

New study finds countries with more rights for LGB people enjoy higher GDP per capita

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Research on 45 years of legal and economic data for 132 countries by international team shows the addition of one right for LGB people is associated with over \$2000 in GDP per capita

A new study published by researchers at the University of Massachusetts Amherst, Rutgers University and Leiden Law School has found that nations offering more rights to lesbian, gay and bisexual people enjoy significantly higher per capita GDP than those who trail in LGB equality, and that nations fostering exclusion of LGB people are causing harms to their economies. The study, "The Relationship between LGBT Inclusion and Economic Development: Macro-Level Evidence," appears online in the journal *World Development*.

The researchers used legal and [economic data](#) for 132 countries from 1966-2011, including the eight-point Global Index on Legal Recognition of Homosexual Orientation (GILRHO), to assess how economic harms caused by limitations of LGB rights – such as lost labor time, lost productivity, underinvestment in [human capital](#) and the inefficient allocation of human resources – are related to the macroeconomy. The GILRHO index, created by Dutch law professor and study co-author Kees Waaldijk, covers eight categories of legal recognition and protection for LGB people, such as decriminalization, anti-discrimination and partnership recognition, assigning each right with one point. The researchers found that the addition of just one additional point on the GILRHO scale is associated with an increase in real GDP per capita of just over \$2000, and that estimates of the cost of exclusion suggest that 6-22 percent of this sum "could plausibly reflect the GDP costs of excluding LGB individuals from a full range of legal rights."

"All over the world LGBT people face discrimination in the labor market, harassment and bullying in education and stresses that harm their health. This treatment diminishes their ability to contribute to the economy, and the economy suffers when countries fail to recognize their rights," says lead author M.V. Lee Badgett, professor of economics and public policy at UMass Amherst and distinguished scholar at the UCLA Williams Institute on Sexual Orientation Law and Public Policy.

"Human rights already provide strong arguments for full LGBT equality, and over the last few decades they have contributed to increasing legal recognition in many countries," says Waaldijk, professor of comparative sexual orientation law at Leiden University. "The economic argument for equality, based on the economic effect of LGB inclusion as tested in this study, can widen and deepen the global legal trends captured in the GILRHO index."

The study's findings are higher than previous estimates; in 2014, the researchers released a study based on a limited sample of emerging economies that found a \$320 increase in per capita GDP per GILRHO point.

"Many people, including policymakers, may turn a blind eye to the moral argument against discrimination against LGBT individuals. But if the economy is brought up, they are more likely to use money rather than morals to justify reforming policies to protect LGBT rights," says co-author Yana van der Meulen Rodgers, professor of women's and gender studies at Rutgers University. "Policymakers want to see the numbers, so here are the numbers that show the economic effect. Here's evidence they can use to support change."

The researchers conclude that the results from this study can help development agencies and other stakeholders to better understand "how the fuller enjoyment of human rights by LGBT people can contribute to a country's [economic development](#)."

The study notes that the empirical analysis uses legal rights of LGB people to represent LGBT inclusion. "Unfortunately we do not have multi-year data on the actual social position of LGBT people across the world, nor do we have a multi-year dataset on the legal rights of transgender people in many countries," the researchers clarify.

"Accordingly, we remove the 'T' from LGBT to acknowledge our shift in

focus to LGB rights."

More information: M.V. Lee Badgett et al. The relationship between LGBT inclusion and economic development: Macro-level evidence, *World Development* (2019). [DOI: 10.1016/j.worlddev.2019.03.011](https://doi.org/10.1016/j.worlddev.2019.03.011)

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