



INVESTING IN AFRICA

The High Cost of Discrimination Against LGBT Persons

Over the past 14 years, trade between the United States and Africa has grown exponentially, largely fuelled by the oil trade.¹ In 2013, according to the International Monetary Fund, sub-Saharan Africa was the second-fastest growing region in the world, economically, with the strongest growth in oil-exporting countries.²

While increased trade between the United States and Africa brings prosperity to some, the continued and growing discrimination experienced by individuals due to their real or perceived sexual orientation or gender identity means many millions are excluded from the economic benefits of this trade.

While the recent global outcry over the further criminalization of acts associated with homosexuality in Uganda and Nigeria have been widely reported by the news media, most other sub-Saharan African countries penalize individuals because of their real or perceived sexual orientation or gender identity, including through prohibitions of impersonation, sodomy, or ill-defined “indecent” and “crimes against the order of nature.” Potential

prison sentences range from 1 to over 14 years.

These laws force lesbian, gay and trans (LGBT) individuals away from health care, medical treatment, education, jobs and even housing. As a result, they are overrepresented among the under-educated, underemployed, and homeless.

Exclusion and discrimination also has an economic cost: for individual businesses and for governments.

Recent World Bank research³ from India confirms that violence against persons because of their real or perceived sexual orientation or gender identity also carries real cost for a country’s economy: lowering per capita Gross Domestic Product (GDP), and generating unnecessary health costs.

In addition, emerging academic research from South Africa suggests that multinational corporations lose when some of their employees cannot rise

to positions where skills are needed, without risking their personal safety. Even where local employment laws protect against discrimination, the lack of police protection against vigilante violence generates a climate where companies are forced to ignore their own employment policies to protect the safety of their employees.

In addition, violence motivated by discrimination – such as domestic violence – has a significant productivity cost. For example, domestic violence costs businesses US\$1.8 billion annually in the U.S. alone.⁴ The loss of productivity due to violence based on homophobia or transphobia is no less costly.

To accurately assess the opportunities for trade, investment and growth in Africa, the multi-layered cost of LGBT exclusion must be addressed.

The discrimination experienced by LGBT people must also be a key component of

¹ Business Leadership South Africa, “Business Leadership South Africa Submission on the AGOA Trade and Investment Performance Overview to the US International Trade Commission, Investigation No. 332-542,” 21 January 2014.

² Antoinette M. Sayeh, “Africa: Second Fastest-Growing Region in the World,” June 10, 2013 on iMFDirect <http://blog-imfdirect.imf.org/2013/06/10/africa-second-fastest-growing-region-in-the-world/> (accessed on July 18, 2014).

³ M.V. Lee Badgett, Ph. D., “The Economic Cost of Homophobia & the Exclusion of LGBT People: A Case Study of India,” February 2014, preliminary results found at <http://www.worldbank.org/content/dam/Worldbank/document/SAR/economic-costs-homophobia-lgbt-exclusion-india.pdf> (accessed on July 15, 2014).

⁴ National Center for Injury Prevention and Control, “Costs of Intimate Partner Violence Against Women in the United States,” Centers for Disease Control, March 2003, p. 2.

any discussion about reauthorization of the Africa Growth and Opportunity Act (AGOA) in 2015.

Finally, reflecting the imperative established by President Obama's 2011 memorandum to advance the human rights of LGBT persons worldwide, the United States Trade Representative (USTR) must actively combat the criminalization of LGBT individuals through its engagement on trade and investing on the continent.⁵

THE INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION RECOMMENDS THESE KEY ACTIONS:

To the White House:

- Publicly clarify that any legal discrimination based on real or perceived sexual orientation or gender identity runs counter to AGOA eligibility requirements.⁶
- Demand guarantees from African governmental trade partners that all alleged attacks on LGBT persons will be fully, independently, and fairly investigated, and that perpetrators will be brought to justice.
- Require the USTR Africa Office to develop a plan for how it will implement the Presidential Memorandum to Advance the Human Rights of Lesbian, Gay, Bisexual, and Transgender Persons.

To U.S. based corporations which now operate or are considering operating in Africa:

- Adopt and implement LGBTI-inclusive personnel policies⁷ for all staff, regardless of nationality or location.
- Recognize same-sex couples and their families with full, equal access to all company benefits, also for those who are stationed in Africa.
- Ensure that global health coverage includes complete health benefits for transgender employees.
- Work with USTR's Africa Office to address the productivity cost of homophobia and transphobia in all trade talks.

July 2014

FOR MORE INFORMATION, PLEASE CONTACT:

In Johannesburg, South Africa
Shehnilla Mohamed
Africa Regional Coordinator
Email: smohamed@iglhrc.org
Phone: +27 11 486 9345

In New York, U.S.A.
Marianne Møllmann
Director of Programs
Email: mmollmann@iglhrc.org
Phone: +1-212-430-6051

⁵ Presidential Memorandum to Heads of Executive Departments and Agencies on International Initiatives to Advance the Human Rights of Lesbian, Gay, Bisexual, and Transgender Persons, December 6, 2011, <http://www.whitehouse.gov/the-press-office/2011/12/06/presidential-memorandum-international-initiatives-advance-human-rights-1> (accessed on July 18, 2014), in particular sections 1 and 5.

⁶ Africa Growth and Opportunity Act of 2000, Pub. L. No. 106-200, § 104(1)(B).

⁷ See Out and Equal's workplace resources for a guide on LGBTQI inclusive work environments and personnel policies. <http://outandequal.org/steps-to-equal-workplace> (accessed on July 15, 2014).