Policy Brief
On Economic Cost of Violence Against Women

VIOLENCE IS COSTLY TODAY AND TOMORROW

Ha Noi, 2021
The costs of physical and/or sexual violence by an intimate partner are a drain on the productivity of women which has significant consequences for the national economy.

I. INTRODUCTION

The Government of Viet Nam has recently approved the Socio-Economic Development Strategy for 2021-2030. As the implementation of the strategy is operationalised, it is an opportune time to highlight the economic impacts of violence against women in Viet Nam. The government’s goal is for Viet Nam to become a high-income economy by 2045 led by a productivity-driven development model, combining innovation with balanced development and allocation of private, public, human and natural capital. The strength of the Viet Nam economy is the high participation rate of women and men in economic activity – Viet Nam is one of the highest female labour force participation rates (73 per cent) in the world.\(^2\)

This high level of participation by women in economic activity underlies the importance of understanding the economic impact of violence that so many women experience in their families. In response to this central concern, the National Study on Violence Against Women in Viet Nam 2019 specifically included the analysis on economic costs borne by women as a consequence of experiencing Violence Against Women (VAW). It is for the first time that cost questions have been incorporated into the National VAW Survey and thus is an innovation to advance cost research.

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2. The global average in 2019 is 47.1 for women aged 15 to 64. See World Bank data at https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS
Why study costs of VAW?

Across countries, there is a growing recognition that VAW is not only a fundamental human rights violation but also has significant health and economic impacts. These impacts result in significant costs that are often not visible to policy makers. Specifically, estimates of the costs of VAW are critical to highlight that: a) violence is a key issue for economic development; and b) addressing VAW and reducing prevalence can result in significant economic gains for women, their families, communities and the government.

The economic impacts of VAW are multiple and range from short terms to medium and long-term impacts. Immediate impacts include physical or mental harm, inability to do work paid or unpaid (absenteeism). On the other hand medium term to long term impacts include loss of quality of life due to chronic pain and suffering, loss of productivity, reduced labour force participation of women or intergenerational loss such as lower educational achievement for victims’ children thus affecting their future income potential. In this costing study, the analysis focuses on the immediate impacts to establish the annual cost incurred by ever partnered women due to the experience of physical and/or sexual violence in the last 12 months. Productivity loss for the economy, however, was measured as the income differential between women who experienced violence and those who do not.

Methodology

The costs included in the estimation classified into three categories: a) out of pocket costs incurred by women and their households to access services to mitigate the consequences of IPV; b) indirect cost due to missed days of work (paid or unpaid) and care work; and c) overall indirect/opportunity cost for the economy, which captures the reality that women experiencing violence not only miss work but are also less productive while at work. The overall output of the economy is affected by this productivity loss due to absenteeism as well as lower productivity among women who experience VAW.

Table 1: Key Costs included in the Estimate of Cost of Inaction

<table>
<thead>
<tr>
<th>Costs Elements</th>
<th>Estimate of Cost of Inaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out of pocket cost</td>
<td>Healthcare expenses, police fees (formal and informal, including for arrest), shelter, filing cases, costs incurred in courts, replacement costs for property damaged, transport costs</td>
</tr>
<tr>
<td>Indirect cost</td>
<td>Days lost from paid work by the women and their husbands, days lost in unpaid household production and reproduction (commonly referred to as care work)</td>
</tr>
<tr>
<td>Productivity Loss for the economy</td>
<td>Measured as the income differential between women experiencing violence and those not experiencing violence</td>
</tr>
</tbody>
</table>
Data Collected for Estimation of Costs of VAW

- **All women surveyed** were asked more detailed questions about their employment and earnings to understand the impacts of costs in relation to their income.
- **Women who experienced physical and/or sexual violence and were injured** were asked questions about any costs incurred associated with those injuries.
- Additionally, all women who experienced physical and/or sexual violence in the last 12 months were asked
  - about their help seeking in the last 12 months from various agencies such as police, courts, women’s organizations, community leaders and the associated expenses incurred.
  - if there was any property damage or damage to goods that needed to be replaced and the amount they incurred.
  - if they had left their home and sought refuge with parents, siblings, friends, etc. and the expenses incurred as result.
  - if they missed work as a result of violence experienced, if their husbands missed work.
  - if they missed household work, including care work due to the violence.

II. VIOLENCE AGAINST WOMEN IN VIET NAM

The National Study on Violence Against Women in Viet Nam 2019 found progress in Viet Nam with a slight decline in the prevalence of VAW from 2010. However, VAW remains an issue of concern with two in three women (63 per cent) experiencing physical, sexual, psychological, and/or economic abuse by their husbands in their lifetime, and one in three women (32 per cent) experience such violence in the past 12 months. Violence experience of women cuts across regions, and demographic characteristics such as age, ethnicity, and location.

The life time experience of physical and/or sexual violence among working women is 31.1 per cent, virtually equivalent to the prevalence of 32 per cent among ever-partnered women.
Among working women, the lifetime and current physical and sexual violence does vary with the nature of employment. Women who are self-employed in agriculture have the highest prevalence (36 per cent in their lifetime and 11 per cent in the past 12 months respectively). However, the prevalence rates are not substantially different for women self-employed in non-agricultural activities or women who are engaged in waged/salaried employment (lifetime prevalence ranging 29.9 per cent to 27.4 per cent respectively). Though when we take into account differences between working women in terms of age, education, partner’s characteristics, past experience of violence, and attitudes to beating, the results indicate that in actuality women in wage/salaried employment have higher risk of violence compared to women not working. The level of violence among working women is indeed a matter of concern with potentially serious implications for the economy overall and for employers in particular. Regardless, the level of violence among working women is a matter of concern with potentially serious implications for the economy overall and for employers in particular. An equal concern is that women who contributed more to household income than their husbands or partners were at significantly higher risk of VAW than women contributing less than husband/partner or not all to household income.\(^3\)

\(^3\) See National Study on Violence Against Women in Viet Nam 2019, Chapter 12
III. ECONOMIC COSTS OF VIOLENCE AGAINST WOMEN IN VIET NAM

The results of the costing study highlight the significant costs that women experiencing VAW incur.

Out-of-Pocket-Expenditures

First and foremost, women experiencing physical and sexual violence reported that they incurred expenditures from their own resources to treat and mitigate the consequences of violence in the last 12 months. On the whole, women’s help-seeking from formal services such as health, police, courts, leaders, and women’s organisations was quite low ranging for 8% for medical treatment to about 1 per cent women for other legal and counselling services\(^4\). Additionally, among those few women who sought assistance, smaller proportions reported incurring expenditure for health care, legal services or assistance from local leaders or women’s organisations. In contrast, higher proportions of women reported expenditures associated with repairing/replacing damaged goods and leaving home in the last 12 months due to physical and/or sexual violence. Overall, the weighted annual average out-of-pocket expenditure across all women who reported expenditures came to 9,426,500 VND or about 25.5% of the annual income of the women who incurred expenses due to experiences of physical and/or sexual violence (Figure 2).

Figure 2: Average annual out of pocket expenditure reported by women experiencing physical and/or sexual violence in the last 12 months Viet Nam, 2019

\(^4\) See National Study on Violence Against Women in Viet Nam 2019, Chapter 10
The national estimate of this out-of-pocket expenditure comes to nearly 9,292 billion VND, which amounts to 0.1667 per cent of 2018 GDP or about 0.225 per cent of final household consumption expenditure in 2018.

**Indirect/Opportunity Cost: Missed Work and Care Work**

Missed days of work by women and husbands represent the foregone income for households. Approximately 12% of working women who experienced physical and/or sexual violence reported missing work on average for about 8 days. An additional 7% of all women who experienced physical and/or sexual violence in the last 12 months report missing care work for about 8 days per year. A slightly larger proportion (9.7%) of women experiencing violence in the last 12 months reported that their husbands missed work on average for 6 days. The national estimates of workdays lost due to physical and sexual violence experienced by women in the last 12 months and the foregone income are given in Table 2.

**Table 2: Workdays missed and associated loss of income due to physical and/or sexual violence, Viet Nam, 2019**

<table>
<thead>
<tr>
<th>Missed days</th>
<th>Sample estimates</th>
<th>Total Number of women reporting physical and/or sexual IPV, last 12months</th>
<th>National estimate - LOSS OF INCOME (000VND)</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean days</td>
<td>Proportion reporting missed work</td>
<td>Average daily income (000 VND)</td>
<td>Lost Workdays</td>
</tr>
<tr>
<td>Missed work</td>
<td>7.9</td>
<td>0.1213</td>
<td>153.6</td>
<td>2,188,191</td>
</tr>
<tr>
<td>Waged/salaried</td>
<td>6.6</td>
<td>0.0663</td>
<td>222.0</td>
<td>800,991</td>
</tr>
<tr>
<td>Self-employed (Agriculture)</td>
<td>10.3</td>
<td>0.1481</td>
<td>59.6</td>
<td>961,588</td>
</tr>
<tr>
<td>Self-employed (Non-agriculture)</td>
<td>4.0</td>
<td>0.1607</td>
<td>174.3</td>
<td>424,357</td>
</tr>
<tr>
<td>Missed work of husband</td>
<td>6.0</td>
<td>0.0972</td>
<td>281.5</td>
<td>2,557,556</td>
</tr>
<tr>
<td>Missed care work</td>
<td>8.1</td>
<td>0.0696</td>
<td>153.6</td>
<td>2,659,464</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>974,837,832</td>
</tr>
</tbody>
</table>

*Income was estimated by deriving wage for each women who experienced violence based on their occupation and sector of work. The derived average wage was used to also monetise the missed care work days by all experiencing violence and reporting missed work.*
Four important findings are:

1) The overall loss of income due to missed workdays, including missed care workdays, comes to about approximately 975 billion VND and ranges from a minimum 581 to 1369 billion VND.

2) Nearly **70 per cent of the total workdays lost by working women was by women engaged in agricultural self-employment**, which has impacts on the output of the agricultural sector and more importantly on the food self-sufficiency of subsistence agricultural households.

3) Out of total workdays missed due to violence, **about 40% of the days are missed by husbands**. The economic impact of physical and sexual violence by husbands is not limited to the women alone experiencing the abuse. The loss of workdays by husbands is not unique to Viet Nam but has been reported in other low and middle countries\(^5\). This finding suggests that violence by husbands has a potentially much wider impact on the economy than recognised by policy makers and needs to be more systematically explored.

4) Household welfare is also affected as violence impacts ability of women to do care work. The impact on care work is significant - **nearly 30 per cent of total workdays missed were accounted by missed care work days**. The reduction in care work has important implications for the well-being of families, given care work is seen as essential to the sustenance and survival of families, particularly among the poor.

**Productivity Loss**

An important dimension of macro-cost is the productivity loss due to experience of domestic violence by an intimate partner. In the National Study on Violence Against Women in Viet Nam 2019, women experiencing physical and/or sexual violence report that they had poorer health status and more problems in terms of concentration or disruption in the workplace. In fact, women experiencing physical and sexual violence by husbands in the lifetime were more than three times as likely to score as probable to have a mental illness as compared with women who have not experienced husband/partner violence.\(^6\) A consequence of mental distress is in fact the effect on work. Women reported that violence interrupted their work (11.9%), affected their concentration at work (14.7%), required them to take time-off due to sickness (5.7%) and reduced their self-confidence (1.7%). These together point to the fact that productivity loss could be quite significant.

Women experience productivity loss via the days of work they miss as well through the days they are less productive (also known as presenteeism) while at work. The combined effect of the absenteeism and presenteeism leads to lower earnings over the lifetime of women experiencing violence.

\(^5\) This is a finding confirmed in other studies – for example in Ghana 2019 study women reported that husbands missed about 4 days (Asante, et al, 2019). In Egypt study it was estimated that women’s partners missed equivalent of 200,000 days in an year (Duvvury, et al, 2015)

\(^6\) National Study on Violence Against Women in Viet Nam 2019, p84
In fact a simple analysis of working women’s earnings indicates that working women experiencing violence had lower monthly earnings (3,315,300 VND) than working women not experiencing violence (3,711,400 VND) as seen in Table 3 below:

Table 3: Average earnings of working women experiencing and not experiencing partner violence, Viet Nam 2019

<table>
<thead>
<tr>
<th>Content</th>
<th>Number of women (unweighted)</th>
<th>Number of women (weighted)</th>
<th>Average Monthly Earnings (000 VND)</th>
<th>Average Yearly Earnings (000 VND)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of ever married/partnered working women</td>
<td>5055</td>
<td>4885</td>
<td>3582.8</td>
<td>39736.9</td>
</tr>
<tr>
<td>Not experienced any violence by a husband/partner</td>
<td>3403</td>
<td>3299</td>
<td>3711.4</td>
<td>41046.3</td>
</tr>
<tr>
<td>Ever experienced physical and/or sexual violence by a husband/partner</td>
<td>1652</td>
<td>1587</td>
<td>3315.3</td>
<td>37015.0</td>
</tr>
<tr>
<td>Difference (women with no violence – women with violence)</td>
<td></td>
<td></td>
<td>396.1</td>
<td>4031.3</td>
</tr>
<tr>
<td>P-Value*</td>
<td></td>
<td></td>
<td>0.000015</td>
<td>0.000255</td>
</tr>
</tbody>
</table>

There are of course other variables that influence the wages that need to be controlled to ensure that the difference is indeed explained by the experience of violence. To test whether the experience of violence does explain difference in earnings, statistical analysis was undertaken to test the level of influence of violence on overall yearly income. The statistical analysis indicates that the experience of physical and/or sexual violence at least once in a lifetime results in a decline in annual earnings by almost 30.8% (or about 12,642,300 VND) compared to women not experiencing violence.7

Applying this difference in earnings to the working women who reported lifetime experience of physical and/or sexual violence in the 2019 survey provides an estimate of productivity loss which is equivalent to 100,507 billion VND or approximately 1.81 per cent of the preliminary estimate of the 2018 GDP.

7 See detailed Technical Appendix on the Estimation of Costs in the National Study on Violence Against Women in Viet Nam 2019 for information on the regression analysis undertaken.
*National estimate working women derived from national population of women 15 to 64 and the employment rate from the LFS2018 = 77.8 per cent; national population of women 15 to 64 years old, 2018 = 32,873,473 person

**2018 preliminary GDP 5,542,332 billion VND

The magnitude of the productivity loss is brought into a sharp relief when considering the loss in relation to the annual expenditure on education and training – in terms of 2018 budget, the estimated productivity loss due to VAW is equivalent to 43.5 per cent of the annual expenditure on educational and vocational training which amounted to 230,974 billion VND in the 2018.

Considering both the national estimate of out-of-pocket expenditures, the foregone income from missed work and the productivity loss, the overall impact of violence in the economy comes to 2.0 per cent of 2018 GDP.

**Table 5: National estimate of costs for the Viet Nam economy in the past 12 months, Viet Nam 2019, by cost category**
IV. WIDER IMPACTS FOR THE ECONOMY

The implications of the cost estimates provided are quite important for the wider economy. Firstly, the out of pocket expenditure incurred by women in the last year due to physical and sexual violence by a husband indicates a level of expenditure that could have been avoided if there had been no violence. It is particular so as women incurred high expenditure for repairing and replacing damaged property. The damaged property ranged from utensils to consumer durables such as phones, televisions, and scooters. In effect, this expenditure of 9,291 billion VND represents a consumption loss or a drain on household resources, equivalent to 25% of the annual income of the women experiencing violence. This is a significant drain given that the average savings rate in households of about 10 to 13 per cent of income. The reduction in household resources can have a wider impact on the economy via depressing household savings affected by violence by a husband/partner.

Equally, the productivity loss has significant impacts across the sectors of economy. Using the 2011 Social Accounting Matrix for Viet Nam, a recent study⁸ has drawn out the impacts of the productivity loss due to violence for the broader economy. The study suggested that the productivity loss via the absenteeism of women and men due to violence led to significant multiplier loss across the key sectors in which women are employed, namely agriculture, retail and wholesale, hotel, education, health, and other services, where the percentage share of women in the total employed is above 50 per cent. The analysis confirms that the sectors which account for the lion share of income loss arising from the reduced productivity were agriculture, manufacturing, wholesale and retail. Additionally, the loss is not confined to one sector but flows across to all closely aligned sectors to result in macroeconomic multiplier loss. For example, the output multiplier loss in the agriculture sector due to violence is estimated to be 0.5. This implies if there is an increase in investment in agriculture through say a trade deal, the productivity loss due to violence in facts leads to a halving of the positive impact of the increased investment. Understanding these consequences for the macro-economy is critical to assess the effectiveness of investments that drive economic growth.

The economic cost of violence by husbands also has significant consequences for the effectiveness of economic programmes to strengthen livelihoods of women. While income may increase due to economic livelihood programmes, if participants continue to experience violence, the increase in income may be offset by out-of-pocket expenditures incurred or the foregone income due to missed days of work. For example Programme 1352 which is aimed to reducing poverty and improve livelihoods in the ethnic community regions must explicitly integrate attention to VAW, as nearly 36 per cent of women working in agriculture have lifetime experience of violence.

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Violence has important ramifications for the realisation of the Sustainable Development Goals, which the Government of Viet Nam is committed to realising by 2030. The economic insecurity generated by VAW as noted in terms of consumption and income can constrain the realisation of SDG 1 on reducing poverty and improving livelihoods. The health consequences in terms of physical, reproductive and mental health also limit the realisation of SDG 3 on health and well-being. In terms of SDG 5, VAW has negative impact on progress on some of the key indicators such as the gender wage gap—survivors of physical and/or sexual violence having lower earnings compared to non-survivors which acts as a barrier to reducing the gender wage gap. Equally, the productivity loss estimates capture the difficulties that survivors of VAW have in acquiring skills, experience and training opportunities to move up the career ladder, slowing progress on indicator 5.5.2 on the proportion of women in managerial positions.

V. RECOMMENDATIONS

GBV imposes a significant drain for the economy and society. Given the high level of VAW among working women, the evidence indicates the impacts of violence are not contained within the household but ripple across to the workplace and overall economy. This ripple effect is captured in the productivity loss, which represents an invisible but pernicious leakage in the whole economic system undermining the potential of the economy— that GDP could be higher than what it is now if VAW is reduced and ultimately eliminated. In other words, VAW represents an inefficiency of both consumption and production, limiting the effectiveness of investment into the economy. VAW thus is a crucial issue for all sectors of the society including employers, government, and community institutions. It is imperative that the Government in coordination with all stakeholders prioritises programmes to prevent, mitigate and prosecute VAW so that women and their families can hope for a life free of VAW and realise their full potential.

- **Commit dedicated budget equivalent to 1 per cent of annual GDP for Gender Equality as recurrent special expenditure in the budget** – The Government of Viet Nam has a strong commitment to Gender Equality as well as the SDG Goal 5 on Gender Equality. The study has pointed to the continuing high level of VAW, a fundamental form of gender inequality, and its enormous potential cost to the economy. While the Government of Viet Nam has accelerated the pace of its commitment to gender equality, including the progression of policy and law on domestic violence including VAW, the scale of efforts to achieve SDG 5, which prioritises the elimination of all forms of violence against women and girls, still needs to be expanded. An annual budget for Gender Equality as a notified special expenditure as per the 2015 Law on the State Budget, would signal that the Government of Viet Nam understands the centrality of achieving gender equality and ending violence against women and
girls to ensure a strong and sustainable path of economic growth and prosperity. The dedicated budget for gender equality can be located with the MOLISA or the Ministry of Planning and Investment which has oversight of the SDGs.

- **Invest building scientific evidence on effective and scalable interventions to prevent violence** – To ensure that prevention of VAW, the main dominant form of violence experienced by women and girls is effective and at scale, there is an urgent need to produce scientific research on effective prevention interventions in different sectors such as education, health, and social organizations. This is a big gap in knowledge in Viet Nam and is critical to ensure that investment in programmes to prevent and ultimately eliminate VAW has maximum impact.

- **Integrate attention to Violence Against Women in all economic programmes and macroeconomic policies to increase effectiveness of these programmes and policies** – The evidence provided in this brief has shown the significant loss that society incurs due to the intimate partner violence experienced by women. In fact, the violence can increase the economic insecurity of households, potentially undermining the effectiveness of anti-poverty programmes aimed at building resilience within vulnerable households. Policies that do not consider VAW can also have unexpected consequences – policies aimed at improving women’s income may result in increased violence as women who financially contribute more than their husbands are at higher risk of violence. This suggests that macroeconomic policies need to map the consequences of the policies for increased risk of VAW and incorporate prevention and mitigation measures to address the impacts of VAW. Additionally, the macroeconomic models such as Dynamic Stochastic General Equilibrium (DSGE) model used to understand the impacts of policy change need to be engendered to include VAW as a key variable, as it affects both consumption and production multipliers. Finally, the World Bank GBV risk assessment tool should be integrated into planning and investment decisions to ensure benefits of investments are realised by women.⁹

- **Work with businesses to address violence against women, and particularly IPV** – The evidence in this policy brief has shown that among women who are in wage/salaried employment, more than one quarter of them have lifetime experience of physical and sexual VAW and approximately one in fourteen (7.7 per cent) experience VAW in the last 12 months. The violence impacts these women’s ability to work, thus violence at home has a ripple effect for performance at the workplace. The ILO Convention 190 (for which the Government of Viet Nam voted) states

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explicitly that “domestic violence can affect employment, productivity and health and safety, and that governments, employers’ and workers’ organizations and labour market institutions can help, as part of other measures, to recognize, respond to and address the impacts of domestic violence.” As the government is expanding investments to increase employment in the post COVID 19 scenario, it is likely that women’s employment is set to increase further. It is important in this context to ensure that employers in both the private and public sector develop a targeted action plan to address impacts of VAW at the workplace. MOLISA should actively be charged with engaging with employers to develop workplace interventions to prevent and mitigate the impact of VAW at the workplace.

- **Development of a Domestic Violence Leave Policy** – It is recommended that the Government consider incorporating a domestic violence leave policy in its Domestic Violence Prevent and Control Law of 2007. Recognising the consequences of VAW for women workers, as highlighted in this policy brief, several countries have articulated special leave policy for domestic violence survivors who often have to miss work due to injury, appointments with legal services, adjudication with local authorities, shifting residence and so on. In the National Study on Violence Against Women in Viet Nam 2019, wage/salaried women workers reported missing annually 8 days due to VAW, which is in line with results from other countries. New Zealand, Australia, and Canada have legislation or labour policies mandating domestic violence leave policy for all employers ranging from 10 days to 5 days paid or unpaid leave.¹¹

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MOLISA should be mandated to undertake more research on the consequences of VAW and sexual violence and harassment at the workplace and develop a new action plan to develop multilevel interventions involving multiple stakeholders – Government of Viet Nam in line with its commitment to SDGs, and particularly to SDG 5, will need to develop new coordinated interventions involving multiple stakeholders, including employers. The economic costs of VAW alone are significant and point to the key role of VAW in facilitating or hindering economic development. As the economy is restructured with a greater push to engage women in the formal sector, it is critical to understand the types of violence women workers at risk of, the concrete impacts of such violence for production and the necessary interventions that would prevent/reduce risk of violence for women workers. Only such detailed evidence and strategies will lead to the realisation of SDG 5, the goal on Gender Equality.
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