

THE ECONOMICS of violence

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What is the biggest source of violence in our world? With the brutal conflicts in Syria, Ukraine and elsewhere constantly in the news, many people would probably say war. But that turns out to be spectacularly wrong.

Getting it right matters if we are to find cost-effective solutions to this and other global problems.

Obviously, everyone would like to stop wars and violence, just as we would like to end poverty, hunger and global warming, while providing education to all.

But, given limited resources, the international community can only do so much. We have to prioritize, which is what an economic analysis of costs and benefits can do.

The international community is working on new development goals for the next 15 years, and the Copenhagen Consensus has asked some of the world's leading economists to give their assessment of the smartest targets they can choose. Is reducing violence a goal worthy of resources that would otherwise be spent on, say, reducing hunger? And, if so, which forms of violence should be targeted?

A study by James Fearon of Stanford University and Anke Hoeffler of Oxford University's Center for the Study of African Economies argues that societal violence — homicides and especially violence against women and children — is a much bigger problem than civil wars. Nine people are killed in interpersonal violence for every battlefield death in a civil war, and one child is killed for every two combatants who die.

In 2008, there were 418,000 homicides around the world, with far too many countries recording a murder rate of more than 10 per 100,000, which the World Health Organization regards as an epidemic.

A single homicide in America costs the individual and society US\$9.1 million. If we scale this by national income across the world, this single category of violent crime costs 1.7 percent of global GDP.

Of course, this is not a direct financial loss to the global economy, but a way of expressing the impact. If murders could be eliminated, societies around the world would be better off in ways that can be valued at 1.7 percent of GDP. Compare this to the much lower cost of civil wars, which are equivalent to about 0.2 percent of global GDP.

But this is still much less than the biggest source of violence of all: violence against women in the home. Based on studies published in *Science*, 28 percent of all women in Sub-Saharan Africa reported experiencing violence in the past year at the hands of their partners or family. This includes women subjected to beatings, forced marriage at an early age, sexual assault, "honor" crimes and female genital mutilation. A conservative estimate puts the welfare cost of intimate partner violence alone at \$4.4 trillion, or 5.2 percent of global GDP.

The second-largest source of violence is the abuse of children, 80 percent of which is inflicted by parents. The definition of what constitutes child abuse varies by culture; but about 15 percent of children suffer each month from what the UN

some kind of implement repeatedly and as hard as possible.

Every month, some 290 million children endure such suffering. The welfare cost is \$3.6 trillion, or 4.2 percent of global GDP.

A tiny fraction of international aid funding currently goes toward reducing societal violence and improving criminal justice systems. The enormous cost borne by society and individuals seems to cry out for action. Unfortunately, there is still little hard evidence about where resources should best be focused.

All we can say is that the money spent to reduce violence might be better targeted. Considerable amounts of aid are directed toward "fragile states" to help stop or prevent civil war, but only 0.27 percent of international aid goes to projects with a "crime prevention" component. Other programs may help in indirect ways, but there obviously is much room for improvement.

Some solutions, it is clear, do work very well. Stronger social services can reduce violence against children.

Studies in Washington State show that home visits from trained staff can reduce child abuse, improve children's quality of life and physical and mental health, and reduce child-welfare and litigation costs.

A dollar spent on this program produces benefits of \$14, making it a highly cost-effective policy.

In many cases, changes in social attitudes are needed. To reduce violence against women and girls, one program in Uganda, called SASA! (Kiswahili for "Now!") promotes the view that partner violence is unacceptable, and has helped to halve the rate of it. This is a fantastic outcome, of course, though there has been no analysis of how cost-effective it is.

There are other examples of countries taking effective action. In 1993, Bogota suffered 80 murders per 100,000 people. By taking an integrated approach — limiting the hours during which alcohol can be sold, reclaiming public space and improving the police and justice systems — the homicide rate was reduced to 21 per 100,000 in 2004. That is still high, but it is far below the rate of 55 per 100,000 in Detroit.

Alcohol is a factor in many assaults, and controlling its availability could have a significant part to play, as the findings in Bogota suggest.

In the United Kingdom, a pilot study on stronger enforcement of existing rules showed that assaults could be reduced in a very cost-effective way, with the benefits outweighing the costs by 17 to one.

While we still don't know enough, two points are certain.

First, domestic violence against women and children imposes a social cost of \$8 trillion each year, making it a huge — and vastly under-reported — global issue.

Second, there are solutions that can help to tackle some of these problems very cost-effectively.

That is why reducing domestic violence belongs on the short-list for the world's next set of development goals.

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calls severe physical punishment.

This includes being slapped on the face, head, or ears, and a quarter of these children are beaten with

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Cool It, *and the editor of*
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