

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.

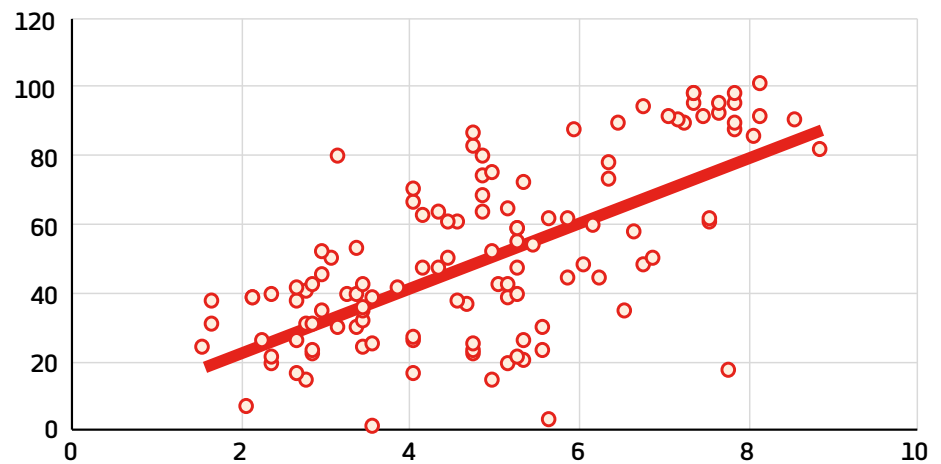


Chart 1: The social acceptance of a country (x axis) from the Williams Institute's Global Acceptance Index vs. the country's score on the FM Global Resilience Index (y axis). 120 countries are included.

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