

WU matters. WU talks.

What are the Costs of Violence?



KEYNOTE: Anke Hoeffler

MODERATED BY: Jesús Crespo Cuaresma

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What are the Costs of Violence?



INTRODUCTION: Stefan Pichler, Vice rector for research, WU

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What are the Costs of Violence?



INTRODUCTION: Jesús Crespo Cuaresma, Head of the Institute for Macroeconomics, WU

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WHAT ARE THE COSTS OF GLOBAL VIOLENCE?

Anke Hoeffler

Based on joint work
with James Fearon

COSTS OF WAR

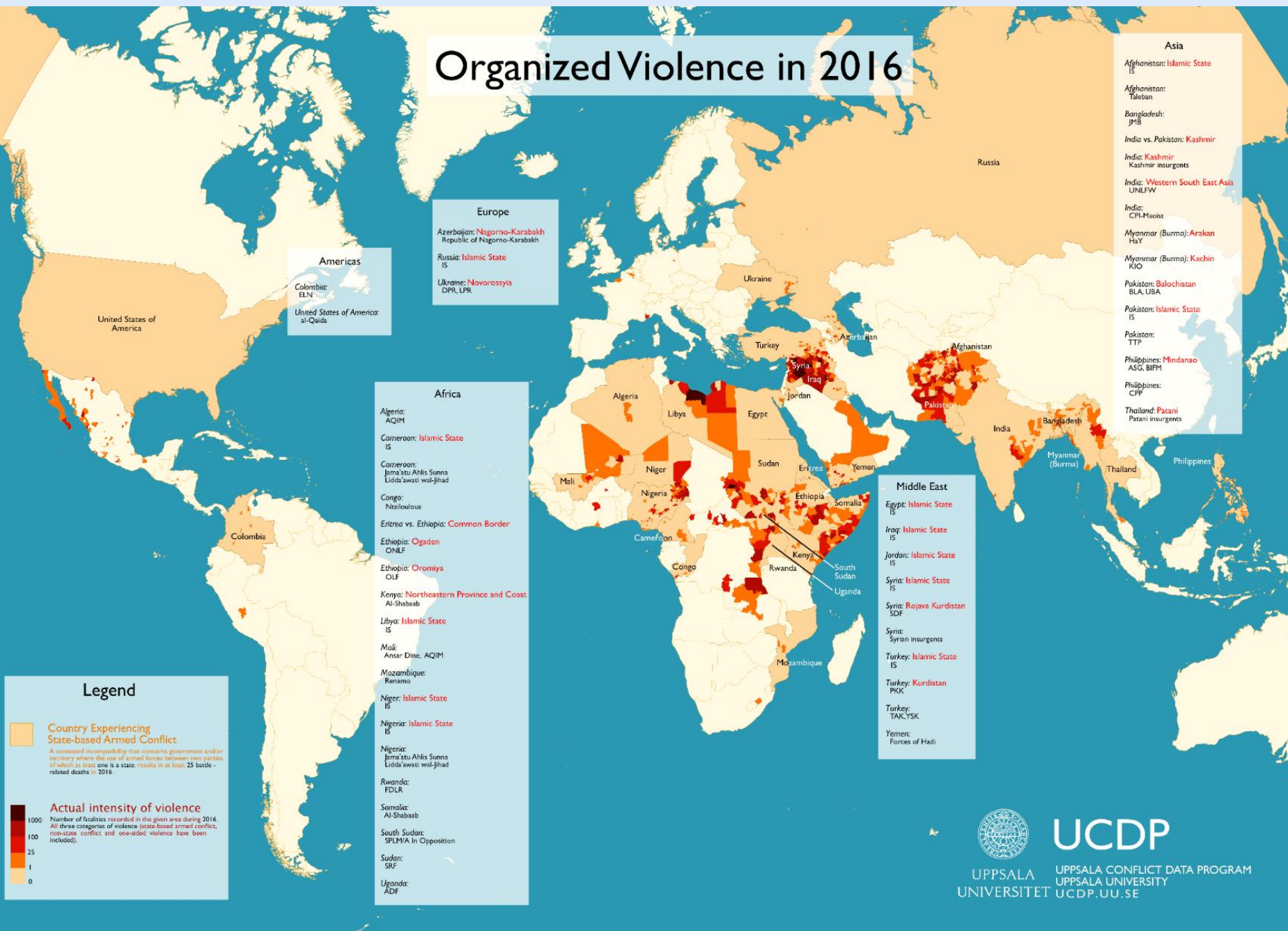


Total Cost

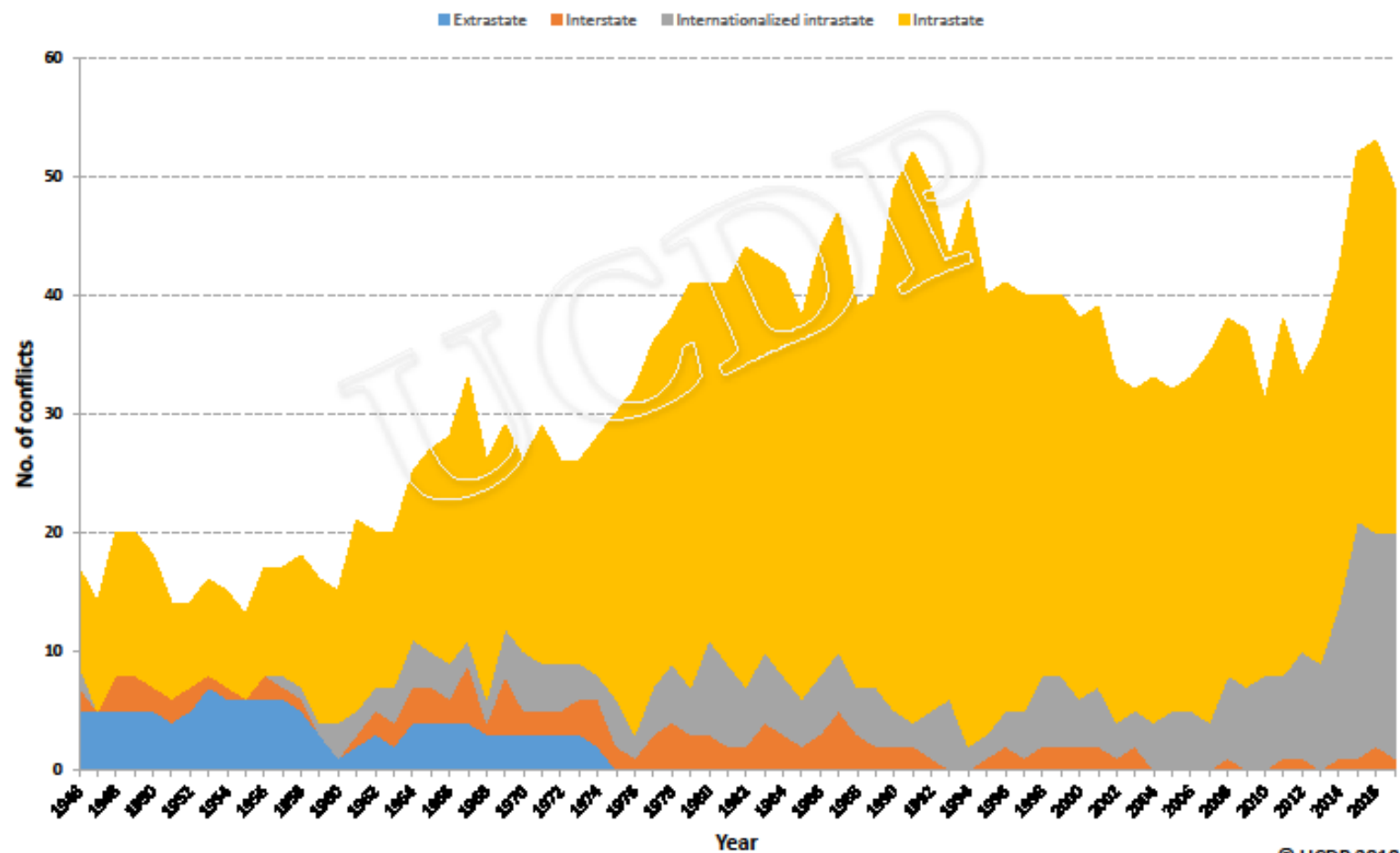
=

(Number of Cases × Unit Cost) + Economic Costs

Organized Violence in 2016



Armed Conflict by Type, 1946-2017



STATE BASED ARMED CONFLICT

Definition?

UCDP/Prio database

Defined by violence, minimum deaths criterion

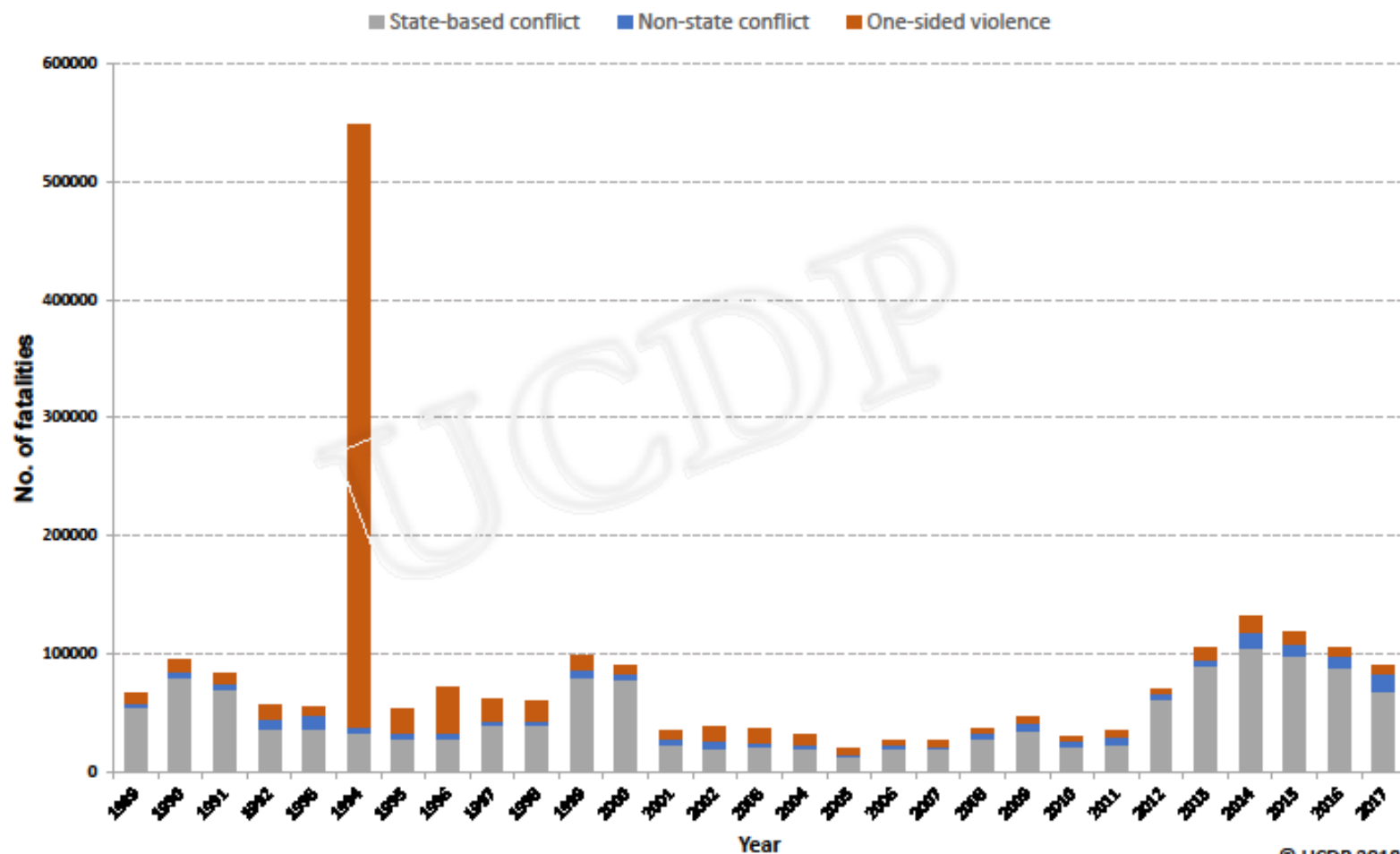
> 25 minor armed conflict, >1,000 major armed conflict (war)

One state actor, organised violence (group), effective resistance

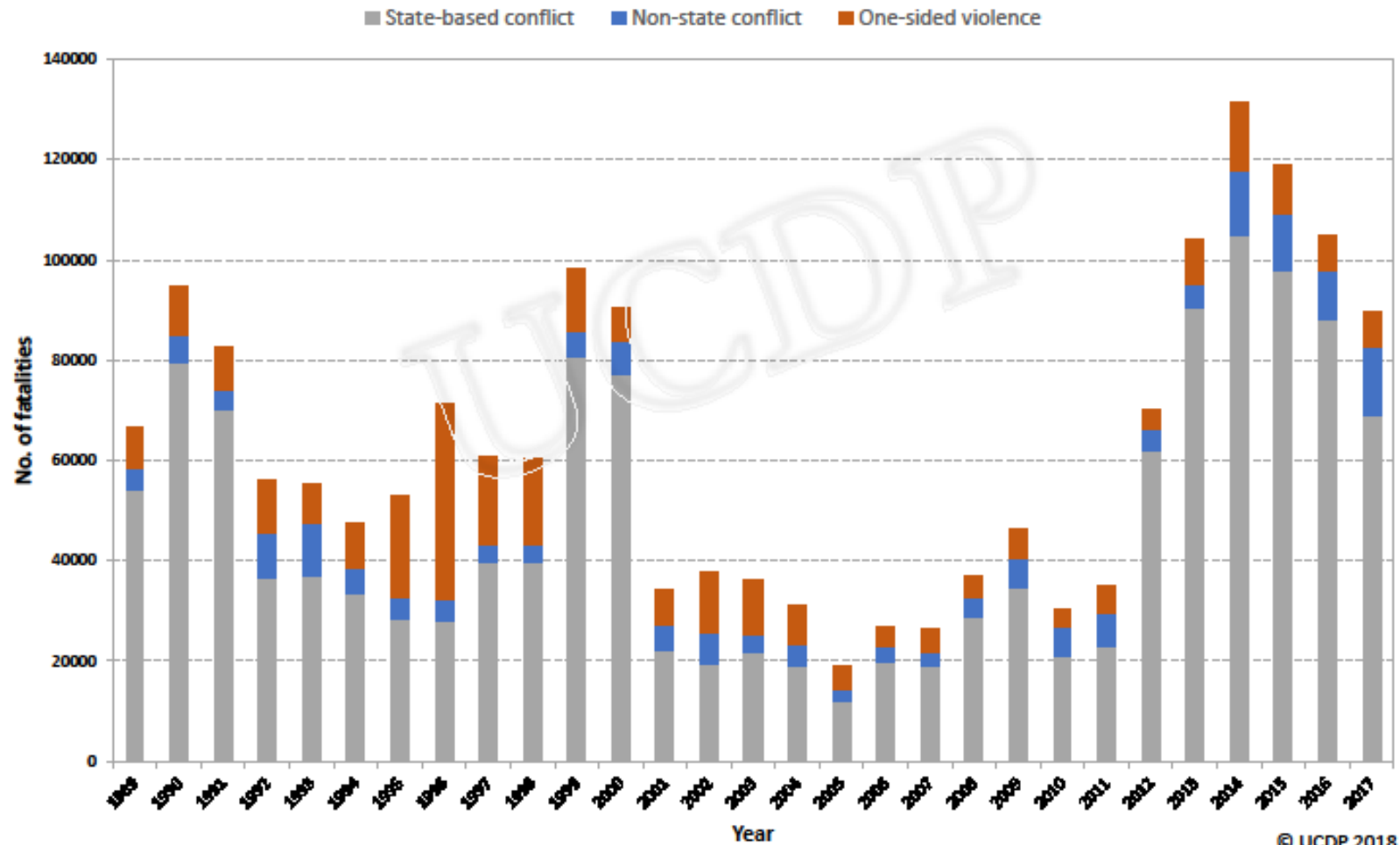
Battle related deaths, military & civilian

Not general war deaths (hunger, disease)

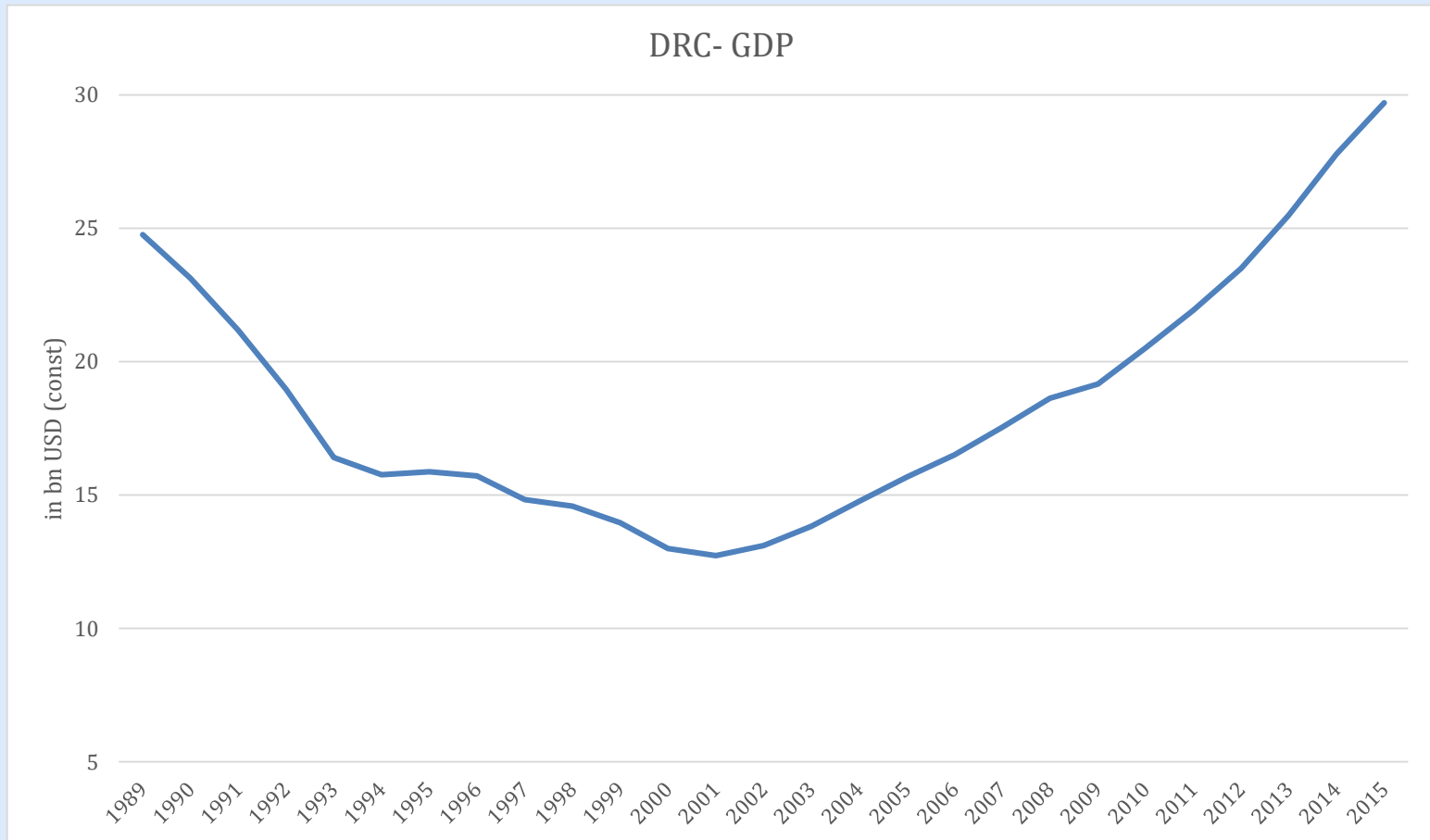
Fatalities by type of violence (including Rwanda 1994), 1989-2017



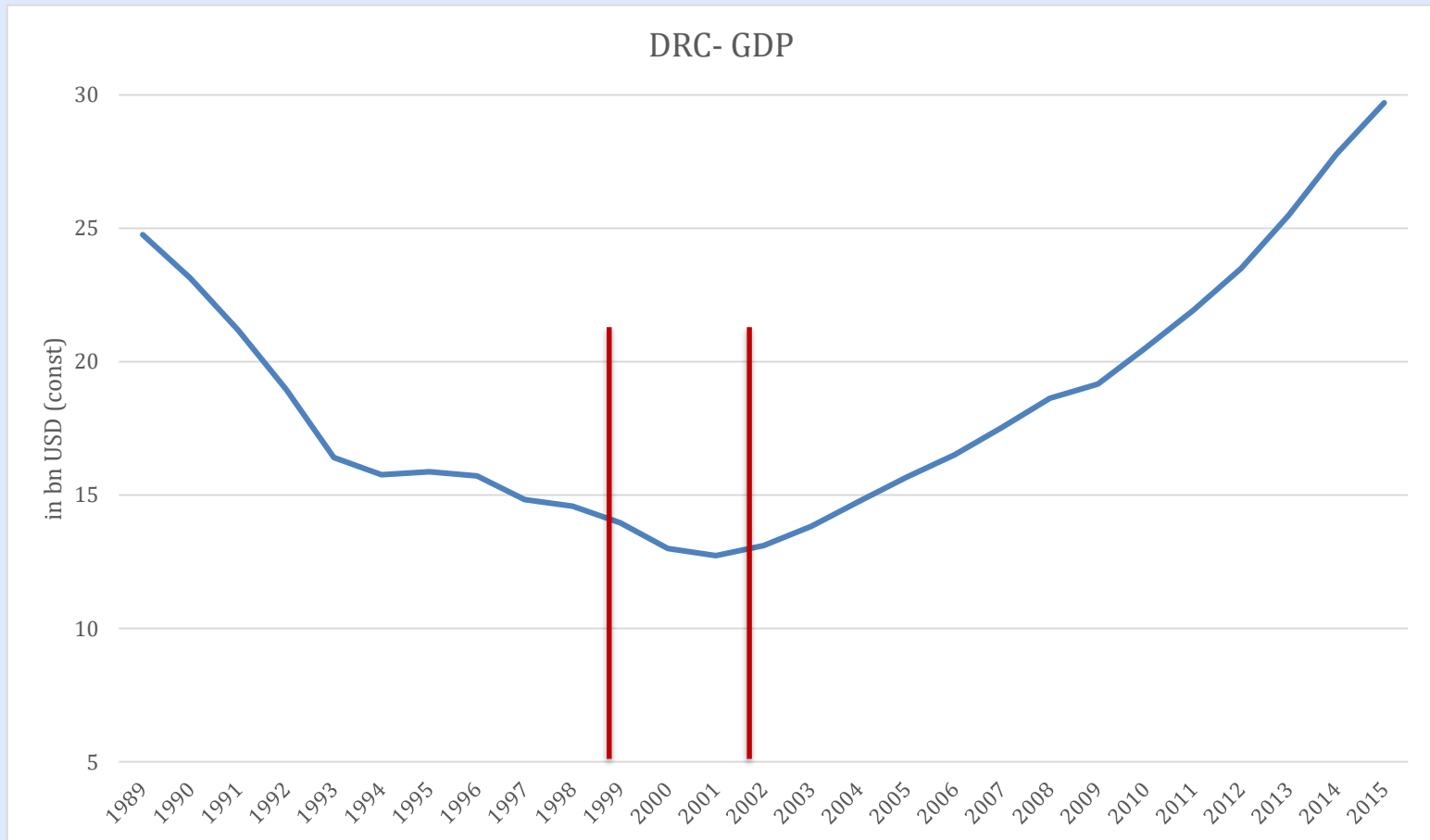
Fatalities by type of violence (excluding Rwanda 1994), 1989-2017



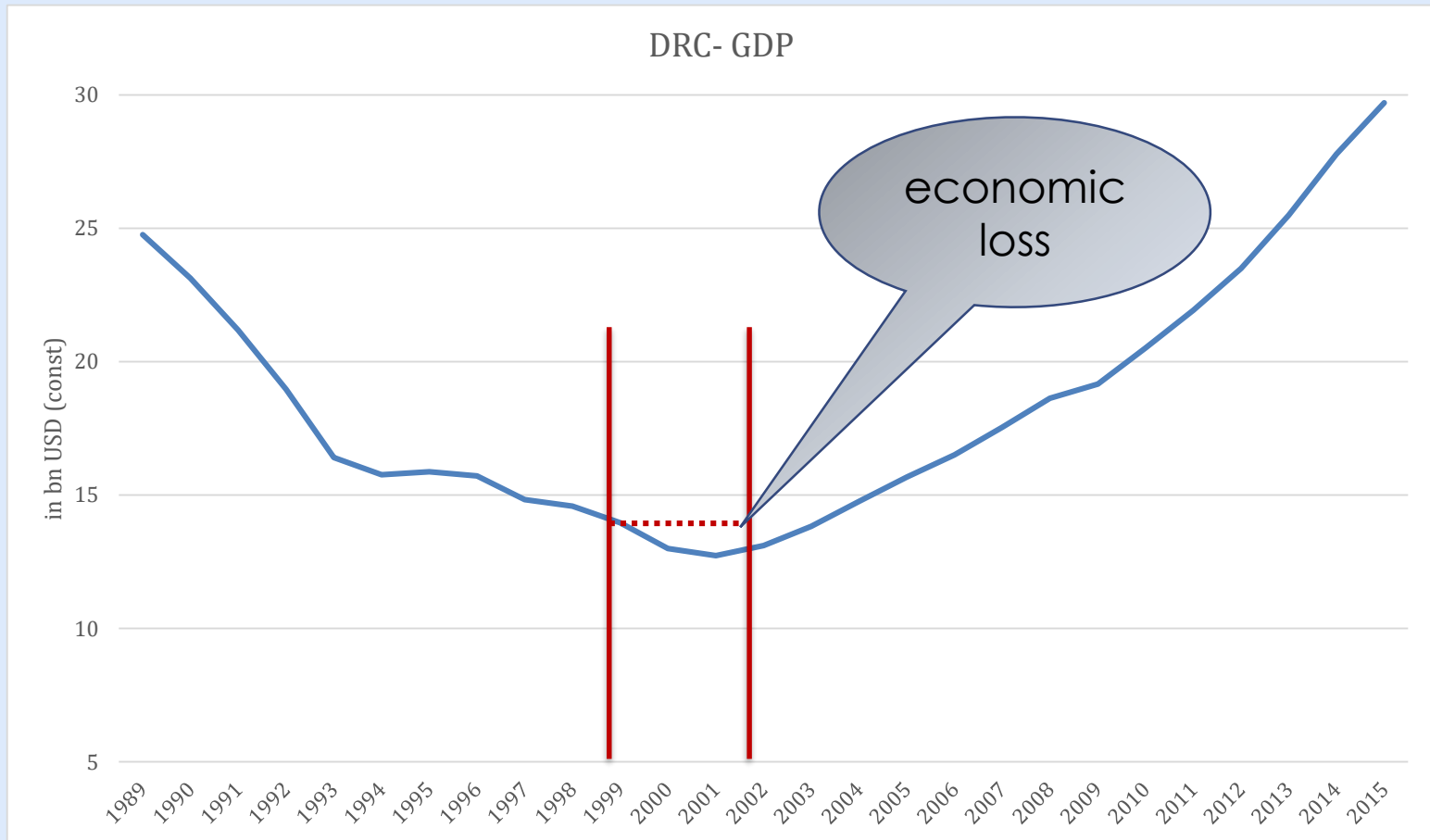
ECONOMIC COSTS OF WAR – WAR AS A RECESSION



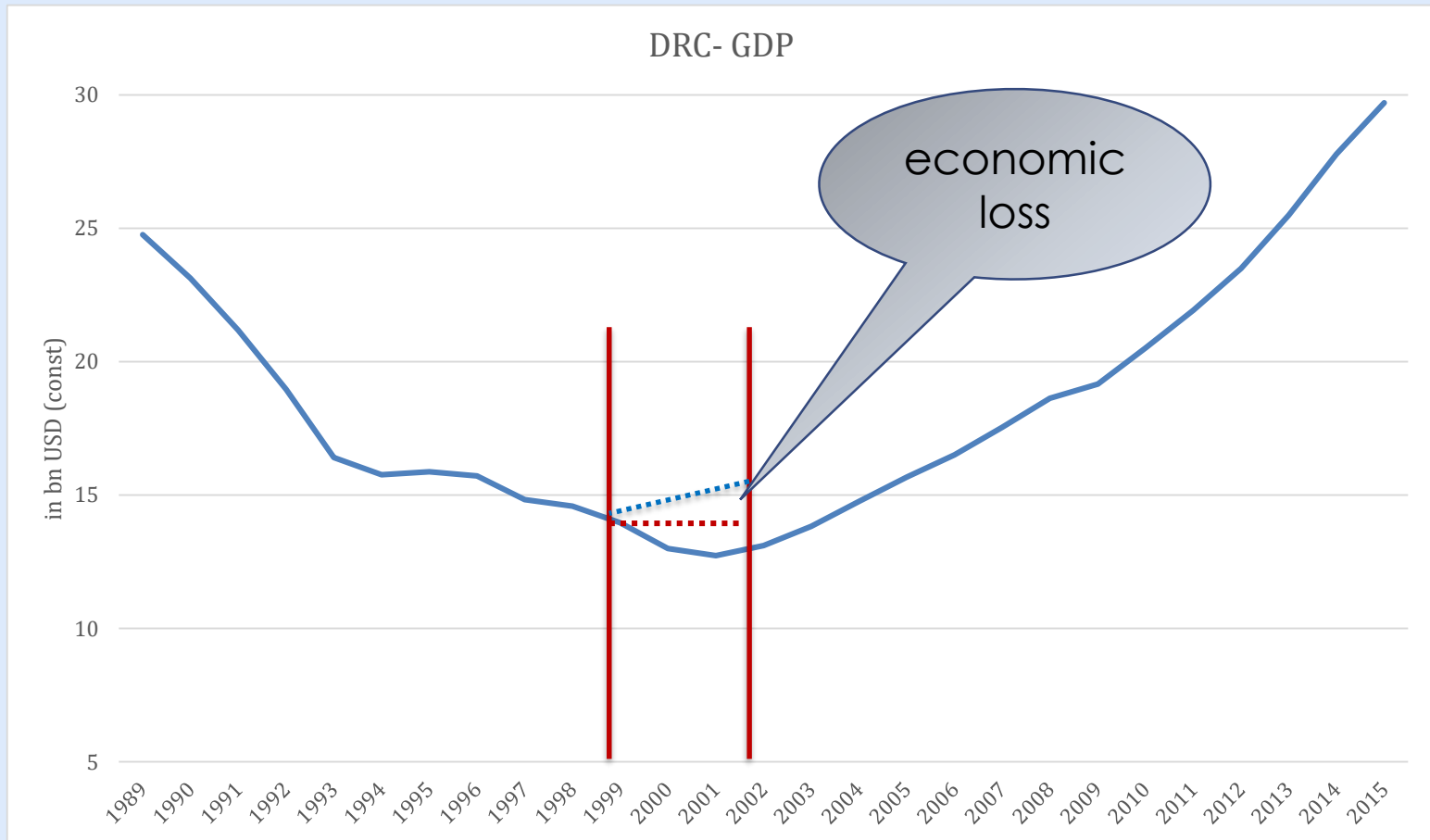
ECONOMIC COSTS OF WAR – WAR AS A RECESSION



ECONOMIC COSTS OF WAR – WAR AS A RECESSION



ECONOMIC COSTS OF WAR – WAR AS A RECESSION



Total Cost

=

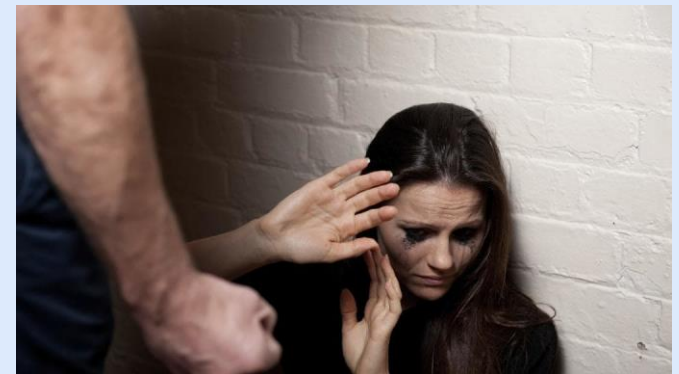
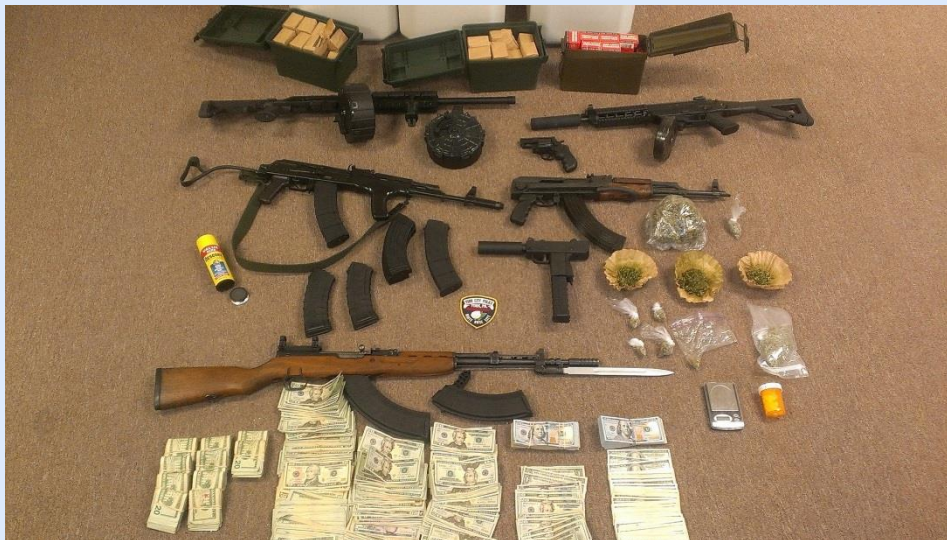
(Number of Cases × Unit Cost) + Economic Costs

counterfactual –
synthetic country

Deaths due to
violence -
Prevalence?
UCDP/PRIO

Value of life

WAR = VIOLENCE?



Definition?

Violence:

*any action that uses force,
intended to cause harm*

HOW COSTLY IS VIOLENCE?

Why should violence be quantified?

Common metric: assess the size of the problem and compare

- across different types of violence
- across time; and
- across countries/regions

enables CBA, adds weight to policy debate

HOW COSTLY IS VIOLENCE? – SOME QUESTIONS

- Which societies have high costs of violence?
- Which type of violence is most costly?
- Who is most affected by violence?

Excludes: self-directed
violence, violence against
animals&nature

CATEGORIZ.

Collective Violence

- International war
- Internal armed conflict
- One-sided violence
- Non-state violence

terrorism

Interpersonal violence

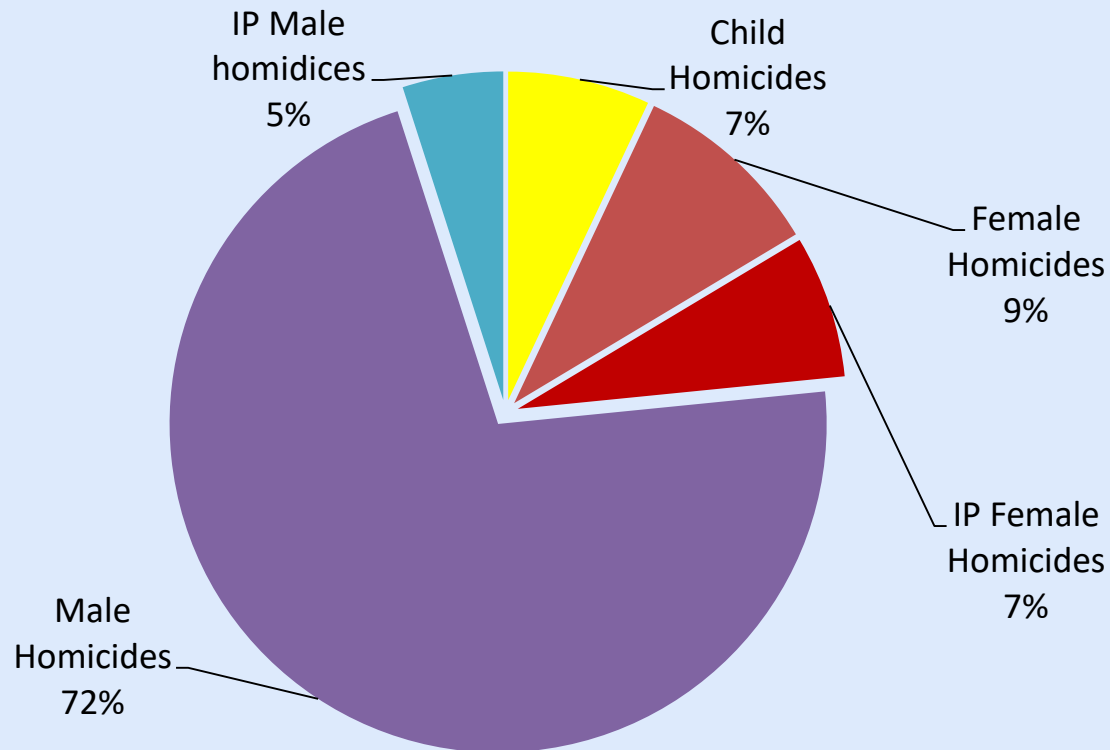
- Homicide
- Physical assault
- Sexual assault & rape
- IP violence
- Violence against children, elderly, disabled

HOMICIDE RATES AND COUNTS (2015)

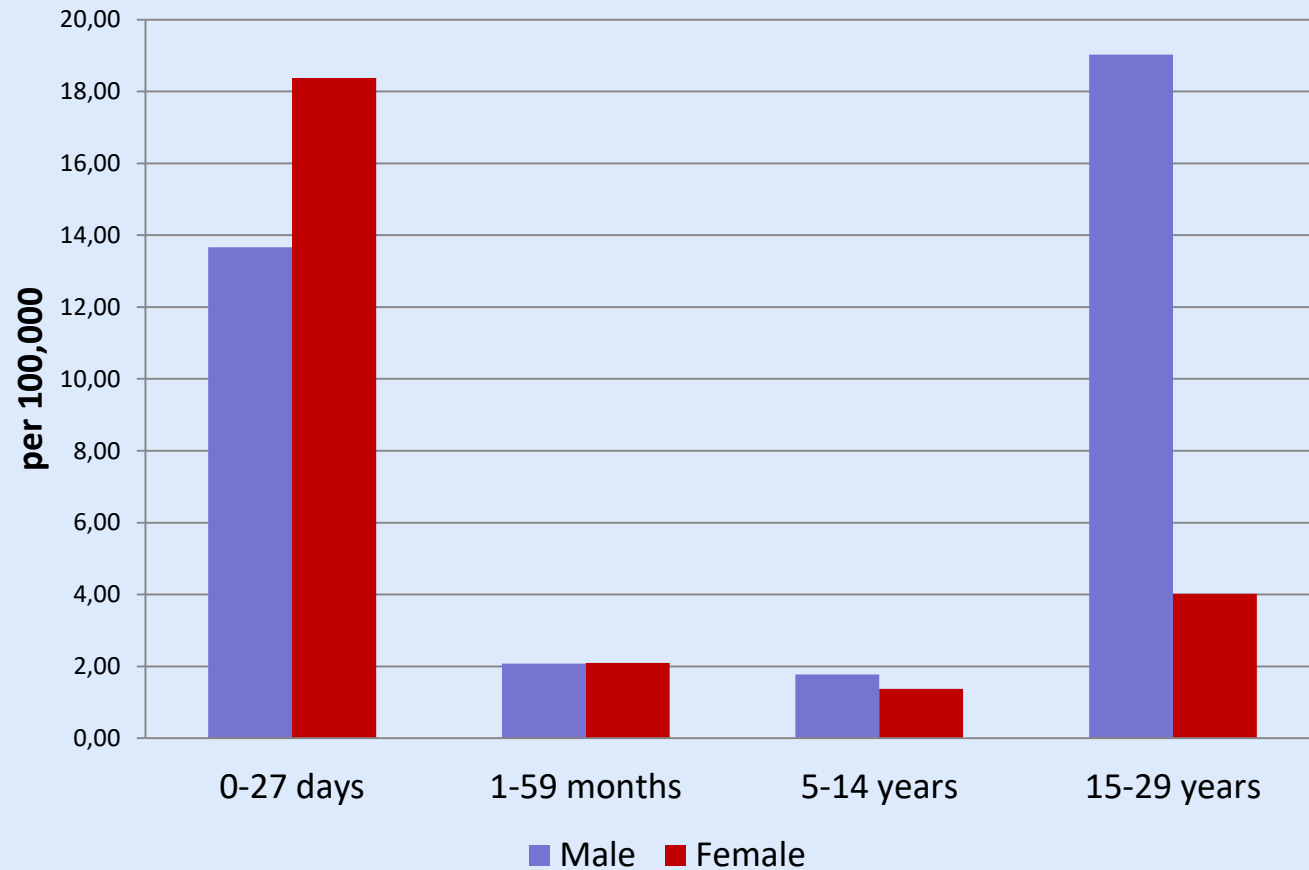
		Count
Comparison:		
Germany 0.85 (682)		
US 4.88 (15,696)		
Colombia	109	6,656
El Salvador	64	5,148
Honduras	57	17,778
Venezuela	43	1,207
Jamaica	34	18,673
South Africa	31	420
Trinidad&Tobago	27	55,574
Brazil	27	12,782
Colombia	19	149
Guyana	16	20,762
Mexico	16	584
Puerto Rico	13	10,322
DRC		

Comparison:
Syria 45,000

HOMICIDES (ABOUT 490,000 GLOBALLY PER YEAR)



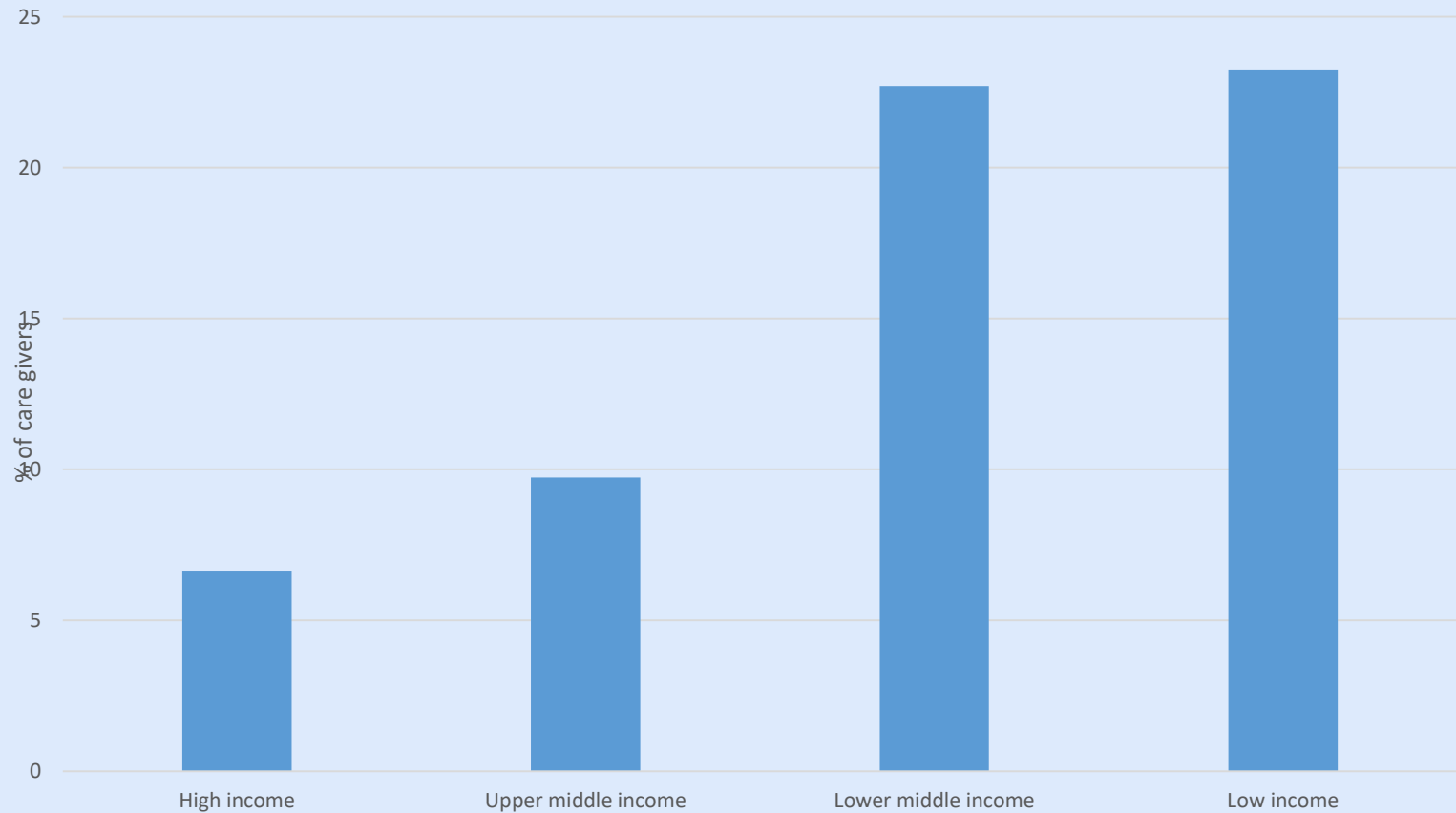
CHILD AND YOUNG ADULT HOMICIDES (LOW&MIDDLE INCOME COUNTRIES)



NON-FATAL VIOLENCE AGAINST CHILDREN

- Violence against children in schools, in the community, prisons, at work, in institutions but most of the violence happens in the home
- Focus on violence in the home
- Definition? Parent-Child Conflict Tactics Scale
 - non-violent discipline, psychological aggression, physical punishment , severe physical punishment

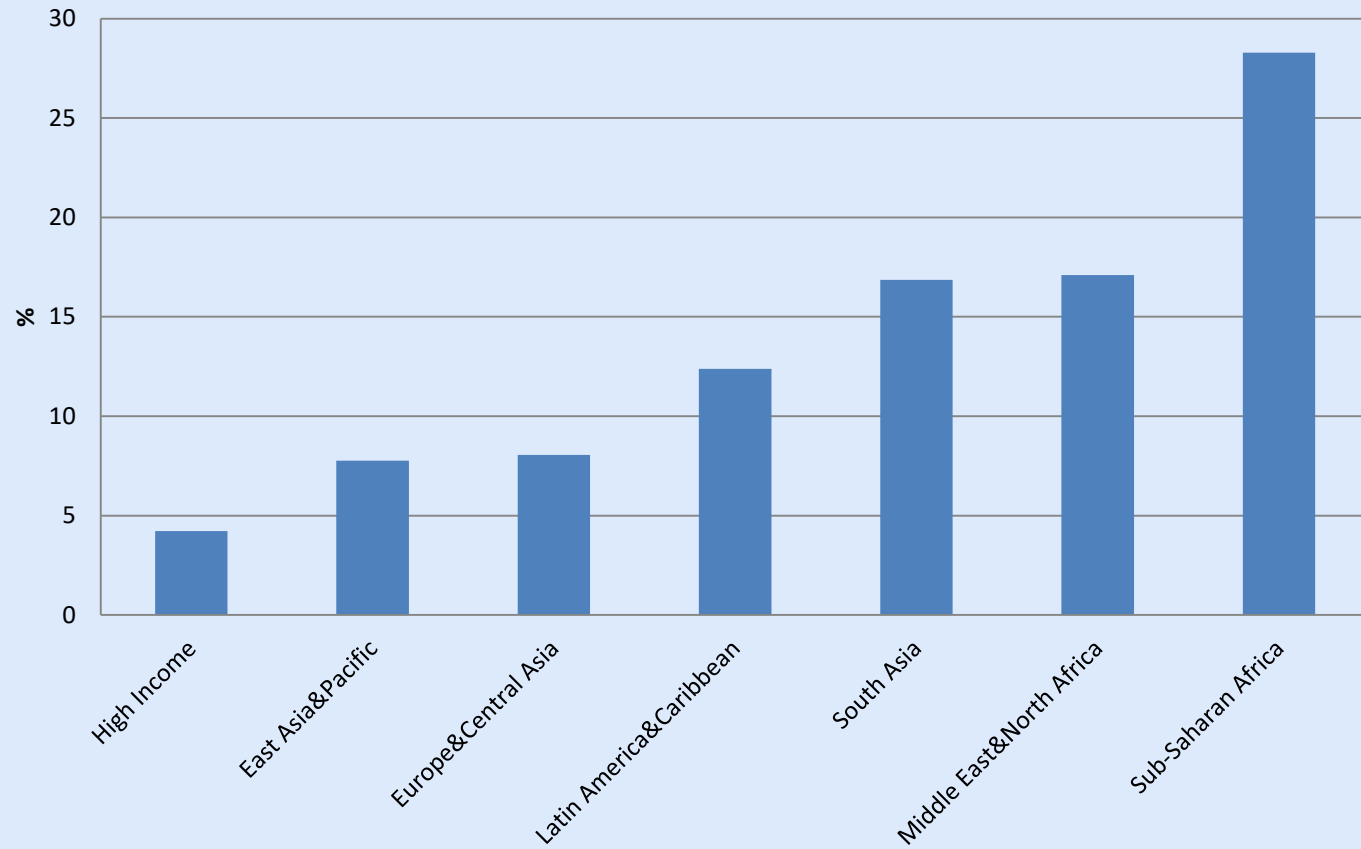
PERCENT OF PRIMARY CARE GIVERS USING SEVERE PHYSICAL PUNISHMENT (SELF-REPORTED)



NON-FATAL VIOLENCE AGAINST WOMEN

- Violence against women happens everywhere but most of the violence happens in the home
- About 12 per cent of women state in surveys that they suffered IPV during the past year
- Underreporting: About one in nine women report physical or sexual assault to the police

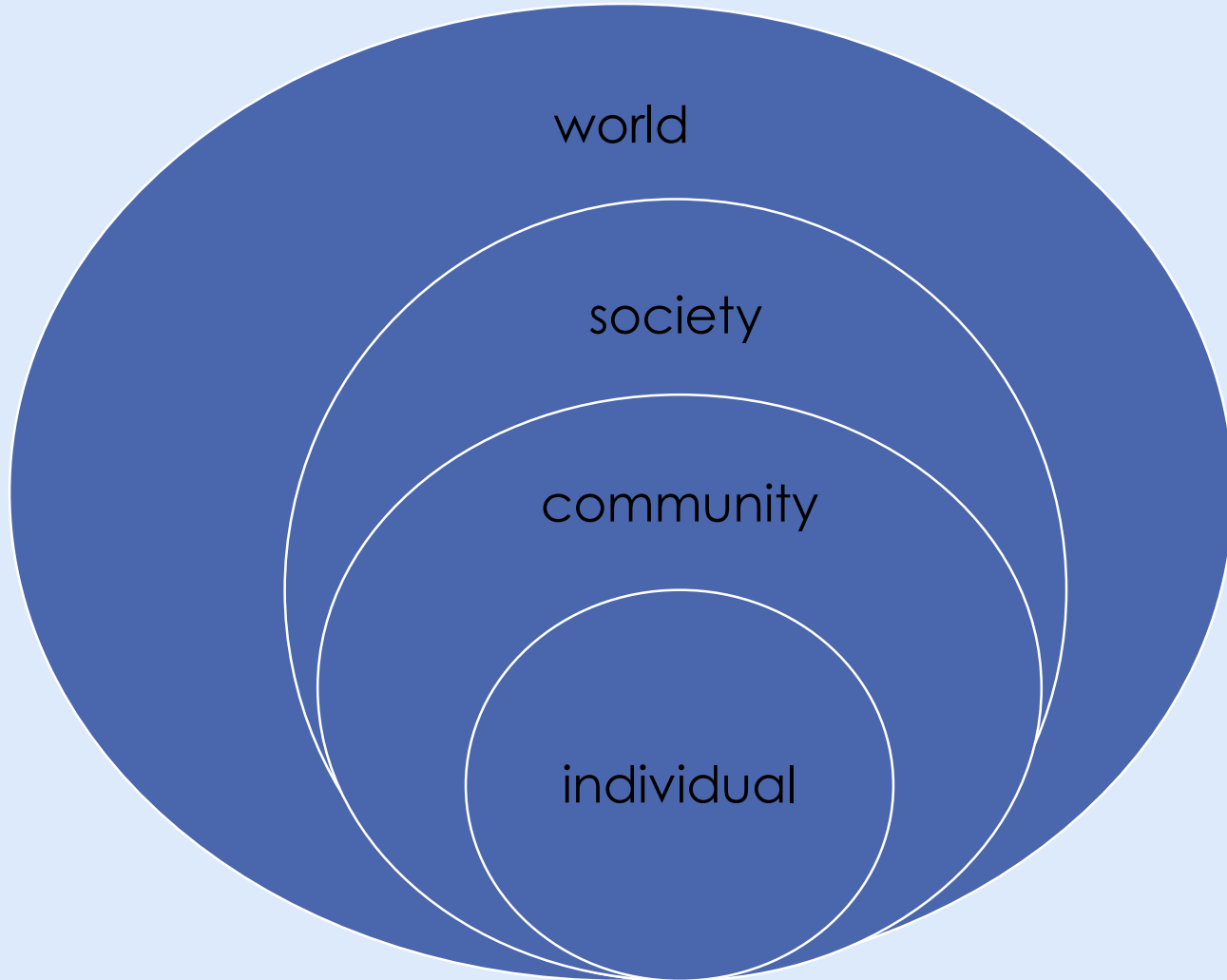
PREVALENCE RATES OF IP ASSAULT



PREVALENCE RATES PER 100,000 POPULATION

Region	Homicide Rate	Non-fatal violence against women	Non-fatal violence against children
Europe & Central Asia	3.0	1665	1336
East Asia & Pacific	3.1	2234	4053
North America	3.4	653	760
South Asia	4.0	4323	11000
Middle East & North Africa	4.2	3011	6919
Sub-Saharan Africa	9.6	5807	10072
Latin America & Caribbean	19.7	3390	1233

COST OF VIOLENCE



displacement of legal
activity, lower productivity

Total Cost

=

(Number of Cases × Unit Cost) + Economic Costs

Prevalence?
Officially reported
(WHO, UNODC) and
survey evidence
(DHS, MICS)

intangible costs dominate
VSL: US \$8.4 mil. homicide;
\$200,000 rape; \$95,000
aggravated assault; scale
cost by country GDP

VALUE OF A STATISTICAL LIFE (VSL)

A life is 'invaluable' – price for a life?

part:

VSL: how much is society prepared to spend to avoid death/injury?

life

- Life insurance
- Labour market
- Compensation payments
- Product liability

Explicit information: willingness to pay

Should labour market data be used to assess dread risks?

VSL: revealed (vs. stated preference)

COST OF VIOLENCE

	Tangible Direct Costs	Tangible Indirect Costs	Intangible Costs
Concept	Consumption	Lost productivity	Pain, suffering, quality of life, inequality, norm changes
Measures	Treatment & care Justice costs	Income losses	VSL, compensation awards

COST OF VIOLENCE

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Collective violence	Medical costs, displacement	GDP losses, increased milex	VSL, values for injury & disability

COST OF VIOLENCE

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Collective violence	Medical costs, displacement	GDP losses, increased millex	VSL, values for injury & disability
Interpersonal violence	Medical costs, criminal justice costs	Income losses, reduced productive activity, increased security exp	VSL, values for injury & disability

COST CALCULATIONS

(CIVIL) WAR

- Human costs: war deaths/wounded
- Economic costs: reduction in GDP & externalities

CRIME

- Human costs: pain&suffering, homicide&assault
- Tangible costs (medical&justice)
- little on economic costs/externalities

COST OF VIOLENCE \$BN

Collective Violence

23 deaths civil conflict

0.7 deaths intern conflict

2 IDPs&Refugees

130 GDP losses

11 terrorism

Total: 167

Interpersonal violence

706 homicides

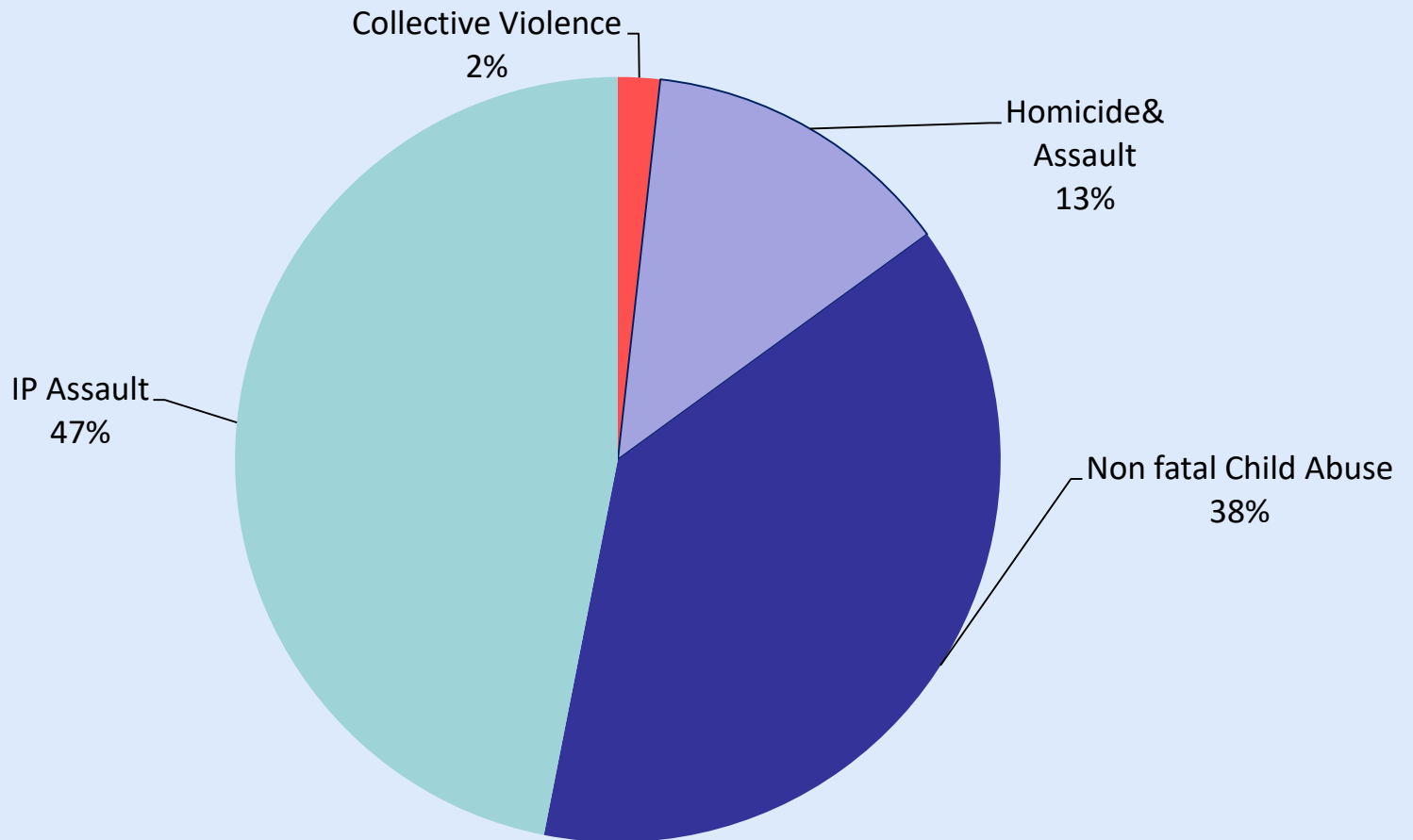
325 Assault

183 incarceration

23 fear

Total : 1,238

GLOBAL COST OF VIOLENCE



Total Annual Cost: 9.5 trillion USD (~ 11% World GDP)

HOW COSTLY IS VIOLENCE? – SOME ANSWERS

- **Which societies have high costs of violence?**

Low income countries

- **Which type of violence is most costly?**

Interpersonal violence

- **Who is most affected by violence?**

Women and children

REDUCING COLLECTIVE VIOLENCE

- International community better at resolving international wars (e.g. Ethiopia-Eritrea)
- Overwhelmingly civil wars are repeat conflicts, concentrate on stabilizing peace in post-conflict societies
- The longer peace lasts, the lower the risk of conflict recurrence
- UNPKOs: evidence for a peace preparation effect
- Countering war finance: Kimberley Process, PATRIOT Act, smart sanctions
- UN Arms Trade Treaty (2013) aims to reduce arms transfers to conflict regions

REDUCING INTERPERSONAL VIOLENCE

Effectiveness of interventions to combat homicide, assault, violence against children and IPV?

- Legal reforms to change harmful traditional practices?
- Changing norms and attitudes?
- RCT evidence?
- Alcohol and drug programmes
- Change in policing (hot spots, community policing)
- Parenting & school programmes
- IPV: change in policing (DASH, Duluth), economic empowerment, changing norms, teen education

Closing thought ...

Violence is a

- Human rights issue**
- Public health problem**

AND a

- Development issue**

FURTHER READING

Hoeffler, Anke. 2018. Security and development: Shifting the focus to interpersonal violence. *The Economics of Peace and Security Journal* 13:12-22.

Hoeffler, Anke. 2017. Violence against Children: A Critical Issue for Development. *European Journal of Development Research* 29:945-963.

Hoeffler, Anke. 2017. What are the Costs of Violence? *Politics, Philosophy & Economics* 16(4): 422 - 445.

Fearon, James and Anke Hoeffler. 2014. Benefits and Costs of the Conflict and Violence Targets for the Post-2015 Development Agenda, Post-2015 Consensus, mimeo.
http://www.copenhagenconsensus.com/sites/default/files/conflict_assessment_-_hoeffler_and_fearon_0.pdf

VIOLENCE: GLOBAL PREVALENCE RATES

- 1 in 100,000 people die in civil conflict or violent violence, not as a result of human rights abuses
- 9 in 100,000 people are killed or injured as a result of violence approximations
- 87 in 100,000 people experience physical or serious assault
- 16,000 in 100,000 children are subjected to severe physical punishment
- 12,000 in 100,000 women are assaulted by their intimate partner

Total Cost

=

(Number of Cases × Unit Cost) + Economic Costs

Prevalence?
Officially reported
(WHO, UNODC) and
survey evidence
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intangible costs dominate
VSL: US \$8.4 mil. homicide;
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2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

No mention of violence in the MDGs

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels

16.1 Significantly reduce all forms of violence and related death rates everywhere

16.2 End ... all forms of violence against ... children

16.4 By 2030, significantly reduce illicit financial and arms flows, ...

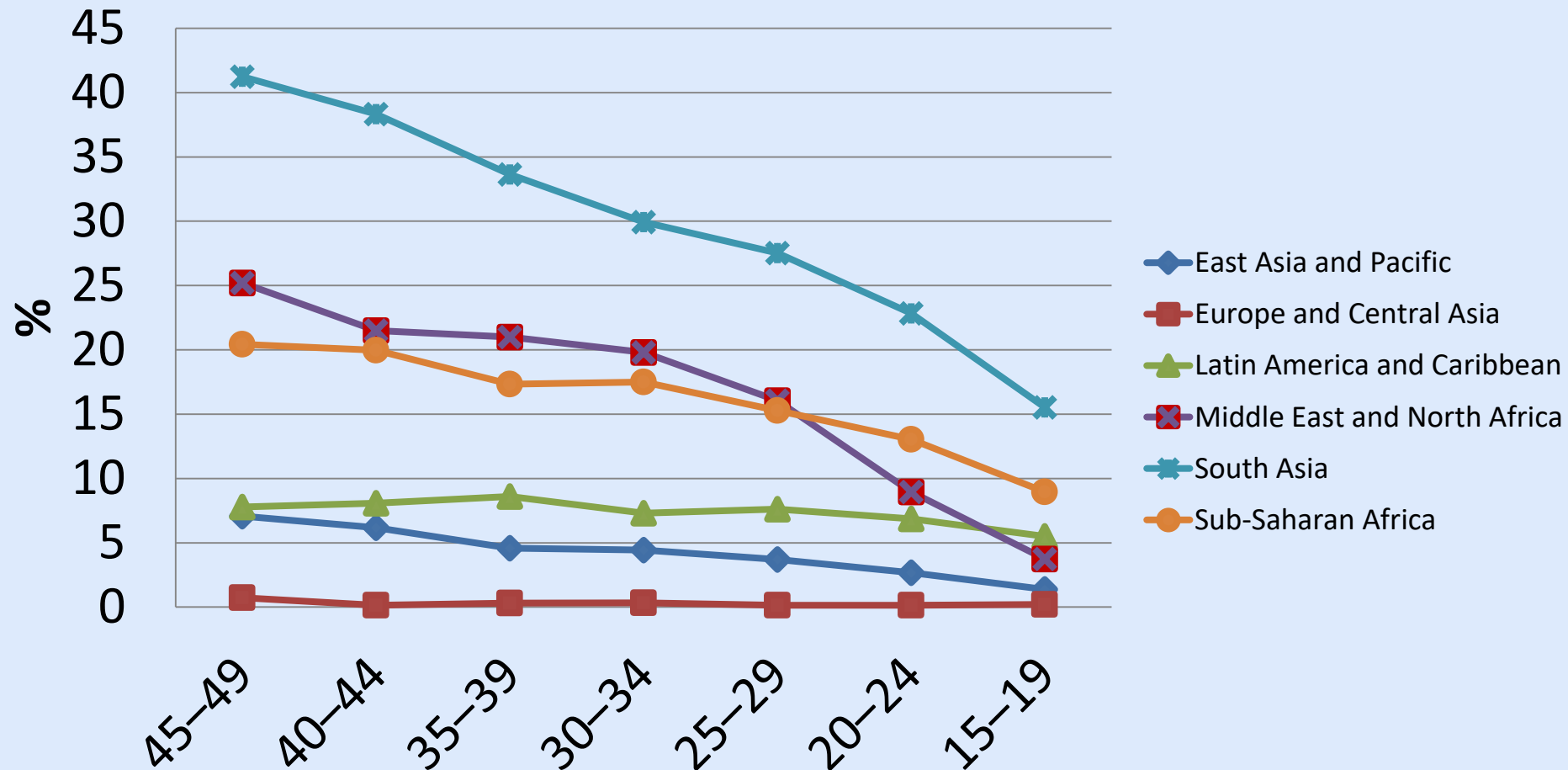
2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

SDG 5: Achieve gender equality and empower all women and girls

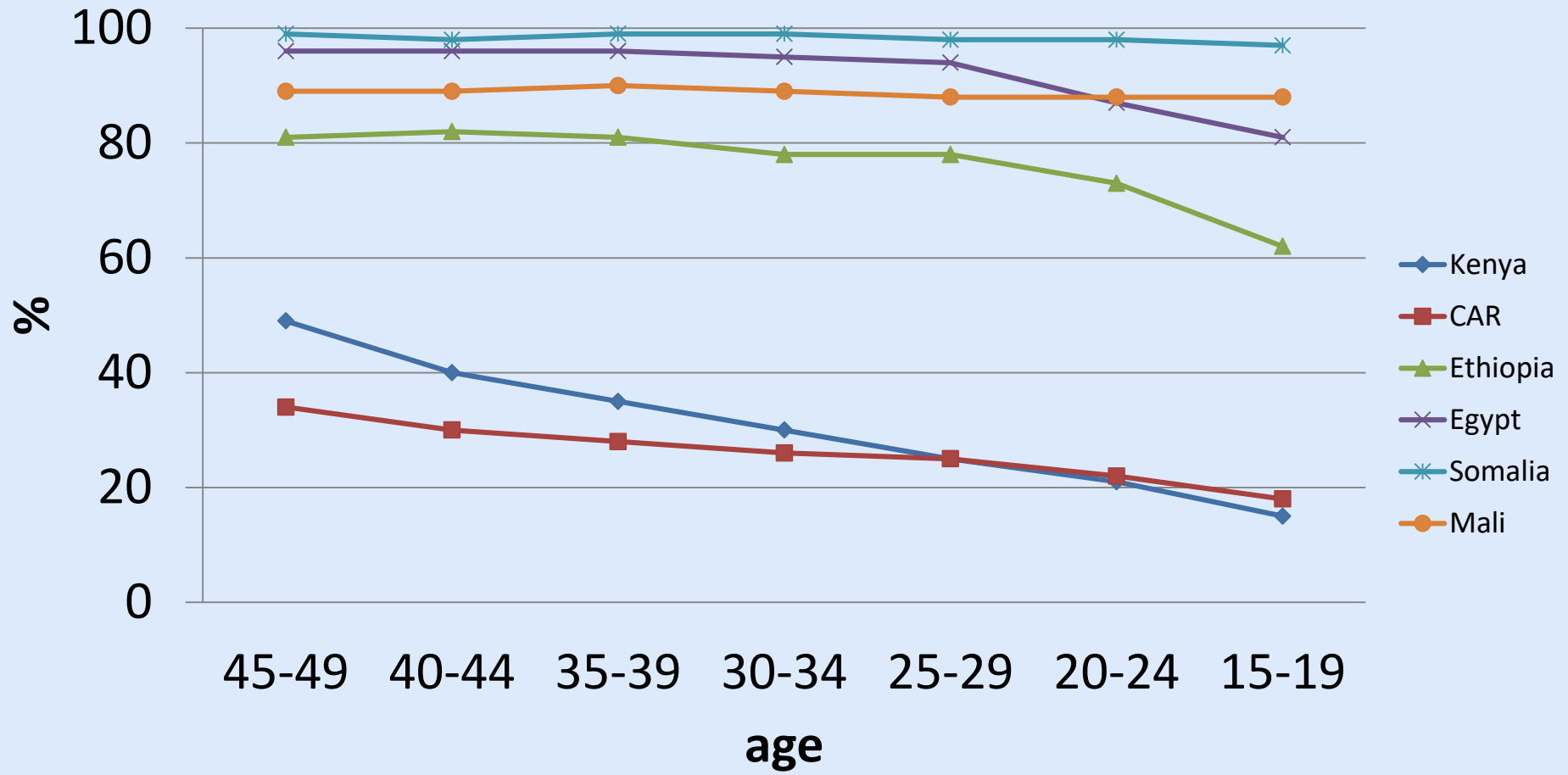
5.2 Eliminate all forms of violence against all women and girls in the public and private spheres ...

5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation

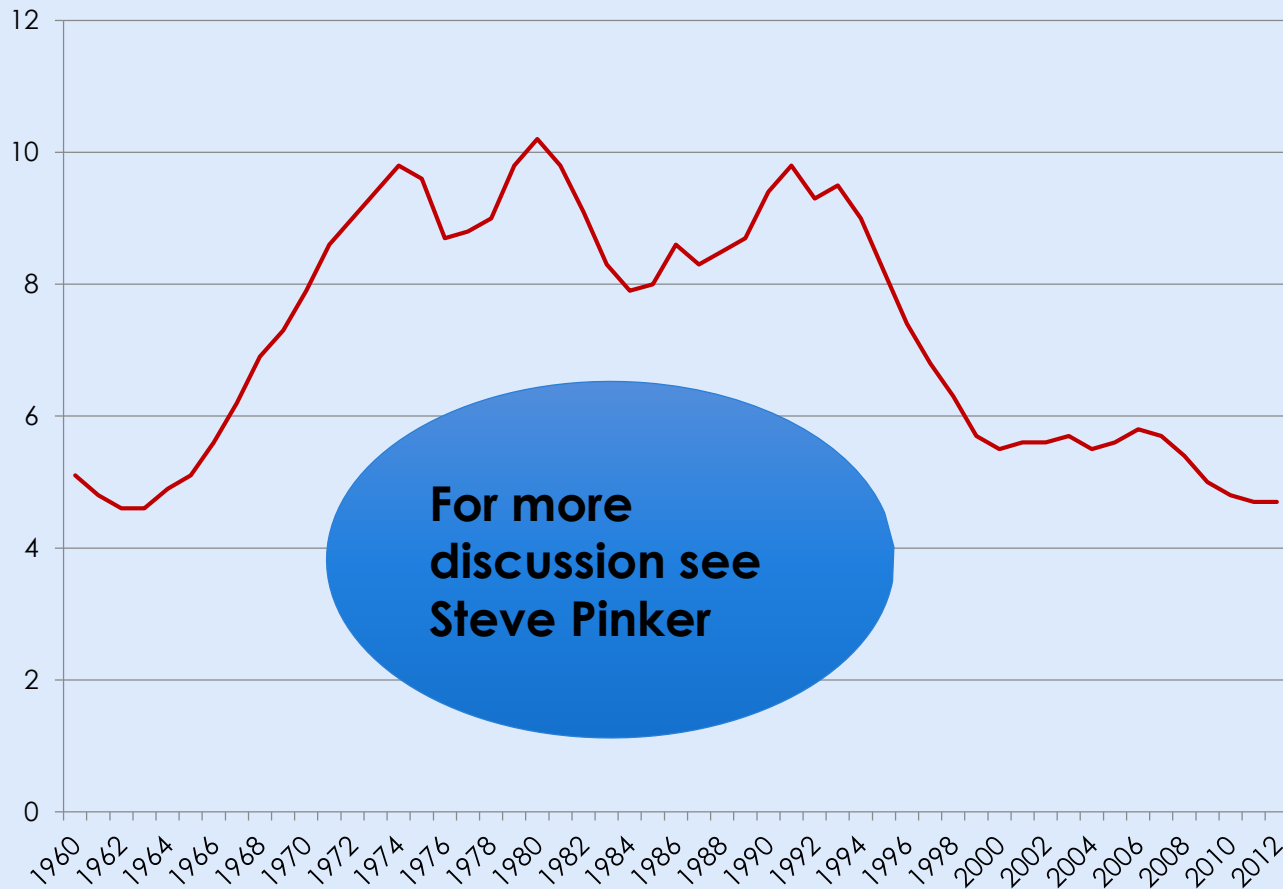
PERCENTAGE OF WOMEN MARRIED AT 15



PREVALENCE OF FGM BY AGE



US HOMICIDE RATES



TERRORISM

- Definition?
- Global Terrorism Database (2013, 7) —“the threatened or actual use of illegal force and violence by a non-state actor to attain a political, economic, religious, or social goal through fear, coercion or intimidation.”
- Defined by actor?
- Defined by strategy?
- Exclude state terrorism?
- Violence against civilians?
- Exclude terrorism against police/armed forces?

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