

► Fighting Violence against Women in Latin America



Violence against Women costs Peruvian Businesses Billions Every Year

► Background

Intimate partner violence against women (VAW) is not only a serious public health problem and a human rights concern, it is also a major obstacle to socio-economic development. While firms have generally shied away from this issue, considering it outside their purview, VAW turns out to be extremely costly for them as well.

ComVoMujer, a regional program of the International Development Cooperation (GIZ), has established a program to work with Peruvian companies to promote the prevention of violence against women as part of their Corporate Social Responsibility. These efforts are directed both within the companies and in the communities in which the businesses operate. Within this framework, in 2012 ComVoMujer and the Gender Sector Program of GIZ partnered with the University of San Martín de Porres (USMP) to conduct the first national study in Peru to estimate the business costs of violence against women. The recently completed study was run by the School of Business Management and Human Resources at USMP.

The Product

To ascertain the prevalence of VAW and costs on worker performance and firm productivity, the study conducted interviews with human resource managers and workers in 211 medium and large private companies in five major cities: Lima, Chiclayo, Cusco, Puno and Iquitos. The findings were alarming:

- **Prevalence in Companies:** 23 of every 100 female workers reported being the victims of intimate partner violence in the past year, an average of 4 times. (These numbers are very similar to those found in a 2011 report conducted by the Peruvian National Institute of Statistics.) Extrapolating these results to Peru, there are an estimated 450,000 victims and 910,000 aggressors of VAW in the past year. Moreover, an additional 15 % of female workers said they had been victims in previous years, but not during the past year.
- **Costs:** VAW causes an astounding loss of 3.7 % of GDP – over \$6.7 Billion – due to 70 million days of missed work. 93 % of companies in which VAW was reported to the human resource department say that VAW has negatively affected productivity, mainly through absenteeism (71 %) and presenteeism (77 %). Presenteeism is attending work but having decreased performance, mainly by not being adequately focused on the job. Victims often experience presenteeism for many years, even after the abuse has stopped.
- **Cost of Aggressors:** Aggressors account for nearly 50 % of all costs related to VAW at companies, mostly because of presenteeism. This is one of the first studies to document the impact of male aggressors on companies' lost revenue.





- **Turnover of Workers:** The rate of female worker turnover is 7 times higher at firms with reports of VAW than those without. Direct and indirect costs of turnover of personnel amount to over \$55 million, representing 377,000 workdays lost.
- **Absenteeism and Presenteeism:** Between the two major sources of costs, presenteeism causes the majority – 73 % – of the total. Importantly, aggressors of VAW produce higher presenteeism costs than the victims, and co-workers of victims (so-called “witnesses”) account for 12 % of total costs due to presenteeism.
- **Invisibility:** It is estimated that for every case of VAW reported to human resource departments, there are approximately 10 unknown cases.
- **Lengthy Unemployment:** As a result of VAW, over 71,000 women have been fired and remain unemployed, causing a loss of over 20.5 million days of work, representing \$2 Billion per year.

► Contributions of the Study

- To encourage the private sector to become actively involved in the fight against VAW, by demonstrating its significant economic impact by reducing competitiveness.
- To promote the documentation of costs not only associated with the victims of VAW, but also the costs of the male aggressors borne by companies.
- To provide evidence for different sectors of society (private, civil and state) to allow them to undertake immediate corrective actions and implement appropriate public policies to reduce VAW.
- To open a new line of business research in Latin America, investigating the relationship between productivity, gender and violence with a focus on social responsibility. The University of San Martín de Porres in Lima has already launched a research program on social responsibility, ethics and gender, which was developed by the Research Institute of the School of Business Management and Human Resources.



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