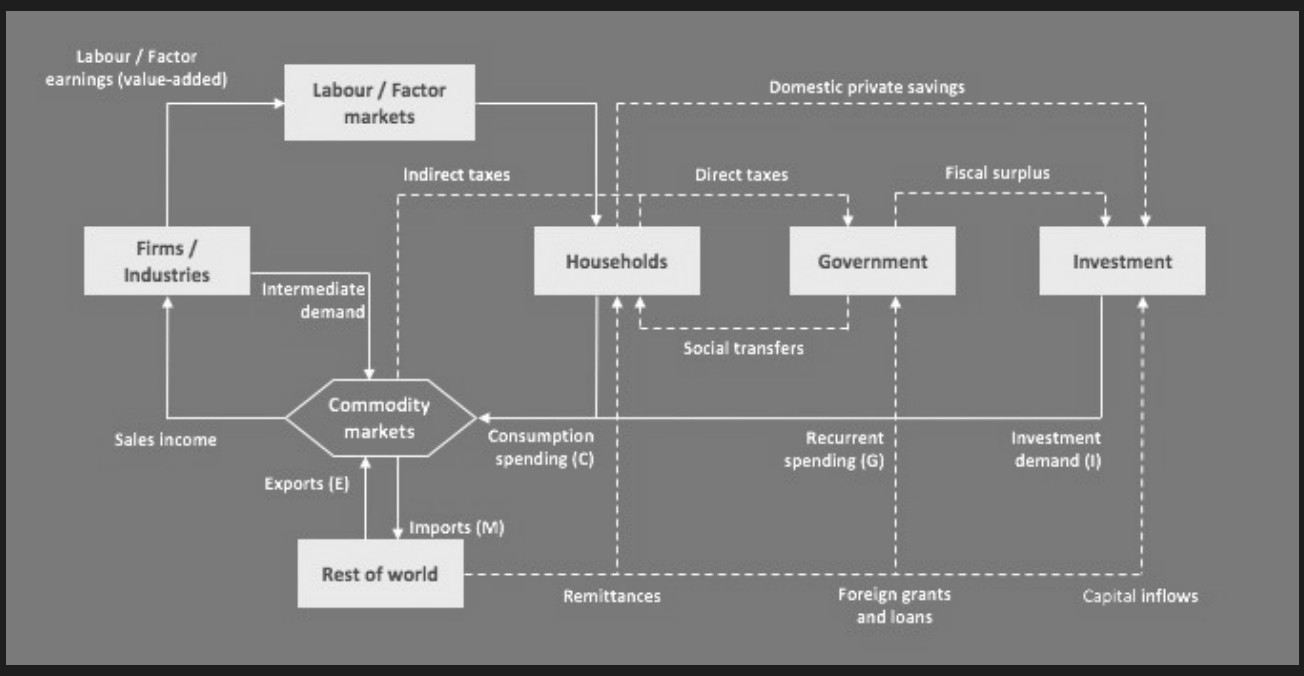
MACRO-ECONOMIC LOSS DUE TO VIOLENCE AGAINST WOMEN

The Case of Vietnam

MACRO-ECONOMIC LOSS

- Violence against women (VAW) is now acknowledged as a global problem with significant economic costs.
- The current literature estimates the monetary costs and loss of income, or potential earnings, borne by women affected by violence.
- However, these estimates do not bring out the loss to the overall economy, i.e. the macro-economic loss, due to VAW.

CIRCULAR FLOW OF THE MACRO-ECONOMY



- The macro-economy is a network of markets, households, firms/industries, banks, government and the rest of the world.
- The direct and indirect interlinkages between the sectors create the so-called "multiplier" effects in the economy, whereby shocks in any one of the sectors propagate through the entire macro-economy.
- The Social Accounting Matrix (SAM) records the data on the interlinkages between the sectors in a systematic and consistent manner.

THE CONTEXT: VIETNAM

39%

The ***prevalence rate*** of women surveyed experiencing VAW in the last 12 months in Vietnam.



14%

of incidents of VAW required time off work for women



7%

of incidents of VAW required time off work for men

5.5

annual average days taken off work by women due to VAW

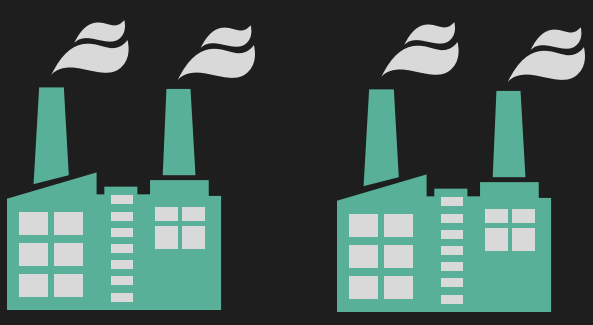
6.5

annual average days taken off work by men due to VAW

KEY FINDINGS

~1%
of GDP

At a minimum, the ***macro-economic loss*** due to violence is almost 1% of GDP in Vietnam.



The agricultural sector accounts for approximately 40% of the total income loss, followed by manufacturing at 16% and retail and wholesale at 14.5%



While the ***multiplier loss*** is most pronounced in agriculture and manufacturing, significant multiplier loss is observed in the hotels, transportation, and retail & wholesale sectors.



- The loss of income due to violence against women is spread across urban and rural areas.
- Both urban labour with tertiary education and rural labour with secondary education are affected.

POLICY IMPLICATIONS

1. The economic loss due to violence against women is a ***leakage*** that is permanently lost from the circular flow of the macro-economy.

2. The ***multiplier loss*** further highlights the pathways of the propagation of loss throughout different sectors of the economy.

3. The loss due to violence against women acts as an ***endogenous destabiliser*** that can potentially weaken and neutralise the positive gains from government welfare programs.

CONCLUSIONS

- This study* estimates the short-term economic loss due to VAW in the macro-economy. The ***long-term impact*** of VAW on ***economic growth***, by limiting capabilities and human capital potential, needs further exploration.
- Given that ***economic efficiency*** is the overriding logic in fiscal policy, minimising the loss due to VAW can be a significant contributor in achieving efficiency gains. This is even more significant in the context of a ***constrained fiscal space***.
- From a policy point of view, ***investment*** in the provision (of support services), prosecution (of the perpetrators), and prevention (of VAW) is ***cost-saving*** for the macro-economy.

* Srinivas Raghavendra, Nata Duvvury, and Sinead Ashe. “Estimating the macroeconomic loss due to violence against women: The case of Vietnam”, *Feminist Economics* (Forthcoming).