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# THE ECONOMIC COST OF H O M O P H O B I A

& the Exclusion of LGBT People: A Case Study of India

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**M. V. Lee Badgett, Ph.D.**

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Preliminary results—please do not cite



S O G I

SEXUAL MINORITIES  
AND DEVELOPMENT

**THE WORLD BANK** 



S O G I |

SEXUAL MINORITIES  
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# Key points

- **A model:** Homophobia and economic development are closely connected through multiple links.
- **A case study:** A focus on India allows an estimate of the cost of homophobia, although not all costs can be quantified:  
**0.1 – 1.7% of GDP**
- **Future directions:** We need more data, research, and development attention on LGBT exclusion.



# Methodological issues

- Big conceptual issue: Local vs. global identities
- Data challenges
- Expanding international scholarship



# HOMOPHOBIA

**Violence**

**Prison**

**Job loss**

**Discrimination**

**Family rejection**

**Harassment in school**

**Pressure to marry**



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## Research from India

### **Discrimination**

56% of white-collar LGBT workers report discrimination

### **Poverty**

64% of Kothis had incomes below \$70 per month

66% of MSM in Chennai below \$1.50/day

### **Violence**

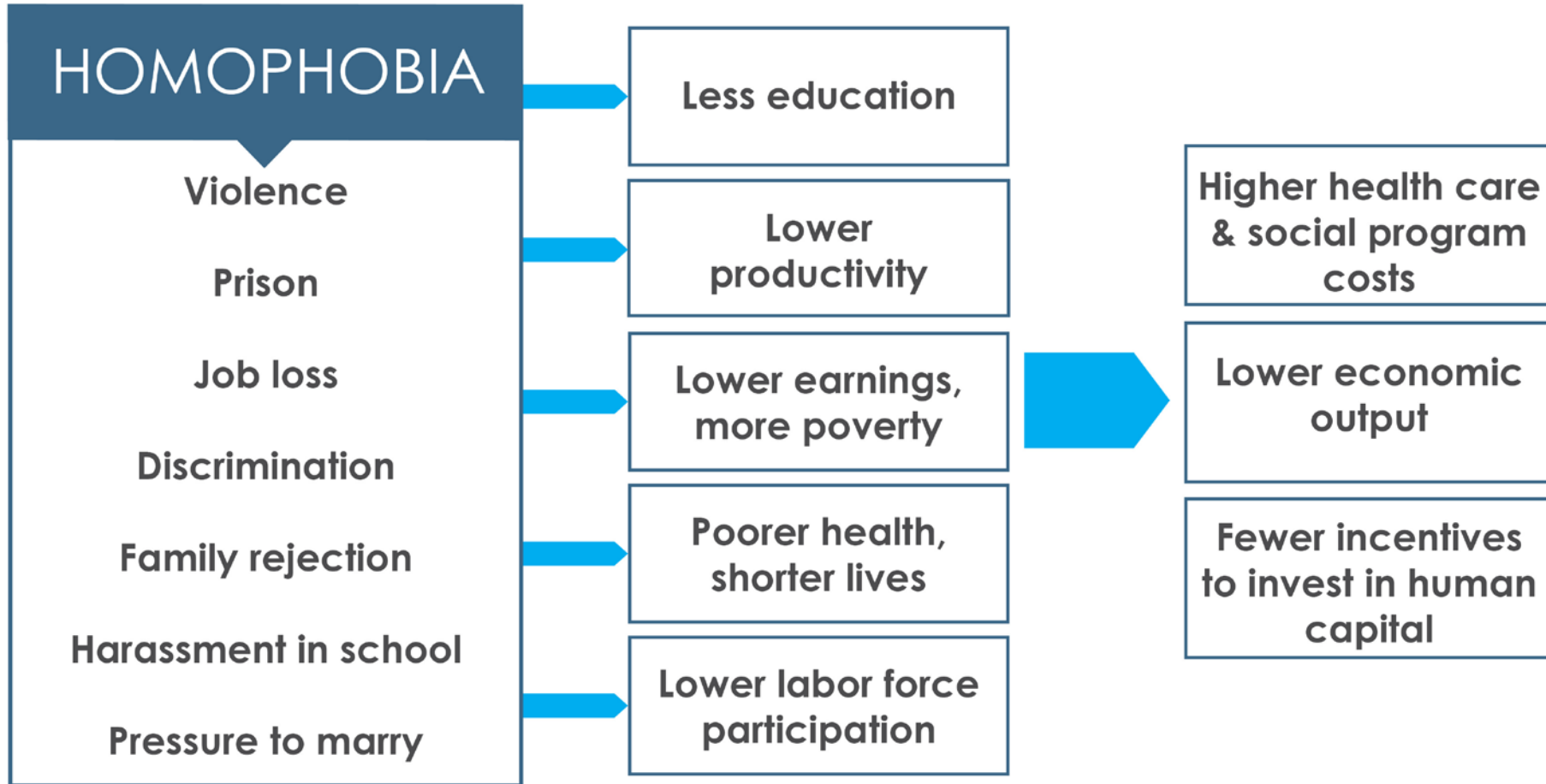
28% of urban lesbians experienced physical abusive violence in family



## Social Exclusion

## Individual-level outcomes

## Economy-level outcomes



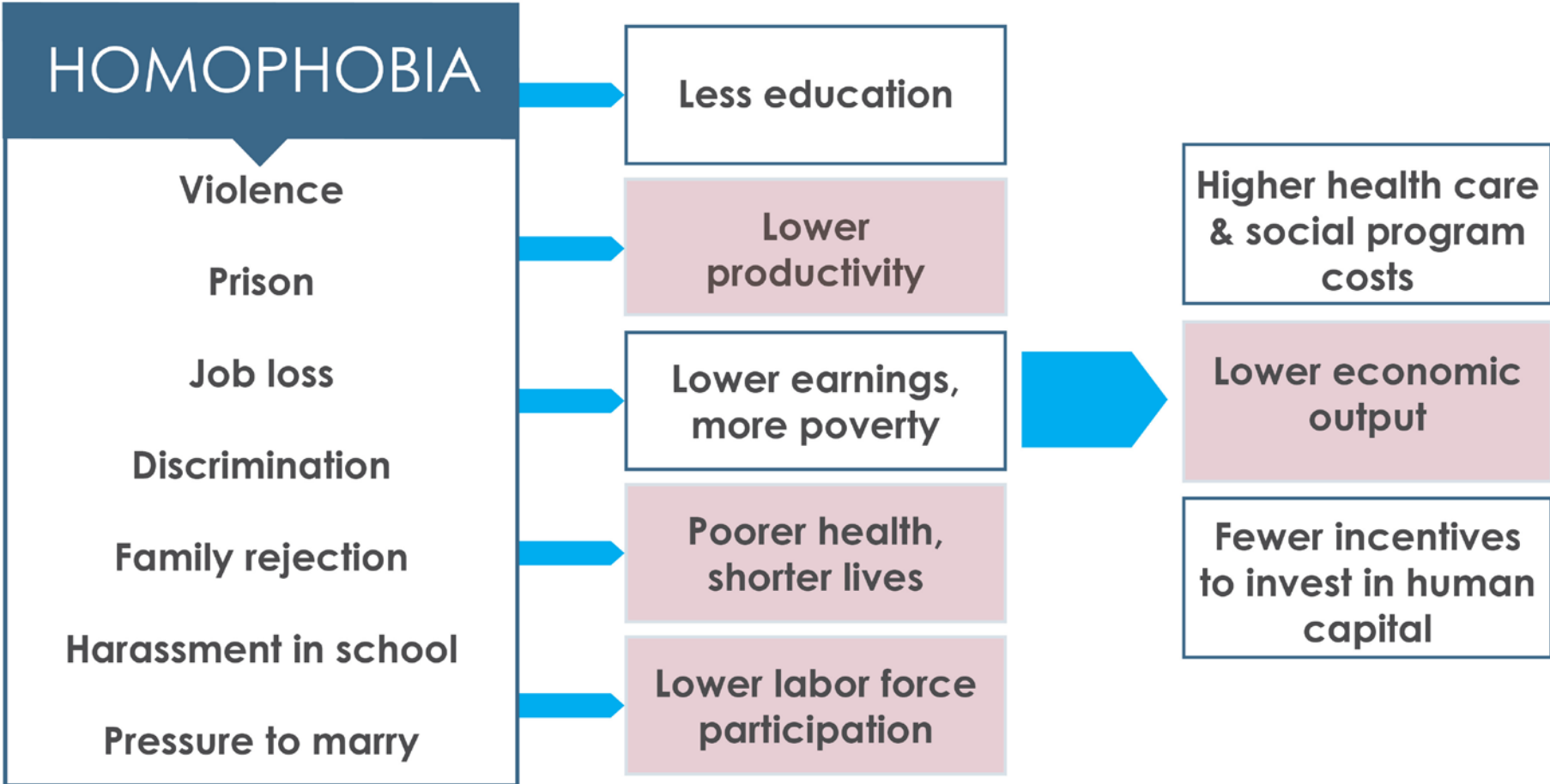




## Social Exclusion

## Individual-level outcomes

## Economy-level outcomes



# ESTIMATED COSTS OF HOMOPHOBIA

Using India as a case study

## LOST PRODUCTIVITY



X



## LGBT WORKFORCE

X   
**3 MILLION**  
0.6% of workforce is LGBT

X   
**17 MILLION**  
3.8% of workforce is LGBT

## LOST LABOR OUTPUT

=   
**\$244**  
MILLION DOLLARS

## LOST GDP

→   
**\$1.25**  
BILLION DOLLARS

=   
**\$1.5**  
BILLION DOLLARS

→   
**\$7.7**  
BILLION DOLLARS





# Lost output from health disparities: HIV, depression, suicide

- **Depression:** MSM rates 6-12 times population rate of 4.5% from the World Mental Health Survey
- **Suicidal thoughts:** LGBT Rates 7-14 times population rate of 2.1% from developing countries
- **HIV:** HIV prevalence among MSM is 15 times population rate



# Estimating lost output from health

- Disability-adjusted life years (DALYs) lost per health condition by country
- **“Excess DALYs” = number of current LGBT DALYs minus expected DALYs at population rate**
- **Each excess DALY valued at 1 - 3 times per capita national income (\$1,530-\$4,590 in 2012)**



# Health cost of homophobia in India, 2012

	Low estimate	High estimate
HIV disparity	\$228 million	\$683 million
Depression	\$184 million	\$8.8 billion
Suicide	\$300 million	\$13.7 billion
<b>Total</b>	<b>\$712 million</b>	<b>\$23.1 billion</b>

# Partial cost of homophobia in India, 2012

	Low estimate	High estimate
Health disparities	\$712 million	\$23.1 billion
Labor-related loss	\$1.2 billion	\$7.7 billion
<b>Total</b>	<b>\$1.9 billion</b>	<b>\$30.8 billion</b>
% of GDP	0.1%	1.7%

*Projected annual IBRD lending to India: \$3.4 billion*



# Below the tip of the iceberg

- Other costs cannot be modeled with current data: ***education, emigration, costs to families***
- Broader positive effects of inclusion: ***increase attraction to skilled labor, investment, widening options for women, savings on health and other costs***



# Next steps: broadening & deepening

- Invest in data
- Research priorities: focus on poverty
  - Identifying problems
  - Evaluating existing interventions
  - Develop new policies and interventions
- Research infrastructure
- Replicate in other countries