



# The costs and economic impact of violence against children

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## Key messages

- This study estimates that the global economic impacts and costs resulting from the consequences of physical, psychological and sexual violence against children can be as high as \$7 trillion. This massive cost is higher than the investment required to prevent much of that violence.
- The annual global costs of the worst forms of child labour are approximately \$97 billion, and those resulting from children's association with armed forces or groups can be up to \$144 million annually.
- The evidence clearly shows that 'prevention pays', but current levels of government spending on preventive and responsive actions in relation to violence against children remain very low. Research and advocacy efforts need to continue, with a focus on promoting good practices for prevention. Funding for this should be scaled up.
- More specific data and in-depth primary research needs to be generated on the different forms of violence against children, particularly in low- and middle-income countries. Calculating and reporting the economic costs will lead to stronger arguments for policy-making.

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# 1 Introduction

Every day, millions of children throughout the world are subjected to abuse, neglect, exploitation and violence in different settings, including in their homes, schools, communities and work environments. As a result, children experience impacts on their physical and mental health, their education and their overall quality of life. The consequences of violence on children are often intergenerational, with those who have faced violence as a child more likely to become a violent adult. This cycle has a long-term impact on a family's economic wellbeing.

This briefing paper presents the main findings of a report commissioned by ChildFund Alliance, exploring the economic impacts and costs of violence against children. It presents a summary of the available evidence from different countries and provides some estimates of the global costs of violence and exploitation against children. The briefing discusses government spending to prevent and respond to violence against children as well as good preventive practices. It also provides some policy recommendations. In summary, this report finds that there are significant costs for individuals, communities, governments and economies from the different forms of violence against children. In the case of global costs resulting from physical, psychological and sexual violence, these costs can be as high as 8% of global GDP. Considering other forms of violence, such as children's involvement in hazardous work, the global costs are estimated to be \$97 billion every year, which is equivalent to seven times Iceland's 2013 GDP. The economic impact of another form of violence against children – that of children associated with armed forces or groups – has been estimated to be \$144 million annually.

## 1.1 Methodology

The report was a desk-based study drawing on existing literature on the consequences and economic costs of violence against children, as well as methodologies to estimate these costs and good practice case studies on prevention policies and programmes. The study includes specific studies that have estimated the costs of violence against children, but also draws on existing data in order to calculate global figures for the following categories of violence against children: physical, psychological and sexual violence, children associated with armed forces or groups, and hazardous work as a proxy for the worst form of child labour.

However, there are several limitations in estimating the costs of violence against children, particularly at a global level. There are multiple data gaps and discrepancies in the type of data available regarding the economic cost of violence towards children, which hinders the possibility of calculating accurate national and global estimates. It is rare to find detailed surveys on violence against children in developed and developing countries, although more have been produced recently. Where reports do exist, they mainly focus on the developed or high-income countries, despite the high incidence of violence in Africa, Asia and Latin America. Only a few studies have attempted to estimate the economic cost of violence against children, and the methodologies used can only be applied in settings where sufficient data is available. As such, for the study underpinning this brief, a methodology was developed based on the data limitations at the global level.<sup>1</sup> These factors need to be taken into account when considering the figures presented on the economic impacts of violence against children.

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<sup>1</sup> Details can be found in the main report.

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# 2 Prevalence and consequences of different types of violence

## 2.1 Sexual violence

Current data indicates that up to 50% of sexual assaults worldwide are committed against girls under the age of 16 (UNFPA and UNICEF, 2011), with an estimated 1.8 million children subjected to commercial sexual exploitation and child abuse images. Children may experience immediate physical injuries, psychological harm and long-term debilitating physical conditions. This may result in lifelong costs of healthcare and loss of quality of life (CDC, 2014), alongside the possibility of early pregnancy and related lower levels of education. This in turn may lead to labour absenteeism and productivity decline at work as a result of health problems. Determining the pattern of incidence of sexual exploitation, violence and abuse is difficult due to the fragmented data available on its prevalence, and this is compounded by underreporting by victims.

## 2.2 Physical and or psychological violence

Research by UNICEF (2006) indicates that as many as 275 million children worldwide are exposed to violence at home, although limitations of reporting means that millions more may be affected. As a consequence, children may experience immediate physical injuries and/or long-term physical conditions, with potential long-term permanent disability or premature mortality in some cases. The actual costs resulting from violence are based on victims' behavioural responses (UN, 2005) and the availability of services, significantly altering the direct and indirect costs for victims and service providers.

## 2.3 Hazardous child labour

Overall, approximately 5.4% of children worldwide are estimated to be involved in hazardous labour (ILO, 2013) with an estimated 85.3 million children aged five to 17 working in dangerous conditions in a diverse range of sectors, such as mining, construction and agriculture. The worst forms of child labour result in child enslavement, family separation, exposure to serious hazards and illnesses, and isolation – often from a very early age, leading to adverse consequences for the child's health, to exposure to other forms of violence and to consequences for his or her future income-generating activities. Child labour rates are high in the Asia Pacific region. In Bangladesh, hazardous work accounts for 63% of employment among five- to nine-year-olds, 56% among 10- to 14-year-olds, and 57% among 15- to 17-year-olds (UCW, 2011).

## 2.4 Children associated with armed forces or groups

The economic costs of children associated with armed forces or groups are multifold and complex. The current estimate of the number of children associated with the armed forces or groups ranges between 250,000 and 300,000 children (UN, 2000), although this figure is likely to be an underestimate. In emergency contexts in general, risks of violence against children vary by country and are dependent on numerous factors, such as the number of children affected, the capacity of the country to respond and the strength of state institutions. There may be an increased risk of sexual exploitation and violence against boys and girls, alongside a potential increase in child trafficking, psychosocial violence and extreme forms of child labour. As a result, costs may be related to both short- and long-term medical treatment, psychological impacts, secondary effects including loss of productivity and income throughout their lives, and death.

# 3 Estimating the global costs of violence against children

## 3.1 Physical, psychological and sexual violence against children

Having looked at different methodologies and studies calculating the economic costs of violence against children in individual countries, and since administrative records for health, social and judicial services are not available in most low- and middle-income countries we have identified that the most effective way to estimate the global costs of physical, psychological and sexual violence against children is through a productivity loss approach. Table 1 presents results from a global estimate of such costs. The methodology uses the current economic state of countries in terms of their income level (size of the economy) and the productivity level (measured by outcome per worker) as a proxy to wage differential to estimate these costs.

**Table 1: Estimates of economic costs of physical, sexual and psychological violence against children at the global level, by income group (billions of US dollars)**

Countries by income grouping	Lower estimate		Higher estimate	
	Lower boundary	Upper boundary	Lower boundary	Upper boundary
<b>Low income</b>	190.8	318.0	254.4	508.8
<b>Lower middle income</b>	700.1	2,100.4	1,400.3	2,800.5
<b>Upper middle income</b>	560.8	1,402.1	560.8	2,804.2
<b>High income</b>	501.4	1,002.7	501.4	1,002.7
	1,953.1	4,823.2	2,716.9	7,116.3
<b>Percentage of global GDP</b>	2%	5%	3%	8%

*Source: Authors' calculations based on information from the World Development Indicators 2013, the ILO Key Indicators of the Labour Market (KILM) database and UNICEF Multiple Indicator Cluster Surveys (MICSs).*

These results indicate that the global costs of physical, psychological and sexual violence against children are significant. In the lower estimate scenario, the global costs amount to 2% of global GDP, and in the highest scenario it goes up to 8% of global GDP. It is important to highlight that a varied set of assumptions is made when making such estimations. Violence against children has several costs, such as health costs and social services and judicial expenditures, among others. Since such administrative records are not available for most countries, and as the few variables that are available for estimating the costs are related to productivity and income-generation activities, this approach was required. As such, the global estimate calculated is likely to be below the real costs of such violence.

### 3.2 Worst forms of child labour

To estimate the global cost of the worst forms of child labour, this study uses the proxy of the total number of children involved in hazardous work in different regions per age group, and considers the annual costs of forgone income resulting from lost years of schooling due to hazardous work. Results are presented in table 2.

**Table 2: Annual global costs of hazardous work, based on low- and-middle income regions (in \$ millions)**

		Estimated number of children in hazardous work per age group and region (million)	Annual income earned based on complete schooling (complete value) and incomplete schooling (adjusted valued) <sup>a</sup>		Difference in potential annual income (income forgone) <sup>b</sup>
<b>Asia and the Pacific</b>	<b>Total</b>	<b>33.86</b>	<b>Complete</b>	<b>165,372</b>	<b>51,192</b>
	5-11 years	7.339428	Adjusted	14,027	
	12-14 years	7.673886	Adjusted	23,617	
	15-17 years	18.84669	Adjusted	76,536	
<b>Latin America and the Caribbean</b>	<b>Total</b>	<b>9.638</b>	<b>Complete</b>	<b>87,417</b>	<b>27,060</b>
	5-11 years	2.089114	Adjusted	7,415	
	12-14 years	2.184315	Adjusted	12,484	
	15-17 years	5.364571	Adjusted	40,457	
<b>Sub-Saharan Africa</b>	<b>Total</b>	<b>28.767</b>	<b>Complete</b>	<b>44,503</b>	<b>13,776</b>
	<b>5-11 years</b>	6.235479	Adjusted	3,775	
	<b>12-14 years</b>	6.51963	Adjusted	6,355	
	<b>15-17 years</b>	16.01189	Adjusted	20,596	
<b>Middle East and North Africa</b>	<b>Total</b>	<b>5.224</b>	<b>Complete</b>	<b>18,033</b>	<b>5,582</b>
	<b>5-11 years</b>	1.132344	Adjusted	1,530	
	<b>12-14 years</b>	1.183945	Adjusted	2,575	
	<b>15-17 years</b>	2.907711	Adjusted	8,346	
<b>Grand total</b>					<b>97,611</b>

Source: Authors' calculations

Notes:

a. Calculated based on working upon completion of school (18 years of age) using gross national income per capita as a proxy of average annual earnings per region, World Bank data.

b. This is the difference between income earned on a yearly basis with complete schooling in low-income countries, and lower or 'adjusted' earnings resulting from fewer years of schooling, considering that 10% of annual average earnings (per capita gross national income) is lost for every year of schooling forgone. Children who work from an earlier age are assumed to have lost more years of schooling.

According to the data, estimates for global income forgone as a result of lost years of schooling because of children's involvement in hazardous work are equivalent to \$97.6 billion annually, which is approximately equivalent to seven times Iceland's 2013 GDP.

### 3.3 Children associated with armed forces or groups

To calculate the costs regarding children associated with armed forces or groups, the study assumes that the greatest incidence of children's association with armed forces happens in lower income countries, particularly in sub-Saharan Africa. As such, the gross national income per capita utilised for these calculations is that of low-income countries. Another assumption is that out of the total number of children associated with armed forces or groups, half will either die or suffer major injuries, psychological trauma or disabilities such that result in a total

loss of productivity in terms of their economic value added to society during the rest of their lifetime. Although there are no precise figures in the literature identifying how many of affected children return to productive life, this is an approximation based on insights gained from the literature. In the case of the remaining half, the assumption is that they will be reintegrated into productive life, but taking into account the years of school lost, the impact on economic costs via income forgone for the latter group will be similar to that for children engaged in hazardous work. For the group of children who face complete economic losses, using the gross national income cost, an approach similar to the cost of DALYs is calculated. Since it is impossible to predict how many years a person who suffered through conflict will live, the information presented is on an annual cost basis. Table 3 shows the cost estimates.

**Table 3: Annual global costs of children associated with armed forces (\$ '000)**

	<b>Children associated with armed forces or groups</b>	<b>Cost of children facing complete loss in productive capacity over their lifetimes (50%)</b>	<b>Cost of children who are reintegrated, but lost 5 years of schooling (50%)<sup>a</sup></b>	<b>Total</b>
Lower bound	250,000.00	74,250.00	46,103.40	<b>120,353.24</b>
Upper bound	300,000.00	89,100.00	55,324.08	<b>144,424.09</b>

*Source: Author's calculations*

**The global costs of children's association with armed forces are significant. In its lower estimate, the cost could be up to \$120 million and the higher estimate up to \$144 million annually.**

### 3.4 Spending on prevention and response to violence against children

Governments are accountable for taking action to prevent violence against children and to protect children who have been victims of violence. However, whilst there has been significant progress by governments over the past few years in preventing and responding to violence against children (UN, 2013), progress could be more robust, as many children still suffer from different forms of violence.

In order to achieve this, one of the areas that requires significant efforts is the commitment of human and financial resources by governments to policies and programmes to address violence against children. Few governments set aside specific funding for violence-related interventions, and most acknowledge a lack of resources for this area. In fact, from the 100 governments surveyed for the UN's 2011 Global Survey on Violence Against Children (UN, 2013), only 4% indicated that they provided full resources for policies and programmes to address violence against children; 10% said resources were not allocated. Up to two-thirds of governments failed to respond to this question.

While a global-level analysis of spending on prevention and response to violence against children is thus not feasible, an analysis of countries that have carried out analyses of budget and spending on violence against children, including South Africa, Mexico, the United States and India, illustrates two key issues regarding spending on prevention and response to violence against children: first, the complexity of spending within this sector, which involves multiple programmes, agencies and levels of government; second, the low levels of budget and spending on prevention and response to violence against children, despite the significant challenges children face in this area and the huge costs of such violence to individuals, society and the state.

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## 4 Examples of cost-effective solutions

From the economic costs that have been estimated and those that are available in the literature, there is a strong case in favour of investing in violence prevention, as adequate preventive actions will help avoid the immediate and long-term negative consequences that violence will have on the lives of children, their families and communities. Preventive and responsive policies and programmes across the different areas related to violence against children are needed to reduce the consequences of violence on children's lives, as well as to reduce the costs that result from them. Thus, it is critically important to implement and scale up cost-effective interventions for which there is evidence of success.

There is a growing but still limited body of evidence on effective programmes to prevent the different forms of violence against children. Only a few documented case studies of programmes to prevent sexual violence against children have been robustly evaluated or have included a cost-effectiveness analysis. Some of the evidence to date, however, suggests that, in particular for vulnerable girls living in a situation of poverty, combined interventions that provide life skills training, with a particular focus on sexual education, alongside measures to strengthen their economic capabilities, are an effective way to prevent sexual abuse. In case of physical and psychological violence against children, existing evaluative evidence points toward parenting interventions for reducing harsh/abusive parenting, increasing positive parenting practices, and improving parent–children relationships, including in low- and middle-income countries, as effective preventive measures to eliminate this type of violence.

Successful preventive actions to reduce the likelihood of children becoming engaged in the worst forms of child labour are linked to national-level policies and programmes. The ILO (2013) points out that investments in education and social protection appear particularly relevant to the decline of child labour, particularly its worst forms. It is difficult to identify case studies of good practice that focus on prevention of children's association with armed forces or groups as a stand-alone intervention, as most deal with both prevention and reintegration of children who have been conscripted into armed forces. Prevention needs to be promoted and advocated in international legislation that limits children's association with armed forces or groups, in addition to providing families at risk with information about the movements of armed forces or groups so that they can take refuge from them. These families should also be provided with livelihood alternatives, including for children, which might reduce the likelihood of their conscription as a coping mechanism.

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## 5 Conclusion and recommendations

The global costs related to physical, psychological and sexual violence estimated by this study are between 3% and 8% of global GDP. This is a massive cost, and is many times higher than the investment required to prevent much of the violence from taking place. With respect to the global costs of hazardous work (which this study uses throughout as a proxy for the worst forms of child labour) calculated on the basis of forgone income resulting from loss of schooling and lower wages during the affected children's lives, the estimated global cost is \$97.6 billion annually; this is approximately equivalent to seven times the 2013 GDP of Iceland. Finally, the costs of children's association with armed forces and groups is significant: at the lower end, the cost is estimated to reach up to \$120 million; the higher estimate is \$144 million annually.

It is important to note that violence against children is multi-faceted. As such, the costs of the different components of violence against children cannot be added, but in any component they are sizeable enough to underline the urgency for decision-makers to invest in the prevention of all forms of violence against children.

Most interventions are currently small in scale; increasing their scope and reach might be a way to expand preventive efforts. There are currently multiple programmes to reduce exposure to sexual violence, and there is a need for combined measures to increase schooling and raise household incomes to prevent children from engaging in hazardous child labour.

In case of emergencies, more systematic research and evaluation of the types of programmes that work is needed in order to identify good, cost-effective programmes and to reduce the risk of violence faced by children. Such preventive measures are value for money investments in the short and long term, both for governments and for donors looking to support the sector. More policies and programmes should be implemented and scaled up globally, with the aim of making more rapid progress to eliminate all forms of violence against children.

A few recommendations emerge from the analysis presented in this brief:

- It is clear that 'prevention pays', although at the moment, levels of spending on preventive and responsive actions in relation to violence against children remain very low and are frequently not even documented. Research and advocacy efforts need to continue focusing on promoting good practice in prevention. Funding should be scaled up so good practice can reach a greater share of children, particularly the most vulnerable.
- There is a need for the generation and reporting of more specific data on violence against children. Only a few countries have conducted such specific surveys, and they generally do not have information that explores the consequences for children experiencing violence. Such information is critical to the generation of stronger evidence about the magnitude of the problem and the costs and economic implications associated with it.
- Much more in-depth primary research on the different forms of violence against children needs to be conducted in low- and middle-income countries. Currently, most research on the economic costs centres on physical and psychological violence against children in high-income countries. More research will continue to enrich the evidence base in this area and can lead to more robust advocacy efforts by bringing compelling economic arguments to policymakers.

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- Just as the formulation and implementation of the Millennium Declaration and the Millennium Development Goals have done for education, health and the prevention of HIV and AIDS, a prioritisation of violence against children as an issue of global concern could certainly help to mobilise the necessary resources, and to scale up preventive and responsive actions to an optimum point in order to effect change on a global scale.

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ISSN: 2052-7209

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