Household indirect costs

Besides the direct out-of-pocket costs that arise due to domestic violence, in many instances what transpires to be a more substantial cost is the reduced income and productivity not only of survivors, but also of other members of the household including the perpetrator. The estimation of indirect costs presents several challenges, particularly in relation to subsistence and unpaid work.

In the Arab region, there are four principal types of work that women might be involved in. The following are the types of questions that can be covered for each type: ¹

(i) Waged worker, by the market definition

In this case, clear questions regarding the number of daily working hours, number of days per week and number of weeks per month should be asked. In addition, data on wage per hour/day/week is required and a daily wage should be computed in order to calculate the opportunity cost of missing a working day or even a fraction of a working day. Data also needs to be collected about the job characteristics in order to impute any missing data using the multiple regression technique (statistical analysis), which will provide a replacement value for the wage using available data for individuals with the same characteristics.

(ii) Employer/self-employed

Questions regarding the average earnings per day should be asked. Information about the number of days missed due to DV and/or the loss of productivity due to DV, with an estimate of the loss compared to a normal day.

(iii) Unpaid worker for the family (or non-family)

By market definition, this type of worker is considered as part of the labour force. Data on the job characteristics (occupation, sector, economic activity, stability and in/out of an establishment) is required. By employing multiple regression techniques with the demographic variables as well as the job characteristics, the earnings can be imputed using the

Good Practice

There are several methods for calculating lost productivity for waged and unpaid work. The choice of method (accounting methodology, econometric, propensity score matching) depends on the extent of available data and the degree of rigour desired. The accounting methodology is the simplest to use if the basic data on days lost and mean earnings are known from survey data and other secondary sources. However, this method assumes that all lost days can be attributed solely to violence. Moreover, while the extent of absenteeism can be estimated, productivity loss is more difficult to estimate using the accounting methodology. By contrast, both the econometric or propensity score matching methods would more rigorously establish loss of productivity attributable to DV.

In principle, the accounting method is recommended to establish missed work and missed care work. However, it is important to note that, while this is the most straightforward method, it requires data that is not available in the Demographic and Health Surveys (DHS), which is data on population and health collected by USAID from more than 400 surveys in over 90 countries. As such, the econometric or propensity score matching methods are recommended for estimating productivity loss.

In terms of calculating unpaid work, the output method measures the value of goods produced, while the input method measures the burden (which is the major concern in unpaid work). Thus, input measures are commonly used in the valuation of unpaid work for household production of domestic and personal services for one’s own consumption.

estimated wage of a waged female worker with the same characteristics.

(iiv) Domestic and care work

This type of labour is not considered work by the labour market definition. In order to provide a monetary value for this type of work, there are several approaches that can be used. A time use survey (questionnaire) is needed, in addition to an estimated hourly wage, if the generalized replacement approach will be used (see section on measuring unpaid work below).
Help-seeking by women after experiencing Domestic Violence

Women who experience domestic violence access help from various institutions and thus incur costs in accessing the services which need to be included in the costing study. To understand the various pathways of help-seeking, the diagrams below lay out potential services that might be accessed by women in the health-care system, criminal justice system, civil legal system, housing and refuge and social services. These are only indicative and need to be tailored to the specific legal and institutional structures in the countries of the study.
Housing and refuge

Civil legal services
Factors need to be considered in the Arab region

(a) Extent and type of female participation in the labour market

According to modelled International Labour Organization (ILO) data, the Arab regional average rate of participation of women in the formal labour force reached 20.9 per cent in 2017, which is less than one third of the rate for men in the region (75 per cent)\(^2\) and extremely low compared to the world average of 48.7 per cent. Female participation in the formal sector is predominantly characterized by governmental work and low wages. While female participation in the labour market increases with higher education, disclosing DV decreases in parallel with higher levels of education among women.

(b) Breadth of the definition of female labour market participation

Female labour market participation (FLP) increases if subsistence work is considered (using the extended labour market definition). For example, in Egypt in 2012, the FLP of around increases if the extended definition that includes subsistence work is used.\(^3\) Since subsistence work is greater in rural areas and among less educated women in almost all Arab countries, adding several specific questions to the questionnaire is essential for computing the missing working days.

(c) Accounting for unpaid domestic work

Unpaid domestic work is the most significant type of work that can be missed due to DV. Therefore, as previously noted, the questionnaire must include sound and accurate time use questions. The next section outlines how to estimate the costs of DV due to lost productivity in relation to this kind of work.

Valuing unpaid work. Unpaid work can be understood to include all productive activities outside the official labour market done by individuals for their own households or for others, such as housework, care for children and for sick and old people, voluntary community work, subsistence agriculture, helping in family businesses, building the family house, maintenance work, transport services, etc. All of these activities have one thing in common — they could, at least in theory, be replaced by market goods and paid services.\(^4\)

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The volume of unpaid work could be in terms of the output units or time units spent in producing the output. Similarly, the wage rate (price for a unit of work) could be in terms of the wage paid by output units or by time spent. The measurement depends upon the prevailing practices in the economy of a country. The common approaches used in the valuation are the output approach and the input approach.\(^5\)

By clicking on **community level**, you will get the following:

The community-level costs associated with domestic violence are also both direct and indirect. The expenditure for providing services to survivors of violence is understood as a direct cost, which is the bulk of domestic violence costs for a community or country. The indirect costs involve the effect of dealing with domestic violence on service providers’ productivity. These indirect costs have been comparatively underexplored and will not be considered in the proposed costing studies in the region, largely due to limited availability of data. For the purpose of the present model, the major cost at the community level is therefore considered to be the direct cost of service provision.

(a) **Mapping of services available at the community level**

At the community level, there are normally a number of institutions and organizations providing services to survivors of domestic violence either exclusively or non-exclusively, with substantial associated costs. In calculating these costs, the initial step is to identify institutions (which could be government, civil society, NGOs and international NGOs) that deal with issues related to domestic violence and then map all the services available to survivors. Although the resulting map is likely to overlap significantly with the information obtained from women, there could also be possible divergences, as this exercise will capture the supply side rather than the demand side. Nevertheless, conducting two separate mapping exercises will provide the research team with the means to cross-validate information.

There are several tools and approaches that can be used in a mapping of services provided at the community level; including: focus group discussions; key informant interviews; day-long workshops.

(b) **Provider survey: volume and cost of services provided**

The main tool for collecting information on the use and cost of available services in the community is a provider questionnaire. Such questionnaires need to be sector-specific and focused to include key domains of information that are required for cost calculations.

These key domains include the following: type of services provided; level of record-keeping and administration, utilization of services (by survivors, if not specialized); referrals; operating budgets; source(s) of funding; systematic information on operating costs (fixed costs and recurrent costs, such as personnel time, infrastructure and material resources).

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Most of the costs to be estimated will be the same across the different services/sectors, but service/sector-specific considerations and questions will also be needed to establish costs. In addition, the challenges that arise in terms of obtaining reliable and robust data will vary by sector.
### Key sectors, issues to consider and provider survey questions

<table>
<thead>
<tr>
<th>Sector</th>
<th>Service/Activity</th>
<th>Considerations to assess volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health-care system</td>
<td>• Emergency room treatment</td>
<td>1. Which health care services are provided by national and local government, NGOs, private businesses and organizations and volunteers?</td>
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<tr>
<td></td>
<td>• Doctor’s visit</td>
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<tr>
<td></td>
<td>• Hospitalization</td>
<td>2. In cases where doctors do not screen for DV, are other indicators such as bruises, broken bones, pelvic and gynaecological problems recorded?</td>
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<tr>
<td></td>
<td>• Rehabilitation</td>
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<tr>
<td></td>
<td>• Trauma centre</td>
<td>3. Is it possible to gauge the cost and length of hospitalization or the number of medications prescribed?</td>
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<tr>
<td></td>
<td>• Hospitals</td>
<td></td>
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<tr>
<td></td>
<td>• Small clinics/local practices</td>
<td>4. Are general practitioners able to estimate the percentage of their time spent with DV survivors? Women in general?</td>
</tr>
<tr>
<td></td>
<td>• Pharmacy</td>
<td></td>
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<tr>
<td>Criminal justice system</td>
<td>• Police force</td>
<td>1. Are there DV units within the police force?</td>
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<tr>
<td></td>
<td>• Women’s police stations</td>
<td>2. Are police units able to estimate the amount of staff time and resources dedicated to DV incidents?</td>
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<td></td>
<td>• Family courts</td>
<td>3. If police forces keep adequate records of investigations, are there specific codes for DV incidents? What are other codes that DV might fall under?</td>
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<tr>
<td></td>
<td>• Civil court</td>
<td>4. Can discrepancies between reported incidents, follow-up investigations and arrests or final decisions be detected?</td>
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<td></td>
<td>• Prosecutor’s office</td>
<td>5. Are there indications either from records or police interviews that other offenses, such as assault, rape, breaking and entering, child abuse, etc., are related to DV?</td>
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<tr>
<td></td>
<td></td>
<td>6. If the costs of responding to DV incidents are not calculable, are there other related cost estimates that the police force are able to better estimate, such as assault?</td>
</tr>
<tr>
<td>Civil legal services</td>
<td>• Lawyers</td>
<td>1. Are there lawyers’ associations or organizations that can estimate the costs of an injunction and other related costs of legal proceedings?</td>
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<td></td>
<td>• Legal counselling</td>
<td>2. How many divorces or khula were granted during the period? Is there an indication of whether the divorce stemmed from DV?</td>
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<tr>
<td></td>
<td>• Mediators</td>
<td>3. Of the legal cases and proceedings, how many of the cases were defended by the State versus privately?</td>
</tr>
<tr>
<td>Social services</td>
<td>• Transitional housing</td>
<td>1. What percentage of each organization’s service activities is related to DV? Does the organization only work with survivors of violence or does it work with other vulnerable populations?</td>
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<tr>
<td></td>
<td>• Legal advice</td>
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<td>• Therapy</td>
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<td>• Hotlines</td>
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<td></td>
<td>• Social service support</td>
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<tr>
<td>Sector</td>
<td>Service/Activity</td>
<td>Considerations to assess volume</td>
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<tr>
<td>Housing and refuge</td>
<td>- Service advertisement</td>
<td>2. What are the resources that have been allocated to the service, such as government subsidized shelters, volunteers, food, clothing, etc.</td>
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<td></td>
<td>- Radio and television campaigns on DV</td>
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<tr>
<td></td>
<td>- Additional outreach activities (speaking to groups about DV, fundraising for service provision, etc.)</td>
<td>1. What is the process for applying for housing? Which parties are involved?</td>
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<tr>
<td></td>
<td>- Shelters</td>
<td>2. What is the budget of staff working on re-housing and what is the percentage of time dedicated to the task?</td>
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<tr>
<td></td>
<td>- Hotels</td>
<td>3. How many women do shelters turn away and is there an indication of where they go if the shelter is full?</td>
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<tr>
<td></td>
<td>- Refuge with family or friends</td>
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<td></td>
<td>- Housing referrals by service providers</td>
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</tr>
</tbody>
</table>

**Suggested Questions for Provider Survey**

1. What are the unit costs of service provision to survivors of DV?
2. What are the unit costs of personnel training on DV?
3. What are the unit costs of awareness-raising events?
4. What are the administrative costs?
5. Where applicable, what are the unit costs of preparing housing for new tenants?

**Illustrative example: basic model for costing shelters**

1. Establish a list of unit costs associated with the establishment/provision of shelters/fee paid for the service – calculate the number of shelters in each Arab country (for example, Egypt n=9, UAE n=3), or if the exercise is at the national level, include the number of shelters in each governorate/district or community; estimate the cost of providing shelter per woman per year, with trend data of past five years, to show increasing costs for temporary and long-term refuge/housing, hotel vouchers, vocational training; establish the fee(s) paid by survivors to access the service.
2. Establish the utilization rate either through administrative data for individual shelters or a regional survey of all shelters (for example, Egypt was 1.8 per cent of women 18-64) - per cent of women experiencing violence using the service, administrative data in one year and trend over past five years.
3. Collect data on the unit costs: macro (such as ministry budgets, international NGO or donor budgets, administrative data, etc.), meso (data from studies) and micro (interviews with experts).

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6. First, use the basic model of costing VIOLENCE AGAINST WOMEN shelters. Once this method has been shown to be a valid, reliable and efficient methodology, then a social cost benefit analysis can be considered in the future (see Chanley S., Chanley J. and Campbell (2001) “Providing refuge-the value of domestic violence shelter services” American Review of Public Administration, 31(4), 393-413). As it is a common phenomenon that victims in the Arab region leave their homes and stay with parents or friends, rather than in a public or private shelter, this needs to be considered in the survey and in imputing its cost. The costing study conducted in Egypt estimated the opportunity cost of shelters (see Case Study 1). An alternative approach is to collect data on the invisible cost to parents and friends, as was the case with a smaller-scale costing study conducted in Ireland (Duvvury, Forde and Gleeson, forthcoming). Finally, it is difficult to make a case for funding shelters when the cost is very low. In this case, it is important to highlight unmet need and how a small investment would make a big difference.
4. Establish a meta-table of data collected for each unit cost.
5. Document the calculation for each unit cost, describing the calculation in detail, including how client user fees are accounted for to prevent double counting.
6. Determine a lower and an upper estimate for each cost.
7. Create a software template that adds up all unit costs, including lower and upper estimates.
8. Use an “estimate of an estimate” and include a discussion on the limitations of the data and recommendations for improving the methodology.

Add out-of-pocket expenditure incurred by women clients for transport to and from the shelter.

By clicking on government level, you will get the following:

Gender-responsive budgeting is a holistic approach that looks at all the domestic violence services being provided (by government, civil society, NGOs and INGOs), as well as the budgets for each. At the outset, it is vital to know what you are seeking to cost and where you will obtain the data. A gender-responsive budgeting approach can be undertaken wherever public budget and resources are being dedicated to domestic violence prevention and/or response. It involves “following the
money” allocated and then spent (or not). Gender-responsive budgeting should be conducted hand-in-hand with household surveys, with no time gap, by a national institution and international consultant together. This combination will allow building government capacity and institutionalizing the practice, as well as ensuring ownership of the costing study findings.

This approach has been proven effective and has many elements of an in-depth evaluation of existing domestic violence policies and services. Gender-responsive budgeting identifies budgetary efforts (by government and other actors) to implement services to victims and survivors; gaps in resources to properly implement services; weaknesses or absence of referral systems and/or protocols needed for better management of specialized and general public and private services that survivors might access. It also informs future rounds of consultation for national plans and/or strategies (mainly through an approximation of the time used by public employees on domestic violence related cases).

This methodology does not aim to arrive at total monetary costs, but rather offers a clearer picture and analysis of the current budgetary situation with regards to domestic violence services. It provides valuable information to improve effectiveness and efficiency of policy implementation. In sum, it requires knowledge at different levels of intervention, from the legislative and police to budgeting and services. It is useful to delimit the scope of the analysis, as it can only be carried out by examining governmental efforts to prevent and address domestic violence (that means the financial efforts of NGOs must be excluded).

**The Gender-responsive budget methodology considers**

1. Gaps in domestic violence laws and policies;
2. The amount of resources allocated to different DV-related services;
3. Sources of funding;
4. Whether the resources are adequate or not;
5. Whether the money is getting to survivors or not.

Gender-responsive budgeting also engages NGOs with expertise in domestic violence that may or may not receive funding either from the national government or other donors. It is important to establish whether NGOs are receiving money from the government or from international donors. NGO overdependence on foreign aid must be considered and is important to demonstrate to governments. In addition, GRB should be conducted hand-in-hand with the household and service provider surveys.

**This methodology requires full knowledge of many aspects as well as the availability of data and information**

As this methodology focuses on examining national, ministerial or other facilities’ budgets, two approaches can be used: top-down or bottom-up. The top-down approach focuses on reviewing national and ministerial budgets to establish the allocations to the key services identified in the National Action Plans or national strategies to address domestic violence. The bottom-up approach, by contrast, focuses on the administrative records and service-level budgets to estimate the resources

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7 UN Women, *Manual for Costing a Multidisciplinary Package of Response Services*.

8 In most countries NGOs delivering services to victims ranging from legal to medical and psychological support and employment are financed either through private contributions or contributions by national government or foreign governments through their development cooperation efforts.
allocated. The bottom-up approach requires a representative selection of services to ensure that reliable aggregate estimates can be made.

If national budgets are difficult to access, an alternative is to collect information directly from civil servants and any other available sources. Possible interviews could include: (1) in-depth interview with the MoF to establish the origins of the funds of the national action plan (recurrent and/or development budget), including asking questions about decentralization of these funds to local authorities; (2) in-depth interview with the national women’s machinery (Ministry of Women, etc., to collect information about the national action plan and its budget); and (3) interviews with the gender focal points and the budget officers in each ministry with a responsibility under the national action plan.

The sole critical drawback in employing a gender-responsive budgeting approach in a costing exercise is that it may not always come up with a final figure. This is because the exercise will depend on publicly available information on public budgets and the level of detail in which these are elaborated and monitored. However, there are many advantages to carrying out a gender-responsive budgeting approach costing exercise. First and foremost is the direct engagement with the main public finance decision makers in the different government departments (at any level) who have a role in addressing or preventing domestic violence. This raises the political level at which domestic violence is discussed.

The key results across the countries where this methodology has been implemented can be summarised as follows: (a) Identification of gaps in legislation and policy, in particular regarding basic and other services; (b) Identification of the money allocated to, and spent on, existing services; (c) Sources of funding for existing services (in some cases high dependency on foreign support); (d) Situation of referrals and protocols in the system (itineraries for survivors of the available services); (e) Situation of adequacy of existing resources; (f) The services sought by the victim versus the services provided (in other words, disconnect between what is planned and what actually happens).

By clicking on business level you will get

**Cost to business**

Extending beyond the individual and community, domestic violence also has a significant economic impact at the business level due to reduced labour productivity. Though this is an area that has received little research attention to date, studies illustrating the impact of domestic violence on both female and male employees, as survivors and perpetrators respectively, are beginning to gain momentum\(^9\),\(^10\). Estimating the costs of domestic violence for businesses enables one to better capture the wider impact of this violence in terms of individuals’ employment. Businesses have the resources to address domestic violence and, once informed of the benefits, they can design and implement the relevant policy and procedures.

(a) **Costing the impacts of gender-responsive budgeting to business: a practical tool**

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The majority of methods to estimate the cost of domestic violence to business are deductive or top-down in nature; rely on national datasets (and therefore are patchy); highly technical and cost-intensive; and focused on individuals. The available methods for business are similar to those used for calculating household costs: econometric method, propensity score matching, willingness-to-pay principle, and disability-adjusted life year (DALY)/quality-adjusted life year (QALY) accounting method. The type of costs calculated include staff time lost due to domestic; services provided by businesses to address the violence experienced by women; and financial support provided to women to access other services.11

Calculating direct costs for the company

![Diagram](image)

To complement the data collected and provide a robust estimate of costs, a company needs to collect additional contextual data, which can be obtained through formative research (desk review, interviews, pre-study, etc.) on the following areas: help-seeking behaviours; different forms of domestic violence (local terms and concepts); and the types of services used to respond to domestic violence within firms themselves (counselling, hotlines, etc.).

(b) Quality of data for calculating the costs to business

Costing the impact of domestic violence on business can be a time-intensive exercise. It requires mapping data quality, quantity and gaps that exist in the business’s accounts. Errors can occur due to memory loss (in a 6- to 12-month window) and confronting complex incidents requires skilled survey design and implementation. Semi-structured interviews with managers can elicit information about staff numbers, salaries, leave and absenteeism, turnover, recruitment costs, training costs and services offered.

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11 David Walker and Nata Duvvury, “Costing the impacts of gender-based violence (GENDER BASED VIOLENCE) to business: a practical tool” (London, Overseas Development Institute, 2016).