

Executive Summary



**Violence against women and
its financial consequences
for businesses in Bolivia**



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Regional Program ComVoMujer
Bernardo Alcedo 150, Edificio Peruval,
Piso 4, San Isidro, Lima 27/Perú
T +51 1 442 1101
I www.giz.de

Bolivian Chamber of Commerce
and Industry, Germany
c. 15 Calacoto # 7791 Torre Ketal Of. 311
Casilla 2722 La Paz – Bolivia
T + 591-2-279-5151
I www.ahkbol.com

Responsible

Christine Brendel
Regional Program Director
ComVoMujer
E christine.brendel@giz.de

Irma Campos, National Coordinator
for Bolivia of the Regional Program
ComVoMujer
Av. Ecuador 2523
Edificio Dallas, Piso 8
La Paz, Bolivia
E irma.campos@giz.de
I www.giz.de/bolivia

Elaboration

Dr Arístides Alfredo Vara-Horna
Leading investigator

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Preface

Violence against women (VaW) affects the wellbeing of thousands of women around the world. This is not an isolated problem for those being assaulted or their families. Quite the contrary, it affects the whole society with businesses being no exception.

The private business sector bears this hidden reality which causes losses for the employees as well as for the enterprises, no matter what the business activity or size.

With the aim of demonstrating the costs and impacts of VaW in intimate partner relations for Bolivian businesses, the German Cooperation implemented by GIZ through its regional program “Combating violence against women in Latin America – ComVoMujer”, commissioned the first research study of this kind in Bolivia. The study includes the participation of 31 medium and large enterprises which are pioneers in recognizing the importance of this grave problem which impacts both their organization and employees.

With concern, I would like to introduce the following document in which the main outcomes of the investigation are presented. Unfortunately these findings give a very clear message – the enterprises lose a great amount of money: USD 1,976,315,648 per year due to violence against women which is equivalent to 6.5 % of the national GDP of Bolivia.

I wish to thank the participating enterprises for opening their doors to the realization of this study; the German Chamber of Commerce and Industry for their support during the process; Dr. Vara-Horna and his team for their professional and valuable participation and, of course, the 2,705 women and 4,639 men who answered the survey with veracity and confidence.

I hope that the evidence generated by this study will be an important step towards change and towards a reality with less violence against women. More importantly, I hope this signifies a point of departure for more and more organizations of both the private and public sector to join forces and actively participate in the prevention and elimination of violence against women.

Christine Brendel

Director

**Regional Program – Combating Violence against women in Latin America – ComVoMujer
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH**

Introduction

Violence against women (VaW) in intimate partner relationships does not only constitute a flagrant violation of human rights, but also a serious public health problem around the world.

Every year, at least three out of ten women suffer from physical or sexual violence by their partners¹ causing grave physical and emotional damage to the victims, as well as having negative effects in their familiar, social and working environment².

Bolivia is one of the countries with the highest levels of violence against women in Latin America³. Considering all forms of VaW, seven out of ten Bolivian women are victims of violence⁴. This makes it highly probable that within enterprises there are both female employees suffering from violence and male employees exercising it, not to mention colleagues witnessing these acts. Even when the VaW is not generated within the company but originates from the context of the employees' intimate partner relationships, its impact on people's lives has a negative effect on enterprises. In some enterprises, the management only notices one of every ten existing cases of VaW among its personnel⁵, generally when the gravity of the violent act and its consequences for the victim cannot be ignored anymore.

VaW has a direct impact on the enterprise's labor productivity which may show itself by tardiness, absenteeism or staff turnover, not just among the affected female employees, but also the violent male employees and those witnessing these acts of violence.

Furthermore, the invisible "presenteeism", which refers to the reduced performance/labor productivity while showing presence at the workplace, causes the greatest costs for the enterprise. In addition, there are negative impacts on the organisational climate and the image and reputation of the company.

That is why there is a growing business interest regarding violence against women – understanding it as an important social and economic cost for enterprises which diminishes the labor productivity, life quality and personal development and well-being of both the employee and the businesses affected.

There are studies that attempt to quantify the impacts of VaW for businesses, primarily in North America, Australia and Vietnam. However, in Latin America, there are no such studies estimating the business consequences of VaW in a comprehensive manner and including variables that are difficult to measure as presenteeism.

That is why, in 2012, the German Development Cooperation implemented by GIZ through the Regional Program ComVoMujer in cooperation with the University of San Martín de Porres realized a pioneer study that calculated the business costs of VaW, not only including the affected women but also the male aggressors and the witnesses of VaW in Peru and additionally incorporating presenteeism in the calculations.

The study's results demonstrated that VaW impacts Peruvian businesses with losses of USD 6,744,069,741, equivalent to 3.7 % of the GDP.

Based on this previous work in the region and the strong impact the results caused in the private sector, the State and civil society in Peru, the Regional Program ComVoMujer decided to replicate the study in Bolivia, one of the countries in which the Program is working. In this version, there have been improvements in the methodology based on the lessons learned in former studies.

The study samples come from six business sectors: financial intermediation and insurance, information and communication, sales/trade, manufacturing industry and services.

The results of the study are a strategic opportunity for the participating enterprises in particular and the business sector in general to understand how this scourge affects its personnel, the labor productivity and how it generates a significant cost and subsequent loss of profitability.



Photo: © ComVoMujer

Methodology

Design: Descriptive study based on the application of structured questionnaires to the personnel of Bolivian private businesses during working hours.

For the estimation of the costs an accounting design for indirect costs of the human capital was used, that captures the value of the time loss due to absence or low productivity.

The lost labor days and lost salary were counted and then corrected by the factor of individual labor productivity ⁶.

Sample: The data originates from 31 Bolivian private enterprises, large and medium sized, which are situated in the core area: La Paz, Cochabamba and Santa Cruz.

The sample represents five business sectors. 47.3 % of manufacturing industry, 24.5 % of the banking sector, 10.9 % of the telecommunication sector, 9.6 % of the service sector and 7.7 % of enterprises dedicated to sales/trade.

Sample distribution by sector and number of employees					
Business Sector	Enterprises	Employees			Percentage
		Men	Women	Total	
Financial intermediation and insurance	4	876	924	1,800	24.5 %
Information and communication	2	453	354	807	10.9 %
Sales/trade	4	451	111	562	7.7 %
Manufacturing industry	16	2,399	1,071	3,470	47.3 %
Services	5	459	245	704	9.6 %
Total	31	4,638	2,705	7,343	100.0 %

Source: Field Work. Elaboration: Aristides Vara

Representativeness: The study is considered representative as the sample considered only companies with offices in the three cities of the core area, which contribute 67.2 % of GDP to the national economy, and represent 84.3 % of the economically active population (EAP).

Instrument: Compared to the instrument used in Peru, there is now improved reliability of the scales of absenteeism and presenteeism. The validity has the same factorial structure as the one in Peru, demonstrating the robustness of the variables.

The female staff received a standardized questionnaire on the issue of violence against women in intimate partner relationships. All collaborators surveyed responded to the following questions:

- 1. Demographic and labor information:** age, marital status, number of children, number of dependents living with the couple, monthly salary, weekly working hours, seniority, type of contract.
- 2. Daily salary:** Derived by dividing the monthly salary by the number of days in the personal contract. In the case of a variable salary, the number of hours reported were considered and not the ones of the basic salary, and then converted to days. Eight working hours per day were assumed.
- 3. Violence against women in the domestic context:** The type and frequency of violence that the female employees have experienced by their partner or ex-partner were determined. The types of violence are measured with a scale of 6 specific actions and the frequency in a 7-point scale. In addition, three periods are distinguished: past 12 months, lifetime and cessation of violence.
- 4. Violence against women in intimate partner relationships (VaW) in the employment context:** Inquire how often their partners or former partners have harassed/threatened them by phone or mail; harassed/threatened them in their work; if they have insulted or hit them at work or on their way to or from work. The frequency and time-frames are also noted.
- 5. Consequences of violence in the workplace, when asked “How do you fight or discuss?”:** The questions were not assumed as VaW, but as a product of “fights or arguments” using a six point scale including frequency and time-frames of the violence. The difference between those who have not reported violence in previous scales and have reported consequences of fights and arguments on this scale is the percentage of staff who underestimates VaW situations in which they live.
- 6. Costs of absenteeism:** It is defined as the amount of lost work per absent day depending on labor productivity. The questionnaire asked about the number of days missed from work during the past four weeks, considering seven items. Frequency and periods are asked.
- 7. Costs of presenteeism:** It is defined as the amount of time the female employee attended work but was not productive over a period of (the last) four weeks. It is measured in 7 items of work distraction. Frequency and periods are asked.

8. Witnesses of violence: Measures the prevalence of female employees assaulted by their partners or male employees exercising violence as reported by their coworkers. It includes three levels of reports. It also asks for the perceived performance, both their own performance, as well as the one of the female colleagues affected by violence and other witnesses. The effects are distributed in 5 scales, depending of lost working hours, lower production quality, losses and layoffs. Only women who have not been abused by their partners or men who have not assaulted their partners during the past year are considered witnesses.

Female employees who are not victims of violence at present or throughout life are categorized as group “without violence”.

The men received a similar questionnaire that asked about their role as aggressor and inquired about the number of hours of work lost due to presenteeism and absenteeism, as well as the frequency and type of violence exercised.

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Photo: © ComVoMujer

The estimate of business costs

1. The calculation of costs is only based on the Economically Active Population (EAP) adequately employed.
2. The impacts calculated in lost workdays are summed considering each cost category (absenteeism, presenteeism) and for each source (assaulted, aggressor, witnesses).
3. The days lost of assaulted female employees and male aggressor employees caused by VaW are multiplied by the total EAP of men and women involved in VaW. The same is done for witnesses not assaulted nor aggressors.
4. Given that on average an employee works 288 days a year, losing that amount of days is like losing the workforce of an employee for one year. The number of days lost due to VaW is then divided by 288 working days, getting the loss of productive power due to VaW (in people) ⁷.
5. The labor force is multiplied by the average labor productivity for Bolivia, which in 2013 was USD 10,768. The values are converted to US dollars, assuming an exchange rate of 6.9 Bolivianos per dollar.
6. For the comparison with the GDP, the value of USD 30,601,157,742.4 is considered according to estimations of the World Bank and INE 2013.

National values considered for the estimation of business costs	
EAP remunerated women (adequately employed)	1,172,521
EAP remunerated men (adequately employed)	1,365,099
GDP (2013) USD	30,601,157,742.4
Labor productivity (national average, 2013) USD	10,768
Annual working days per employee/full time	288
Exchange rate USD/Bolivianos	6.9

Source: INE, World Bank.

Main results of the study

The following pages will reveal the high costs that violence against women in intimate partnerships causes for Bolivian businesses. We will see how this violence affects labor productivity for affected women, aggressors, and witnesses.

Magnitude: In the last year, 49 out of 100 female workers have been affected by violence by their partners, on average 28 times throughout the last year. At the same time 54 out of 100 male workers have admitted to using violence against their partners on average 19 times a year.

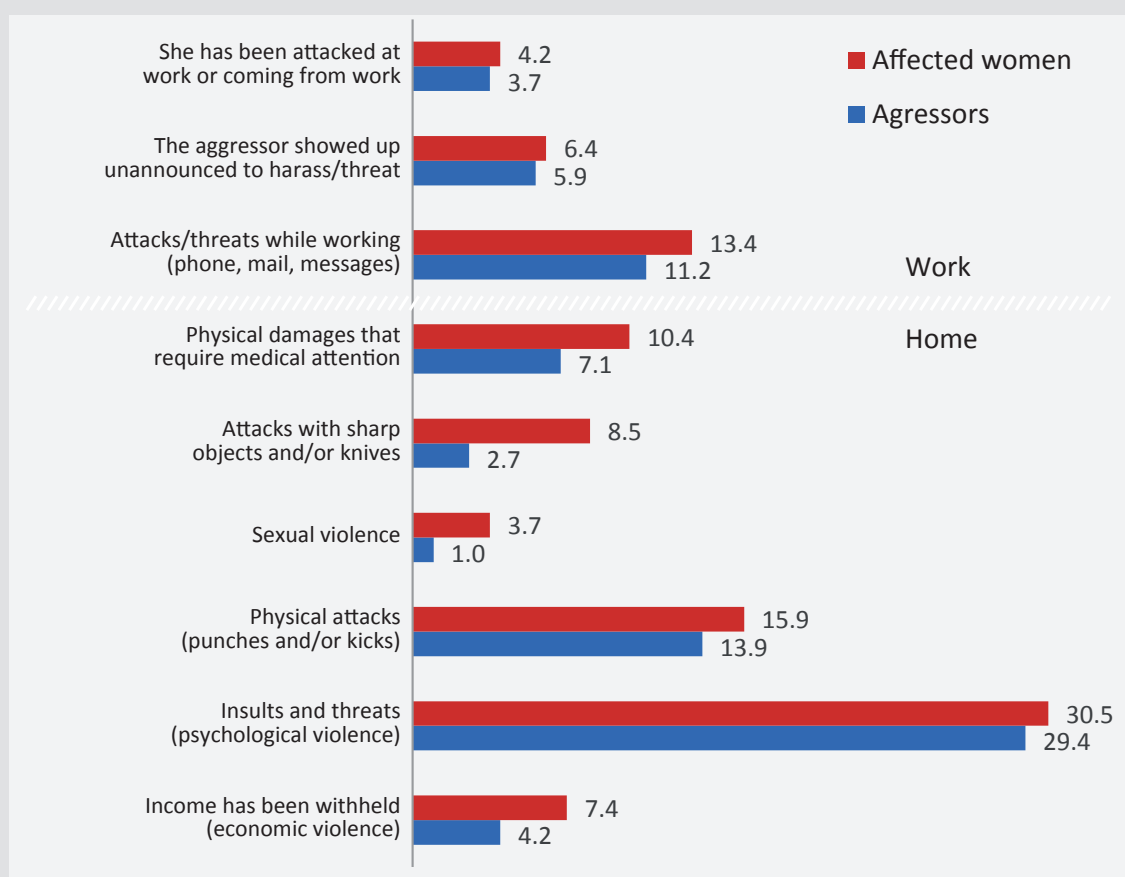
Colleagues as witnesses of VaW: 36 out of 100 workers have been witnesses to situations of violence against their female co-workers. Out of this group, 22.9 % affirm that their colleagues have asked them for help or advice to confront the violence. 13.2 % observed harassment or threats by phone or email and 12.5 % observed threats, insults or beatings directly.

Attacks: VaW episodes have manifested both at home and in the workplace, both causing serious damage. In the last year, on average, the female workers were abused at home 17 times and 11 times at work and its surroundings. That means that 39 % of these attacks happened within the facilities of the company or nearby. The attacks mainly consisted of threats or harassment by telephone, e-mail and messages.

Denial of VaW: As for economic violence (4.2 %), sexual violence (1 %) and extreme physical violence (2.7 %), attackers tend to underestimate or deny their attacks towards their partners, having reported less violence exerted than female workers report.

VaW by sector: According to the employers, life prevalence of violence is distributed evenly, without significant variations. The values range from 56.4 % in sales/trading companies to 60.1 % in companies that offer services.

Life prevalence of violence against women by their (ex) partners, in the workplace and home, according to the statements of affected female employees and aggressors.



Source: Questionnaire for female and male employees. Analysis: Arístides Vara.

The Effects of VaW on labor productivity

Consequences of VaW on labor productivity: 58.3 % of the abused female employees and 48.2 % of the aggressors show a decreased work performance (presenteeism). Compared with affected female workers, the offenders receive more scolding or warnings by their bosses (45.8 %), they have difficulties with work colleagues (43.7 %) and customers (26.3 %). Both affected female workers and aggressors have been late or forgot business meetings (30.8 %).

Decreased performance (presenteeism) because of VaW: Both affected women and the aggressors have had difficulty concentrating (22 %) and worked slower than usual (16 %). Unlike the affected female workers, the aggressors had more personal problems or family issues (25.9 %), show exhaustion and tiredness (20 %) cause work accidents and incidents (13.9 %) and cause zero productivity (10.3 %).

Lost working days: Absenteeism and presenteeism caused by VaW lead to 38.4 lost work days per offender, 27.5 days per affected female worker and 13.7 days per witness / colleague. On average, for every attack suffered by a female worker or exerted by a male worker, the company loses productivity of 1.18 working days.

Presenteeism and absenteeism: At a national level companies are losing a total of 52,858,213 working days per year caused by presenteeism and absenteeism (low performance and days absent from work) of their workers involved directly or indirectly with VaW. The attackers represent 59.2 % of these lost days, followed by affected female workers (33.4 %) and witnesses (7.4 %).

Lost Workforce: Considering the loss of working days at national level and the annual number of full-time working days per person (288 days), we can calculate a productivity loss equal to 183,534 full-time workers for a year.

Costs of VaW: Considering the factor productivity, companies are losing USD 1,976,294,112 each year (about 13,640,000,000 Bolivianos), because of VaW, which is equivalent to 6.46 % of the Gross Domestic Product (GDP) of Bolivia. The attackers are more expensive for companies and represent more than half of these costs: USD 1,170,061,648, which is equivalent to 3.82 % of the GDP.

Business Costs due to absenteeism and presenteeism caused by VaW, considering the productivity factor^a (annual costs in USD)

	Affected Women	Aggressors	Witnesses	Total
Cost per person (in USD)	602,01	693,32	324,11	
Number of employees	642,541	814,964	284,213	1,741,718
Absenteeism				33.6 %
Days lost due to VaW (per person)	8,6	13,6	4	
Days lost due to VaW (nation-wide)	5,525,853	11,083,510	1,136,852	17,746,215
Labor force lost (persons)	19,187	38,484	3,947	61,618
Annual Costs caused by absenteeism	206,605,616	414,395,712	42,501,296	663,502,624
Presenteeism				66.4 %
Days lost due to VaW (per person)	18.9	24.8	9.7	
Days lost due to VaW (nation-wide)	12,144,025	20,211,107	2,756,866	35,111,998
Labor force lost (persons)	42,167	70,177	9,572	121,916
Annual Costs caused by presenteeism	454,054,256	755,665,936	103,071,296	1,312,791,488
Total costs for businesses caused by VaW	660,659,872	1,170,061,648	145,572,592	1,976,294,112
Total work force lost^b (persons)	61,354	108,661	13,519	183,534
Total working days lost caused by VaW (nation-wide)	17,669,878	31,294,617	3,893,718	52,858,213
Businesses costs in terms of GDP	2.16 %	3.82 %	0.48 %	6.46 %^c

Source: Calculations using the accounting method, *Aristides Vara*.

^a Productivity factor of USD 10,768 per worker (updated in 2013 by The Conference Board Total Economy Database, 2014).

^b Work force lost: Days lost caused by VaW nation-wide/ 288 (annual working days per person working fulltime).

^c GDP = 30, 601,157,742.4 according to World Bank in 2013 (211,454,000,000 Bolivianos, according to INE in 2013).

Business Violence Scale: Bolivia 2014		
Violence against women in intimate relationships (VaW)	Affected personnel (at least once throughout their relationship)	57.9 %
	Affected women	54.8 %
	Aggressors	59.7 %
	La Paz/El Alto	59.7 %
	Chochabamba	59.4 %
	Santa Cruz	52.5 %
	Affected Personnel (last year)	51.9 %
	Affected women	48.7 %
	Aggressors	53.8 %
	Number of violent attacks per employee annually at home or the workplace (average)	22
	Affected women	28
	Aggressors	19
	Witnessed VaW in the company	36.1 %
	Affected productivity after having witnessed VaW	58.3 %
Impact on productivity (only absenteeism and presenteeism)	Lost working days caused by VaW per worker annually (average)	34
	Lost working days (affected women)	27.5
	Lost working days (aggressors)	38.4
	Lost working days (witnesses)	13.7
Business costs (only absenteeism and presenteeism)*	Costs per worker affected by VaW per year (USD)	645
	Costs aggressors (USD)	693
	Costs affected women (USD)	602
	Costs witnesses (USD)	324
	Total of days lost per year	52,858,213
	Lost working days (affected women)	17,669,878
	Lost working days (aggressors)	31,294,617
	Lost working days (witnesses)	3,893,718
	Total of full-time employees with a 100 % productivity lost over a year (equivalent)	183,534
	Affected women	61,354
	Aggressors	108,661
	Witnesses	13,519
	Businesses costs on a national level caused by VaW, including the factor productivity, per year, in USD	1,976,294,112
	Business costs in terms of GDP (%)	6.46 %

Source: Questionnaire for employees. Analysis: Aristides Vara.

* Only absenteeism and presenteeism present 98 % of the costs of VaW. It doesn't include turnover of staff and tardiness (which represent 2 % of the costs). The unemployed, but employable female workforce has also not been considered.

Recommendations for businesses

The private sector in Bolivia is dealing with invisible but very high costs because of violence suffered by its female workers and caused by its male employees. The figures presented urge companies to take immediate action to prevent and eliminate VaW.

For an effective prevention of VaW in companies, it is required that the top management is committed to implementing an organisational policy of zero tolerance towards violence against women in intimate relationships not only because it violates universal human rights but it also destroys the company's productivity and the quality of life of its employees. It is also important that all areas, including Human Resources, are committed to these guidelines.

Implementing programs and trainings for prevention of violence against women in all areas will allow sensitizing staff and give them skills that will help them in preventing and addressing VaW. Out of this pool of trained personnel, it is important to designate and train internal agents in strategic areas who will be in charge of detecting cases of VaW within the company. The emphasis of the company looking out for the welfare of its employees generates a sense of identification and commitment to the company and to the prevention of VaW.

There are many successful experiences of VaW prevention in businesses. The German Development Cooperation implemented by the GIZ, by its Regional Program Combating Violence against Women in Latin America – ComVoMujer has worked on important initiatives. Among them is a recent management model to prevent and eradicate violence against women in intimate relationships in business. By applying this system of prevention, the lost productivity by the VaW can be recovered.



Photo: © ComVoMujer

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- ⁶ The estimation of costs must include the productivity factor or added value contributed by each employee, not only wages, because the real costs for businesses would be underestimated. The productivity factor is USD 10,768 per employee (updated 2013 by The Conference Board Total Economy Database, 2014).
- ⁷ The standard criteria recommended by the OECD (2001) for working hours was adopted as the optimal measure of labor input, not per employees or jobs. From the above, each 288 days of actual full time work are equivalent to a productive job, thus avoiding double occupancy, partial employment and variation in average hours per week. In international antecedents, the value used is 240 days, assuming a working day 5 days 8 hours daily. For Bolivian reality, it was adapted to 6 days a week.



