

Does Domestic Violence Inhibit Human Capital Investment?

Evidence from Peru's Women Emergency Centers

Guadalupe E. Kavanaugh* Maria Micaela Sviatschi[†] Iva Trako[‡]

Abstract

Domestic violence is a major concern in developing countries, with important social, economic and health consequences. At the same time, institutions do not usually address the problems facing women or ethnic and religious minorities. For example, the police do very little to stop domestic violence in rural areas of developing countries. Moreover, in many cases, women do not even trust these institutions enough to report these issues. This paper exploits the introduction of women's emergency centers (WECs) outside of the major urban areas in Peru to study the effects of domestic violence on female labor force participation and school enrollment. The WECs were constructed to increase access to justice for women as well as to prevent and assist victims of domestic violence by providing legal and psychological assistance. We use a difference-in-differences strategy and exploit variation over time in the distance from schools and households to the nearest WEC together with district-by-year fixed effects. We find that female primary school enrollment increases by 5% at schools that are within 1km of WECs after the opening and the effect decreases with distance. Moreover, we find that the opening of WECs improves female labor market outcomes up to 6 years after the opening, with no effect for men. We also provide evidence that these improvements are driven by an increase in the bargaining power of women inside the household and decrease in domestic violence. In sum, the evidence in this paper shows that providing access to justice for women can be a powerful tool to reduce domestic violence and increase human capital investments of children, suggesting a positive inter-generational benefits of the program.

*Rutgers University. g.g.escribano@rutgers.edu

[†]Columbia University, Department of Economics. mms2241@columbia.edu

[‡]Paris School of Economics. iva.trako@psemail.eu