ECONOMIC IMPACTS OF SAME-SEX MARRIAGE IN VIETNAM

Executive Summary

Terminology

Inclusion	Social "inclusion" towards LGBT people is the degree to which a given society per- ceives LGBT people as its full, natural and equal members. A particular society may or may not be inclusive toward LGBT people. Different societies may have different degrees of inclusion towards LGBT people.
Regulation of marriage	"Regulation of marriage" is the totality of the state's legal regulations on the relation of marriage within Vietnam's legal system.
Institution of marriage	"Institution of marriage" is the totality of relations, norms, practices, customs that are related to or constitutive of marriage in Vietnamese society.
The recognition of same-sex marriage	"The recognition of same-sex marriage" is that people of the same sex as recorded in official documents such as birth certificates, identity cards, household registration can part take in the relation of marriage and have full rights and obligations accord- ing to the regulation of marriage.

Why do LGBT rights matter?

- By 2020, according to the IPSOS survey (2021), globally, an average of 9% of respondents self-identify as LGBT, 11% do not know or do not wish to answer and 80% self-identify as cisgender-heterosexual.
- Globally, in the mentioned survey, an average of 5% of respondents said that they are only sexually attracted to people of the same sex; 2% mostly for people of the same sex; 4% for both same and opposite sexes, 83% only for the opposite sex and 6% do not know or do not wish to answer.
- Historically, anthropologically and demographically, sexual and gender dualism is a myth that needs to be revisited, if not completely eliminated, in order to gain a more accurate view of the human condition.
- The full recognition of LGBT people and their rights is a matter of global magnitude and essential to Vietnam's project of modernization and progress.

Research Question and Research Method

Research Question

What are the economic impacts of the recognition of same-sex marriage in Vietnam?

Research Method

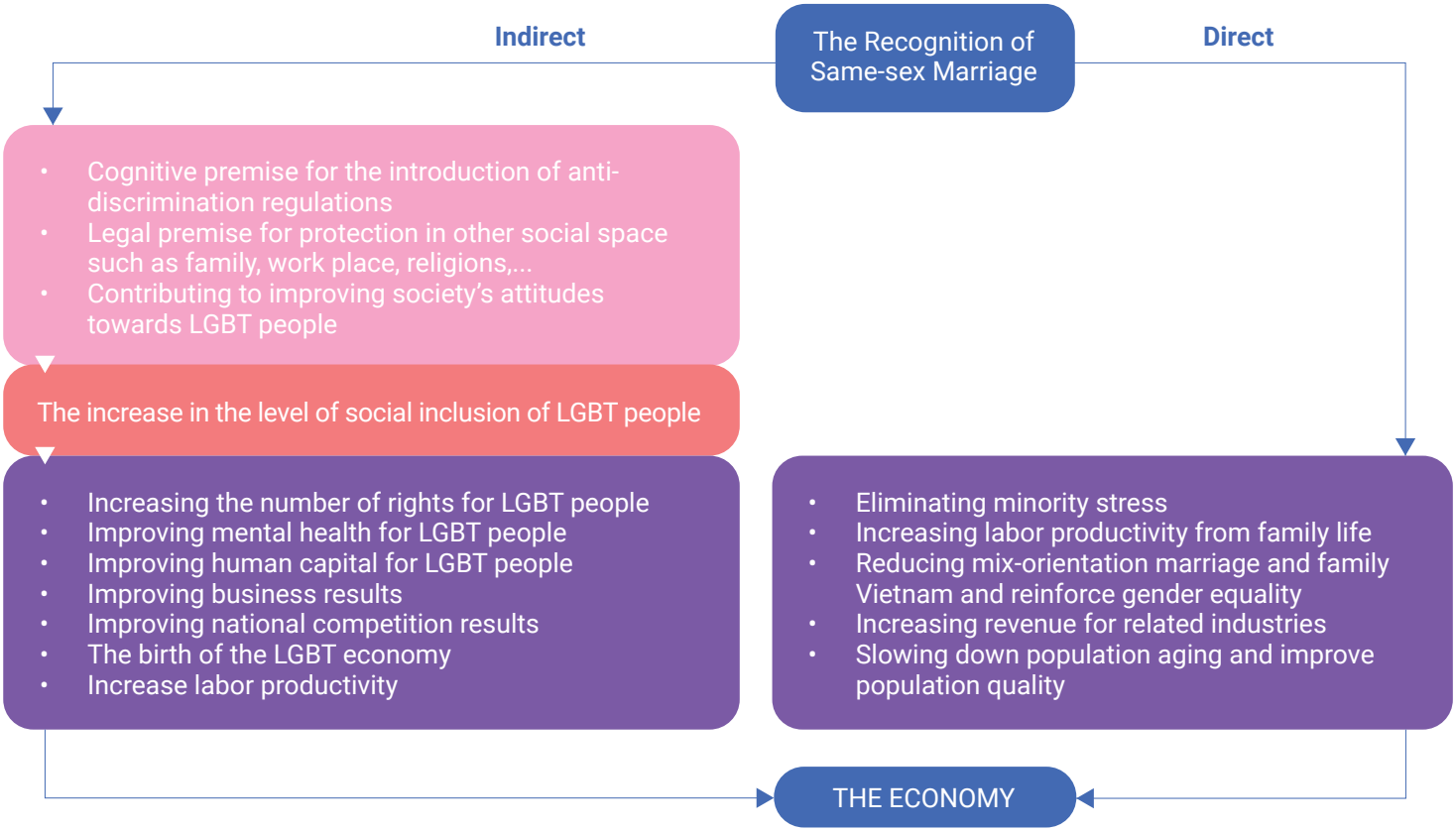
- Desk research: Reviewing relevant international and Vietnamese literatures;
- Qualitative analysis: Developing a theoretical framework and applying it to the case of Vietnam;
- Quantitative analysis: Building an estimation model based on the applied theoretical framework.

Theoretical Framework

Directly, same-sex marriage is perceived as a separate legal regulation. Indirectly, same-sex marriage is perceived as a part of the system of laws, policies, practices and social mobilization towards a more inclusive society for LGBT people. The theoretical framework for the impact of same-sex marriage can be summarized as follows:

- Desk research: Reviewing relevant international and Vietnamese literatures;
- Qualitative analysis: Developing a theoretical framework and applying it to the case of Vietnam;
- Quantitative analysis: Building an estimation model based on the applied theoretical framework.

Figure 1: Overview of the theoretical framework on the impact of same-sex marriage



The Case of Vietnam

1. Estimating the number of LGBT people in Vietnam

Complete data is not yet available. This is because the general public hasn't fully understood LGBT categories and LGBT identities haven't fully consolidated in the Vietnamese LGBT community. However, by referring to the IPSOS online survey (2021) on more than 19.000 respondents globally, by 2020, there are 9% of respondents self-identify as LGBT, 11% of them do not know or do not wish to answer and 80% self-identify as cisgender-heterosexual.

Applying this ratio to estimate the number of LGBT people in Vietnam, we can assume the possibility in the domain of [9%-11%].

In the case of Vietnam, the research team has certain general observations about the impact of same-sex marriage on the economy as follow:

2. Impact of the recognition of same-sex marriage in Vietnam

Direct impact:

- Increasing in number of enjoyed rights, by definition, lead to the increase in enjoyable utilities;
- Participation in family institutions helps reduce minority stress;
- Participating in family institutions helps increase work motivation;

Direct impact:

- Increasing the decision of same-sex couples to hold wedding parties or organize them on larger scales;
- Elimination or reduction of the number of mixed-orientation marriages;
- Helping alleviate demographic problems;
- Strengthening Vietnam's marriage and family regime and reinforce gender equality achievements.

Indirect impact:

- Inclusive communities reduce minority stress;
- Improving human capital of LGBT people;
- The birth of an economic sector related to LGBT people when same-sex marriage is recognized;
- Improving the quality of business operations and business and production activities;
- Improving national competitive results and business environment.

Overall, the above effects bring about an increase in labor productivity of LGBT people in particular and the whole society in general thanks to the spillover effect.

Simulating the impact of the recognition of same-sex marriage

1. Forecasting the impact on costs due to psychological disorders

The research team used the method proposed by Badgett (2014) based on World Health Organization's (2017) data to measure the damage of psychological disorders from the minority status of LGBT people. According to this method, the cost of a given psychological disorder is converted to the total number of years of life expectancy lost due to living with psychological disorders per year.

The total cost per year from certain psychological disorders from the minority status of LGBT people is calculated using the rate of psychological disorder remaining after reduction by social inclusion (calculated from Wight et al. (2013)) and GDP per year.

This model shows that the recognition of same-sex marriage can save Vietnam each year from 13 million USD to 71 million USD in costs from depression disorder and anxiety disorder from minority status. This model can be applied to other psychological disorders that have the potential to be caused by the minority status of LGBT people.

2. Forecasting growth in GDP

The impact of the recognition of same-sex marriage on GDP is determined by an increase in the productivity of LGBT people. This productivity is determined through GDP per capita. The team assumes that when fully integrated, LGBT people will have similar per capita incomes to non-LGBT people. Data on the increase in labor productivity are calculated according to Brenner et al. (2010).

According to this model, recognition of same-sex marriage would result in between 1.65% and 4.36% increase in GDP per year compared with the absence of such recognition.

In the short and medium term, this increase can be spread over 10 years, because LGBT people need time to recover from psychological traumas, it also takes time for Vietnamese society to make appropriate change. Therefore, the average rate of increase in GDP brought about by the recognition of same-sex marriage in the short run would be between 0.17% and 0.44% a year. The increase will accumulate over time to achieve the final rate.

Theoretically, the impact from the recognition of same-sex marriage also has spillover effects on cisgender-heterosexual group and society in general. So in fact the impact on GDP may be higher than what the team estimated.

3. Forecasting revenue growth of some industries

In this section, the research team sets up a model to estimate the rate of increase in revenue of industries affected by the recognition of same-sex marriage. The characteristics of the industries affected in this section is that the recognition of same-sex marriage has a significant impact on the consumption of goods in this industry group by LGBT people. This is because factors that determine whether LGBT people use goods from these industries depend on whether they have certain legal rights.

Some industries that can be mentioned here are those related to wedding and family building such as furniture, real estate, baby supplies, preschool education, etc. The team assumes that when same-sex marriage is recognized, LGBT people will use the products of these industries to the same extent as non-LGBT people. The results of the model depend on the percentage of potential customers who are LGBT people, calculated according to IPSOS data on people with homosexual orientation and the percentage of LGBT people.

Calculation results show that the recognition of same-sex marriage can bring the industries related to wedding and family building an increase from 5.26% to 12.36% in revenue.

Policy Proposal

- Implement educational programs to change awareness on the national level about LGBT people as full, natural and equal members of society.
- Adjust the laws to recognize same-sex marriage and same-sex married couples to have full rights and obligations as prescribed by laws like people in heterosexual marriages. Striving for Vietnam to be the first country in Southeast Asia and the second in Asia to recognize same-sex marriage.
- Completing legal regulations on the use of assisted reproductive technology, surrogacy, allowing surrogacy with ovum or sperm donation and ovum or sperm donation without surrogacy.
- Passing anti-discrimination laws on the basis of gender identity and sexual orientation in family, school, and workplace.
- Introduce educational contents about LGBT to the official teaching curriculum in forms of regular or extra-curricular activities.
- Develop a manual guide for businesses to develop supportive policies and build a friendly atmosphere for LGBT employees.

Conclusion

Overall, the impact of the recognition of same-sex marriage in Vietnam is significant, diverse and inclusive.

The impact of the recognition of same-sex marriage is significant: according to this report's estimates, legalizing same-sex marriage could bring Vietnam between 1.65% and 4.36% increase in GDP per year compared with the case of non-recognition. The average GDP growth rate in the short and medium term is between 0.17% and 0.44% per year. The increase in revenue for the wedding and home building related industries is between 5.26% and 12.36% compared to the case of non-recognition. The recognition also saves Vietnam between USD 13 million and USD 71 million in costs due to psychological disorders (depression disorders and anxiety disorders) due to the minority status of LGBT people.

The impact of the recognition of same-sex marriage is diverse: the recognition of same-sex marriage in Vietnam would bring diverse benefits, in many different areas, through a variety of mechanisms for individuals, businesses, economic sectors and the country as a whole.

The impact of same-sex marriage is inclusive: the benefits brought about by the recognition of same-sex marriage are not only felt and enjoyed by LGBT people, but also by cisgender-heterosexual people and society as a whole.

Viet Nam Center for Economic and Strategic Studies (VESS)
Address: 7th Floor, TMC Building,
No. 1 Luong Yen, Hai Ba Trung District, Hanoi, Vietnam
Email: info@vess.org.vn

Institute for Studies of Society, Economy and Environment (iSEE)
Address: Floor 3, HB Building,
1C11 Alley 140 Giang Vo, Ba Dinh District, Hanoi, Vietnam
Email: isee@isee.org.vn