

New study finds LGBT+ inclusion is a key ingredient for stronger urban economic competitiveness and resilience

- Cities that are LGBT+ inclusive are more economically resilient, according to a new report published today by Open For Business, a coalition of global companies committed to advancing Lesbian, Gay, Bisexual and Transgender (LGBT+) rights.
- The report presents data that shows LGBT+ inclusive cities have stronger “innovation ecosystems”, higher levels of entrepreneurialism, and are better able to attract talent and provide a high quality of life – making them well placed for economic recovery.
- New data finds that a one-point increase in a ten-point scale measuring a city’s social acceptance of LGBT+ people corresponds to an increase in GDP per capita of \$2,800.
- The report includes the second edition of the Open For Business City Ratings, a guide of 144 global cities that shows how inclusive and competitive they are.
- Overall, cities are becoming more inclusive and competitive. Since the first City Ratings were published in 2018, 27 cities have improved their rating, while 20 saw their ratings decrease.
- The report is available for download at this link: www.open-for-business.org/city-ratings-2020

London, 14 May 2020 – Open For Business, a coalition of global companies promoting LGBT+ inclusive societies, released a report today that contains a clear message for cities around the world: LGBT+ inclusion is a key ingredient in urban economic resilience and competitiveness.

New data in the report shows the connections between economic performance and LGBT+ inclusion in cities around the world, and indicates that LGBT+ inclusive cities may be more economically resilient. Data highlights the direct relationship between LGBT+ inclusion and a city’s GDP per capita, innovation potential, ability to attract talent, and quality of life.

In collaboration with Accenture and Brunswick Group, the report also includes the second edition of the Open For Business City Ratings – a guide to which global cities are open, inclusive and economically competitive.

Based on 26 different economic and social inclusion metrics, the City Ratings score cities on a range from “fully inclusive and competitive” (tiers AAA to A), through to those cities whose lack of openness presents political and social risks for businesses and individuals (tiers DDD to E).

Overall, cities are becoming more inclusive and competitive. Since 2018, 27 cities have improved their Rating, while 20 cities now have lower ratings. There are 16 top-tier AAA cities, or “Global Beacons”. Amsterdam received the highest score in the ratings and is celebrated as the world’s most inclusive and competitive city.

Which cities are becoming more inclusive and competitive?

Cities with improved ratings include Istanbul (C), Cairo (DDD), Sydney (AAA), Seoul (BBB), Kuala

Lumpur (CC), Warsaw (BB), Quito (C), Munich (AA), Milan (BB) and Atlanta (AA).

Which cities became less inclusive and competitive?

Cities with lower ratings include Cape Town (CCC), Johannesburg (CC), Dubai (DDD), Manila (CC), Jakarta (DD) and Madrid (A).

Which cities are leading their regions?

- **Amsterdam** was the top-performing city in the world, with a AAA rating.
- Cities in the US and Canada with conversion therapy bans outperform others. This includes **New York City**, which was 2018's top performer.
- **Tel Aviv** was the highest rated city in the Middle East & Africa, achieving a BBB rating.
- **Hong Kong and Taiwan** performed the best in Asia Pacific, outside of Australia and New Zealand. They achieved A ratings, notably outperforming **Singapore**, which achieved a BB rating
- **Prague** and **Tallinn** both received a BBB, the highest rating in Central and Eastern Europe.
- **Buenos Aires, Montevideo, and Santiago** were the highest performers in Latin America & the Caribbean, receiving a BB rating.

The ratings for 144 cities around the world are presented below:

City is inclusive and competitive						
Global Beacon	AAA	Amsterdam	Berlin	Boston	Chicago	Copenhagen
		Dublin	Helsinki	London	New York City	San Francisco
		Stockholm	Sydney	Toronto	Vancouver	Washington DC
		Zurich				
Prime	AA	Atlanta	Auckland	Basel	Bern	Birmingham
		Brussels	Calgary	Dallas	Edinburgh	Geneva
		Glasgow	Houston	Los Angeles	Melbourne	Minneapolis
		Montreal	Munich	Oslo	Ottawa	Paris
		Vienna				
High	A	Barcelona	Belfast	Brisbane	Frankfurt	Hamburg
		Hong Kong	Luxembourg	Lyon	Madrid	Perth
		Stuttgart	Taipei	Wellington		
City is partially inclusive and competitive						
Upper Medium	BBB	Lisbon	Prague	Seoul	Tallinn	Tel Aviv
		Tokyo				
Medium	BB	Euenos Aires	Ljubljana	Milan	Montevideo	Osaka
		Rome	Santiago	Singapore	Vilnius	Warsaw
Lower Medium	B	Athens	Bangalore	Budapest	Eusan	Medellin
		Nagoya	Riga	San Jose	São Paulo	
Low	CCC	Bogotá	Bratislava	Bucharest	Cape Town	Guadalajara
		Mexico City	Mumbai	Rio De Janeiro	Sofia	Wroclaw
		Zagreb				
Low	CC	Bangkok	Belgrade	Brasilia	Delhi	Durban
		Ho Chi Minh City	Johannesburg	Kuala Lumpur	Manila	Monterrey
		Panama City				
Low	C	Abu Dhabi	Beijing	Chennai	Hyderabad	Istanbul
		Lima	Quito	Shanghai	Tbilisi	
City is not inclusive or competitive						
Medium Risk	DDD	Amman	Asunción	Doha	Dubai	Guangzhou
		Hanoi	Kiev	Kingston	La Paz	Moscow
		San Salvador	Santo Domingo	Skopje	Tirana	Tunis
Substantial Risk	DD	Nur-Sultan	Casablanca	Chongqing	Colombo	Guatemala City
		Jakarta	Kuwait City	Minsk	Phnom Penh	Sarajevo
		St Petersburg				
High Risk	D	Baku	Cairo	Dhaka	Nairobi	Rabat
		Tegucigalpa	Yangon			
Closed	E	Addis Ababa	Dakar	Dares Salaam	Lagos	Tehran

Femke Halsema, Mayor of Amsterdam, said:

I am proud that Amsterdam is the highest rated city in the Open For Business City Ratings 2020. 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. The evidence in this report shows that this dedication to inclusion goes hand-in-hand with economic resilience and competitiveness in cities around the world. 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.

Ellyn Shook, Chief Leadership & Human Resources Officer of Accenture, said:

To emerge stronger in a post pandemic world, organizations and communities will need to rely on human ingenuity more than ever. That means not only having diverse individuals and ideas at the table, but going further to ensure a culture of equality for all, where people feel

they truly belong and have equal opportunities to advance and contribute. This report provides invaluable insights to both city officials and organizational leaders as they consider ways to become more inclusive – not just for their LGBT+ residents and employees, but for the benefit and prosperity of all.

Jon Miller, Founder of Open For Business and Partner at Brunswick Group, said:

What we're seeing is continued polarisation – many cities making progress to being more inclusive and competitive, but many sliding backwards.

LGBT+ Inclusion and City Competitiveness and Resilience

LGBT+ inclusive cities see a competitive advantage in three main areas:

- **Innovation** – the capacity to foster innovation is a key driver of city competitiveness
- **Talent and Skills** – cities with residents who have advanced education and high-level skills are better able to compete in today's global economy
- **Quality of Life** – providing a good quality of life is essential for cities seeking to compete on the world stage

These propositions, established in Open For Business's 2018 report "Strengthening the Economic Case", are further developed in this report. The new data finds that a one-point increase in a ten-point scale measuring a city's social attitudes toward LGBT+ people¹ suggests:

- A \$2,800 increase in GDP per capita. Additionally, for cities less reliant on the extractives industry, a one-point increase in the Social Attitude score suggests a \$4,600 increase in GDP per capita.
- A 43-point (out of 495) increase in the 2ThinkNow Innovation Index.
- A 20-point (out of 217) increase in the Mercer Quality of Life rating.

Additionally, 14 of 15 cities designated a "Talent Hotspot" in JLL's latest Innovation Geographies report are rated *fully inclusive and competitive*.

The analysis also shows that economies which are more LGBT+ inclusive may be better placed for recovery. Specifically, there is a strong positive correlation – 0.67 – between LGBT+ inclusion, measured by the Williams Institute's Global Acceptance Index (GAI), and economic resilience, measured by the FM Global Resilience Index. This suggests that LGBT+ inclusion could be a key ingredient for cities as they look toward economic recovery.

Regional City Rating Highlights and Trends

Africa & the Middle East

Three cities have become more inclusive and competitive and five have become less inclusive and competitive. Tel Aviv receives the region's highest rating, BBB.

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

¹ The Social Attitude score is a composite of four individual metrics in the City Ratings. It approximates the city's social acceptance of LGBT+ people. The maximum Social Attitude score is 9.9, the minimum is 1.0 and the mean is 6.4

Cape Town, Johannesburg, and Durban are all strong regional performers. But as violence and discrimination against LGBT+ people persist at high levels and the economic environment worsens, they perform worse than they did in 2018.

- **Tel Aviv is the clear leader, but questions about “pinkwashing” persist**

The city’s strong start-up scene and growing support for a conversion therapy ban make it the region’s most inclusive and competitive city. However, many LGBT+ activists contend that progressive policies towards 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**

The city is rated C, driven by a strong innovation score. Additionally, the new mayor publicly supported Istanbul’s Pride Parade for the first time, even while it was broken up by state police forces.

- **Dakar became less open for business, driven by social attitudes**

The city had the sharpest drop in social attitudes, leading to it receiving the worst possible rating.

Yvonne Muthoni, Kenya Country Director for Open For Business, said:

Africa stands to gain economically when inclusion is felt by citizens of all her countries. In South Africa, where the laws are supportive of LGBTIQ+ inclusion, LGBTIQ+ people still suffer injustices and unequal access to safety. This has seen South African cities drop in the city ratings. It is also evident that those cities that improved on their LGBTIQ+ social attitudes saw a significant gain in their competitiveness. There is no doubt that a country that is inclusive of all her citizens regardless of sexual orientation or gender identity and expression stand to gain economically, therefore bridging the gap and becoming a stronger global economic player.

Asia Pacific

Ten cities have become more inclusive and competitive and five have become less inclusive and competitive. Sydney is the region’s leader and only AAA city.

- **Hong Kong and Taipei break into the upper echelon.**

They are the only cities in the region outside of Australia and New Zealand to be considered inclusive and competitive. Hong Kong has seen various LGBT+ rights victories over the past year. These, coupled with strong human capital and innovation scores, give it an A rating. However, increased crackdowns on civil liberties cast doubt on how long this rating will last.

China Taiwan famously became the first region in Asia, outside of Australia and New Zealand, to legalise marriage equality in May 2019. Taipei has benefited from this and strong innovation and business environment scores to receive its A rating.

- **Singapore remains partially inclusive and competitive.**

Despite high competitiveness scores, the city does not break into the top-tier of cities and notably receives a lower rating than Hong Kong. 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.

- **Kuala Lumpur – enduring changes or a false dawn?**

The city has seen improvements its civil liberties and rule of law, against a backdrop of worsening conditions for LGBT+ people. Time will tell if Kuala Lumpur continues to become more inclusive and competitive, or whether recent progress is a false dawn.

Deryne Sim, Spokeswoman for Pink Dot Singapore, said:

While there is no question that Singapore is one of the more competitive economies in the world, it is regretful that Singapore insists on holding on to archaic laws like S377A which foster a raft of discriminatory policies, including the refusal to recognise LGBT unions and families. As we enter into a new world and economy altered by the impact of Covid-19, it remains to be seen if Singapore can retain its economic competitiveness while holding back vital social progress and enforcing discriminatory practices.

Central and Eastern Europe

One city has become more inclusive and competitive and one has become inclusive and competitive. Prague and Tallinn are the region's leaders, receiving BBB ratings.

- **Warsaw is a beacon of LGBT+ inclusion in Poland.**

Poland has recently become synonymous with LGBT+ discrimination, with "LGBT+ free zones" established in almost a third of the country. Against this dark and worsening backdrop, Warsaw stands as a relative beacon of liberalism and LGBT+ inclusion. This is reflected by its BB rating, and through clear actions from the mayor, such as joining the Pride parade for the first time to signing an LGBT+ Declaration.

- **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.

Slava Melnyk, Executive Director of Campaign Against Homophobia, an advocacy group based in Warsaw said:

Being inclusive pays off. We are glad to see Warsaw's improved ranking this year, but realise we have a lot more work to do to become a fully open city. We hope this report influences local businesses as well as government leaders to think more openly and inclusively in their actions and policy making.

USA and Canada

Five cities have become more inclusive and competitive. None have become less inclusive and competitive. There are seven AAA cities, including Boston, Chicago, New York, San Francisco, Toronto, Vancouver, and Washington DC.

- **Cities are leading the way.**

Many of these cities have maintained or improved upon their high ratings despite national trends, especially in the USA, that are moving toward isolationism and increasing discrimination against LGBT+ people, especially against trans people.

- **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 and to the AAA status. In Atlanta, a ceremonial ban in the form of a city council admonition helped move it to the AA category. Minneapolis strengthened its AA rating by enacting its own ban, even though state-wide legislation failed in 2019. 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.

Amit Paley, CEO of the Trevor Project, said:

LGBTQ-inclusive policies produce positive outcomes for the health of our communities and our economy. That's why it is not only morally imperative, but economically prudent for cities to protect LGBTQ young people from the dangers of conversion therapy. The Trevor Project urges elected officials to end this discredited practice and to foster the creation of safe, affirming environments for LGBTQ young people everywhere.

Latin America & the Caribbean

One city has become more inclusive and competitive and six have become less inclusive and competitive. Buenos Aires, Montevideo, and Santiago are the top performers, receiving BB ratings.

- **Inclusive cities are the highest performers, but many challenges exist.**

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 shows that the region has the strongest correlation between social inclusion and economic competitiveness. The region's high level of corruption and populist policies and its high levels of violence against LGBT+ people keep its cities from achieving inclusive and competitive status.

Emilio Maldonado, Founder of Pride Connection Chile, said:

While Latin America's emerging economies seek to attract more foreign investment and capital and aim to improve the living conditions of its inhabitants, some are making small efforts to include LGBT people in the economy. However, these efforts have not been equal across all business hubs in the region. To change this, the private sector can take the lead, but legislators must act to ensure the end of discrimination towards the LGBT community.

Western Europe

Eight cities have become more inclusive and competitive and two have become less inclusive and competitive. There are eight AAA cities, including Amsterdam, Berlin, Copenhagen, Dublin, Helsinki, London, Stockholm, and Zurich.

- **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 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 legalise same-sex marriage in 2000, Amsterdam is an inclusive city with a mayor who is vocally supportive of LGBT+ inclusion. 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+.

David Pollard, Executive Director of Workplace Pride in Amsterdam, said:

The dynamic and LGBTI-inclusive working environment in Amsterdam continues to be a significant advantage for the private, public sector and civil society organisations operating here. More importantly, this symbiotic relationship provides our community a place to thrive and to be our authentic selves which empowers us to help LGBTI people all over the world. Workplace Pride is proud to be part of this welcoming landscape. We congratulate the city for their vision, honesty and perseverance that has led to this great honour!