

How inclusive and competitive is your city?

Open For Business City Ratings 2020



Open
For
Business

Jon Miller

Founder and Executive Editor

Drew Keller

Global Programme Director

Yvonne Muthoni

Kenya Programme Director

Ann-Kathrin Richter

Contributing Author

Ruairidh Macintosh

Contributing Author

Björn Holland

Designer

Jo Taylor

Clerk to the Board

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CONTACT: info@open-for-business.org

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About this report

What is the purpose of this report?

The Open For Business City Ratings were first published in 2018. Two years later, this report updates the Ratings, analysing the latest data on 144 cities and presenting a consolidated view of how inclusive and competitive each 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, inclusive and competitive – and which are not.

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Who are the authors?

Research, final analysis and writing of the report was undertaken by the Open For Business team, led by **Drew Keller** in Washington DC, alongside **Tisha Cromwell** and **CJ Lin** as well as **Yvonne Muthoni** in Nairobi, Kenya. Contributing authors include **Ann-Kathrin Richter**, **Ruairidh Macintosh** and **James Moss** of the Brunswick Group. **Jon Miller** is the executive editor of Open For Business.

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.

Pawel Adrjan

Economist, Indeed

M.V. Lee Badgett

Professor of Economics,
University of Massachusetts
Amherst, U.S.

Felicity Daly Dr.PH

Researcher, "Strong in Diversity
– Bold on Inclusion" Project,
the Institute of Commonwealth
Studies, School of Advanced
Study, University of London

Paul Jansen

Senior Advisor for Global
Advocacy, OutRight Action
International

Dr. Vivienne Ming

Cognitive neuroscience faculty
member of Singularity University;
Co-Founder of Socos Lab

Suen Yiu Tung

Founding Director of Sexualities
Research Program, Chinese
University of Hong Kong

Matteo Winkler

Professor of Law, HEC Paris

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 the economic and business case for equality of opportunity for everyone, all across the world.

Open For Business 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. In order to promote open and inclusive societies where business can flourish, the coalition presents the data that demonstrate inclusion is better for business and better for economic growth.

Coalition Partners




















Forewords



Femke Halsema
Mayor of Amsterdam

Throughout history, cities have been drivers of growth and innovation. With 80% of global GDP generated in cities and over half of the global population living in cities, cities are beacons of economic progress and development. And as these numbers grow, so grows the economic and political importance of the city.

Everywhere in the world, cities are currently facing an unprecedented crisis from the COVID-19 pandemic. Without doubt, this pandemic has taken a tremendous human and economic toll on Amsterdam, as it has with many cities globally. When the worst has passed, it will be time to rebuild our economy, ensuring it is equitable for all Amsterdammers and respectful of our planet and environment. I am confident that Amsterdam will come through this crisis even stronger than it was before. We are a competitive and economically resilient city.

But what makes Amsterdam economically resilient and successful? Undoubtedly, there are many factors, from a city's economic policies to its culture and leadership. But one aspect that sets cities like Amsterdam apart from others is its dedication to providing a welcoming and inclusive atmosphere for everyone, regardless of national origin, religion, sex, race, creed – or, indeed, sexual orientation and gender identity or expression. This is not just conjecture. The evidence in this report shows that LGBT+ inclusion goes hand-in-hand with economic resilience in societies around the world. Additionally, LGBT+ inclusive cities are more competitive and innovative. They attract talented individuals to live and work. And they have the best quality of life in the world.

I am proud that Amsterdam is the highest rated city in the Open For Business City Ratings 2020. We have a long history of upholding LGBT+ rights. In 1987, we unveiled the Homomonument to pay respect to the many LGBT+ people who lost their lives in World War II. In 2001, the Netherlands became the first country in the world to extend the freedom to marry to same-sex couples, and my predecessor officiated the first same-sex nuptials in Amsterdam. This history will guide us as we work to create an inclusive post-pandemic city and world.

While we are proud of what we have accomplished, our work is not yet done. I am looking forward to continuing to work to ensure that Amsterdam remains inclusive and competitive and is a place where all people can live and work freely and openly.

A handwritten signature in blue ink, which appears to be 'F. Halsema', written over a horizontal line.



Ellyn Shook
Chief Leadership and Human
Resources Officer
Accenture

As organizations take up the mandate to deliver more equitable outcomes to all stakeholders, the importance of elevating people and tapping into their full potential is increasingly vital and urgent. Considering the challenges of the decade ahead, intensified as organizations and communities navigate a post-pandemic world, we need to rely on human ingenuity now more than ever. That means having diverse individuals and ideas at the table and going a step further—to create a *culture of equality for all*, where people feel they truly belong and have equal opportunities to advance and contribute.

Creating an environment where LGBT+ individuals feel included and a sense of belonging is not only the right thing to do, but a strategic imperative that yields tangible results. From attracting and inspiring the best individuals, to reducing turnover and fostering greater innovation and collaboration, companies that focus on LGBT+ inclusion outperform their less inclusive peers.

These benefits are not just limited to companies. Accenture was a founding partner of the Open For Business coalition and sponsored their 2018 report uncovering the correlation between LGBT+ inclusion and economic development in cities. This year, we are proud to sponsor the Open For Business City Ratings 2020, which indicates that LGBT+ inclusive cities may be more economically resilient—including a guide of 144 global cities showing how inclusive and competitive they are, based on a series of metrics. New data from this report reveals that higher levels of LGBT+ inclusion are connected to greater GDP per capita, competitiveness, innovation and quality of life.

With more than 500,000 employees working in 200 cities around the world, Accenture is a talent and innovation-led business with a truly global reach. Where we do business matters, and while individual countries may have unique laws affecting the LGBT+ community, we are committed to fostering an equality for all mindset in the communities where we work and live. Whether that is providing identical employee benefits to same-sex and opposite-sex partners in all countries as law permits, or offering robust internal programs including specialized training, networking support and mentoring for our LGBT+ employees, our commitment starts with leading by example in how we support our own LGBT+ employees around the world. I'm proud to say that our Pride at Accenture community has more than 118,000 LGBT+ allies across more than 50 countries.

With valuable insights about the cities in which we operate, this report can aid both city officials and organizational leaders who do business in these communities to become more LGBT+ inclusive – not just for their LGBT+ residents and employees, but for the benefit and prosperity of all.

Headlines

Cities that are inclusive and competitive may be more resilient in the face of economic crisis

As cities around the world face economic shocks as a result of the COVID-19 pandemic, those which are inclusive and competitive - or which score highly in our ratings - could be more resilient. Higher levels of LGBT+ inclusion are connected to greater levels of economic resilience. See page 10.

Around the world, cities are leading the way on LGBT+ inclusion

As cities continue to grow in economic power, many also continue leading the way on LGBT+ inclusion. In the Open For Business City Ratings 2020, 27 cities improved their rating, 20 saw their rating go down and 34 were included for the first time. See page 13.

Additional data strengthen the economic case for LGBT+ inclusive cities

New data from the Open For Business City Ratings 2020 show that LGBT+ inclusion goes hand-in-hand with economic competitiveness in cities. Higher levels of LGBT+ inclusion are connected to greater GDP per capita, competitiveness, quality of life and innovation. See page 14.



South Africa – a cause for concern?

Cape Town, Johannesburg and Durban are currently among the most inclusive and competitive cities in Africa, and of course South Africa has a strong legal framework for LGBT+ rights. However, the City Ratings show decreased performance for these cities. Is this a temporary blip or a sign of longer-term problems? See page 16.



Strong progress in Asia Pacific

As the region's cities continue to become increasingly integrated into the global economy, many of them, especially Taipei and Hong Kong¹, are becoming increasingly inclusive and competitive. See page 17.



Polarisation is intensifying in Central and Eastern Europe

Our analysis finds that there's a wide range of Open For Business City Ratings in the region – and the difference in scores is widening. See page 18.



Conversion therapy bans are differentiators in the US and Canada

In a region where many cities are LGBT+ inclusive, those that are the most inclusive and competitive have one thing in common – bans on so-called conversion therapy. See page 19.



LGBT+ inclusion is a strong predictor of competitiveness in Latin America

In a region facing many systemic economic issues, social attitudes toward LGBT+ people are a clear predictor of economic performance. See page 20.



Amsterdam is the world's most inclusive and competitive city

In our 2018 Ratings, the top scoring city was New York City. In 2020 it's Amsterdam. See page 21.

LGBT+ Inclusion: A Key Ingredient of Resilient Cities

Cities around the world are facing an economic crisis due to the COVID-19 pandemic, the likes of which most have never seen before. As city policymakers work to respond, Open For Business has found that cities which are LGBT+ inclusive may be better able to weather the storm.

Economic resilience is linked to LGBT+ inclusion

New analysis by Open For Business shows that cities which are more LGBT+ inclusive may be better placed for economic recovery:

- There is a strong positive correlation (0.67) between how resilient an economy is and how accepting it is of LGBT+ people.
- A one-point increase in social acceptance suggests a three-point increase in that economy's economic resilience index, even when controlling for GDP per capita.

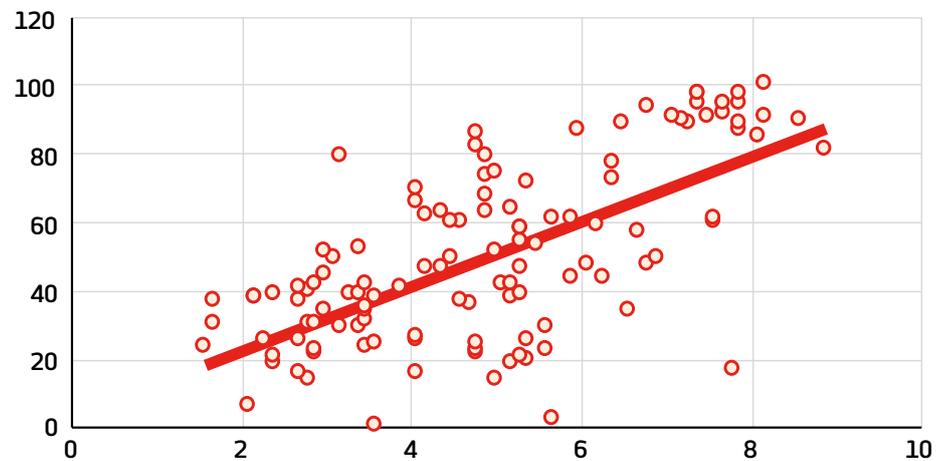


Chart 1: The social acceptance of a country (x axis) from the Williams Institute's Global Acceptance Index vs. the country's score on the FM Global Resilience Index (y axis). 120 countries are included.

These findings suggest that LGBT+ inclusion is connected to the resilience of a city's economy. As this report shows, LGBT+ inclusive cities have stronger "innovation ecosystems", higher levels of entrepreneurialism, and they are better able to attract talent and provide a high quality of life – making them well placed for economic recovery.

Economic resilience policies incorporate social inclusion

The connection between economic resilience and social inclusion is widely accepted by policymakers:

- The **World Bank** describes "inclusive communities" as a key dimension of sustainable, resilient cities.¹
- The **OECD** identifies "inclusive society" as a driver of resilience in a city.²
- The **IMF** contends that an economy is "more fragile and less resilient when it is not inclusive".³
- A report by **UN Habitat** finds that inclusion is required for a "successful urban resilience agenda".⁴

Many cities use inclusion as a strategy to build resilience

- 98 cities in 40 countries now have resilience strategies which incorporate social inclusion, as part of the Global Resilient Cities Network.⁵ These include Bangkok, Cape Town, Chennai, Lisbon, Medellin, Mexico City, Paris and Vancouver.⁶
- The Rockefeller Foundation's has identified a "Resilience Dividend" – the social and economic benefits achieved when cities have inclusive strategies.⁷

Businesses that are diverse and inclusive are more resilient

The connection between inclusion and resilience extends to businesses. Research shows that companies that are more diverse are also more resilient:

- According to a Boston Consulting Group study of 1,700 companies, diversity increases the capacity for innovation. The study notes that diversity "can also strengthen *resilience* — the capacity to survive the unexpected — which is an equally important weapon heading into the next decade. Diverse companies are better than their more homogenous counterparts at withstanding unanticipated changes and adapting to external threats."⁸
- Unilever describes its efforts to build a workforce inclusive of gender, disability, and sexual orientation and gender identity as "a vital element in our drive to be an agile, inclusive business that has the skills and resilience to unlock growth."⁹

LGBT+ inclusion, competitiveness and resilience go hand-in-hand

- This report presents the evidence that LGBT+ inclusive cities are more competitive (see p14). According to the World Economic Forum, competitiveness is "a good indicator of resilience": they found that countries which have performed better on the *Global Competitiveness Index* "rebounded from the Great Recession much more quickly, experiencing shorter and less severe hysteresis effects." They go on to note that "building economic resilience through improved competitiveness is crucial, especially for low-income countries."¹⁰

About the Open For Business City Ratings

What does it mean for a city to be *inclusive and competitive*?

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 *inclusive and competitive* city is globally connected and a welcoming place for lesbian, gay, bisexual and trans (LGBT+) people, who are often among the most marginalised communities around the world.

There are dozens of reports, data, indices and rankings that compare these various attributes of cities around the

world. Open For Business has analysed many of these in its 2018 report, *Strengthening the Economic Case*, 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 is the only one to provide a consolidated view of how *inclusive and competitive* 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 index can help them to benchmark their performance against competing cities.

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

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



Chart 2: The Open For Business City Ratings are comprised of two categories, Economic Competitiveness and LGBT+ Inclusiveness. These categories are in turn comprised of various sub-categories.

Open For Business City Ratings 2020

City is inclusive and competitive

AAA Global Beacon	Amsterdam Dublin Stockholm Zurich	Berlin Helsinki Sydney	Boston London Toronto	Chicago New York City Vancouver	Copenhagen San Francisco Washington DC
AA Prime	Atlanta Brussels Glasgow Montreal Vienna	Auckland Calgary Houston Munich	Basel Dallas Los Angeles Oslo	Bern Edinburgh Melbourne Ottawa	Birmingham Geneva Minneapolis Paris
A High	Barcelona Hong Kong Stuttgart	Belfast Luxembourg Taipei	Brisbane Lyon Wellington	Frankfurt Madrid	Hamburg Perth

City is partially inclusive and competitive

BBB Upper Medium	Lisbon Tokyo	Prague	Seoul	Tallinn	Tel Aviv
BB Medium	Buenos Aires Rome	Ljubljana Santiago	Milan Singapore	Montevideo Vilnius	Osaka Warsaw
B Lower Medium	Athens Nagoya	Bangalore Riga	Budapest San Jose	Busan São Paulo	Medellín
CCC Low	Bogotá Mexico City Zagreb	Bratislava Mumbai	Bucharest Rio De Janeiro	Cape Town Sofia	Guadalajara Wroclaw
CC Low	Bangkok Ho Chi Minh City Panama City	Belgrade Johannesburg	Brasília Kuala Lumpur	Delhi Manila	Durban Monterrey
C Low	Abu Dhabi Lima	Beijing Quito	Chennai Shanghai	Hyderabad Tbilisi	Istanbul

City is not inclusive or competitive

DDD Medium Risk	Amman Hanoi San Salvador	Asunción Kiev Santo Domingo	Doha Kingston Skopje	Dubai La Paz Tirana	Guangzhou Moscow Tunis
DD Substantial Risk	Nur-Sultan Jakarta St Petersburg	Casablanca Kuwait City	Chongqing Minsk	Colombo Phnom Penh	Guatemala City Sarajevo
D High Risk	Baku Tegucigalpa	Cairo Yangon	Dhaka	Nairobi	Rabat
E Closed	Addis Ababa	Dakar	Dar es Salaam	Lagos	Tehran

The Economic Case for LGBT+ Inclusive Cities

Open and inclusive cities are more competitive. In the 2018 report, *Strengthening the Economic Case*, we laid out the evidence base that supports this claim. The report identifies three areas that could explain why LGBT+ inclusive cities have better economic performance.

The data compiled for the Open For Business City Ratings 2020 adds a whole set of new correlations between a city's inclusion of the LGBT+ community and various aspects of economic performance. Of course, these correlations do not immediately establish causation. It could be that more competitive cities become more open-minded, not the other way around. However, the evidence suggests that cities which are *inclusive and competitive* create a virtuous cycle in which their openness attracts talent, spurs innovation and enhances their competitiveness. This increased economic performance continues to create a more welcoming environment for LGBT+ people.

GDP per capita is positively correlated with LGBT+ inclusion

Cities which have higher social attitude scores in the City Ratingsⁱ also tend to have higher GDP per capitaⁱⁱ (correlation of 0.30). A 1-point increaseⁱⁱⁱ in the social attitude score suggests a \$2,800 increase in GDP/capita.^{iv}

This pattern is even stronger for cities located in countries whose economies rely on extractives. When cities with high reliance on extractives are excluded, the correlation between GDP per capita and LGBT+ inclusion rises to 0.65. Additionally, when the share of economy reliant on extractives^v is taken into account, a 1-point increase in the social attitude score suggests a \$4,600 increase in GDP per capita.^{vi}

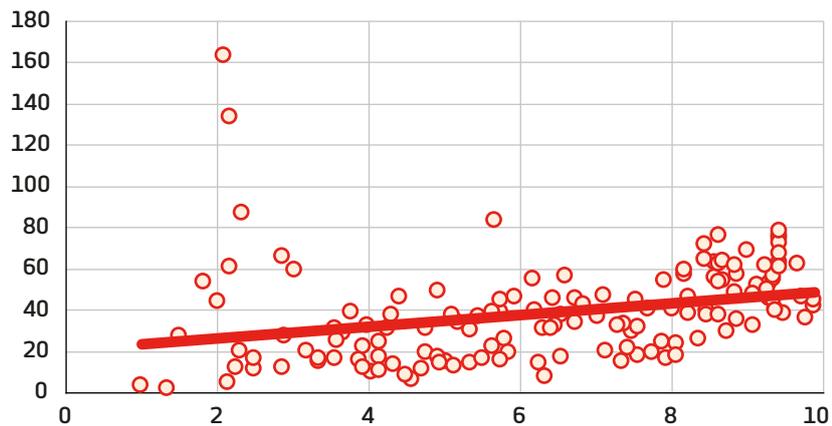


Chart 3: The social attitude score (x axis) vs. GDP per capita (y axis, \$000s) for 144 cities in the City Ratings

ⁱ See the appendix for more information on what is included in the Social Attitude score.

ⁱⁱ This is city GDP/capita from McKinsey's Urban World app, available for iPhone at <https://apps.apple.com/app/urban-world/id600995019>

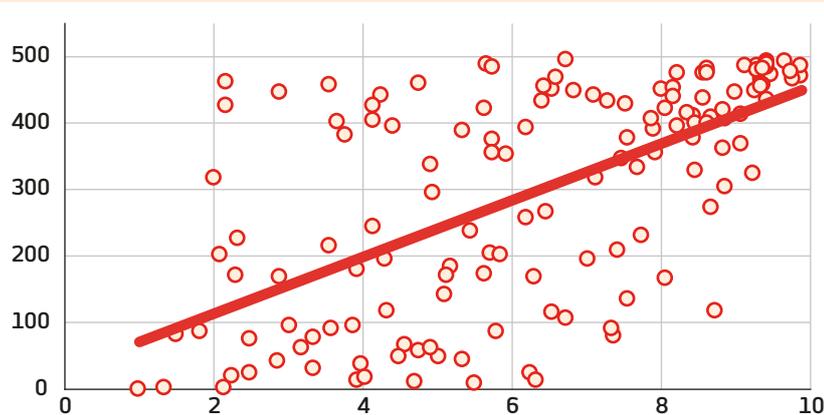
ⁱⁱⁱ The maximum social attitude score is 9.9, the minimum is 1.0 and the mean is 6.4

^{iv} P-value < .01

^v Considered 10% of GDP of the country the city is located in based on World Bank data; excluded cities include Kuwait City, Baku, Doha, Tehran, Almaty, Abu Dhabi, Dubai, Santiago, St Petersburg, Moscow and Addis Ababa.

^{vi} P-value < .01

(i) Innovation



Innovation is positively correlated with LGBT+ inclusion

LGBT+ inclusive cities score higher on the 2ThinkNow Innovation Index. The correlation is 0.62 and a 1-point increase in social attitudes suggests a 43-point increase in the 2ThinkNow rating (see footnote VII for more information on the rate of the 2ThinkNow rating).

Chart 4: The social attitude score (x axis) vs. an inverted 2ThinkNow Innovation score (y axis) for 144 cities in the City Ratings

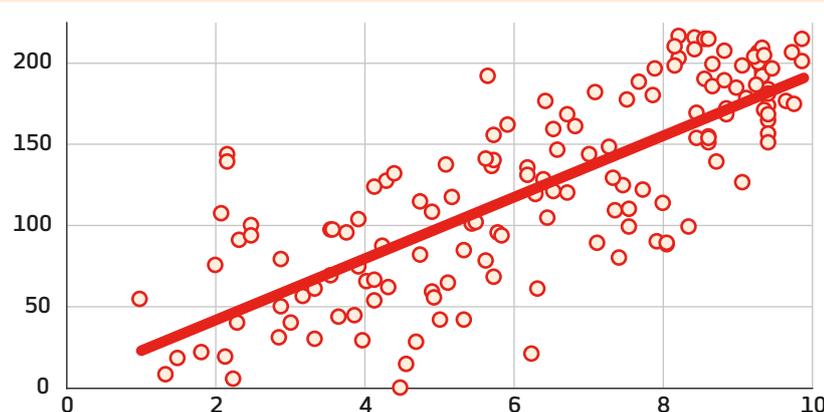
(ii) Talent and Skills

Talent Hotspot	City Rating	Talent Hotspot	City Rating
London	AAA	Denver	AAA
San Francisco	AAA	Helsinki	AAA
Washington DC	AAA	Edinburgh	AA
Boston	AAA	Berlin	AAA
Sydney	AAA	New York	AAA
Paris	AA	Stockholm	AAA
Oslo	AA	Tokyo	BBB
Melbourne	AA		

“Talent Hotspots” receive high Open For Business City Ratings

In JLL’s annual Innovation Geographies report, 20 cities are named “talent hotspots” based on their ability to attract and retain talent. With the exception of Tokyo, all of the “talent hotspots” in JLL’s 2019 report which are also included in the City Ratings receive a rating of AA or higher. This highlights the relationship between concentration of talent and LGBT+ inclusion.

(iii) Quality of Life



Quality of life is positively correlated with LGBT+ inclusion

LGBT+ inclusive cities have a higher quality of life, based on the Mercer Quality of Life Rating. The correlation is 0.78 and a 1-point increase in social attitudes suggests a 20-point increase in the Mercer rating (see footnote VIII for more information on the range of the Mercer rating).

Chart 5: The social attitude score (x axis) vs. an inverted Mercer Quality of Life rating (y axis) for 144 cities in the City Ratings

This evidence continues to strengthen the case that LGBT+ inclusive cities are more economically competitive, and suggests that some of the contributing factors are innovation, talent and skills, and quality of life. While this remains the same, much has changed in cities around the world over the past two years. The following sections document the major changes in the 144 cities we include in the City Ratings by region.

^{vii} The 2ThinkNow Innovation Index ranks cities based on their potential for innovation, with 1 being the best score and 495 being the worst. This chart inverts the rating (1 is worst, 495 is best) to better show the positive correlation between innovation and LGBT+ inclusion.

^{viii} The Mercer Quality of Life Rating ranks cities based on their quality of life, with 1 as the best ranking and 217 as the worst. This chart inverts the rating (1 is worst, 217 is best) to better show the positive correlation between quality of life and LGBT+ inclusion.

Africa and the Middle East

City is partially inclusive and competitive

BBB	Tel Aviv				
CCC	Cape Town				
CC	Durban	Johannesburg			
C	Abu Dhabi	Istanbul			

City is not inclusive or competitive

DDD	Amman	Doha	Dubai	Tunis	
DD	Casablanca	Kuwait City			
D	Cairo	Nairobi	Rabat		
E	Addis Ababa	Dakar	Dar es Salaam	Lagos	Tehran

Note: Cities in red received a lower rating than in 2018. Cities in green received a higher rating.

South African cities remain strong, but have become less *inclusive and competitive*

Cape Town, Johannesburg and Durban follow Tel Aviv as the top performers in the region. This is not surprising, as South Africa's constitution was the first in the world to outlaw discrimination on the grounds of sexual orientation and has introduced many laws to protect LGBT+ people. However, violence and discrimination against LGBT+ people persist at worryingly high levels. A survey of lesbian women in South Africa found that 31% experienced sexual violence¹¹, which costs the economy between \$10.5 million and \$64.8 million per year.¹² In addition, data points toward worsening economic conditions. For example, all three South African cities included in the index, Cape Town, Durban and Johannesburg, saw decreases in their Business Environment and Economic Performance scores.

Tel Aviv is the clear leader, but questions about "pinkwashing" persist

The region is led by cities in countries that have strong LGBT+ rights protections. The clear leader is Tel Aviv. Its world-class start-up scene is supported by its reputation as a beacon of openness for LGBT+ people in the region. This is further supported by the growing momentum for banning conversion therapy in Israel. In 2019, the Israel Medical Association, which represents 90% of doctors, banned its members from conducting conversion therapy on patients.¹³ However, many LGBT+ activists contend that progressive policies toward LGBT+ people in Israel are not matched by a respect for human rights in Palestine, and some have even asserted that this is a form of "pinkwashing".

Istanbul's rating improved – and could signal a regional bright spot

Istanbul moved from a DDD to a C rating, pulling the city into the partially *inclusive and competitive* category. On the economic side, the city's potential for innovation has increased, as has Turkey's ease of doing business score. Turkey is far from being an LGBT+ friendly country, and many are concerned about the current government's respect for human rights. However, the new mayor of Istanbul publicly supported the 2019 Pride Parade, which was broken up by state police forces¹⁴. As is the case with many cities in this report, words need to be supported by actions to advance LGBT+ inclusion before Istanbul can truly become inclusive and competitive.

Dakar became less *inclusive and competitive*, driven by social attitudes

In contrast to Istanbul, Dakar has fallen in the ratings and become less *inclusive and competitive*, mainly driven by worsening social attitudes toward LGBT+ people. Weak Innovation, Human Capital and Business Environment scores are paired with the lowest social acceptance score out of all cities included and the most rapidly decreasing social attitudes toward LGBT+ people. Senegal's score on the Williams Institute's Global Acceptance Index decreased by 55%, falling from 3.8 (out of 5) in 2000 to 1.7 in 2017.¹⁵

Asia Pacific

City is inclusive and competitive

AAA	Sydney				
AA	Auckland	Melbourne			
A	Brisbane	Hong Kong	Perth	Taipei	Wellington

City is partially inclusive and competitive

BBB	Seoul	Tokyo			
BB	Osaka	Singapore			
B	Bangalore	Busan	Nagoya		
CCC	Mumbai				
CC	Bangkok	Delhi	Ho Chi Minh City	Kuala Lumpur	Manila
C	Beijing	Chennai	Hyderabad	Shanghai	

City is not inclusive or competitive

DDD	Guangzhou	Hanoi			
DD	Nur-Sultan	Chongqing	Colombo	Jakarta	Phnom Penh
D	Dhaka	Yangon			

Note: Cities in red received a lower rating than in 2018. Cities in green received a higher rating.

Hong Kong and Taipei break into the upper echelon

Against a backdrop of political turbulence, Hong Kong has seen key wins for LGBT+ inclusion, with courts ruling that same-sex couples married abroad should be recognized in Hong Kong and the government amending its rules to allow same-sex couples to file joint tax returns.¹⁶ This progress has set the stage for the Hong Kong Marriage Equality coalition to launch and begin a campaign focused on the right to marry. However, ongoing protests in the city cast doubt on if the strong economic environment and LGBT+ inclusion gains can persist in the future.

Nearby, Taiwan, China became the first region in Asia Pacific to allow the freedom to marry in 2019. Companies, both multinational and local, have supported and applauded equal marriage and other LGBT+ rights issues in the region. Coupled with a strong environment for business and innovation, this propelled Taipei to one of the most inclusive and competitive cities in Asia.

Singapore remains partially inclusive and competitive

Despite high ratings on competitiveness measures such as the World Economic Forum Global Competitiveness Index, Singapore is in the partially *inclusive and competitive* category, clearly behind its main regional competitor, Hong Kong. While Singapore continues to have strong economic performance, the city state's lack of civil liberties and legal protections for LGBT+ people, highlighted by its continued criminalisation of same-sex acts, are worrying signs for sustained growth. Unfortunately, these discriminatory laws show no signs of disappearing any time soon. In March 2020, three cases that were challenging Section 377A of the Penal Code, which criminalises same-sex acts, were dismissed by the High Court.¹⁷ Although some government officials suggest Singapore is welcoming to people regardless of sexual orientation¹⁸, there is little evidence these statements mirror reality. In addition to the continued criminalisation of same-sex acts, there have been many other cases of discrimination against LGBT+ people, such as transgender people losing their access to public housing.

Kuala Lumpur – enduring changes or a false dawn?

Malaysia has gained international criticism for its poor treatment of LGBT+ people – from the public caning of lesbians to the arrest of five men for suspicion of homosexuality.¹⁹ Given this backdrop, Kuala Lumpur's improvement in the ratings comes as a surprise. The city's increase from CC to CCC was driven by improvements on corruption, press freedom, rule of law and civil liberties, all of which were part of the new government's platform, and which often precede improvements in conditions for LGBT+ people. However, many in the LGBT+ community are increasingly worried that the government is backing away from its liberal reform agenda and that recent changes will not translate into improvements for LGBT+ inclusion.²⁰ Time will tell if Kuala Lumpur continues to become more *inclusive and competitive*, or whether recent progress is a false dawn.

Central and Eastern Europe

City is partially inclusive and competitive

BBB	Prague	Tallinn			
BB	Ljubljana	Vilnius	Warsaw		
B	Athens	Budapest	Riga		
CCC	Bratislava	Bucharest	Sofia	Wroclaw	Zagreb
CC	Belgrade				
C	Tbilisi				

City is not inclusive or competitive

DDD	Kiev	Moscow	Skopje	Tirana
DD	Minsk	Sarajevo	St Petersburg	
D	Baku			

Note: Cities in red received a lower rating than in 2018. Cities in green received a higher rating.

Warsaw is a beacon of LGBT+ inclusion in Poland

Recently, Poland has become synonymous with LGBT+ discrimination. Its “LGBT+ free zones”, which make up a third of the country, have received scrutiny and condemnation from human rights organizations around the world.²¹ Against this dark and worsening backdrop, Warsaw stands as a relative beacon of liberalism and LGBT+ inclusion. This is reflected by its BB rating, one of the highest in the region. Through clear actions such as joining the Pride parade for the first time²² to signing an LGBT+ Declaration²³, Warsaw’s mayor, Rafal Trzaskowski, has clearly shown that Warsaw is open and inclusive of LGBT+ people. On the economic competitiveness side, the city is buoyed by strong economic performance and a reasonably supportive business environment, strengthened by strong marks for innovation. In a country that is becoming a symbol for LGBT+ discrimination in Europe, Warsaw shows that openness and inclusion are essential for a city’s long-term growth prospects.

Polarisation is intensifying

Trends in the underlying data on social acceptance show that in Eastern Europe the best are getting better whilst the worst are getting worse. This potentially has implications for the long-term competitiveness of cities in the region. Evidence shows that LGBT+ inclusive cities are more innovative, better able to attract skilled workers and have a higher quality of life. The chart below shows the stark difference between cities in the region based on its rating. The cities which are the least inclusive and competitive are getting less and less LGBT+ friendly.

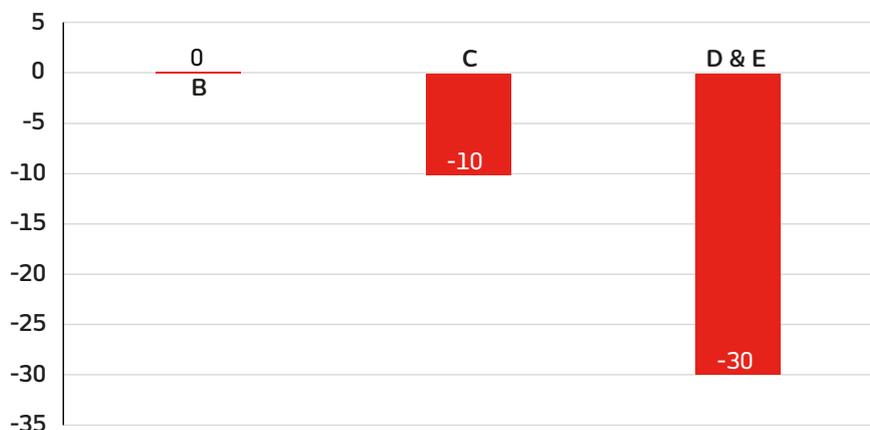


Chart 6: The change in popular attitudes toward LGBT+ people over time, across cities of different ratings. Cities with B ratings have seen social attitudes hold steady over the past 30 years, whereas those that are rated D and E have an average decrease of 30%. Based on the Williams Institute Global Acceptance Index.

USA and Canada

City is inclusive and competitive

AAA	Boston Vancouver	Chicago Washington DC	New York City	San Francisco	Toronto
AA	Atlanta Minneapolis	Calgary Montreal	Dallas Ottawa	Houston	Los Angeles

Note: Cities in red received a lower rating than in 2018. Cities in green received a higher rating.

Cities leading the way

American and Canadian cities have the highest collective ratings of any region, with every city included reaching the fully inclusive and competitive status. Many of these cities have maintained or improved upon this high rating despite national trends, especially in the USA, that are moving toward isolationism and increasing discrimination against LGBT+ people, especially against trans people. Cities have stood in stark contrast to rising LGBT+ discrimination, by enacting local laws that protect LGBT+ people, continuing to have vocally inclusive politicians and creating an economic environment where innovation thrives, and skilled and talented individuals want to work.

Conversion therapy bans as differentiators

While all of the cities included in this region score highly, those that outperform the rest tend to have one thing in common: bans on conversion therapy. A wave of bans over the past two years has elevated Boston (whose home state, Massachusetts, banned the practice in March 2019²⁴) and Vancouver (whose city council did the same in mid-2018²⁵) to the AAA status. In Atlanta, a ceremonial ban in the form of a city council admonition helped move it to the AA category.²⁶ Minneapolis strengthened its AA rating by enacting its own ban, even though state-wide legislation failed in 2019.²⁷ In a region where many cities are seen to be LGBT+ inclusive, continuing to create an inclusive environment that actively supports LGBT+ people can set certain cities apart.

Latin America and the Caribbean

City is partially inclusive and competitive					
BB	Buenos Aires	Montevideo	Santiago		
B	Medellín	San Jose	São Paulo		
CCC	Bogotá	Guadalajara	Mexico City	Rio de Janeiro	
CC	Brasília	Monterrey	Panama City		
C	Lima	Quito			
City is not inclusive or competitive					
DDD	Asunción	Kingston	La Paz	San Salvador	Santo Domingo
DD	Guatemala City				
D	Tegucigalpa				

Note: Cities in red received a lower rating than in 2018. Cities in green received a higher rating.

Inclusive cities are the highest performers, but many challenges exist

As a region, Latin America and the Caribbean does not have a strong performance in the City Ratings. The highest rated cities in the region are considered partially *inclusive and competitive*. At the same time, South America is one of the most LGBT+ inclusive regions in the world, at least from a legal sense. Many countries have marriage equality, protect LGBT+ people from hate crimes and have protected the rights of trans people. At first glance, it may seem like the region’s economies run counter to the evidence which shows that more inclusive cities are more economically competitive.

However, the data do not support this. Upon further inspection, this region shows the strength of the relationship between LGBT+ inclusion and competitiveness more than others. The correlation between a city’s social attitudes score and its economic competitiveness score is very high – 0.65. This suggests that LGBT+ inclusion is closely related to economic competitiveness in the region.

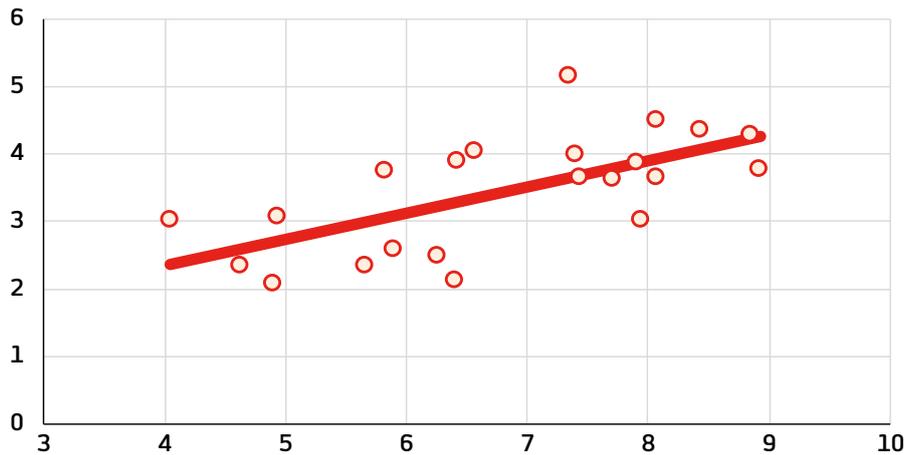


Chart 7: An increase in a city’s social attitude score toward LGBT+ people (x axis) is correlated to an increase in a city’s economic competitiveness (y axis). Chart includes cities in Latin America & the Caribbean that are included in the City Ratings.

So why do cities in this region seem to underperform? First, it is no secret that some countries in the region have been riled by corruption and populist policies that have led to, among other things, massive bailouts from the IMF.²⁸ These national policies have hurt the competitiveness of cities. Second, while the region is legally inclusive of LGBT+ people, there is still much discrimination and violence against the LGBT+ community. This detracts from the region’s openness and hurts cities’ ability to foster innovation ecosystems and attract skilled workers.

Western Europe

City is inclusive and competitive

AAA	Amsterdam London	Berlin Stockholm	Copenhagen Zurich	Dublin	Helsinki
AA	Basel Geneva Vienna	Bern Glasgow	Birmingham Munich	Brussels Oslo	Edinburgh Paris
A	Barcelona Lyon	Belfast Madrid	Frankfurt Stuttgart	Hamburg	Luxembourg

City is partially inclusive and competitive

BBB	Lisbon				
BB	Milan	Rome			

Note: Cities in red received a lower rating than in 2018. Cities in green received a higher rating.

Amsterdam is the most *inclusive and competitive* city in the world

Amsterdam is one of the most innovative, globally connected and socially inclusive cities in the world. It comes as no surprise that it topped our City Ratings this year.

Amsterdam has many of the ingredients that make for healthy and sustainable economies: Established multinational companies, a burgeoning start-up ecosystem, world-class universities, a high quality of life and strong innovation. The city is home to the regional headquarters of global companies, such as Nike, Cisco and Netflix. It is also the base for many Dutch multinational corporations, including Philips, ABN AMRO, ING, Unilever and Royal Dutch Shell.²⁹ Additionally, Amsterdam has a strong start-up ecosystem, supported by incubators like B.Amsterdam, which aims to turn Amsterdam into the largest start-up ecosystem in Europe.³⁰

Amsterdam not only excels at economic competitiveness; it also has a strong culture of LGBT+ inclusion that signals to the world that the city is open to all. With an LGBT+ social scene dating back to 1927 and located in the first country to legalize same-sex marriage in 2000, Amsterdam is an inclusive city with a mayor who is vocally supportive of LGBT+ inclusion.³¹ The city is also home to Workplace Pride, one of the world's leading LGBT+ organizations focused on advancing workplace inclusion for LGBT+ people around the world. It is not surprising that Amsterdam receives the highest Social Attitude score in Europe.

Madrid's rating falls amid questionable support for inclusion

Madrid is a highly-rated, inclusive and competitive city. However, since 2018, the city's rating declined slightly. Madrid has a mixed economic story, with increases in areas like competitiveness, but worse performance in innovation and entrepreneurship. Additionally, the city remains an inclusive and welcoming place for LGBT+ people. However, this has shown signs of changing. Madrid's new mayor, José Luis Martínez-Almeida, has received criticism from the LGBT+ community for watering down the city's Pride messaging. His party is also allied with a far-right party that is openly anti-LGBT+.

Appendix

How are cities rated?

The Open For Business City Ratings are determined by a combination of 26 metrics from a number of well-respected sources. Each city receives a final score, which corresponds to a rating (AAA through E). In this report, we only include a city's rating rather than its score in an effort to focus on which cities are broadly doing well and which have room for improvement. The final score is comprised of two categories: Economic Competitiveness and LGBT+ Inclusiveness. Both categories are comprised by a variety of sub-categories, which are in turn comprised of individual data points, listed below. Please see the following pages for a full explanation of data sources, weights and methodology.

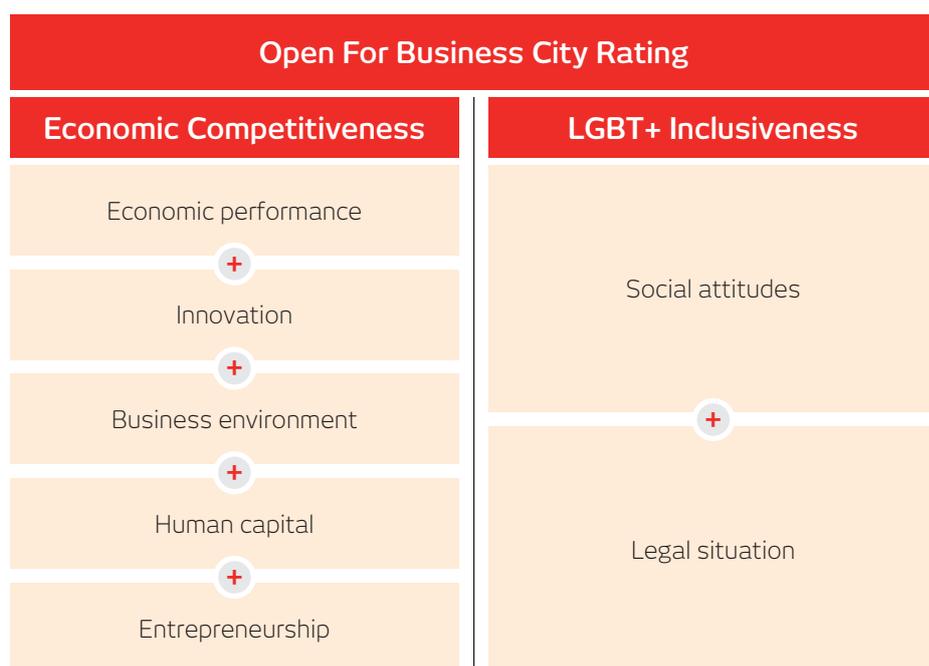


Chart 7: The Open For Business City Ratings are comprised of two categories, Economic Competitiveness and LGBT+ Inclusiveness. These categories are in turn comprised of various sub-categories.

The Open For Business City Ratings

Open, inclusive, diverse cities are more competitive: they encourage innovation, they attract high-skilled workers, and they are better at growing high-value businesses. LGBT+ inclusion sends a clear signal that a city is an open, progressive and dynamic place to do business.

This report presents a broad base of data that supports these assertions. It covers a wide range of questions about cities: how easy is to do business? How “network ready” is the city? Is it corruption-free? Is there a healthy “innovation ecosystem”? What is the quality of living like? Are LGBT+ people welcome, and what is their legal status?

We have synthesised this data into the Open For Business City Ratings. It combines 26 individual indicators from a number of well-respected data sources to produce a picture of which cities are open, progressive and competitive – and which are not. It is intended as a useful tool for the following groups of people:

- For high-skilled individuals thinking about relocating to another city, the index can help them to think about what they are looking for and how they might fit in.
- For businesses considering possible new locations for offices or operations, the index can help evaluate differences between cities.
- For policymakers seeking to boost the economic performance of their city, the index can help them to benchmark their performance against competing cities.

Methodology

1. Select Data Sources

The following steps were followed to create the Open For Business City Ratings:

The first step was to determine which data sources to use for the ratings. The purpose of the ratings is to combine economic factors with elements that measure inclusion of the LGBT+ community in a city. The 2018 City Ratings were used as the starting point to preserve as much consistency as possible, to enable comparisons over time. The ratings model is split into two main categories: Economic Competitiveness and LGBT+ Inclusiveness.

Within Economic Competitiveness, five sub-categories exist:

- Economic performance:* This is comprised of four indicators that approximate a city’s wealth, its home nation’s wealth and competitiveness.
- Innovation:* This is comprised of two indicators that approximate a city’s and its home nation’s potential for innovation.
- Business environment:* This is comprised of four indicators that approximate how supportive a city is for businesses to flourish.
- Human capital:* This is comprised of four indicators that approximate a city’s level of education and proclivity to attract skilled individuals.
- Entrepreneurship:* This is comprised of three indicators that approximate a city’s level of entrepreneurial activity and how supportive its home nation is of new businesses.

Within LGBT+ Inclusiveness, two sub-categories exist:

- Social attitudes:* This is comprised of four indicators that approximate a city’s and its home nation’s attitudes toward LGBT+ people. The Williams Institute’s Global Acceptance Index is used as a national indicator of attitudes and their trend over time. This innovative index provided data which allowed for the addition of a number of new cities in the Open For Business City Ratings 2020.
- Legal situation:* This is comprised of five indicators that approximate the legal situation for LGBT+ people and the overall status of civil liberties and the rule of law.

All sources used come from reputable sources and cover a global set of cities. This ensures credible scoring and a globally representative set of cities.

2. Finalize cities to include

Once data was collected, the team created the list of cities that would be included in the ratings. The list was identified based on which cities were included in all selected datasets. To avoid skewing the index in favor of any one geography, we only include a maximum of 5 cities per country. The exception is the United States, which includes 10 cities. This is due to the size of the US economy and population. The final list includes 144 cities.

3. Standardize data sources

The next step is to standardize the data to a scale of 1 to 10 to create a comprehensive output to compare each city. The following equation normalizes each individual indicator in which it was better to have a high score:

$$\text{Observed Outcome Rescaled} = \left(\frac{\text{Observed Outcome} - \text{Lowest Outcome}}{\text{Highest Outcome} - \text{Lowest Outcome}} \right) \times 10$$

And for each individual indicator in which it was better to have a low score, the following equation is used:

$$\text{Observed Outcome Rescaled} = \left\{ 1 - \left(\frac{\text{Observed Outcome} - \text{Lowest Outcome}}{\text{Highest Outcome} - \text{Lowest Outcome}} \right) \right\} \times 10$$

This normalization methodology was adopted from Opportunity Nation's 2016 Opportunity Index¹.

Once the data was normalized to a 10 point scale, the arithmetic mean of the scores across all included cities was calculated. If the mean was below 3.0, the "Highest Outcome" variable above was substituted with the 90th percentile value. All cities with values higher than the 90th percentile received a "10" for that metric. If the mean was above 7.0, the "Lowest Outcome" variable above was substituted with the 10th percentile value. All cities with values lower than the 10th percentile received a "0" for that metric. This was to ensure sufficient variation in values to differentiate cities on each individual indicator.

4. Weight the individual indicators

Each of the two categories are equally weighted as 50% of the overall score. Each individual indicator weight is available in the table on the following page.

5. Rate the cities

Once each city had a composite 10-point score (10 being best, 0 the worst), it was awarded a rating, similar to a credit rating. The purpose of rating cities instead of ranking them is to not dictate a definitive ranking on each city. We understand that there is no one-size-fits-all approach to city competitiveness. Additionally, we want the ratings to start a conversation on the various components that make a city a good place to do inclusive business – something that will be easier to do without focusing on the minutiae of weightings and scores.

¹ Opportunity Nation (2016), Opportunity Index 2016, available at: <http://opportunityindex.org/wp-content/uploads/2016/12/Methodology-Report-2016-FINAL-12.13.pdf>

Individual Indicators and Weightings

Economic Competitiveness

	Metric	Level of data	Source	Year	Description	Metric weight
Economic performance	City GDP per Capita	City	McKinsey Global Institute	2015	Data from the McKinsey Urban World app, an extrapolation of the data presented in <i>McKinsey Urban World</i> . Data for India and China came from MGI's models for city-level GDP. Data for the US, Canada, Western Europe, Northeast Asia and a large part of Latin America came from city statistics offices. Data for the rest of the world came from third-party data providers or econometric estimations carried out by MGI.	5.0%
	City GDP per Capita Growth	City	McKinsey Global Institute	2015 to 2030	Data from the McKinsey Urban World app, an extrapolation of the data presented in <i>McKinsey Urban World</i> . Rates are projected for each city by adjusting the national growth rate upward or downward proportionally based on past relative GDP per capita performance. More detail is available in the aforementioned report.	5.0%
	Global competitiveness	National	World Economic Forum	2019	The <i>WEF Global Competitiveness Index</i> combines 114 indicators that capture concepts that matter for productivity and long-term prosperity. The result is an index of 137 economies, ranked by their competitiveness on the global stage.	5.0%
	National GDP growth	National	World Bank	2017 to 2018	The 2018 annual GDP growth rate, based on data from the World Bank's database.	5.0%
Innovation	City innovation potential	City	2thinknow	2018	A measure of a city's potential for innovation, as determined by <i>2thinknow's Innovation Cities Index</i> . There are 500 cities analyzed and ranked. The index uses 162 quantitative and qualitative indicators.	10.0%
	National innovation potential	National	INSEAD/World Intellectual Property Organization/ Cornell University	2019	The <i>Global Innovation Index</i> combines 81 indicators exploring a broad vision of innovation, including political environment, education, infrastructure and business sophistication.	10.0%

	Metric	Level of data	Source	Year	Description	Metric weight
Business-environment	Number of international conferences	City	International Congress and Convention Association	2018	The measure provides a proxy to determine how globally connected and welcoming to a diverse population a city is. The ICCA measures the number of international conventions that occur in each city around the world. They analyzed 12,937 rotating international association meetings which took place in 2018. To be included, a meeting must be held on a regular basis, have at least 50 delegates, and rotate between at least three countries.	5.0%
	Ease of doing business	Mixed	World Bank	2020	Countries are ranked on their ease of doing business, from 1–190. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm.	5.0%
	Networked readiness	National	Portulans Institute & World Information Technology and Services Alliance	2019	The <i>Networked Readiness Index</i> , formerly part of the World Economic Forum, measures each country's "preparedness to reap the benefits of emerging technologies and capitalize on the opportunities presented by the digital transformation and beyond." The index combines 62 individual indicators across regulatory and market environment, infrastructure, affordability, usage, and social and economic impact.	5.0%
	Trade to GDP ratio	National	World Bank	2018	The total amount of inbound and out-bound trade a country did, compared to its GDP in 2018. Serves as a measure of how connected a country is to the global economy.	5.0%

	Metric	Level of data	Source	Year	Description	Metric weight
Human capital	Quality of living	City	Mercer	2019	The Mercer Quality of Living Survey evaluates quality of living based on data from 231 cities on 39 factors including political, economic, environmental, personal safety, health, education, transportation and other public services.	5.0%
	Net inflow of university students	National	UNESCO	2017	The total net inflow of students attending university in a certain country. This indicates the openness of a country to foreigners and the quality of a country's higher education institutions.	5.0%
	Years of schooling	National	UNESCO; Wittgenstein Centre for Demography and Global Human Capital; accessed via WEF Competitiveness Index	2019	Average number of completed years of education of a country's population aged 25 years and older, excluding years spent repeating individual grades.	5.0%
	Number of top 500 universities per capita	National	Times Higher Education	2020	The number of universities ranked in the top 500 universities in the world by Times Higher Education, divided by a country's population which comes from the World Bank.	5.0%
Entrepreneurship	Ease of starting a business	Mixed	World Bank	2020	Countries are ranked on their ease of starting a business, from 1–190. A high ease of starting a business ranking means the regulatory environment is more conducive to starting a local firm.	6.7%
	Global entrepreneurship index	National	The Global Entrepreneurship and Development Institute (GEDI)	2018	The GEDI methodology collects data on the entrepreneurial attitudes, abilities and aspirations of the local population and then weights these against the prevailing social and economic 'infrastructure' – this includes aspects such as broadband connectivity and the transport links to external markets. This process creates 14 'pillars' which GEDI uses to measure the health of the regional ecosystem.	6.7%
	Number of companies headquartered	City	Crunchbase	2019	Crunchbase is a knowledge platform for investors, companies, researchers and journalists. It compiles a database of companies that are based in each city around the world, drawn from input from 3,400 global investment firms and a large community of executives, entrepreneurs and investors.	6.7%

LGBT+ Inclusiveness

	Metric	Level of data	Source	Year	Description	Metric weight
Social attitudes	Global Acceptance Index (GAI)	National	Williams Institute	2017	A combined metric blending a range of surveys taken from 1980 to 2017 to produce a standardized score for a society's attitudes toward LGBT+ people.	12.5%
	Change in GAI	National	Williams Institute	2000 to 2017	The percent change in the GAI from 2000 to 2017.	12.5%
	Openness to LGBT+ visitors	City	Lonely Planet/Open For Business analysis	Various	Lonely Planet Travel Guides publish a description of how welcoming a city is to LGBT tourists. This provides a proxy to determine how open a city is for LGBT+ visitors.	12.5%
	Political supportiveness	City	Municipality websites, media outlets	Various (data pulled November 2019)	<p>A measure of how supportive the city government is of the LGBT+ community. The score incorporates the following measures:</p> <ul style="list-style-type: none"> • LGBT+ resources are available on a city's website • City LGBT+ advisory committee • Positive public statement from city official • Pride parade that takes place without government restriction. 	12.5%

	Metric	Level of data	Source	Year	Description	Metric Weight
Legal situation	LGBT+ legal status	City	Various (ILGA, Equaldex, media outlets)	2020	<p>The legal rights that LGBT+ people have in a city. This measure incorporates the following aspects of the law:</p> <ul style="list-style-type: none"> • Same-sex acts • Same-sex marriage • Right to change legal gender • Same-sex adoption • LGBT+ discrimination protections in goods and services • LGBT+ discrimination protections in employment • Conversion therapy 	10.0%
	Rule of law	National	World Bank	2018	<p>According to the World Bank, "Rule of law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, as well as the likelihood of crime and violence."</p>	10.0%
	Corruption perception	National	Transparency International	2018	<p>The <i>Corruption Perceptions Index</i> "scores and ranks countries/territories based on how corrupt a country's public sector is perceived to be. It is a composite index, a combination of surveys and assessments of corruption, collected by a variety of reputable institutions."</p>	10.0%
	Civil liberty	National	Freedom House	2019	<p>The <i>Freedom in the World</i> report scores each country according to the strength of political rights and civil liberties.</p>	10.0%
	Press freedom	National	Reporters without Borders (RSF)	2019	<p>The <i>World Press Freedom Index</i> is determined by analyzing responses of experts to a questionnaire devised by RSF. This is combined with reports of abuse against the press to create a holistic score.</p>	10.0%

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How to start a conversation on LGBT+ inclusion

Although mounting evidence shows that LGBT+ inclusion is good for business and economic growth, there remains hesitation among many in the global business community to initiate a discussion, mainly due to a number of perceived risks for supporting LGBT+ inclusion. This is true in countries all over the world – from Barbados to India to Kenya – which share similar concerns. Open For Business has encountered many myths and misconceptions in its work around the world, which are listed below, together with possible responses:

Perceived risk

Open For Business response

“Our consumers / customers / clients won’t like it.”

Some customers won’t like it – but the experience of Open For Business coalition partners all around the world show, most customers and clients will welcome a more progressive and global brand. Evidence presented in this report and past Open For Business reports 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 don’t have any gays.”

Many LGBT+ people feel the need to hide their sexual orientation or gender identity, particularly in an environment where social attitudes do not feel safe or accepting. 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 know our employees’ sexual orientations or gender identities, so it’s impossible for us to discriminate against LGBT+ people.”

Similar to the above response, just because LGBT+ people are not open in the workplace does not mean that they do not exist. There are many documented cases of discrimination against LGBT+ people in the workplace – and brands should proactively ensure that those cases do not occur in their offices and suffer hits to their brand or reputation.

“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 a 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.

“We are too busy focusing on creating an inclusive workplace for women, different ethnicities, and people with disabilities to focus on LGBT+ people too.”

While time and resources are necessary for companies to become world-class at LGBT+ inclusion, the initial steps of signalling that your company is LGBT+ inclusive can be achieved by updating non-discrimination and other HR policies to include sexual orientation and gender identity. This does not take away from any of the other minority groups but reinforces that the workplace is truly inclusive of everyone, no matter who they are. Additionally, a focus on LGBT+ inclusion can differentiate companies in a market where many companies are focusing on gender, ethnic and disability inclusion.

“It’s not safe to encourage people to come out.”

In many 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.



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