report uses three datasets to test the hypothesis that LGBT+ cities are more competitive:

First, we use the annual review of Sexual Orientation Laws In The World published by the International LGBTI Association (ILGA), a federation of 1,200 member organizations in 132 countries. Although this is national-level data, it provides a clear backdrop of the legal status of LGBT+ people in cities. In the evidence base that follows, we look at LGB+ relationship legislation as a proxy for a society’s LGBT+ acceptance.

Second, we use the Best LGBT Cities Index, a ranking of 100 cities based on over 2,500 respondents from each city. This provides a city-level score that combines lifestyle factors for LGBT+ people (such as LGBT+ dating and nightlife) with other factors (such as safety).

Third, we have developed our own City LGBT+ Inclusion Score, based on a detailed analysis and categorization of travel advice for LGBT+ travellers. Whilst aimed at visitors to a city, the travel advice gives a clear sense of how open and welcoming a city is to LGBT+ people.

Each of these datasets provides a guide, but is not the complete picture—even in countries with anti-LGBT+ laws and hostile social attitudes, small but strong LGBT+ communities may exist. Conversely, even in cities with the highest possible scores for LGBT+ inclusion, LGBT+ people may suffer hate crimes and harassment. But these datasets do provide a basis from which to evaluate the connection between LGBT+ inclusion and competitiveness in cities.

LGBT+ inclusion is correlated with city GDP per capita

Using the City LGBT+ Inclusion Score we can explore the connection between inclusion and the economic performance of a city. A clear relationship becomes evident: more inclusive cities tend to have higher GDP per capita. The regression line suggests a stronger uplift in the move from very low to medium inclusion scores (i.e., from dangerous or hostile to tolerance not inclusion). An outlier in this graph is the city with high GDP per capita but a medium inclusion score: this is Singapore (see the section Singapore: the exception that proves the rule p.35).

Figure 2: City LGBT+ Inclusion and GDP per capita

- Log of City GDP per capita
- City LGBT+ Inclusion Score
Why do LGBT+ inclusive cities have better economic performance?

Our analysis shows that LGBT+ inclusion can boost competitive advantage in cities in three main areas:

(i) Innovation

The capacity to foster innovation is a key driver of city competitiveness. This is particularly true at a time of global disruptive technological change, when a city’s industrial and economic orientation may quickly change. The evidence shows that innovation in cities and LGBT+ inclusion go hand-in-hand.

(ii) Talent and skills

Cities with advanced education and high-level skills are better able to compete in today’s global economy, and attracting talented and skilled professionals is a priority for cities. The evidence shows that LGBT+ inclusive cities have higher concentrations of talented individuals.

(iii) Quality of Living

Providing a good quality of living is essential for cities seeking to compete on a world stage. The evidence shows that quality of living goes hand-in-hand with LGBT+ inclusion, and the presence of a visible LGBT+ community may be taken as a signal that a city will be an attractive place to live.

(i) LGBT+ inclusive cities are more innovative

Data from 100 major cities around the world shows that LGBT+ inclusion is a predictor of the potential for innovation in a city: the stronger the performance on LGBT+ inclusion, the more likely a city is to provide an enabling environment for innovation. The outliers in this analysis include Beijing and Shanghai (towards the top left of the cluster); both have high potential for innovation and lower performance on LGBT+ inclusion – but the data shows that cities like these are exceptions to a clear global pattern.

Figure 3: LGBT+ Inclusion and the Potential For Innovation in Cities
(ii) LGBT+ inclusive cities have stronger talent and skills

Cities that are not LGBT+ inclusive suffer “brain drain”
For cities suffering brain drain, it is a serious problem: a study of global emigration in high-skilled workers showed that the top professions are scientists, engineers, IT, doctors and academics.55 Many factors account for brain drain, and LGBT+ inclusion is not likely to be a primary driver for many emigrants; however, there are clear indications that emigration is likely to take place from anti-LGBT+ countries to open and inclusive countries.

A review of recent media coverage on brain drain shows that it is commonly reported in countries with anti-LGBT+ policies or cultural attitudes:
• More than half of graduates from cities such as Accra, Kampala, Lagos or Nairobi are likely to emigrate, according to an OECD study56.
• A report in the Moscow Times stated that levels of brain drain in Moscow are “worse than previously believed” and emigrants were mainly “upwardly mobile, ambitious youth”57.
• Young people are emigrating from Istanbul, according to a report titled “Escaping disillusion: The skilled youth quitting Turkey”58.

Mercer, a global HR consultancy, publishes an annual Quality of Living Index, based on data from 450 cities across the world.6 The cities that rank top of this index are all LGBT+ inclusive environments; conversely, the cities with the lowest quality of living are all LGBT+ unfriendly environments. The extremes at the top and bottom of the list dramatize the global pattern

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(ii) LGBT+ inclusive cities have a better quality of living

A report titled “Azerbaijan is losing its brains” describes how educated young people are leaving cities such as Baku and moving to the West69.
• Malaysia “will continue to be a net exporter of talent,” according to a report which shows skilled workers are leaving cities like Kuala Lumpur70.
• A World Bank report finds that the highest rates of emigration of high-skilled workers take place in the Caribbean, Central America and Eastern Europe61 – regions often associated with a lack of LGBT+ inclusion.

LGBT+ inclusion is a signaller of openness, diversity and culture
A survey of skilled workers who had moved to one of 13 cities found that motivating factors included “hard factors” (transport, connectivity, etc) and “soft factors” (openness, diversity and culture). The survey found that “gay/lesbian friendliness” was a factor considered by skilled workers. Although it may not be a deciding factor for non-LGBT+ employees, this is likely to send a clear signal about the culture of the city – the crucial “icing on the cake”, according to the study.
Open For Business City Ratings

What does it mean for a city to be open for business?

It means a number of things: to start with, it means a city is easy to operate in, with low barriers to setting up and running business; and it has a transparent system of governance with a low risk of corruption. It also has a strong digital infrastructure, it’s a hub for skills and talent, and has a healthy “innovation ecosystem”. It has a good quality of life and a dynamic cultural environment. Finally, an open for business city is globally connected, a welcoming place for people from all types of backgrounds, including LGBT+ people.

There are dozens of reports, data, indices and rankings that compare these various attributes of cities around the world. This report has analysed many of them in the preceding section on City Competitiveness, to show that LGBT+ inclusive cities are more competitive, more productive, and ultimately more prosperous. So why does the world need another ranking?

Although there is a wealth of data on the many different perspectives on city performance, this has never before been pulled together to provide a consolidated view of how open for business a city is. To do this, we synthesize this data into the Open For Business City Ratings. They are intended to present a guide to which cities are open, progressive and competitive – and which are not. And it aims to be a useful tool for the following groups of people:

For policymakers seeking to boost the economic performance of their city, the ratings can help them to benchmark their performance against competing cities.

For businesses considering possible new locations for offices or operations, the ratings can help evaluate opportunities and risks presented by different cities.

For high-skilled individuals thinking about relocating to another city, the ratings can help them to think about what they are looking for and how they might fit in.

The Open For Business City Ratings applies a tiered system similar to that used by credit ratings agencies: it ranges from cities that are “fully open for business” (tiers AAA to A) through cities that are “partially open for business” (tiers BBB to C) and finally those cities whose lack of openness presents political, social or personal risks (tiers DDD to E). The ratings were created by combining 23 different metrics to provide the basis for the assessment of cities (see table on p.46-47).

The Open For Business City Ratings model consists of four pillars which include 23 indicators of competitiveness and inclusion.

See full details on "How cities are rated" on p.46 and 47.
### How open for business is your city?

The ratings for 121 cities around the world are presented below. Some of these cities are open for business and are more likely to remain and become globally competitive – and some are not. New York City is the highest scoring city in our model.

<table>
<thead>
<tr>
<th>City is fully open for business</th>
<th>AAA</th>
<th>Amsterdam</th>
<th>Berlin</th>
<th>Chicago</th>
<th>Dublin</th>
<th>London</th>
<th>New York City</th>
<th>San Francisco</th>
<th>Stockholm</th>
<th>Toronto</th>
<th>Washington DC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AA</td>
<td>Boston</td>
<td>Helsinki</td>
<td>Los Angeles</td>
<td>Madrid</td>
<td>Melbourne</td>
<td>Minneapolis</td>
<td>Montreal</td>
<td>Paris</td>
<td>Sydney</td>
<td>Vancouver</td>
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<tr>
<td></td>
<td>A</td>
<td>Atlanta</td>
<td>Auckland</td>
<td>Barcelona</td>
<td>Calgary</td>
<td>Dallas</td>
<td>Edinburgh</td>
<td>Frankfurt</td>
<td>Glasgow</td>
<td>Hamburg</td>
<td>Houston</td>
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<table>
<thead>
<tr>
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<th>Adelaide</th>
<th>Belfast</th>
<th>Brisbane</th>
<th>Lisbon</th>
<th>Lyon</th>
<th>Perth</th>
<th>Singapore</th>
<th>Tel Aviv</th>
<th>Tokyo</th>
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<tbody>
<tr>
<td></td>
<td>BB</td>
<td>Buenos Aires</td>
<td>Hong Kong</td>
<td>Osaka</td>
<td>Santiago</td>
<td>São Paulo</td>
<td>Yokohama</td>
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<td></td>
<td>B</td>
<td>Bangalore</td>
<td>Cape Town</td>
<td>Guadalajara</td>
<td>Medellin</td>
<td>Mexico City</td>
<td>Milan</td>
<td>Nagoya</td>
<td>Rio de Janeiro</td>
<td>Rome</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>City is not open for business</th>
<th>CCC</th>
<th>Athens</th>
<th>Bogota</th>
<th>Bucharest</th>
<th>Budapest</th>
<th>Busan</th>
<th>Durban</th>
<th>Ho Chi Minh City</th>
<th>Wroclaw</th>
<th>Zagreb</th>
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<td></td>
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<td>Belgrade</td>
<td>Brasilia</td>
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<td>Mumbai</td>
<td>New Delhi</td>
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<td></td>
<td>C</td>
<td>Abu Dhabi</td>
<td>Beijing</td>
<td>Chennai</td>
<td>Dubai</td>
<td>Hyderabad</td>
<td>Kuala Lumpur</td>
<td>Santo Domingo</td>
<td>Shanghai</td>
<td>Tirana</td>
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</table>

<table>
<thead>
<tr>
<th>City not open for business</th>
<th>DDD</th>
<th>Guangzhou</th>
<th>Hanoi</th>
<th>Istanbul</th>
<th>Kiev</th>
<th>Kingston</th>
<th>La Paz</th>
<th>Quito</th>
<th>Skopje</th>
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<tbody>
<tr>
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<td>Amman</td>
<td>Chongqing</td>
<td>Colombo</td>
<td>Jakarta</td>
<td>Moscow</td>
<td>Port of Spain</td>
<td>Sarajevo</td>
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<td></td>
<td>D</td>
<td>Almaty</td>
<td>Casablanca</td>
<td>Dakar</td>
<td>Dhaka</td>
<td>Nairobi</td>
<td>Rabat</td>
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| E                             | Addis Ababa | Algiers | Baku | Cairo | Dar Es Salaam | Douala | Jeddah | Karachi | Lagos | Lahore | Riyadh | Tehran |

**KEY:**
- AAA Global Beacon
- AA Prime
- A High
- BB Medium
- B Lower Medium
- BBB Upper Medium
- CCC Low
- CC Low
- D Low
- DDD Medium Risk
- DD Substantial Risk
- D High Risk
- E High Risk
- Closed
New Evidence: Some Highlights

Proposition 1: Competitiveness
LGBT+ inclusive countries are more likely to have the institutions, policies and infrastructure that allow them to grow sustainable economic prosperity.

LGBT+ inclusive countries are more competitive. The annual World Economic Forum Competitiveness Index gives a comprehensive assessment of the competitiveness of national economies around the world. Net approval of same-sex relationships is a clear predictor of competitiveness.


![Figure 1: LGBT+ Inclusion and Competitiveness](image)

Figure 1: LGBT+ Inclusion and Competitiveness

Proposition 3: Corruption
Companies that are LGBT+ inclusive are better placed to benefit from the large, growing, global spending power of LGBT+ consumers.

If LGBT+ inclusion is a signal that a country may have a lower risk of corruption, we would expect to see a correlation between levels of corruption and measures of attitudes towards LGBT+ people. To test this, we used Transparency International’s Corruption Perception Index, an annual ranking of countries “by their perceived levels of corruption, as determined by expert assessments and opinion surveys.” This was compared to data on attitudes to same-sex relationships, and showed a strong correlation with a value of 0.63 (see Figure 5). As ever, this does not imply any direct causal link between corruption and LGBT+ inclusion, but it does strengthen the proposition that LGBT+ discrimination often goes hand-in-hand with corrupt practices and a lack of openness.

![Figure 5: LGBT+ Inclusion and Anti-Corruption Efforts](image)

Figure 5: LGBT+ Inclusion and Anti-Corruption Efforts
Proposition 17: LGBT+ Consumers
Companies that are LGBT+ inclusive are better placed to benefit from the large, growing, global spending power of LGBT+ consumers.

Global LGBT+ spending power is greater than Germany: using LGBT Capital estimates of LGBT+ purchasing power in a number of countries (Global LGBT community estimate USD 3.7 trillion) together with World Bank data, Credit Suisse dramatized the spending power in the global LGBT+ community in Figure 9: the spending power of the global LGBT+ community is greater than the GDP of Germany, UK, India or Brazil.

Credit Suisse (2016), LGBT: the value of diversity, Credit Suisse Environmental, Social and Governance Research

Figure 9: LGBT+ spending power compared to GPD in selected countries

Proposition 19: Financial Performance
Companies that are LGBT+ inclusive have better share price performance, higher return on equity, higher market valuations and stronger cash flows.

LGBT+ inclusive companies have stronger share price performance: a basket of 275 companies with openly LGBT+ management, companies voted in a recent survey as a leading LGBT+ company, or companies whose employees are openly members of local LGBT+ business networks, outperformed global stocks and benchmarks, according to a Credit Suisse study. The spread of sectors in the LGBT+ basket is fairly balanced, with good representation from tech, financials, consumer staples and healthcare; energy and materials have the lowest weightings in the study.

Credit Suisse (2016), LGBT: the value of diversity, Credit Suisse Environmental, Social and Governance Research

Figure 10: Share price performance of LGBT 275 basket vs benchmark
The purpose of Open For Business is to advance LGBT+ rights globally.

The coalition seeks to impact policies in countries that are hostile to LGBT+ people and to encourage the business community to voice support for LGBT+ inclusive societies. We seek to harness the influence of business, globally and locally, to influence politicians, policymakers, and society at large.

We are doing this in two ways. At an international level, we are building a consensus amongst the business community that anti-LGBT+ policies run counter to the interests of business and economic development. At a local level, we are creating advocates in the local business communities, strengthening local business voices by providing them with evidence and fact-based arguments. Two main programs follow from this:

Our **Global Influencer Program** aims to harness the voice of high profile global business leaders, building a consensus in the international business community around the economic case for LGBT+ inclusion, and raising awareness through top tier global press, social media and events.

Ultimately it is difficult to directly track this impact; change may happen in ways we are not aware of – for example, a private conversation between a business leader and a politician. However, we can report on the observable impacts of Open For Business activities against our two objectives:

- **We reached over 1.6 million people on social media** (Twitter and LinkedIn) when the first Open For Business report was published. Encouragingly, the most engaged countries on social media included India, Nigeria, Malaysia, Singapore, and the UAE – all countries where LGBT+ rights are an issue.
- **Open For Business has reached influential audiences through top-tier global media**, including broadcast, press, blogs and podcast – including the BBC, The Economist, the Financial Times, the Huffington Post and others.
• The content of the Open For Business report created the springboard to engage global leaders on high-profile platforms – highlights include the World Economic Forum Annual Meeting at Davos, the Milken Global Conference, The Economist’s Pride & Prejudice, and the UN Business & Human Rights Forum.

Our Local Influencer Program works with senior business leaders in countries with anti-LGBT+ sentiments, giving them the evidence and the impetus to use their influence. Already, Open For Business has initiated C-Suite advocacy networks in nine countries, working closely with local LGBT+ groups. To date, local advocacy networks have been initiated in the following nine locations: Brazil, Bulgaria, the Caribbean, China, Hungary, India, Kenya, Singapore and South Africa.

Participation in the program is very senior: C-Suite executives comprise more than one-third of attendees at events. The program targets leaders from the core of the business: so far only 20% of participants have been HR and D&I professionals. In many cases the advocacy of senior local leaders may be most effective as quiet diplomacy, and participants understand that their comments in roundtables are not attributable. Here are some highlights:

• In Kenya, a senior vice president said, “We are huge taxpayers collectively. This allows us to have a separate economic and business discussion to engage government. We can get laws shifted.”

• In China, a managing director of a large bank said, “It’s a compelling argument to say that you have this opportunity to attract talent and to be a progressive international finance center. That would resonate well with the policymakers.”

• In India, the CEO of a large multinational bank said, “Let’s present this research [to the government] and use it to prove this is why we believe LGBT inclusion is important.”

Working with senior business leaders in countries where LGBT+ inclusion is a challenge
<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
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</thead>
<tbody>
<tr>
<td>Sander van’t Noordende</td>
<td>Accenture</td>
</tr>
<tr>
<td>Rich Lesser</td>
<td>Boston Consulting Group</td>
</tr>
<tr>
<td>Susan Gilchrist</td>
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<tr>
<td>Arjan Dijk</td>
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<td>Pablo Isla</td>
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<td>Bill Winters</td>
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<td>Gideon Moore</td>
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<tr>
<td>Jim Smith</td>
<td>Thomson Reuters</td>
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<td>Richard Branson</td>
<td>Virgin Group</td>
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**The voice of global business leaders**

*“The business case for LGBT+ inclusion is backed by a broad base of evidence. We know that inclusion can bring economic benefits such as the ability to attract the best talent, greater innovation, improved workplace relationships and greater retention and engagement among employees.”*  
— Sander van’t Noordende, Group CEO, Products, Accenture

*“We need to work as leaders in the business communities to share that perspective on LGBT+ inclusion. There’s a strong case on what’s right to do, but there’s also a strong case on the economics. There’s so much research that says when people can be themselves, they contribute at a higher level, you get more creativity, you get better teamwork, you get more impact.”*  
— Rich Lesser, President and CEO, Boston Consulting Group

*“In many parts of the world, we’re literally going in the wrong direction. And that’s difficult, not just from a personal point of view or moral point of view, but actually from a business point of view. What’s fascinating is that society expects business to have a point of view on these things, and business is one place that can actually take a stand.”*  
— Susan Gilchrist, Group Chief Executive, Brunswick

*“One of the really important things Open For Business is doing is bringing together organizations to build a comprehensive business case for LGBT+ inclusion, backed by solid evidence. If other big businesses do the same thing, together we really can make a difference in communities around the world.”*  
— Mark Weinberger, Global Chairman and CEO, EY

*“At Google, we believe that embracing diversity is not just about putting a Pride sticker on your laptop. It’s the small things, the conversations you have with your peers and how you create an environment that is inclusive and helps everyone bring their whole selves to work.”*  
— Arjan Dijk, VP of Growth Marketing, Google

*“Open for Business has clearly demonstrated the value of diversity and the importance of working together to create a truly inclusive society. At Inditex, we encourage everyone to live their passion for fashion with freedom and respect.”*  
— Pablo Isla, Chairman and CEO, Inditex

*“The evidence shows that diverse teams perform better. But the absence of diversity also is correlated with negative performance. Being ‘Open For Business’ has to be grounded in your core business objectives. I don’t think about it as branding, PR or CSR. I think about it more as part of your license to operate.”*  
— Vivian Hunt, Managing Partner, UK and Ireland, McKinsey & Co.

*“We all operate in parts of the world where the LGBT+ community is not as welcome or, in some cases, not welcome at all. I think leadership is always about taking some bolder and occasionally controversial decisions. Open For Business, for us, is a great way to make a very clear statement.”*  
— Bill Winters, Group Chief Executive, Standard Chartered Bank

*“If you look at the Fortune 100, those at the top also have good scores for how they look at diversity from a business perspective. If you’re able to promote diversity and inclusion by reference to the fact that it’s better for business, better for society, better for the economy, that’s also able to push the argument to a different level.”*  
— Gideon Moore, Firmwide Managing Partner, Linklaters

*“I don’t think there’s any question that diverse organizations perform better. I know for a fact that a diversity of perspectives and opinions enlivens dialogue and always comes up with a better answer. Collectively, we’re able to move the ball further than we could do individually.”*  
— Jim Smith, President and CEO, Thomson Reuters

*“It’s sad that this subject should even have to be discussed in this day and age. It should go without saying that everyone should be treated equally and properly. Business leaders can take the lead to put pressure on governments to change some of these ghastly laws that still exist. The power of a collective business voice is extraordinarily strong.”*  
— Richard Branson, Founder, Virgin Group
Starting a conversation on LGBT+ inclusion

Since launch, Open For Business has had conversations about LGBT+ inclusion with hundreds of senior leaders from around the world – executives from global companies as well as local businesses. We have encountered a number of myths and misconceptions. We share these below, together with possible responses.

"It's not safe to encourage people to come out."

In LGBT+ hostile countries, coming out is always a risk. The question isn’t whether to encourage employees to come out or not, but how to provide a safe and supportive environment for LGBT+ people – whether they have decided to come out or not. This begins with a clear statement that LGBT+ people are welcome in the workplace and fostering a culture of inclusion, it can also include measures such as giving people the ability to connect anonymously to online employee LGBT+ networks, or working with local LGBT+ community groups. Finally, it can include working in the public sphere to put the economic and business case for LGBT+ inclusive societies.

"It's against the culture. We must respect cultural differences."

This isn’t relevant. There is a clear economic and business case for inclusion, and this applies globally, irrespective of cultural context. Open and diverse societies are better at creating prosperity for their inhabitants, and the evidence shows this is true across the world. Often, this isn’t even true: the current hostility to LGBT+ people in many of the countries does not have deep cultural roots. For example, in many parts of the Commonwealth, anti-LGBT+ laws were imported during British rule. In many countries, anti-LGBT+ sentiment has been enflamed in recent years for national political purposes.

"Our consumers / customers / clients won’t like it."

Some customers won’t like it – but the experience of Open For Business coalition partners is that most customers and clients approve of companies that support LGBT+ inclusion – and this applies globally. Evidence presented in this report shows that LGBT+ inclusion can be a source of competitive advantage and brand preference, and inclusion can lead to improved “customer orientation” and better client service.

"We want to include everyone, not just LGBT+ people."

That’s great. But generic statements about inclusion and non-discrimination are not enough. LGBT+ people are often amongst the most marginalised people in a community: invisible, afraid to “come out” – and so many LGBT+ people may feel generic statements do not apply to them. Instead, LGBT+ people must be explicitly and proactively included.

"We don’t want any gays."

Many LGBT+ people feel the need to hide their sexual orientation or gender identity, particularly in environments that don’t feel accepting or safe. This phenomenon is known as “covering”, and studies show that this still occurs even in highly LGBT+ inclusive countries. If there is nobody in an organization identifying as LGBT+, the most likely explanation is that people are concealing their identities.

"We don’t get involved in politics."

This isn’t a political issue, this is a business issue. Looking after the welfare of employees is the business issue; creating an inclusive culture that can foster performance and innovation is a business issue, operating in an open, globally connected economy is a business issue.

"It’s against the law. We must respect the laws of the countries in which we operate."

Although many countries have laws that prohibit same-sex activity, it is not actually illegal to actually be gay anywhere in the world. A few countries have “propaganda laws” prohibiting so-called “promotion” of homosexuality. In the majority of countries, supporting LGBT+ inclusion in the workplace is not violating any law.

**Key**

<table>
<thead>
<tr>
<th>What we’ve heard</th>
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<tbody>
<tr>
<td>Open For Business responses</td>
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</table>

**DISCLAIMER**

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Contact: info@open-for-business.org
Find out more: open-for-business.org
Follow us: @OFB_LGBT
Open For Business – Strengthening the economic case

A report published by Open For Business: a coalition of companies supporting global LGBT+ inclusion.