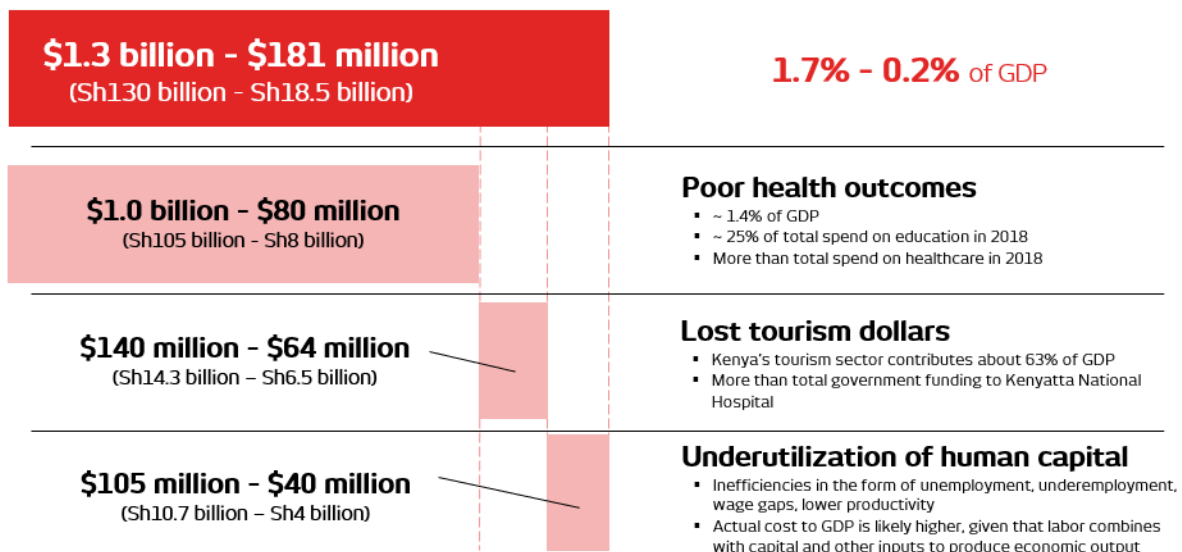


New research shows LGBT+ discrimination is costing Kenya between \$181 million to \$1.3 billion per year, demonstrating the catalytic power of LGBT+ inclusion in helping Kenya achieve its economic goals

Every year, LGBT+ discrimination costs Kenya:



Nairobi, Kenya, 25 February 2019 – Open For Business, a coalition of global companies making the case that inclusive and diverse societies are better for business and economic growth, released new research today which found that LGBT+ discrimination is costing Kenya between \$181 million to \$1.3 billion (Sh18.5 billion and Sh130 billion) per year, or 0.2% to 1.7% of Kenya’s annual Gross Domestic Product (GDP). This is equivalent to roughly 30% of the Government’s total spending on education and 144% of its spending on health in 2018¹.

The cost of LGBT+ discrimination for Kenya can be broken down into the following elements:

- **Lost tourism dollars:** Kenya’s tourism industry, which dominates the services sector that contributes about 63% of GDP, is missing out on \$64 million to \$140 million (Sh6.5 billion to Sh14.3 billion) per year in revenues. This is more than the total amount of government funding provided to Kenyatta National Hospital².
- **Healthcare costs:** Poor health outcomes, particularly the prevalence of depression and HIV/AIDS, from LGBT+ discrimination is costing Kenya approximately \$1.0 billion (Sh105 billion) per year, or 1.4% of GDP. This is equivalent to about 25% of the total amount spent by Kenya on education in 2018 and it is more than the total amount spend on healthcare³.

¹ <http://www.treasury.go.ke/component/jdownloads/send/198-2018-2019/890-budget-highlights-2018-19.html>

² <http://www.treasury.go.ke/component/jdownloads/send/198-2018-2019/890-budget-highlights-2018-19.html>

³ <http://www.treasury.go.ke/component/jdownloads/send/198-2018-2019/890-budget-highlights-2018-19.html>

- **Underutilisation of human capital:** From an economic standpoint, inefficiencies in the form of unemployment, underemployment, wage gaps and lower productivity caused by LGBT+ discrimination is costing Kenya \$105 million (Sh10.7 billion) per year. The actual cost to GDP is likely higher, given that labour combines with capital and other inputs to produce economic output.

In the Open For Business report published in 2018 at the World Economic Forum at Davos, which also established the Open For Business City Ratings that scored cities on how inclusive, progressive and economically competitive they are, Nairobi was rated “D” and this means that Kenya is not “open for business”.

In particular, the report found that the following nine propositions, out of the 27 that make up the business and economic case for LGBT+ inclusion, apply especially strong to Kenya:

- **Economic Performance**
 1. **Foreign Direct Investment:** Open and inclusive societies are more likely to attract higher levels of Foreign Direct Investment (FDI).
 2. **Public health:** A more inclusive society will lead to a healthier, more productive economy for everyone.
 3. **Urban Economic Development:** As Kenya continues to rapidly urbanise, a transition to high-value service industries is needed to create jobs for this shifting population. Openness and inclusion will help create the environment for urban economic growth.
 4. **National Productivity:** Open and inclusive environments have higher levels of national productivity and more efficient allocations of human capital.
 5. **National Reputation:** National reputation underpins Kenya’s ability to attract talent and investment, to drive tourism, and to grow exports. Discrimination can undermine national reputation.
- **Business Performance**
 6. **Brand Strength & Customer Orientation:** Diverse and inclusive brands position themselves as progressive, global brands, which builds their brand strength. Inclusive companies are also better able to serve a diverse customer base.
 7. **Attracting & Retaining Talent:** Companies that are truly inclusive are more successful in attracting and retaining talented employees.
 8. **Corporate Governance:** Companies that have higher levels of diversity at board level have stronger corporate governance.
 9. **Financial Performance:** Companies that are diverse and LGBT+ inclusive have better share price performance. Improving diversity by through LGBT+ inclusion may further strengthen share price outperformance.

The full report can be found here: <https://open-for-business.org/research>.

Kenya’s economic opportunity

The modernisation of Kenya’s economy is a top priority for the country’s administration and the government’s development plan is set out in Vision 2030, which aims to create “a globally competitive and prosperous country with a high quality of life by 2030.”

Compared to the various South African or Indian cities in the Open For Business City Ratings, which may be competitors, Nairobi underperforms with a “D” rating, indicating to businesses and highly-skilled individuals that there may be more diverse, inclusive cities to invest in and move to.

The report showed that to become a thriving economy and to achieve the goals laid out in Vision 2030, Kenya should foster a culture of openness, embrace diversity, and present an inclusive, progressive image to the world. LGBT+ inclusion can give Kenya an economic boost, helping Kenya to reach its goal of more than tripling its per capita income by 2030.

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, 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 demonstrates inclusion is better for business and better for economic growth.

About the report

Open For Business published this report with the aim of presenting a comprehensive evidence base for LGBT+ inclusion in Kenya, in order to demonstrate that successful businesses thrive in diverse, inclusive societies and the spread of anti-LGBT+ policies run counter to the interests of business and economic development. The report brings together a broad base of research undertaken from different perspectives and identifies themes that are globally relevant. It draws upon the global evidence base developed by Open For Business and localises the economic and business case to the context of Kenya.

The report sets out the evidence that will empower those making the case against LGBT+ discrimination. For those in a corporate environment, it provides a strong business rationale that LGBT+ inclusion. For those working on national economic policy, it provides evidence of the link between economic outcomes and a culture of openness and inclusion. For those seeking to end discrimination based on sexual orientation or gender identity, this report shows how LGBT+ inclusion is not a cultural issue, is a business and economic issue.

Research in Kenya was undertaken by **David Kuria Mbote** from **DK Consulting** and **Roseline Njogu** and **Dr Eric Kibet** from **Lexlink**. The Open For Business team undertook the final analysis and writing of the report, led by **Drew Keller**, Open For Business Global Program Director. Contributing authors include **Ann-Kathrin Richter** and **Ruairidh Macintosh** of the Brunswick Group. **Yvonne Muthoni** is the Open For Business Kenya Program Director in Nairobi.

Jon Miller is the Founder and Executive Editor of Open For Business. Companies supporting Open For Business contributed their perspectives and expertise on the business case for LGBT+ inclusion at a global level, and many have shared their experience of these issues in the context of Kenya.

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. The Research Advisory Board consists of the following members:

- M.V. Lee Badgett, Professor of Economics, University of Massachusetts Amherst
- Suen Yiu Tung, Founding Director of Sexualities Research Program, Chinese University of Hong Kong
- Felicity Daly, Honorary Research Fellow, Australian Research Centre in Sex, Health & Society at LaTrobe University, Australia
- Matteo Winkler, Professor of Law, HEC Paris
- Paul Jansen, Senior Advisory for Global Advocacy, OutRight

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