

Inequality of Rights

—How Discrimination Against Sexuality Affect Economic Growth in China

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Abstract: This article delves into the economic implications arising from discrimination based on sexual orientation in China, a country with an estimated 70 million individuals who identify as lesbian, gay, bisexual, or transgender (LGBT). Despite substantial advancements in social and economic spheres, China still grapples with inequality and discrimination against the LGBT community. This discrimination takes various forms, including exclusion, bullying, and harassment, and not only violates fundamental human rights but also has the potential to undermine sustainable economic growth. The article analyzes the possible economic impact of this significant LGBT demographic by examining its effects on individuals, businesses, and society as a whole. It sheds light on the adverse consequences of such discrimination on diverse groups within Chinese society and considers how this collective impact could impede China's progress in terms of economic development. By recognizing the complex relationship between inequality in rights and economic advancement, this article highlights the critical need to foster an inclusive and prosperous future that benefits all segments of Chinese society.

Keywords: Sexual Orientation, Discrimination, LGBT Rights, China, Economic Growth

1. Introduction

Discrimination against individuals based on their sexuality remains a grave global issue. Varied sexual orientations are encapsulated under the LGBT acronym, representing lesbian, gay, bisexual, and transgender identities. Worldwide, LGBT communities confront exclusion through discrimination, bullying, and harassment. Denying equal rights based on sexual orientation not only violates fundamental human rights but also hampers sustainable economic growth potential.

In China, despite considerable progress in other social and economic realms, this issue endures. A 2017 study anticipated approximately 70 million LGBT individuals in China, nearly tenfold the count of those in extreme poverty.[1] This statistic prompts a pertinent query: Can this significant LGBT demographic impact China's economic growth?

This essay probes this question by exploring the rights disparity and how China's sexual orientation discrimination affects its economic advancement. Through examining individual, business, and societal dimensions, the essay aims to spotlight the adverse repercussions of discrimination on diverse Chinese groups and how this could collectively undermine economic growth. Comprehending the

interconnectedness of rights inequality and economic progress is pivotal in fostering an inclusive, prosperous future for all segments of Chinese society.

2. Literature Review

Currently, numerous studies investigate the connection between economic growth and LGBT rights. However, very few of these studies focus on China's context.

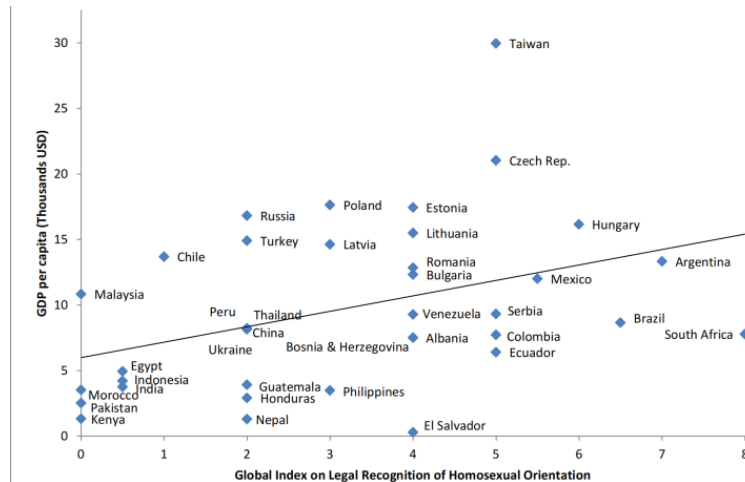


Figure 1: research results

A particular research illustrated that Global Index on Legal Recognition of Homosexual Orientation is positively correlated with GDP per capita, depicted in the accompanying figure. [2] This index quantifies the extent of rights granted to LGBT individuals. While correlation doesn't imply causation, this essay presents compelling evidence that more developed nations tend to exhibit a higher index of LGBT rights.

While the essay establishes a general link between LGBT rights and economic growth, it lacks specific national perspectives. For instance, the graph portrays China positioned precisely along the regression line. However, the author primarily offers limited analysis and suggestions concerning the chosen nations. This essay will thus center on China's case, assessing whether the country could genuinely reap individual and societal benefits from incorporating LGBT groups.

Despite the scant emphasis on China in existing research, numerous surveys have addressed the country's context. One UNDP report furnishes valuable data detailing attitudes towards LGBT individuals and the workplace experiences of LGBT groups in China. This study encompasses both LGBT and non-LGBT employees, yielding substantial quantitative results and qualitative insights into their interactions with colleagues and superiors. [3]

These findings provide a comprehensive understanding of how LGBT individuals are treated and perceived by non-LGBT peers, pivotal when discussing the costs of exclusion and the gains of inclusion. Additionally, the responses and data shed light on the specific categories of rights that LGBT workers may lack.

The limitations of these surveys are quite evident. Despite their large subject pools, the responses remain highly subjective, potentially lacking representativeness. The reactions of LGBT individuals could be influenced by their heightened emotions and memory biases. Furthermore, non-LGBT individuals might not fully grasp the circumstances faced by LGBT individuals who are in the closet. Therefore, this essay will conduct a detailed analysis of select responses.

3. Cost of Exclusion of LGBT: Individual Perspective

In the subsequent paragraphs, the absence of rights for LGBT individuals will be analyzed by incorporating findings and responses from the survey. Additionally, this essay will delve into the heightened costs borne by LGBT individuals compared to others.

LGBT individuals face a deficiency in equal opportunities. The UNDP survey indicates that a mere 5% of LGBT workers in China openly disclose their sexual orientation at the workplace. [3] This statistic starkly highlights that 95% of LGBT workers are unable to showcase their full capabilities or engage seamlessly in social interactions within their professional setting. Consequently, they encounter diminished prospects for advancement, salary increments, and forming workplace connections.

Another fundamental right that is often denied to LGBT individuals is the right to a secure and inclusive work environment. In line with another UNDP study, 20% of LGBT employees in China's workplaces reported facing instances of bullying and harassment. Comparatively, among non-LGBT employees, 10% mentioned witnessing colleagues being dismissed due to gender or sexuality-related issues. [4]

While some might argue that the 20% of LGBT employees encountering workplace bullying in China isn't an alarmingly high number, it's essential to recognize that bullying and harassment represent blatant forms of discrimination. More often than not, discrimination is subtle and challenging to identify, especially when stigmatization is entrenched and exclusion becomes normalized. For instance, within the group of the 80% of LGBT employees who don't perceive discrimination, one respondent provided a thought-provoking insight:

During my tenure at a previous company, I collaborated and engaged in various activities with a group of male colleagues who were also close friends. However, after I confided in them about my sexual orientation as a gay individual, despite their claims of understanding and tolerating diverse perspectives on sexuality, our professional interactions abruptly ceased. [4]

This serves as a prime example of implicit discrimination. Unlike explicit forms like bullying or harassment, which hit like a sudden shock, the implicit discrimination described above acts as a continuous torment, gradually eroding the work environment and mental well-being of LGBT employees.

Having assessed the degree of differential treatment faced by LGBT workers, we can now define the additional costs endured by LGBT individuals.

The most direct cost can be attributed to medical treatment for mental health issues stemming from the lack of social integration and respect at the workplace. Bullying, harassment, restricted promotional opportunities, and the lack of colleague acceptance can induce anxiety and lead to mental disorders such as depression. Research conducted by Liu Huaqing demonstrates that LGBT youth have a threefold higher risk of depression compared to their nationwide peers, with adults experiencing a fourfold increase. [5] The costs related to depression encompass medication and psychological counseling expenses. Furthermore, the loss of work hours and reduced productivity may contribute to individual costs by resulting in lower wages. Additionally, the missed chance to attain higher earnings or advancements represents a considerably more substantial cost that LGBT individuals must bear.

Moreover, the analysis of the opportunity cost for LGBT individuals is of utmost importance. LGBT individuals are compelled to factor in much more considerations when making decisions. Questions about marital status, which are straightforward for most, become exceedingly difficult for LGBT individuals to answer, such as "What's your marital status?" or "How did you spend your weekend?" When responding to such queries, they must weigh whether disclosing their LGBT status

could lead to termination or social isolation. Faced with this significant opportunity cost, the vast majority choose to lie or conceal their identity, resulting in heightened mental strain.

In summary, LGBT individuals encounter discrimination in China's workplaces, leading to a disparity in rights that brings about costs like opportunity cost in decision-making, missed opportunities, and the cost of medical treatment.

4. Cost of Exclusion of LGBT: Company Perspective

Workplace discrimination affects not only LGBT individuals but also the overall company's well-being. This essay will delve into the repercussions of unequal treatment of LGBT individuals on both the recruitment process and the company's overall operations.

Foremost, discrimination directly diminishes the motivation of LGBT employees within the organization. In China, a significant majority of LGBT workers feel compelled to conceal their sexual orientation. According to a survey conducted by Sadie Yang, 71% of LGBT individuals revealed exhaustion from hiding their sexual orientation and gender values. Additionally, 29% of respondents stated that being closeted at work inhibits their innovative contributions and their ability to express their thoughts. [6] Moreover, the impact goes beyond mere inconvenience – a substantial number of LGBT individuals may experience absenteeism or decreased performance at work due to mental health issues stemming from exclusion, as discussed earlier regarding the heightened risk of depression.

Furthermore, discrimination adversely impacts the company's recruitment efforts. Most overtly, discrimination acts as a deterrent for potential LGBT employees to consider joining the company.

While some might contend that the proportion of LGBT individuals in the labor force is relatively small and may not significantly affect the overall company performance, it's crucial to recognize that the company's stance toward LGBT individuals can wield a substantial influence on general recruitment practices and overall performance that extends beyond LGBT groups.

For instance, a company's tolerance toward LGBT individuals can be indicative of a broader commitment to inclusion and diversity. Other groups with a history or potential for discrimination, such as women, ethnic minorities, and people of color, observe how the company treats LGBT groups. Unequal treatment could raise concerns about their own experience within the company, as such exclusion may signal rejection of those who deviate from the norm. This exclusionary behavior might also suggest that the company prioritizes stereotypes and stigmatization over actual worker capabilities, which could demotivate talented individuals from minority backgrounds. Moreover, such discrimination could indicate the company's aversion to differing viewpoints, thereby deterring innovative and unconventional thinkers from joining the workforce.

Discrimination against LGBT individuals can have a noticeable impact on a company's performance. Shanghai-based professor Zhang Wei examined the successful implementation of legislation in the US and proposed that including LGBT workers could drive innovation within Chinese companies. Her research revealed an unexpected outcome: companies located in states where Employment Non-Discrimination Acts (ENDAs) were enacted witnessed an 8% increase in patent filings and an 11% rise in citations to their patents, compared to companies in states without such legislation. [7]

This outcome may seem surprising, but it aligns with the concept of inclusion fostering innovation, as explained by Dr. Kirton's management theory of Adaption-Innovation. [8] In this theory, innovation is propelled by questioning and constructive disagreement within a team. Groups composed of homogenous workers often stick to conventional procedures, while genuine innovation emerges when individuals with diverse backgrounds and varying modes of thinking collaborate.

In conclusion, Chinese companies bear the cost of reduced performance among LGBT workers and limited recruitment potential when excluding them. Conversely, these companies stand to gain from the inclusion of LGBT individuals, as it opens up opportunities for increased innovation.

5. Cost of Exclusion: Society Perspective

The inclusion of LGBT individuals can catalyze significant societal transformations by challenging entrenched norms.

An illustrative instance lies in the Qing Dynasty, where Wang Lang, a notable government official and influential financial minister, engaged in a same-sex relationship with a poet. Strikingly, their bond played a central role in disrupting the feudal hereditary system. This disruption led to the appointment of the next minister through equitable and democratic processes. [9]The same-sex relationship involving the Qing Dynasty official underscores how personal lives can intersect with broader societal frameworks. Their successful romantic alliance challenged both the feudal hierarchy and the concept of familial inheritance. By publicly acknowledging their same-sex union, they unwittingly triggered a catalyst for change, exposing inherent flaws within the existing socio-political structure.

Homosexuality's prevalence extended beyond government officials, particularly among the affluent. This prevalence helped reduce inequality by affording ordinary individuals the opportunity to partake in family matters. In ancient China, wealth was concentrated in the hands of the affluent, inherited solely by their progeny. This entrenched practice hindered resource access for the lower and middle classes. During the Qing Dynasty, while prostitution was strictly prohibited, certain exemptions were made for male prostitutes. Wealthy individuals could hire male entertainers for socializing. These entertainers often developed unique relationships with the wealthy patrons, gaining access to support and privileges. This societal norm facilitated the redistribution of resources from the wealthy to men with notable talents or appearances, thereby narrowing inequality in ancient China. [9]

Hence, the societal cost of excluding LGBT individuals becomes evident, as such exclusion could perpetuate specific corrupt customs that impede economic progress.

Admittedly, drawing conclusions about contemporary attitudes toward homosexuality from historical cases can be problematic, as it overlooks the broader influences of social, legal, and political advancements on present-day perspectives. However, the principle that diversity drives development remains widely accepted. Linking historical instances with the present, these examples serve as a reminder of the potential for evolving and enhancing societal attitudes over time. This evolution, bolstered by LGBT acceptance, can accelerate development. It stands as an empowering tool to foster discourse and advocate for further shifts in policies, laws, and societal stances concerning LGBT rights.

6. Conclusion

Analysis from individual, corporate, and societal viewpoints underscores the substantial costs of excluding and discriminating against LGBT groups.

Individually, fostering LGBT inclusion can enhance personal well-being, subsequently boosting productivity, job satisfaction, and creativity. This, in turn, bolsters human capital and contributes to economic growth.

For companies, creating an inclusive work environment attracts diverse talents and fuels innovation. This, in turn, enhances competitiveness and market share, driving overall economic growth. On the societal level, eradicating discrimination against LGBT groups may foster economic development by redistributing resources and promoting democratic values.

While establishing a direct mathematical correlation between inclusivity and economic growth can be challenging, comprehensive analysis strongly indicates that supporting LGBT rights can yield positive economic outcomes.

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