Business, AIDS, and Africa

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Economic development may be leading to rates of infection that partially offset, but do not yet overwhelm, the economic advantage.

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The African Epidemic

The Emergence of the Disease

In 1981, the *New York Times* reported an outbreak of a rare cancer among gay men in California and New York. The same year, a technician at the U.S. Centers for Disease Control (CDC) noted increased demand for the drug pentamidine, used to treat patients with *pneumocystis carinii* pneumonia (PCP). PCP was on the rise not only among gay men, but also among drug users. Within a year, a new syndrome had been identified and named first as GRID (gay-related immune deficiency) and then AIDS (acquired immune deficiency syndrome).

Early suspicions that AIDS was caused by drug abuse proved unfounded and, by 1983, a retrovirus had been identified as the probable cause of the syndrome. It was soon discovered that the human immunodeficiency virus (HIV)—named in 1986—was transmitted through bodily fluids, mainly blood, semen, vaginal fluid, and breast milk, passed from person to person during sexual intercourse, pregnancy, or breastfeeding; through blood transfusion; or by sharing used needles contaminated by infected blood. The oldest HIV sequence yet discovered dates from the 1950s; however, according to Los Alamos National Laboratory in the United States, the virus probably emerged around 1930 when most scientists believe it crossed from chimpanzees to humans.[2]

At first, HIV/AIDS was popularly believed to be a "gay disease" and to be principally a problem for the West. By 1987, however, more than 120 countries had reported more than 60,000 cases to the World Health Organization (WHO). Seventy-seven percent of reported cases were in the Americas, 12 percent in Europe, and 9 percent in Africa. Ten years later, the reporting epicenter of the epidemic had shifted dramatically. By December 1996, UNAIDS estimated that over 60 percent of the 21.8 million people infected with HIV were living in sub-Saharan Africa. It observed how rapidly mini-epidemics could explode and predicted a grim future for many African countries unless action was taken quickly.[3]

Today, the situation continues to worsen. In December 1999, UNAIDS reported that 8 percent of adults in sub-

Saharan Africa were HIV positive, with heterosexual sex the dominant means of transmission. It called for "massive national and international efforts... to end the stifling silence that continues to surround HIV in many countries [and] to explode myths and misconceptions that translate into dangerous sexual practices."[4] Eleven million Africans have already died of AIDS, and the world's twenty worst-hit countries are all in Africa.

The Importance of Health

Health is critical to the development of modern societies. Improved life expectancy triggers a fertility transition, as families choose to invest intensively in fewer children, based in part on an increased confidence that their children will survive for longer. Education thus becomes increasingly valued, in turn promoting higher productivity and income. Healthy children are also more receptive to education, and are likely to make more active and enterprising workers as adults. Further, people who expect to live on into old age also need to save for retirement, which provides a significant boost to domestic funds available for investment in business.[5]

The effects of improved health are thus substantial. Evidence from a range of studies shows that, for a five-year increase in life expectancy, a developing country can expect to receive a sizable boost to the growth rate of its per capita income of between 0.3 and 0.5 percent annually.[6] In short, good health helps people become richer and better educated, just as income and education allow people to take better care of their health. This positive feedback encourages a "virtuous spiral" to develop that can lead, in the right policy environment, to rapid economic and social development.

AIDS, however, is rapidly reversing the health gains made in Africa during the twentieth century. Life expectancy is falling at unprecedented speed. Only 44 per cent of sub-Saharan Africans are now expected to reach their sixtieth birthday, compared with 72 percent of people worldwide.[7] An African child born today can expect to live for only 48.9 years, compared with a world average of 66.7 years.[8] In addition to AIDS, Africa faces many other serious health problems, such as malaria and a daunting number of killer childhood diseases. The region's health crisis threatens its security and leaves its people unable to make the most of their opportunities.

Declining standards of health have an impact on the education and prospects of young people. It impedes the operation of the labor market, diminishes the availability of capital, and undermines the strength of business. And it is likely to have an impact on all aspects of governance and public administration. Poor health is significantly depressing Africa's prospects in the new century, a situation that will worsen as the vicious spiral—the reverse of the virtuous spiral—continues to take hold and gain momentum.

The Economic Impact of HIV/AIDS

A number of features of HIV/AIDS are likely to exacerbate its economic impact. In Africa, heterosexual sex is the dominant means of transmission. As a result, the disease strikes adults hardest, with the economically active and relatively mobile being the main drivers of the epidemic. The long period (eight to ten years on average) during which an infected person shows no symptoms helps the disease to spread with astonishing rapidity. Once rates of new infection reach a critical threshold, they tend to accelerate quickly, reaching 20 percent to 40 percent of adults in parts of many countries within ten years. In just a decade, then, HIV/AIDS can ruin the prospects for a large swath of a country's population.[9]

Worldwide, more than 80 percent of those dying of AIDS are aged 20-59 years. Their illness has an immediate impact on their families, which often withdraw children from school, sell assets, and exhaust savings to provide and pay for health care and then funeral costs. The death of a productive adult leaves dependents in a critical situation. There are over eight million AIDS orphans in Africa, and orphans make up 15 percent of all children in some African cities[10]. Africa is now home to 95 percent of the world's orphans.[11] These children receive less care and schooling, significantly reducing their prospects in later life.[12] In many African countries, adolescent girls face particularly serious risks, due to the likelihood that they will have sex with older men (in a situation frequently characterized by an imbalance of power in favor of those men). In Kisumu, Kenya, for example, UNAIDS recently found 3 percent of males aged 15-19 infected, against 23 percent of females—despite these young women reporting relatively few sexual partners. The same study showed that less than 25 percent of men regularly used condoms outside marriage.[13]

The disease also strikes at areas critical to African society and its development. Thirty percent of Malawi and Zambian teachers are infected, for example, while in many countries AIDS exacts a heavy toll on urban professionals.[14] A study in Rwanda in 1997 showed the likelihood of HIV infection for a pregnant woman to be 38 percent if her husband worked for the government, 32 percent if he was a white-collar worker, 22 percent if he was in the army, and 9 percent if he was a farmer.[15]

Businesses risk losing senior staff and face the prospect of increased direct costs, as they spend more on training, health care, funerals, insurance, and absenteeism. In Zimbabwe, for instance, insurance premiums generally doubled between 1996 and 1998, while Botswanan companies expect their AIDS-related costs to rise to 5 percent of the wage bill by 2004.[16] Businesses must thus cope with rising costs while their customer markets are under pressure: the expenditure on normal goods and services of households in which someone is suffering from AIDS is often halved.[17] Thai businessman, politician, and AIDS campaign pioneer Mechai Viravaidya makes the point succinctly: "dead customers don't buy."[18]

It is not easy to estimate the wider economic impact of AIDS on national and regional economies. However, there is growing concern that AIDS increases political and economic instability. At the instigation of the United States, the UN Security Council recently put a health issue on its agenda for the first time: AIDS. "In already unstable societies," commented UN Secretary General Kofi Annan, "this... is a sure recipe for more conflict. And conflict, in turn, provides fertile ground for further infections. The breakdown of health and education services, the obstruction of humanitarian assistance, the displacement of whole populations and a high infection rate among soldiers—as in other groups which move back and forth across the continent—all these ensure that the epidemic spreads ever further and faster."[19]

According to Business...

The Data

By including questions on HIV/AIDS for the first time in a major cross-national business survey, the Africa Competitiveness Report (ACR) allows us to explore the business sector's perception of the AIDS epidemic, its effect on business, and the business response.

The survey asks business leaders in thirty African countries to estimate:

—the percentage of their work force that has died of AIDS-related illnesses now; had died five years ago; and will have died in five years' time;

—the percentage of their work force that is HIV positive; and whether these HIV-positive people are managers or workers, as well as whether they are highly educated;

—whether, due to HIV/AIDS, their firm is suffering a burden of increased health care costs; time off work due to the effects of the illness or to attend funerals; reduced skill levels among their work force; increased training costs;

—whether, as a response to death and disability from HIV infection, their firm has had to hire extra employees in management and technical positions; and/or laborer or clerical positions; and

—whether their firms provides routine HIV screening; free condoms; HIV counseling, or education.

The responses to these questions are summarized, country-by-country, in tables 1 and 2, alongside data from UNAIDS showing the "real" state of the epidemic in 1997. Comparisons are therefore possible between the perception of business people and the best scientific estimates of infection rates and AIDS deaths.

Perceptions of HIV Prevalence

Business leaders tend to perceive HIV infection levels to be lower than those recorded by UNAIDS among those aged 15-49 (figure 1). The average Africa Competitiveness Report figure (calculated as a population-weighted average for the twenty-nine countries where UNAIDS data are available) is 4.26 percent, against a UNAIDS average of 6.16 percent. The difference is sizable (and even more so, given that the UNAIDS data refer to 1997, two years earlier than the ACR data). The difference can be accounted for in one of two main ways: either respondents are "in denial" and

Table 1

Comparison of UNAIDS 1997 Data with Business Leader's Views OFHIV/AIDS in the Workplace

	UNAIDS 1997					ACR 1999				
	Estimated Number of People Living with HIV/AIDS, End 1997			Estimated AIDS Deaths		Number of Business Leaders Surveyed	Average Estimate of Percentage of Workforce that is HIV Positive	Average Estimate of Percentage of Workforce that has Died of AIDS-related Illnesses		
Country	Adults and children	Adults (15-49)	Adult rate (%)	Adults and children 1997	Adults and children, cumulative			5 years ago	Now	2 years from now
Algeria	—	11,000*	0.07*	—	—	7	0.00	—	0.00	0.00
Angola	110,000	100,000	2.12	7,200	25,000	9	1.58	0.00	0.30	0.63
Burkina Faso	370,000	350,000	7.17	42,000	250,000	19	2.75	28.33	17.14	23.50
Botswana	190,000	190,000	25.10	15,000	43,000	69	14.78	0.50	1.41	6.34
Cameroon	320,000	310,000	4.89	24,000	100,000	12	3.00	—	0.00	0.33
Cote d'Ivoire	700,000	670,000	10.06	72,000	420,000	16	3.94	52.33	56.67	46.67
Dem. Rep. of Congo	950,000	900,000	4.35	93,000	470,000	3	15.00	—	50.00	50.00
Egypt	—	8,100	0.03	930	5,400	103	0.00	0.00	0.00	0.00
Ethiopia	2,600,000	2,500,000	9.31	250,000	1,000,000	65	3.02	0.34	0.69	1.38
Gabon	23,000	22,000	4.25	1,700	7,100	6	1.00	3.00	0.75	0.00
Ghana	210,000	200,000	2.38	24,000	170,000	121	0.76	0.11	0.09	0.39
Kenya	1,600,000	1,600,000	11.64	140,000	600,000	119	7.51	2.55	1.36	4.07
Lesotho	85,000	82,000	8.35	5,200	15,000	29	10.56	0.67	2.42	9.71
Madagascar	8,600	8,200	0.12	600	1,900	117	0.04	0.00	0.00	0.04
Mauritius	—	500*	0.08*	—	—	44	0.05	0.00	0.00	0.46
Mali	89,000	84,000	1.67	8,300	40,000	6	0.00	0.00	0.00	
Malawi	710,000	670,000	14.92	80,000	450,000	66	19.05	1.67	4.19	8.36
Morocco	—	5,000*	0.03*	—	—	25	0.00	0.00	0.00	0.00
Mozambique	1,200,000	1,200,000	14.17	83,000	250,000	31	8.71	0.00	1.90	4.70
Namibia	150,000	150,000	19.94	6,400	14,000	98	7.63	0.59	1.59	4.51
Nigeria	2,300,000	2,200,000	4.12	150,000	530,000	70	0.63	0.10	0.09	0.35
South Africa	2,900,000	2,800,000	12.91	140,000	360,000	116	8.69	0.60	1.87	5.84
Senegal	75,000	72,000	1.77	—	—	125	0.28	0.29	0.05	0.10
Swaziland	84,000	81,000	18.50	5,000	14,000	10	0.14	0.00	0.00	0.00
Seychelles						26	22.17	0.50	2.88	8.34
United Rep. of Tanzania	1,400,000	1,400,000	9.42	150,000	940,000	84	4.90	1.12	1.23	1.84
Tunisia	—	2,200*	0.04*	—	—	53	0.07	0.00	0.00	0.00
Uganda	930,000	870,000	9.51	160,000	1,800,000	141	9.01	3.35	2.67	3.54
Zambia	770,000	730,000	19.07	97,000	590,000	85	13.69	2.55	4.00	9.10
Zimbabwe	1,500,000	1,400,000	25.84	130,000	590,000	130	17.84	3.51	6.05	12.75

Source: UNAIDS, ACR 1999

Table 2

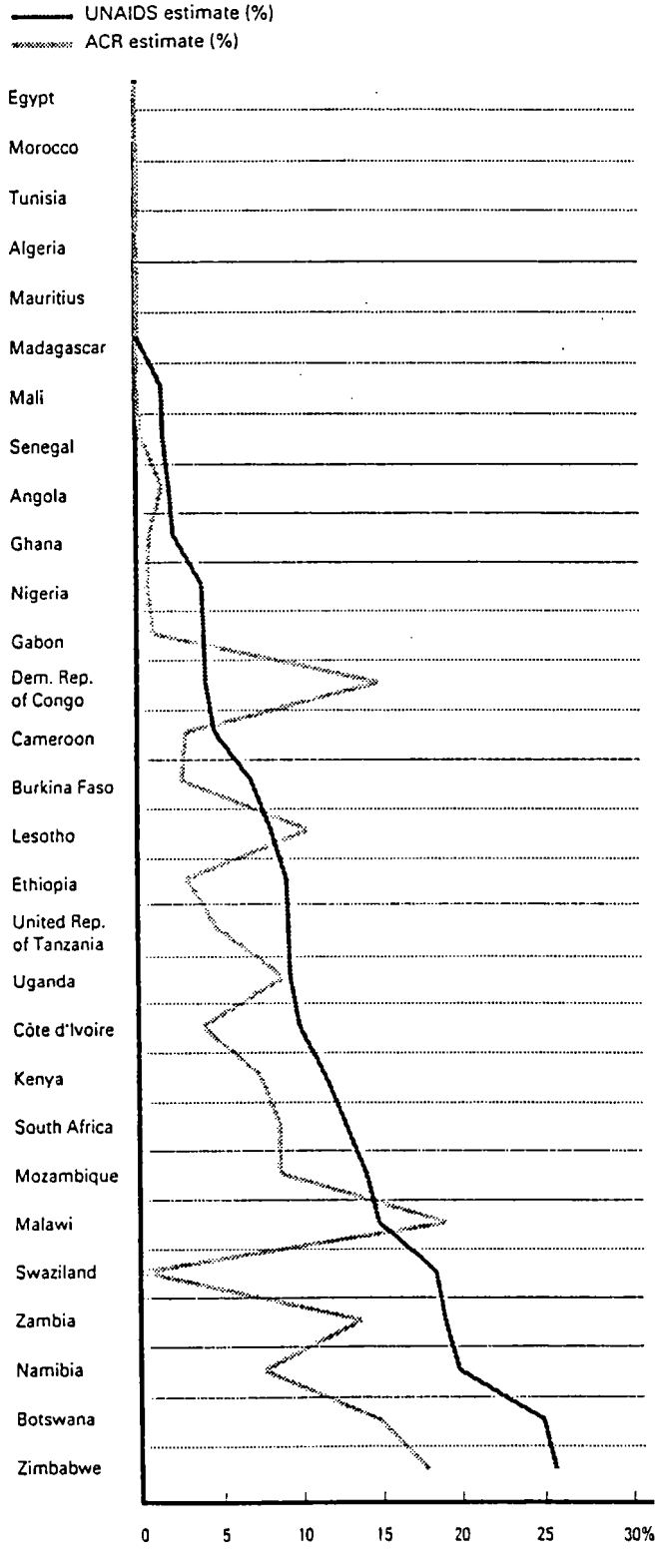
ACR Survey: Impact of the HIV/AIDS Epidemic on Business

	ACR 1999													
	Average Estimate of the Percentage of HIV-Positive Employees Who Are:				Percentage of Firms that Rank the AIDS Epidemic as Having a Moderate or Major Impact on the Following Costs of Running their Businesses:					As a Response to Death and Disability from HIV Infection, the Percentage of Firms that Hire More than One Employee in:		As a Response to HIV/AIDS, the Percentage of Firms that Provide the Following Employee Services:		
Country	Management	Workers	University graduates	Lacking a formal education	Healthcare costs	Time lost to AIDS-related sickness	Time lost due to employees attending funerals	Reduction in skill level of workforce	Increase in training costs	Management of technical positions	Laborer or clerical positions	Routine HIV screening	Free condoms	HIV counseling or education
Algeria	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Angola	—	—	—	—	0.00	20.00	20.00	20.00	25.00	0.00	0.00	16.67	50.00	16.67
Burkina Faso	0.00	100.00	0.00	100.00	30.00	63.63	30.00	70.00	22.22	17.65	18.75	22.22	17.65	53.33
Botswana	17.45	55.60	12.67	23.76	48.27	55.18	55.93	45.76	52.54	6.15	6.15	1.49	56.25	51.85
Cameroon	25.00	75.00	0.00	0.00	33.33	0.00	0.00	0.00	33.33	0.00	0.00	33.33	40.00	54.55
Cote d'Ivoire	15.50	64.50	1.00	80.00	33.33	33.33	12.50	0.00	0.00	0.00	0.00	18.75	20.00	50.00
Dem. Rep. of Congo	15.00	60.00	0.00	60.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	33.33	0.00	50.00
Egypt	—	—	—	—	0.00	0.00	0.00	0.00	0.00	8.33	9.09	18.75	0.00	9.09
Ethiopia	2.00	43.33	2.00	36.00	19.05	19.05	14.29	23.81	14.28	0.00	2.33	0.00	15.79	16.67
Gabon	—	—	—	—	25.00	33.33	50.00	25.00	25.00	0.00	0.00	20.00	40.00	40.00
Ghana	0.83	65.00	0.00	6.00	20.64	15.87	15.51	14.29	12.90	0.00	1.23	8.57	14.61	40.79
Kenya	19.18	63.66	12.43	15.67	54.26	54.83	37.23	35.16	31.18	5.83	8.08	27.93	41.51	59.55
Lesotho	1.00	72.00	3.75	35.00	33.33	50.00	58.82	50.00	53.34	12.50	21.74	6.90	62.50	34.78
Madagascar	—	—	—	—	2.94	0.00	0.00	0.00	5.88	0.00	0.00	5.38	14.46	28.38
Mauritius	—	—	—	—	7.70	8.00	0.00	4.00	4.00	3.03	0.00	5.00	3.12	16.00
Mali	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	20.00	20.00
Malawi	34.39	39.79	15.31	22.84	63.26	83.67	88.24	78.00	68.75	12.07	9.09	1.59	35.00	60.00
Morocco	15.00	50.00	1.00	68.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00
Mozambique	12.50	57.78	6.88	43.13	66.67	50.00	47.62	45.46	63.64	4.35	0.00	4.00	33.33	31.25
Namibia	2.33	85.20	0.88	23.15	45.68	49.37	38.75	36.71	35.45	1.12	1.14	11.96	38.55	50.00
Nigeria	6.75	82.50	6.67	40.00	7.89	5.41	5.56	0.00	10.81	0.00	0.00	25.42	15.38	51.06
South Africa	4.78	73.56	3.26	31.71	40.77	40.77	30.09	28.15	34.00	0.00	0.00	9.73	36.36	59.34
Senegal	0.00	0.00	0.00	100.00	3.23	3.45	3.57	0.00	7.69	5.97	7.41	9.30	22.37	31.03
Seychelles	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00	20.00	28.57
Swaziland	6.75	71.33	1.11	26.11	52.00	76.00	34.61	65.39	53.84	4.00	4.17	12.00	62.50	71.43
United Rep. of Tanzania	18.48	40.83	14.16	20.40	27.91	31.82	15.91	28.57	25.58	3.39	3.77	4.35	15.00	27.27
Tunisia	—	—	—	—	4.76	4.76	4.76	0.00	0.00	3.70	0.00	13.89	0.00	31.43
Uganda	35.66	45.28	28.00	7.41	40.96	59.03	58.75	40.00	32.47	16.67	17.71	3.08	18.80	27.72
Zambia	21.91	52.76	5.71	13.13	51.56	67.70	60.60	66.16	56.25	15.28	10.45	6.49	38.16	35.48
Zimbabwe	9.60	67.18	2.78	21.70	54.78	72.88	72.50	50.84	49.58	4.96	9.32	8.26	40.00	57.47

Source: ACR 1999

Figure 1

Comparison of HIV Prevelance: UNAIDS 1997 vs. ACR 1999



are underestimating the prevalence of HIV; or the proportion of infected workers is lower than the proportion of infected adults, with a high number of those infected not working for one reason or another.

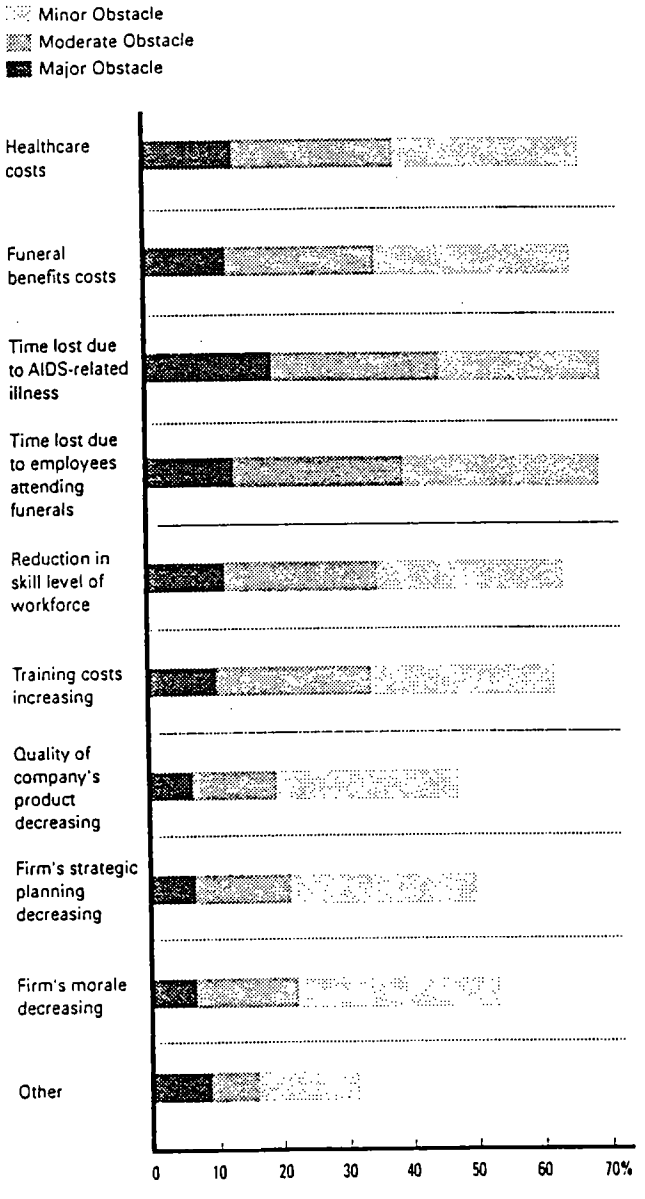
Support for the latter hypothesis is provided, to a certain extent, by the fact that the cross-country correlation between reported and actual infection rates is relatively high (0.74), and the difference between reported and actual infection levels does not vary systematically across countries. This suggests that the ACR data replicate the general pattern of HIV prevalence across Africa and that business leaders' estimates are indeed related to the extent of the epidemic in their country, not based on wildly inaccurate guesses.

However, there is also evidence to support the view that these ACR figures reflect a degree of denial. In many countries, leaders expect only a modest increase in the number of workers dying of AIDS, which is at odds with the epidemiology of a disease with such a long latency period. In some countries, with mature epidemics, the number of people dying may indeed remain fairly constant, but in other African countries, increases in mortality are rapid. Many countries have ten or more people living with HIV for each person who has already died from the disease. This is an indication that the full fury of the epidemic has yet to be felt—and that business leaders are unaware of this. Respondents also generally consider HIV prevalence to be higher among workers than among managers, and also higher among the uneducated than those with a university degree. This seems to fly in the face of the reported positive association between HIV and socioeconomic status in the early stages of the African epidemic, and suggests that respondents (who are all managers) are denying the potency and pervasiveness of the epidemic.

The Effects of the Epidemic

Currently, there is no correlation between the severity of the epidemic (as measured by UNAIDS or ACR estimates) and the ACR competitiveness index. In other words, this survey provides no evidence that the HIV/AIDS epidemic diminishes national competitiveness. This result could be interpreted in a variety of ways. First, the epidemic may not be having any discernible macroeconomic impact *yet*. Second, there may

Figure 2
Impact of AIDS on Company Performance



be reasons why AIDS is hitting more competitive economies harder. They are likely to be more open to trade, with higher levels of internal and international migration, for example. They are also likely to have higher income levels, which can translate into high rates of multiple sexual partnering, as people (mostly men) use their wealth to maintain mistresses or visit brothels. Economic development, in other words, may be leading to rates of infection that partially offset, but do not yet overwhelm, the economic advantage.

About half of the survey respondents report that illness and disease impose costs on their businesses. There is also evidence that businesses think the costs are increasing. While only 6.6 percent think the costs were significant three years ago, 9 percent think the costs are significant today, and 15.4 percent think the costs will be significant in two years' time. Employers show a considerable degree of concern about the impact of AIDS on various areas of their business. Predictably, they are most worried about employees taking time off due to sickness or to attend funerals (figure 2). There is a fairly strong correlation between the impact of the HIV epidemic on the costs of running businesses and perceptions about the severity of the epidemic (see figure 3). Respondents are least concerned when they consider the effects of the epidemic on the central competencies of their business. Sixty-three percent expect that skill levels will decline, but only 47 percent expect this to have an impact on the quality of their product, and only half believe that HIV/AIDS will make it difficult for them to plan for the future.

The results of the ACR are consistent with earlier studies. Tyler Biggs and Manju Shah, for example, surveyed nearly a thousand firms in Ghana, Kenya, Tanzania, Zambia, and Zimbabwe. They concluded that the effects of HIV and AIDS on firms, as measured by increased staff turnover, are relatively minor, though this may change as the epidemic continues. Professional staff are proving most hard to replace, for example, with firms taking an average of nearly 24 weeks to replace a deceased professional, compared to two to three weeks for less skilled staff.[20]

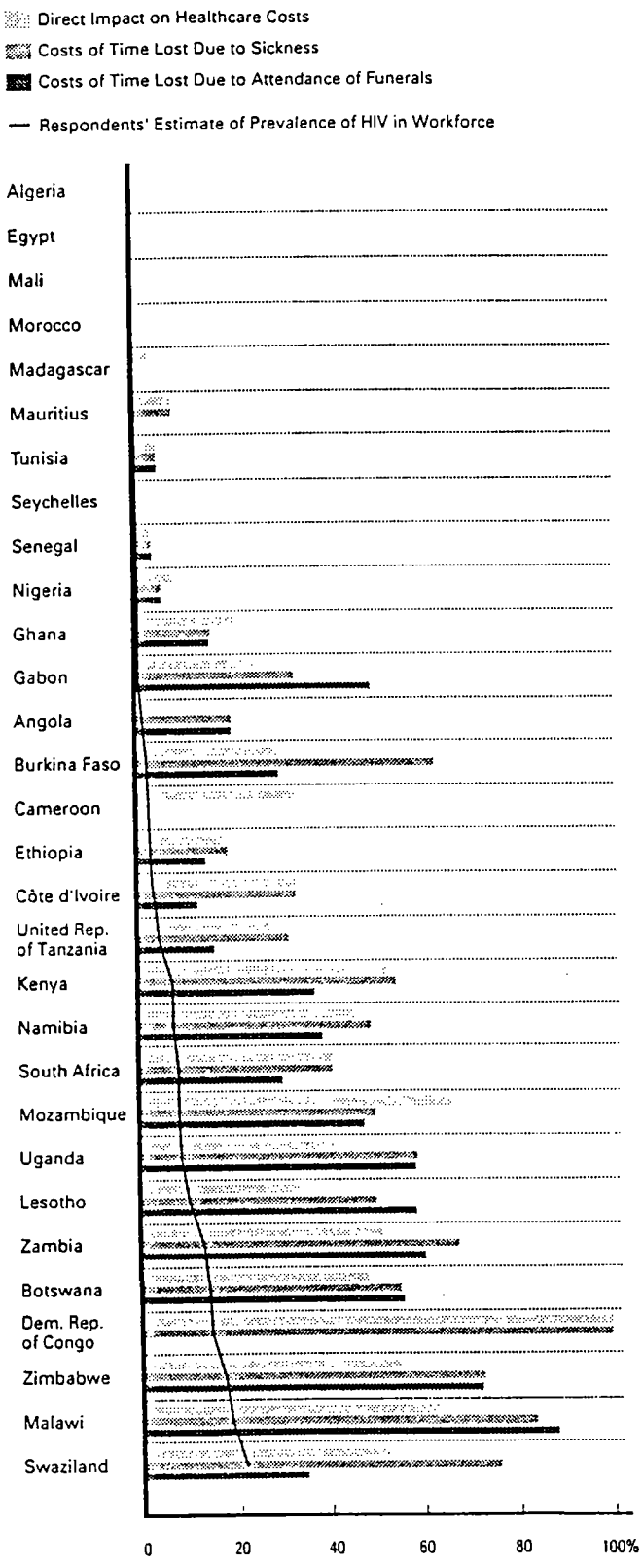
Responding to the Epidemic

The Deficit Model

The ACR provides some evidence of at least modest denial among African business leaders about the extent of the epidemic, bolstered by the fact that many are not yet feeling the full effects of the epidemic on their bottom line. Businesses, therefore, are likely to be contributing to the "world of silence" that UNAIDS, and many other observers, have complained still surrounds the epidemic. "The silence is extraordinary..." comments John Caldwell. "There is less public or media discussion of AIDS in Zimbabwe, with an adult seroprevalence level approaching 30 percent, than there is in Thailand, with a level of 2 percent."[21]

Figure 3

Firms that Believe in the HIV/AIDS Epidemic as Having a Moderate or Major Impact on Their Costs



The African experience is consistent with initial approaches to the epidemic in Western countries, where early government information campaigns were often embarrassing failures. They relied on the "deficit model" of the public's understanding of science, an assumption that the public suffers from a deficit of knowledge, which can be corrected through education.[22] The result is one-way communication from experts to the public, with the style and content of the communication dictated by the professional agenda, rather than the public's needs. The British government, for example, reacted to the onset of the AIDS epidemic with a misguided public information campaign. The advertisements, which ran initially in cinemas, were allusive rather than frank; using tombstones and doom-laden music as a metaphor for the impact that HIV/AIDS would have on adolescents' sex lives. The advertisements were widely ridiculed by the target audience, which saw them as an attempt by authority figures to coerce young people into celibacy. Educational efforts of this kind were successful in raising awareness, but they did not promote the changed behavior needed to slow the progress of the epidemic.

Successful campaigns, meanwhile, were produced in opposition to establishment efforts. Among gay men—and especially in the United States, Australia, and the UK—changes in behavior were rapid because information was cycled *through* the gay community *by* the gay community. Groups, like the Terrence Higgins Trust in the UK, sprang up and showed that it was impossible (and counterproductive) to talk about sex without being (at least a little) rude. These groups worked in highly *entrepreneurial* ways. They discovered the importance of dynamic marketing, of working from an understanding of the position of the target audience, and of developing two-way communication. Instead of merely warning of the seriousness of the disease, they were explicit about what behavior was safe and what was not. They explained the nature of the risks that different people faced and proposed strategies for minimizing exposure. In most cases, these groups heavily promoted the use of condoms and often distributed them in new ways. They thus sent an explicit message to their target audience: not pro or anti sex—just pro safe sex.

Awareness of HIV/AIDS is now high in most African countries, but this awareness has been slow to translate

into changed behavior. Instead, an extraordinary number of myths and conspiracy theories have flourished. Reliance on the deficit model has dampened open and engaging discussion of the disease and awakened suspicions that those talking about AIDS nurse a secret agenda. Openness is now needed and, as in the West, this openness is likely to come first from non-governmental organizations (NGOs) and other groups operating outside the establishment. Their initiative will translate into growing pressure on governments and the media. As a result, increasing numbers of people will benefit from campaigns that focus on the availability of means of prevention, the skills to use these methods, and the social support for their use. These campaigns can be developed and rolled out rapidly, and the evidence suggests they bring fast results.

Options for Action

There is now evidence from several African countries that have taken significant steps to combat the AIDS epidemic. Senegal is an example of the success that can be achieved from swift action at an early stage. AIDS was first reported in 1986. By 1987, decisive action had been taken, with all blood for transfusion screened for HIV antibodies. Between 1992 and 1996, the government invested US$20 million in AIDS prevention programs, with a tax break for condoms (reducing their price by as much as 25 percent) and action to involve the media, religious leaders, NGOs, and local communities in the response. Religious leadership played a critical role. In March 1995, Senegal's senior Islamic leaders declared that AIDS was not divine punishment for immoral behavior and called for everyone to be provided with full access to AIDS information. Sex education was introduced in primary and secondary schools in 1992 and efforts were made to contact young people through proven channels of influence such as youth groups and religious and community organizations.

Reported awareness levels in Senegal are now very high. Over 95 percent of secondary school pupils are aware of AIDS and know at least two ways of preventing it. Condom use has also increased dramatically—from around 1 percent to some two-thirds of men, and half of women, using condoms for casual sex. Infection rates of all sexually transmitted diseases, including HIV, have remained low, with only a few groups, such as prostitutes, showing high rates of infection.[23]

Senegal acted quickly, but initiatives can also deliver big benefits when the epidemic is much further advanced. In the West, for example, the gay community achieved remarkable success in reducing infection levels, although it was unable to act until the disease was already rampant.[24] In Africa, Uganda seems to be achieving favorable results for its belated attempt to control the epidemic. For many years, the country failed to act. The first AIDS cases were officially reported in 1982, but according to the Uganda AIDS Commission, "between 1980 and 1986, government and public response to the new disease was initially *ad hoc* and slow. During this period, government was silent about the epidemic and virtually nothing was done." In 1990, however, a national task force was set up to tackle the epidemic and in 1992 the Uganda AIDS Commission was established. By 1998, a National Strategic Framework for HIV/AIDS Activities was adopted.[25] An updated strategic framework for 2000-05 was published recently.

Uganda's vigorous prevention campaign has focused on educating people about safe sex, in their own language. CNN reports one initiative—the Straight Talk Foundation—which produces a weekly radio program listened to by 1.5 million young people. "Straight Talk" forcefully debunks sexual myths and helps young people learn how to negotiate their way out of difficult sexual situations. It works closely with youth groups and youth-friendly health clinics, and allows young people to "speak their mind" on air.[26] The success of this approach is shown in rapidly declining infection rates among some groups. One testing site in Kampala, for example, saw infection rates among women aged 15-19 drop from 26 percent in 1992 to 9 percent in 1996. The Uganda AIDS Commission believes national infection rates among women of this age group have probably halved.

The success of prevention campaigns in some countries—combined with the uncontrolled nature of the epidemic in many more—has inspired increasing levels of commitment to fighting AIDS in Africa. The International Partnership against AIDS in Africa was launched in December 1999 in an attempt to coordinate a new regional response. The partnership brings togeth-

er a number of multilateral agencies, twenty African countries, a dozen bilateral development agencies, and a broad cross-section of African NGOs. The partnership has agreed to concentrate on four areas of action: building political support at the highest level; helping each country develop a national strategy for combating AIDS; increasing resources available for programs; and building regional and national capacity to tackle AIDS.

A Role for Business

The Africa Competitiveness Review offers African business leaders the opportunity to assess their role in the fight against AIDS. The data seem to show a reasonable level of awareness about the disease, combined with some denial about the extent of the epidemic and the ferocity of its expected future impact. The business response to the epidemic is currently limited and seems to be another outgrowth of the deficit model. Business leaders tend to think the disease is more a problem among low-skill employees than among themselves, and workplace efforts tend to concentrate on education for prevention rather than the delivery of services that relate directly to HIV status and transmission (i.e., condom provision and HIV testing).

Business responses vary markedly from country to country. On average, nearly 14 percent of businesses surveyed provide routine HIV testing, with a high of 40 percent in Mali and a zero figure for Algeria and Ethiopia. Free condoms are provided by just over a quarter of all firms in the survey, and 37 percent provide HIV counseling and education. These figures are modestly correlated with perceptions of the epidemic's severity, unlike the provision of HIV screening, which is mildly negatively correlated.

Yet businesses are exceptionally well placed to join the fight against AIDS—both on their own and in partnership with the public sector and NGOs. They have unique human, financial, and organizational resources. Their marketing people are skilled at using communication to change human behavior; they are experienced at conducting and using market research; and their extensive networks give them influence at national levels, as well as at the grassroots. They are not necessarily tied to an establishment agenda. They are also placed as well as any NGO to break through the silence.

Business intervention could make a real difference in four key areas:

1. Condom promotion—the reinvention of the condom is at the heart of a successful prevention strategy. Business packaging, marketing, and promotion skills can help promote the product in innovative ways, especially to young people.

2. Consumer education and research—education initiatives need to start with a clear understanding of the target market's needs and display a willingness to talk in a language to which people can relate. Business can use its proven techniques for building and communicating brands, as well as its PR and advertising capabilities. The same sophistication used to market business brands needs to be applied to marketing messages about HIV prevention and AIDS care.

3. Workplace action—the workplace provides an excellent environment for the promotion of HIV prevention, better health care, and education. Larger businesses can also influence the efforts of other concerns in their supply chain, and send strong signals to the communities in which they operate, by instituting policies to discourage stigmatization, for example.[17]

4. Lobbying for change—the economic power of business translates into considerable political influence. Many big businesses have a head office in the capital running operations across the country. This allows them to develop a detailed understanding of the progress of the national AIDS epidemic, knowledge that can be used to educate and motivate policy makers to take action on AIDS.

Some businesses are prepared to show leadership. The South African Business Coalition on HIV/AIDS, for example, was launched in Johannesburg in February 2000 to coordinate a new level of response to the problem. Individual businesses have also taken bold steps. In Zambia, for instance, Barclays Bank has reacted to a mortality rate that has risen from 0.4 percent to 2.23 percent. It provides education, free condoms, and medical care. It also has strict policies on sexual harassment and stigmatization.

Converging Agendas: AIDS and Business (*)

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We now know a tremendous amount about the scale and dynamics of the HIV and AIDS epidemics, but their daunting size can make it seem difficult to act. Globally, 2,600,000 deaths are expected this year alone, which means that 1 in every 20 people who died in the world in 1999 died of AIDS. We're expecting about 5.6 million new infections this year – adding to the over 33 million people already living with HIV. As Desmond Tutu said at this forum last year, the numbers are numbing.

Today, then, I hope we can focus on action.

First I'm going to talk about the AIDS agenda and how this growing epidemic strikes productive adults hardest – the very people on whom the future of countries depends. I'm going to look at what needs to be done, not just in rich countries, but also in the developing economies – home to 95% of people living with HIV in the world – who bear the brunt of this ferocious disease. Then I'm going to turn to the business agenda, to the relationship between the AIDS epidemic and our chief engines of economic activity.

Two decades into the epidemic, the global campaign against AIDS continues to be led by national governments and some very vigorous and innovative not-for-profit organizations. But I think it's now time to mobilize the business community, and that's the heart of what we're talking about today. First, because it's a fact that AIDS threatens the bottom line of business by undermining its work force and customer base. Second, business has core skills that can be used to great effect in the fight against AIDS. And third, for businesses keeping an eye on the future of the world economy, the fight against AIDS offers a real global opportunity to sharpen their message, improve their image, and extend their effectiveness.

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* This article represents the text of David Bloom's keynote speech at the amfAR-sponsored symposium: *The Global Economics of HIV/AIDS: Defining Social and Business Costs.* The symposium was held on November 30, 1999 at The United Nations in connection with World AIDS Day 1999. The speech complements a white paper, entitled *A Moment in Time: AIDS and Business,* which was prepared as background for the symposium by David E. Bloom, Allan Rosenfield, and River Path Associates. The text of this paper also appears in this issue of *AIDS Patient Care and STDs.*

With this in mind, I'd like to sketch out the start of an agenda for action, which I hope will be discussed and developed during our time together this morning. I hope new partnerships between business, the public sector and civil society will emerge from this process, so that the global campaign against AIDS can rest on three pillars, as business learns, in the words of filmmaker, Spike Lee, to do the right thing.

In the past two decades, there have been many dozens of studies on the impacts of AIDS. Taken together, they clearly demonstrate that AIDS has a huge impact, not just in human terms but also in economic terms, and for three main reasons. First, there are lots of AIDS cases. Second, because the lion's share – 80-90% of all AIDS-related illness and mortality – occurs among people in their 20s, 30s, and 40s, which are the years when people are most productive and save for later in their lives. And finally, because the opportunistic infections that accompany AIDS (and I'm speaking about tuberculosis, pneumonia, meningitis, herpes, and so on) are so very expensive to treat.

The sheer size of the AIDS epidemic makes it very tempting to conclude that there is, as the writer Samuel Beckett put it, nothing to be done. But highly effective action is possible, as the not-for-profit sector has often shown. Dynamic new organizations have grabbed attention, developed effective channels of influence, distributed condoms, and educated their communities, often – usually – on shoestring budgets.

In some countries, necessity has truly been the mother of invention. Uganda and Thailand are justly praised for comprehensive approaches to fighting AIDS, and they show how infections can be averted. The first effective action in the wealthy industrial countries was in many gay communities, where information was staggeringly effective, moving even faster than the disease, and leaving rich countries with AIDS epidemics that, while still appalling, are much milder than most experts once predicted. Education for prevention is, of course, at the forefront of the battle against AIDS. Changing people's behavior so they practice safe sex, or have sex with fewer partners, is the most important intervention. Successful education efforts need to be driven by an understanding of its audience. Top down approaches to this kind of communication have little impact. Education efforts need to be research-driven and emphasize participation.

Work is also needed to combat the problem of stigma-- of the kind faced by one HIV-positive South African woman, who wanted her story told, but was frightened to give her name. She lost her job because of her HIV status, so she started her own cleaning company, calling it Positive Cleaners. The income she's earned has changed her life, allowing her to feed and educate her children, and still have the money to spend on her own health. This woman's health and wealth are inextricably linked and what's true for her is also true at the level of national economies.

Health improvements provide a boost to national income, which, in turn, provides a further boost to a nation's health. This very simple and seemingly obvious idea actually reflects a

very important change in development thinking. International development economists have traditionally seen health improvements as purely a consequence of income growth. But now our views have evolved, and we recognize that health is not just a consequence, but also a trigger for the whole process of social and economic development. Healthier people are more productive workers; they have more incentives to invest in education and training; and they save more. All of these are fundamental drivers of improvements in well-being. Health feeds wealth, and wealth feeds health. It's a virtuous spiral, which has substantial power with respect to its impact on a country's economic performance. But it's not all good news, because if you can have a virtuous upward spiral, it stands to reason that you can have a vicious downward spiral also.

In sub-Saharan Africa, life expectancies are back down to 1950s levels, due to the AIDS epidemic. That's decades of development progress that has been eroded. Over half of the region's population is not expected to reach age 60, and that's a condition that's certain to further impede the region's economic growth. In Russia, the same mechanism is operating, but with a different entry point. Social and economic reversals are depressing health – and letting AIDS right in the door. Russia's transition to a market economy in the 1990s has coincided with one of the most precipitous declines in health status in recorded history, with 1.5 million Russians, disproportionately prime aged men, having died prematurely in just the first half of this decade. We recently learned from Peter Piot and UNAIDS that economic decline seems to be triggering an AIDS epidemic in Russia as injecting drug use rockets among the unemployed. Now the spiral is turning. The cost of ill health will lead to further economic decline as productivity and resources are drained from the Russian economy.

Here's Professor Brian Williams, who heads up an HIV prevention project in the world's biggest gold mining complex at Carletonville in South African. His project is handing out half a million condoms a month – so he's very much in the trenches with respect to the epidemic, and has some strong words that I think we would all do well to take on board:

> We're in danger in this country of losing the flower of our youth. In Carletonville our statistics show that at age 15, the infection rate is pretty close to zero. By 25 years of age, 60% of the girls in Carletonville are infected and are going to die. What AIDS is going to do is it's going to infect people between the ages of 20 and 40, it's going to kill young people, people who are educated, people who we are training, people we are relying on to rebuild our country after the devastation of apartheid. Current estimates show that about 5 million South Africans are infected and are going to die. We're in danger of losing an entire generation of young people. We have to make sure that the next generation doesn't get infected, and doesn't die in the same way.

Let me now switch gears from the AIDS agenda to the business agenda. Our research seems to be uncovering a remarkably broad consensus in the field that business, in

particular, could be doing much, much more. So why should business get involved in the campaign against HIV and AIDS? Well, first and foremost, because it's in their interests. The disease hits productive adults hardest, the employees and the customers that business relies on for success. Study after study, mostly African-based because that's where the epidemic has progressed the furthest, shows companies becoming less profitable as their labor productivity falls and their production costs rise. The effects on customers are a little less easy to measure, but not much more difficult to intuit. For as Mechai Viravaidya, AIDS pioneer in Thailand, once put it: "dead customers don't buy."

Even companies not directly affected will eventually feel the impact of this virus. In a global economy, none of us are insulated – as the aptly named Asian contagion that we witnessed during the financial crisis that began in Thailand in June 1997 clearly showed. The African AIDS crisis previews what potentially awaits the businesses and other economies that are more significant in the global economy like India, Brazil, China, and Russia. What we don't know, of course, is how much stronger the world economy would be today if AIDS in Africa was not such a drag on its performance and promise.

AIDS is hitting business right where it hurts, on the bottom line. But business can hit back, because it has enormous power at its disposal to take on AIDS and to make a crucial difference. An infusion of core business skills would massively strengthen the fight against AIDS. Innovation, creativity, effective distribution skills, energetic communication, and the drive to achieve results – and to achieve them fast.

Let's return for a moment to education, the perennial workhorse of any campaign against the disease. Information campaigns rely crucially on an understanding of the audience. It's business that has most successfully exploited the research techniques, which offer effective behavioral segmenting, using them to market products to audiences with skill, verve, and determination. It's business that knows how to move people from awareness to action. Take condoms; putting them in young people's pockets and then getting them out again at the right moment is very tough work, as some of us surely remember. But so, too, is selling sneakers or new technology to fickle audiences. Yet there are examples when the two come together. The ads, for example, of the Kenneth Cole company – who consistently work to be identified with HIV/AIDS and other causes – are both to their credit and direct benefit.

It's not all stick – there's also plenty of carrot. Action on AIDS offers multinational businesses the chance to help build a stronger image of what they – and their valuable brands – can mean in the modern world. It does this in three main ways. First, at the broadest level, companies improve their reputation by showing that they can play a role on the world stage. Many businesses are now economically more important than countries. By showing that they can positively influence world events, they'll be in a better position to get things done to influence the agenda in ways that benefit their core business. The William and Melinda Gates Foundation will soon be the biggest in the world, a spectacular example of truly enlightened self interest. Bill Gates has, without doubt, done the right thing, but

he's also translated this into greater respect for his empire and immediate access to every political leader in the world, which is valuable for him and for the Microsoft brand.

Second, and more specific to companies with serious interest in developing countries, action on AIDS allows them to protect and develop a mandate to operate. Shell Oil is just one example of a company that, because of a complacent stance towards injustice in Nigeria, faced enormous and costly hostility from consumers in both the north and the south. Shell is now spending millions of dollars on its human rights advertisements to try and mend the damage.

Finally, many businesses are now assessing the value of their business in quite different ways. Ford Motor Company has even hinted that it might pull out of making cars to concentrate on designing and marketing the Ford brand. Meanwhile, a Coca-Cola executive famously said that the company could survive the confiscation of every single one of its assets, as long as it was able to keep the rights to its famous logo. For some companies and for some brands, the fight against AIDS offers powerful and relevant brand associations. When Levi-Strauss advertises its blue jeans with a condom in the pocket, it's associating its product with enjoyable and safe sex. AIDS represents a new story about globalization; it's a story that's especially compelling for a generation of young people. Because there's no one in the world under 30, black or white, rich or poor, who remembers a time when AIDS wasn't an unwelcome intrusion in their sex lives. AIDS is the universal story of a generation; it unites the world's young people in a single shared experience.

For the past 20 years, government and non-government organizations (NGOs) have shouldered the burden of the fight against AIDS. They've done a very respectable job, but essentially have been a stool with just two legs. To cope with the epidemic of the future, that stool needs a new leg – and the third leg is business. It's business operating in partnership with government and NGOs who must continue to do what they're good at. It's business taking on a larger role that plays to its comparative advantage, which involves bringing speed, power, and substantial resources to the campaign. Effective partnerships, as we all know, are based on mutual respect, common goals, and complementary skills. These conditions are increasingly present, with a new willingness now for public and private sectors to work together, a result borne out in a recent Price Waterhouse Coopers survey that shows greater understanding emerging between businesses and NGOs.

To end, it's worth remembering something we sometimes overlook as we go about our own personal business. The business community has, in effect, and in barely a century, utterly transformed the planet. From flying to e-mail, fashion to entertainment, banking to tourism, there's almost no area where business energy has not brought remarkable benefits. HIV and AIDS represent a huge problem, but business thrives on challenges and uncertainty. It's also used to acting decisively and quickly, and the global campaign for HIV prevention and AIDS care needs its help, right here and right now.

Something to be done: treating HIV/AIDS[1]

UNDER EMBARGO UNTIL 6/23/00

forthcoming Science

David E. Bloom and River Path Associates

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Abstract

Due largely to disparities in access to drug treatment and care, AIDS morbidity and mortality have fallen in the developed world but continue to rise among developing countries. Achieving more equitable access to AIDS drugs is hindered by high drug prices, technical complexities related to the provision of health care, and conflict among stakeholders. Recognition that health is vital to the prospects of the emerging global society must be combined with new mechanisms to help all stakeholders work together cooperatively. Tiered drugs pricing should be coupled with investment in health services. An independent Global Task Force, able to act as an "active think tank", could build consensus about the way forward.

For richer or poorer

Although prevention remains the first line of defense against HIV/AIDS, caring for the millions of people now living with AIDS is an essential element of our reaction to the epidemic. AIDS is increasingly a disease of the poor[2] and, currently, as Ugandan AIDS doctor Peter Mugyenyi has noted: "The medicines are where the problem is not, and the problem is where the medicines are not."[3]

Effective care programs have many features, but at their heart are interventions that make a significant impact on the quality and length of people's lives.[4] The US Food and Drug Administration now lists over 40 approved therapies that slow or disrupt viral replication, or treat opportunistic infections,[5] and, as a result of these, the number of AIDS deaths has fallen dramatically across Europe and the USA. In the USA, for example, deaths fell from 49,895 in 1995 to 17,171 in 1998.

While educated and relatively wealthy patients have been successful in marshalling the medical and social support necessary to mount an active and ongoing defense against the disease, the situation is much bleaker for the majority of those infected with HIV.

Poor levels of education, economic development and health not only encourage the disease's spread, they also inhibit effective care. First, medical interventions are expensive, with highly active antiretroviral therapy (HAART) costing up to $20,000 per person per year. Second, health systems are inadequate, with as few as 10 percent of the population of the developing world having consistent access to healthcare and even highly developed health systems failing to deliver benefits to disadvantaged populations. Third, those with compromised immunity are weakened by poor nutrition and lack of safe water. Fourth, the disease burden in developing countries is disproportionately high, heightening the dangers from a disease that attacks the immune system. TB and AIDS interact especially powerfully and have been dubbed the "dual epidemic". Fifth, the social structures that are the bulwarks of any care program are being overwhelmed by the severity of the epidemic.

This paper explores the major obstacles impeding a more effective response to the problem of AIDS care: the technical complexities that offer no easy "win-win" solutions; and the friction between major stakeholders that have made this a controversial and often explosive

subject. We call for a global response to a problem that is inextricably linked to globalization and warn that a failure to act now will not only be catastrophic for entire regions, but will further erode confidence in the capabilities of our emerging global society.[6]

Technical complexities

Ensuring access to more effective AIDS care is complex and has four distinct facets: affordability, finance, delivery, and rational selection.

The affordability of treatment has attracted much recent attention. Globally, anti-retrovirals are only used by 1 percent of those with HIV, while drugs for treating opportunistic infections are also poorly distributed. Through patents, pharmaceutical companies receive monopolies on new drugs, offering them the chance to earn a return on their investment in R&D, both for the patented drug and for other unsuccessful research. Critics identify pricing differentials between countries as evidence of unfairly exploiting a monopoly. Pfizer's Fluconazole is $11.90 in USA and $13 in South Africa. In Thailand, where local companies compete with Pfizer, the price is 69 cents.[7] The unwillingness of pharmaceutical companies to reveal their investment and pricing policies leaves them poorly placed to refute charges of profiteering, and increasingly vulnerable to activist pressure.

Expensive and complex treatments burden well-funded health services and there is evidence of informal rationing of treatment even in developed countries.[8] Financing in developing countries is currently extremely limited, despite growing evidence of the importance of health to development within the modern global economy.[9] South Africa, for example, spends $279 million on all drugs, compared to a defense expenditure of $4.19 billion.[10] Namibia spends a paltry $42,000 on its AIDS program and receives $126,000 from EU and $36,000 from UNAIDS.[11]

Even when drugs are cheap or free, problems remain. Delivery systems are inadequate or non-existent across much of the world, as shown by the failure to make progress against TB, despite the widespread availability of effective remedies. Similarly, major drug donations have not been immediately successful, with bitter arguments about responsibility for distribution and treatment protocols. Yet there's unmet demand: the People's Health Organisation (India), for example, describes the new drugs as "promising heaven, but giving bankruptcy". The organization recommends HAART to patients on the basis of wealth, rather than disease-stage, with patients advised to take the full combination, a reduced combination, or avoid anti-retrovirals, depending on income. As World Bank President James Wolfensohn argues, high prices offer governments little incentive to build health infrastructure.[12]

AIDS is one of several serious diseases facing developing countries, and decisions on the allocation of limited funds remain controversial. Is it better to spend on nutrition or care, education for prevention or STD treatment – when all these will have an impact on the AIDS epidemic? Further, the future consequences of interventions must be addressed. Plentiful access to cheap TB drugs in Russia fuelled drug resistant TB, an enormously expensive problem. Stepping up AIDS care requires selecting treatment interventions appropriate to delivery. It is quite conceivable that more virulent and even less treatable forms of HIV will emerge as the result of the inability to sustain complex courses of medication, itself often a result of the expense of treatment.

Conflict and confrontation

Beyond the technicalities of widening access to treatment lie a series of political conflicts that continue to make it difficult to secure change. Access to drugs and treatments was fiercely contested throughout 1999, with acrimony among key stakeholders. The US government, for example, threatened sanctions against South Africa in support of the pharmaceutical's legal action against the South African Medicines Act. This would have allowed compulsory licensing of AIDS drugs, where drugs are made locally and the

intellectual property holder compensated at a rate set by the state, and parallel importing (cheaper drugs imported from other markets). Activists, however, mounted a vigorous campaign against the action. In 1999, for example, "307 public health experts and concerned persons" wrote to Al Gore, accusing the US of protecting the pharmaceutical industry against global competition, ignoring the biggest public health crisis in recent history, and leaving people without access to pharmaceutical drugs to die.[13]

In 2000, a more constructive approach emerged. In January, the US completed a policy u-turn, by instigating an unprecedented UN Security Council debate that recognized AIDS as a threat to world security[14]. On May 10, President Clinton followed through with an executive order, intended to ensure that, within the scope of the TRIPS agreement, HIV/AIDS-related drugs and medical technologies become more accessible and affordable in sub-Saharan Africa.[15] The next day, UNAIDS announced that 5 major drugs companies had agreed to ensure rational, affordable, safe, effective drugs for HIV/AIDS related illnesses, stressing the need for a new commitment to tackling AIDS from national governments and the global community, and significant investment in building efficient, reliable and secure distribution systems. The French government, meanwhile, continues to press for an international fund for therapeutic solidarity, which would use public and private resources to promote access to AIDS drugs.

Reaction to these initiatives has not been wholly positive. Medecins Sans Frontieres described the industry offer as minor, "much like an elephant giving birth to a mouse."[16] Dr Nothemba Simelela, head of the South African HIV/AIDS directorate, was also suspicious: "There is little trust between pharmaceutical companies and this government, but obviously we will not kick them in the teeth if they are offering real assistance."[17] Alan Holmer, Pharmaceutical Research and Manufacturers of America President, described the executive order as setting "an undesirable and inappropriate precedent [and] a discriminatory approach to intellectual property laws."[18] Debrewerk Zewdie, World Bank AIDS coordinator noted that "even if the drugs were free, we would still have a horrendous problem getting this [offer] to work", and believes the drug companies may have opened a Pandora's box.[19]

Tackling complexity

Continued progress, therefore, relies on steering a path through technical complexity while drawing stakeholders into more productive partnerships.

A major step on the affordability of treatments has been taken by the acceptance of tiered pricing for AIDS drugs. Consolidation, however, requires four steps. First, future R&D into HIV/AIDS remains an over-riding priority. Activists must forgo using price reductions in developing countries in their arguments for lower prices in developed markets and pharmaceutical companies must receive limited protection against parallel importing.[20] Second, pharmaceuticals companies should acknowledge through their actions that AIDS is a global emergency and there is natural public interest in both developed and developing market prices. Greater public oversight of the industry is required, via access to information and "trust – but verify" mechanisms to scrutinize commercially sensitive information on profit levels and R&D expenditure.

Third, separate action is needed to address under-investment in research into diseases that affect the poor.[21] Tax incentives, schemes to guarantee markets, and direct public investment should all be considered, while the public and non-profit sectors should explore ways of receiving a greater share of the ongoing returns on their 54 percent investment in healthcare R&D.[22] Finally, the debate on price needs to extend beyond pharmaceutical manufacturers, with developing country governments addressing import tariffs, taxes and distribution margins, which the pharmacy industry claims account for two thirds of African drug prices.[23]

As treatment prices fall, a strong case for increased investment in care arises. Donor countries, philanthropic foundations and multilateral organizations should match greater investment from developing countries. Much of this money should be dedicated to delivery systems, along the lines suggested by Hans Binswanger elsewhere in this issue. [24] It is possible to scale up existing, successful, HIV programs.

Finally, rational selection of interventions needs consideration within a much broader context than cost effectiveness, which calculates return on a limited and short-sighted basis. Globalization will be fatally undermined if it continues to act as a vehicle for greater inequality. Life expectancies are falling in a growing number of countries, reversing key development gains of the 20th century. Tackling AIDS – on all fronts – is a political imperative. Better health is a powerful tool for social inclusion, and at the heart of any vision of a fairer world.

Bringing stakeholders together

The signs that stakeholders are prepared to work more constructively together are encouraging, but more is needed. Further investment is required in techniques to extend trust across stakeholders (itself a valuable form of international social capital).[25] Although peace has broken out publicly, tensions are still running high in private. External, unbiased mediators will help to in focus minds on solutions –George Mitchell in the Irish peace process or Desmond Tutu in the South African Truth and Reconciliation Commission are good models. We also suggest exploring creative approaches to problem solving, like scenario planning, which has been successfully used to engage antagonistic stakeholders in Colombia, South Africa and Japan.[26] As the French government has argued, traditional conferences, with a succession of speeches and sterile debate, must be avoided at all cost.

Second, we believe that broader and deeper partnerships should be developed, with parties committed to more open, transparent and inclusive ways. Too many negotiations occur behind closed doors, inevitably raising suspicions among excluded parties. Those with AIDS need a stronger voice, and the wider business community must get involved. Pharmaceutical companies hold only part of the answer. Businesses have the scale, finance, channels, and motivation to significantly influence the course of the epidemic. [27] Finally, it is essential that developing countries display ownership of the problem, with UNAIDS – relocated in Africa – acting as a facilitator for initiatives such as "regional pharmacies", where buying power and expertise are pooled transnationally to change market dynamics.

Third, we suggest a new, inclusive forum, with a global profile, to act as an 'active think tank' and develop a consensus on ways forward. This 'Global Task Force', on access to AIDS care, should have a wide remit, a budget to call witnesses and operate a secretariat, and a guarantee that world leaders will pay serious attention to its findings. Members would have a high profile and experience in the issues, but would act as individuals, rather than as representatives of the constituencies from which they were drawn.[28] The task force should be unequivocally free of ties to all existing stakeholders and aim to inform and catalyze (rather than duplicate) their efforts.

The Global Task Force would act decisively and quickly, reporting on the role of intellectual property in health, within the context of rapid changes in the concept of intellectual property in the knowledge economy, and outlining a clear framework for invoking World Trade Organization exemptions that allow for compulsory licensing and parallel imports. It would also provide an independent forum to explore pricing levels, discussed above, and set bold but achievable targets for improving access to treatment. It would explore incentives, delivery and management issues, including care tailored for the poor and marginalized, where treatments are chosen to transcend, as far as possible, the limitations of delivery systems.[29] Finally, it would work to build global support for new investment in AIDS

treatment. After all, the public *will* support spending more money – but only if convinced that something can indeed be done.[30]

[1] The opinions expressed herein are our own, but the authors are grateful to the following individuals for helpful discussions, materials, or comments on an earlier draft of this piece: Ronald Bayer, Barry Bloom, Thomas Bombelles, Tim Brown, Julia Cleves, Susan Crowley, Kevin Frost, Sherry Glied, W. Scott Gordon, Steven Janovec, Jeffrey Laurence, Michel Lavalloy, Guy Macdonald, Ajay Mahal, Michael Reich, and Jane Silver.

[2] 95 percent of HIV-positive people live in developing countries. Furthermore, our analysis shows a correlation of 0.49 across 51 countries with the requisite data between the absolute poverty rate in 1990 (the percentage of population living on less than 1 dollar per day) and the adult HIV prevalence in 1997.

[3] Mark Schoofs, "AIDS: The Agony of Africa" *Village Voice*, 29 December 1999

[4] "AIDS Care Framework" *The Enhancing Care Initiative* http://www.eci.harvard.edu/research/framework/index.html

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a moment in time...

...AIDS and business

A white paper prepared for the **American Foundation for AIDS Research** (amfAR) symposium
The Global Economics of HIV/AIDS: Defining Social and Business Costs
The **United Nations**

November 30, 1999

A Moment In Time:

AID$ and Business

David Bloom

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White Paper prepared for the American Foundation for AIDS Research (amfAR) symposium 'The Global Economics of HIV/AIDS: Defining Social and Business Costs' held at the UN, November 30, 1999.

Business has transformed the planet. But this gives it new responsibilities. People now expect business leaders to lead – and not just respond when things go wrong.

HIV/AIDS is a global problem, with over 16.3 million people now thought to have died of the disease[1]. Without action now, the pandemic will worsen, health services will come under relentless pressure and the number of people dying will increase exponentially.

So why should business sit up and take notice?

First: money.

> AIDS is slowly strangling many businesses and economies – and in a global market, everyone eventually suffers. Without profit, there is no business – so the business community needs to act to protect its bottom line.

Second: people.

> Over 80% of those dying are in their 20s, 30s and 40s. Businesses are losing workers and customers, and human networks that have taken decades to build.

Third: imagination.

> Business is inventive, creative and fast-moving. It has the opportunity to use these strengths for the benefit of the wider community. It's time to pit business *ideas* (and some money, too) against the threat of AIDS.

The course of the AIDS epidemic is not inevitable. The world's businesses have the skills and intensity to make a measurable difference, especially if they find public sector and NGO partners with whom they share a vision. A focused, coordinated, results-driven effort will hit AIDS hard.

The HIV virus moves fast (and is mutating all the time). Business has the opportunity to make a difference. It must grasp this opportunity. And grasp it fast.

back to basics

These simple facts provide a framework for action against AIDS:

- *HIV is an invisible problem.* The illnesses associated with AIDS can develop within months or after 10 years, during which HIV-positive people may infect many others. The biggest problem is therefore the one we can't yet see. Action should ideally be taken *early* in an epidemic – with efforts concentrated on countries where the problem is growing, as well as those countries where a crisis has already been reached.

- *HIV is transmitted socially.* Infection follows patterns of commerce and development – whether the long-haul trucking industry in East Africa, the commercial blood donation system in India, or migrant miners in southern Africa. Interventions must work through communities, overwhelming patterns of infection with patterns of prevention and treatment.

- *AIDS hits workers hardest.* HIV is spread in a number of ways (unsafe blood, sharing of needles amongst injecting drug users, transmission from mother to child, and homosexual sex, for instance) but **heterosexual sex is the dominant means of transmission** in most developing countries. As a result, more than four in five people dying from AIDS are in their 20s, 30s or 40s. Their deaths suck productivity out of businesses and whole economies. And they leave behind children and elderly relatives who must be supported by those who are left to work. The epidemic also crosses social and economic classes in many developing societies, affecting the skilled as well as the unskilled, the rich as well as the poor.

- *A vaccine won't come quickly.* After a period of stagnation, the pace of vaccine development has picked up. But even following a major breakthrough, trials and distribution would take many years. Researchers also face a moving target, as the virus continues to rapidly mutate. Like cancer, there is unlikely to be a 'magic bullet' cure.

- *For the moment, information is the best defense we have.* Prevention campaigns have had a significant impact in the West, with information moving faster than the disease. But few efforts have been tried on this scale in the developing world. Clear, imaginative, well-researched marketing could save millions of lives, especially if it grapples with the problems of reaching audiences in countries that have less sophisticated communication networks than are now common in the developed world.

- *Something can be done for the sick.* There is a despicable but detectable tendency to 'write people off' because they are infected. Yet there is great human and economic value in extending lives and improving their quality. In addition to families, business needs this productivity – especially as the global economy continues to develop.

- *Affordable approaches to AIDS care are available.* We've all heard of new antiretroviral therapies that cost dozens of times what the average African, for example, earns in a year. But there are cheaper treatments – such as preventive antibiotics, antifungal creams or vitamin supplements – that can help combat the symptoms of AIDS, even if they cannot treat the virus itself. Improved care can also have a significant – and cost effective – impact on the quality of people's lives. Training and support for home carers and better training for front-line physicians lifts the burden from hospitals and helps people lead longer, more productive, and more dignified lives. These interventions can also keep people working, which is a vital boost to their prospects (as they need income to protect their health), as well as to the bottom-line of their employers.

one: beyond statistics

Not everything that can be counted counts, and not everything that counts can be counted.

Albert Einstein, scientist

How bad is the global HIV/AIDS pandemic?

Thousands of conferences have tried to answer this question. Frightening and arresting statistics abound – one of the most sobering is that as many as 15,000 people are now infected every day. The problem is worse in some countries than others, but no country is immune to the ravages of the disease. We believe the seriousness of AIDS is now self-evident, and the focus should move from plotting the size of the epidemic to better policy and more effective action.

95% of people with HIV now live in developing countries, with the public in developed countries increasingly aware of the global impact of AIDS. A recent opinion poll showed that Americans think the disease is one of the most important problems the world faces (more critical than the environment, terrorism, political unrest, or overpopulation[2]). 95% believe that as long as AIDS exists anywhere in the world, Americans will be at risk – while 80% think the global AIDS epidemic will have a serious impact on the world economy.

We believe that it is possible to build on this heightened interest and call on a large number of new actors – especially from the business community – to take action to target AIDS around the world. The aim would be to engage developed world and developing world audiences, while bringing imagination, skills, and increased resources to prevention and care programs in countries most at risk.

So why should business get involved?

- *business has a natural interest* – productive adults are hit hardest, while the social nature of transmission means AIDS goes hand-in-hand with economic development.

- *business can make a difference* – the global AIDS epidemic is terrible, but not hopeless (see 'back to basics'). As not-for-profit pioneers have shown, the right interventions save large numbers of lives and alter the course an epidemic takes through a society. They also make many lives better, by mitigating the social and economic impact of the disease on those afflicted, their families, and communities.

- *business has skills that can add value* – any new business efforts will add to the value of existing work, not displace those already involved. Business is by nature diverse. It is constantly inventive and serves large, varied, and demanding audiences. It has effective distribution channels, excellent marketing skills, consumer credibility, and political clout – and will bring a heightened focus on results to existing public health efforts. Many businesses have bridged the gaps between developed and developing countries, and between quite different cultures. AIDS is a global problem – and business can suggest global solutions.

- *business will benefit from the campaign* – businesses will see the benefits of involvement in a campaign against AIDS on their bottom line. Direct benefits include decreased risk and operating costs. There will also be discernible indirect effects on intangible – but increasingly valuable – assets such as reputation and customer loyalty, while some businesses will be able to use action on AIDS to build stronger and more effective brands.

new stories

Stories mean more than statistics. In 1991, it was not the world's 10 million HIV-positive people who caught the public imagination as much as the infection of one man – Magic Johnson. When Johnson announced his status, it led to more news stories in the American press than ever before or since[3].

A business campaign will need to tell similarly compelling stories about AIDS around the world, about human suffering and the tragedy of fragile economies under attack – but also about its positive agenda and the fact that action can and will make a real difference. It will also have to engage different audiences and make new connections with them.

AIDS is a story:

- *for young people* – businesses find it notoriously difficult to engage this audience, but anyone under 30 has lived with AIDS throughout their sexual maturity and knows the impact the disease has. This makes AIDS the universal story of a generation – uniting people across the world in a shared experience (unlike for example malaria or TB). Any new campaign needs to embrace youthful energy, developing an explicitly creative and contemporary approach.

- *about globalization* – while the public in many countries is dubious about the benefits of the global economy, most businesses and economists are convinced it is essential to future prosperity. An effective, business-based global campaign will tell quite new stories about globalization and assert that the move towards interconnectedness is about international security and cooperation, as well as money.

- *about new types of business and how they express themselves* – after a decade of phenomenal innovation and rapid change, business has transformed people's lives and their ability to communicate. New business sectors are now dominant, run by a different generation and organized in ways that would have been unthinkable 20 years ago. According to the United Nations Development Programme, more than half the GDP in the major OECD countries is now knowledge-based, while tourism has proclaimed itself as the world's largest industry. A campaign against AIDS should look for champions and advocates in these new sectors. They are now reaching maturity, broadening their horizons and beginning to realize the impact they can make (the Bill and Melinda Gates Foundation looks likely to overtake the Wellcome Trust as the world's biggest foundation, for example).

- *for small businesses* – as societies emphasize entrepreneurship, the small business sector becomes more important. No one has yet found a winning formula for talking to this diverse and busy audience. Business people, however, like to listen to other business people (a businessman once said that "one entrepreneur can recognize another at 300 yards on a misty day") and big businesses are powerful influences on their suppliers and competitors. United Distillers, for example, helped the Confederation of Indian Industries to reach its 3,500 industry members – sending out powerful messages about what networks of businesses can achieve when they work together.

- *about partnership* – businesses are often drawn into adversarial relationships with not-for-profit organizations. An HIV/AIDS business campaign offers the chance for businesses to work closely with NGOs, trying to achieve clearly defined goals. The goal is a new standard for co-operation. Flexible partnerships will allow different types of organization to work to their strengths and set a new (and popular) standard for social solidarity.

two: the business agenda

If... your inanimate machines can produce such beneficial results, what may not be expected if you devote equal attention to your vital machines, which are far more wonderfully constructed.

Robert Owen, 19th century British industrialist

A detailed case for business action on AIDS starts with the balance sheet. As AIDS advances:

- *business costs rise and markets shrink* – as health and life insurance costs, loss of productivity and discipline, and increased absenteeism hit the balance sheet. Businesses must replace trained workers (with staff turnover expensive whether unemployment is high or not). As people get ill, they have less money to spend on businesses' products and services. As Mechai Viravaidya, AIDS pioneer in Thailand, put it – "dead customers don't buy"[4].

- *global instability becomes more likely* – health shocks are hitting countries hard at a perilous stage in their economic development – and as the East Asian crisis showed, economic shocks can move quickly from market to market in today's world, with political unrest following close behind.

It's about more than money, of course. Commerce is one of the most fundamental interactions between *people* – and AIDS threatens this exchange. As AIDS advances:

- *human capital is lost* – as societies get healthier, people invest more in their own and their children's education. More sophisticated businesses develop as the population becomes more educated. Health also increases the amount of available capital for investment, as people save more for their retirement (healthy people think about life tomorrow, not just living today). Wealthier societies go on to spend more on health, locking an economy into a virtuous spiral where every 5-year increase in life expectancy adds as much as 0.5% to annual growth figures[5]. AIDS is *reversing* this process in many countries.

- *social capital is lost* – a market does not exist in a vacuum. Businesses need strong and fair government, freedom from corruption, and effective social institutions to function efficiently. AIDS makes achieving good governance harder. In many parts of Africa, for example, AIDS has taken a heavy toll on senior civil servants and younger people are now being promoted early, without sufficient experience or training. AIDS also hits the families of those who have the disease. AIDS has now left behind 11.2 million orphans[6], most of whom have decreased opportunity to become productive members of society. The disease also has an intangible – but real – effect on morale, draining vibrancy from businesses and society as a whole[7].

By taking action on AIDS, businesses do more than protect investment and reduce risk. They also have the chance to significantly enhance their image. Businesses across the world are now more client-focused, with value increasingly concentrated in intangible assets such as reputation, brand and customer loyalty. Action on AIDS offers companies a chance to enhance dialogue with the audiences on whom they rely – shareholders, media, employees, suppliers, and customers (and all their friends and families) – while for businesses that take a lot from developing countries, this is a clear opportunity to demonstrate they are giving something back.

An energetic campaign against AIDS raises real leadership challenges. So far, few businesses have brought the same dynamism to their social programs as they bring to marketing core products and services. If businesses are to join the leaders, social *responsibility* must be

regional round-up

Successes include:

- in *North America* and *Western Europe* predictions of the extent of the epidemic have not been borne out. Information spreads faster than the disease, especially in the gay community, leading to many fewer HIV infections than some experts were predicting. The disease is not defeated, of course, and complacency is a real danger. Epidemics are still building in certain sections of the population (mostly poorer or minorities) and the number of new infections is no longer declining in many richer countries.

- in *Australia*, however, dramatic gains have been sustained, with incidence of new cases continuing to move down, from 5,985 in 1995 to 206 in 1997. As a result, the country is acknowledged as the world leader in prevention and tracking of the disease.

- *Thailand's* vast sex industry soon made it Asia's worst case, but it is now recognized as having one of the world's "most forceful, long-standing, and successful AIDS prevention programs." Brothels were bombarded with campaigns and condoms, which are now used in 90% of sex acts, with sexually transmitted disease incidence dropping steadily over the past ten years.

- *Uganda* also launched an aggressive prevention campaign that has halved numbers of new infections among young people, and bucked the trend in the rest of the region. Increased condom use, higher rates of abstinence, fewer sex partners, and the treatment of sexually transmitted disease have all had a significant effect.

These successes put lack of progress in other countries into stark relief:

- In *Eastern Europe* and *Central Asia*, the epidemic is in its early stages and there are worrying signs that it is beginning to grab hold, especially in countries where economies are deteriorating. HIV infections in the former Soviet Union have doubled in just two years.

- *Sub-Saharan Africa* remains the global epidemic's undisputed center of gravity. Eight per cent of all African adults are now living with HIV/AIDS, with some countries having a much more serious problem[8]. Life expectancy in the region is now declining – reversing the development gains of the past twenty years. 56% of the region's population are not now expected to reach the age of 60, compared to 28% for developing countries as a whole.

- in Asia, the spotlight, according to UNAIDS, is on HIV in *South* and *South-East Asia*, whose populations have an increased risk of transmission because of their youth. Cambodia is an example of a small country that is especially at risk, with 100 new infections a day. In India, to cite another example, 4 million people are HIV-positive and, although the country has made great strides in improving its understanding of the epidemic, stigma and discrimination still present major obstacles to successfully tackling the disease. In *North-East Asia*, there is a growing problem. In China, for example, infection rates are low but seem to be rising fast, as the Chinese economy becomes increasingly open. This could have serious consequences both for the world economy – with China now a global center for manufacturing – and for the poor, in a country that has achieved in recent years what the World Bank has described as possibly the most spectacular poverty reduction in the history of the world.

three: learning lessons

It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all try something.

Franklin D. Roosevelt, 32nd President of the United States of America

Successful interventions against AIDS have often come from beyond the establishment and have involved working with communities in new and different ways. In the UK, for example, early government initiatives against AIDS were widely ridiculed and it was left to new not-for-profit organizations, working in highly entrepreneurial ways, to set a different tone. They had a clear understanding of their audience's needs and had discovered, to paraphrase Peter Drucker, the godfather of modern management, that "marketing is not a function, it is the whole problem seen from the customer's point of view."

When designing new initiatives, business has the opportunity to learn from the experience of fifteen years of action against AIDS. We believe that any new business campaign will need to:

- be about *more than money* – while researching this paper, one senior corporate figure told us that for business "money is the easy way out", while many businesses have come to resent being tapped for funds by organizations they do not believe will spend them well.

- bring in *new ideas* – a new business initiative must add to the overall effort, rather than displacing existing activity. A business campaign should audit business skills, identify deficits in current HIV/AIDS work, and offer an approach that marries the two.

- be *entrepreneurial* – businesses are successful because of the drive to do things better than the competition. This tends to make them more efficient and better at creating value than the public sector. A business campaign should find ways to ensure that businesses bring the same high standards into social programs as they apply to their economic activities.

- be *results-driven* – businesses are used to working towards clearly defined targets and they should bring the same discipline to social campaigns. Defining achievable objectives – and demonstrating that interventions achieve value for money – is essential to success.

- be *cooperative* – thriving markets are not characterized by unfettered competition, but by a mixture of competitive and cooperative mechanisms. Businesses understand the value of partners (and use this model when entering new markets). However, businesses will not benefit from all-embracing coalitions that smother innovation. Instead, they need to find partners with whom they share goals, have mutual trust and respect, and have complementary skills and capacity.

- be *audience-led* – whether mounting a national advertising campaign or running a prevention program in a local factory, AIDS initiatives need to be run with an understanding of the audience (or community) for whom they are intended. Levels of dialogue, engagement and participation are critical to success.

- have *political support* – businesses are very good at getting the attention and commitment of top political leaders. Their involvement and support will continue to matter. Business also has to operate in a legal environment and need, therefore, to consider the international agreements, national laws and shop-floor agreements that are part of the wider social response to HIV/AIDS.

business impact

This paper, we hope, pushes at an opening door. Many businesses are waking up to the threat AIDS poses and beginning to respond with imaginative solutions.

In Africa, for example, preliminary findings from a survey in 29 countries conducted by the World Economic Forum and the Harvard Center for International Development reveals that business leaders now believe that AIDS imposes significant and increasing costs on their businesses, with perceptions of costs especially high in responses from the AIDS-ravaged countries of Zambia, Zimbabwe, and Malawi. HIV/AIDS is reported as having a strong or very strong impact on the productivity of the workforce among 30% of the firms surveyed, up from 20% three years earlier, but already over 50% among those firms surveyed in Zambia, Zimbabwe, and Malawi.

There are encouraging signs that increased awareness of the problem is leading to action. Over 40% of companies in Angola, Botswana, Kenya, Malawi and Zimbabwe now provide free condoms to their workers, while over 40% of companies in Kenya, Malawi, South Africa and Zimbabwe provide free counseling services.

Many countries now have a not-for-profit organization that works with and represents businesses on AIDS. The Thailand Business Coalition[9] on AIDS is thriving, with over 100 full members. It is struggling to meet demand for its workplace education (which it offers for everyone from chief executive to shop-floor worker) and is now compiling evidence for the cost effectiveness of this kind of intervention.

In India, UNAIDS highlights a partnership between the southern Indian state of Tamil Nadu and a multinational advertising agency. They launched an advertising campaign targeting young men. Advertisements were screened at major cricket matches, using cricketing language with humorous sexual innuendo to get the message across ("if you bowl a maiden over tonight, use a condom"). Surveys show the campaign has had a measurable effect on sexual behavior.

China clearly has great potential for this kind of workplace strategy. It already has large numbers of workplace health facilities and has widespread experience in using health campaigns to encourage behavioral change (population control is a well-known, if controversial, example). With China and India likely to have as many HIV infections as Africa by 2005, according to Xu Hua, Associate Secretary-General of the China Sexually Transmitted Diseases and AIDS Foundation, the time is right for extensive work to develop AIDS programs through existing health facilities.

Any new initiative will grow out of the strength of existing best practice – learning from other businesses and from pioneering work in the public sector. UNAIDS, for example, is collaborating with MTV International, as well as a number of not-for-profit organizations, on the 1999 UNAIDS campaign, while the Global Business Council on HIV/AIDS (under Sir Richard Sykes, chair of Glaxo Wellcome) runs a highly successful award scheme, among other activities. The International AIDS Vaccine Initiative, meanwhile, is a non-profit scientific organization working to ensure the development of safe, effective, accessible, preventive HIV vaccines for use throughout the world. It is attempting to expand public/private collaboration and increase private sector investment in a global vaccine effort.

Many not-for-profit organizations provide especially inspiring examples. There are social entrepreneurs at work in NGOs across the world, large and small. Business people need to emulate their courage, sincerity and imagination, if their efforts are to really count.

four: a call to action

Ideas won't keep: something must be done about them.

Alfred North Whitehead, philosopher

In the 20th century, the USA has shown itself capable of overcoming vast obstacles in the pursuit of economics and development (the Marshall Plan after WWII), while global efforts in public health have seen family planning spread across the world and childhood vaccination shoot up from five percent in 1970, to now cover over 80% of the world's children.

We believe that global business can help mobilize the human, financial and organizational resources needed to mount a strategic effort to tackle AIDS. We therefore suggest forming a small team to:

- *assess existing activity* (duplication will not help anyone), brief business leaders, and recruit supporters

- *prepare a presentation for the World Economic Forum* in February, and for other key business events, business leaders, and like-minded partners

- *define the mission of a new task force* to take the campaign forward, with the skills of the best and brightest of the business world and benefiting from a mix of managerial, political, and communication skills

If formed, the task force might then consider some or all of the following areas for action:

- *condom promotion* – since the 1960s, condoms have not been heavily promoted (and are only chosen by four percent of developing world couples who use contraception). AIDS has stimulated the development of cutting edge packaging, marketing, and distribution efforts in some countries. Business efforts are the best way to extend this approach across the world.

- *consumer education* – businesses are skilled at creating new markets for products and services, using marketing, advertising and PR to change the buying decisions people make. Again, these skills can be directly applied to action on AIDS.

- *consumer research* – prevention campaigns benefit from clear behavioral segmentation of target markets – information that is hard to collect and is rapidly out-of-date. Business has proven experience of using focused quantitative and qualitative techniques in its marketing activities. This capacity can be transferred to an HIV prevention and AIDS care campaign.

- *removal of stigma* – abuse is part of life for many AIDS sufferers. Driven underground, transmission rates are higher and treatment is less effective. Businesses can effectively fight stigma through the workplace – and supply chain – sending a strong signal to the communities in which they operate.

- *workplace action* – the workplace offers a key strategic location for health-care initiatives. Business people are also best placed to talk to other business people about what works and why – helping them safeguard productivity with cost-effective interventions.

- *support of existing efforts* – public health efforts treating STDs, preventing drug use, or offering clean needles are often under-resourced and poorly promoted. Businesses can provide back up that will add value to the work of those already on the ground.

five: do the right thing

Obsession does not guarantee success.
On the other hand a lack of obsession does guarantee failure.

Tom Peters, business consultant

Business has transformed the planet, but HIV/AIDS is undermining tomorrow's world – today.

Governments can act. NGOs can act. But on their own, they can't do enough. Without the creativity, drive (and wealth) of business, a serious crisis is certain to worsen across many parts of the world.

The business community has already made some impact, with many projects underway and some strong partnerships developing. It's time to pull these efforts together – to articulate a new vision, build an embracing strategy and take concerted action.

Business is used to acting decisively and quickly. We need its help – right here, right now.

'A Moment in Time' has been prepared for the **American Foundation for AIDS Research (amfAR)**. The paper will be presented to a symposium, entitled **'The Global Economics of HIV/AIDS: Defining Social and Business Costs'**, to be held at The United Nations, November 30, 1999.

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[1] *Global Summary of the HIV/AIDS epidemic*, UNAIDS, December 1999

[2] *Public Perceptions of HIV/AIDS*, conducted for amfAR, June 17 1999, Louis Harris and Associates. When a sample of American adults were asked to rate world problems on a scale of 1 to 10, the worldwide spread of AIDS rates 7.9. Political unrest and terrorism rates 7.6. The threat to the global environment rates 7.3. The rate of worldwide population growth rates 6.7. Other relevant results include the finding that 95% of Americans believe that "as long as AIDS exists anywhere in the world, Americans are at risk"; while 80% believe that a "catastrophic AIDS epidemic in the rest of the world would have a serious impact on the US economy." In addition 72% of people believe that "as America leads the world in medical research... the USA government should take the lead in solving the international AIDS crisis."

[3] *Covering the Epidemic: AIDS in the News Media, 1985–1996*, prepared for the Kaiser Family Foundation by Princeton Survey Research Associates, June 26, 1996.

[4] Ann Marie Kimball and Myo Thant (Viewpoint, *The Lancet*, 1996, 347, 70–72) also note that more than half of households with a person living with AIDS "have had their consumption of goods and services reduced by 40–60%." Mechai Viravaidya is now so associated with family planning that a "Mechai" has become slang for a condom.

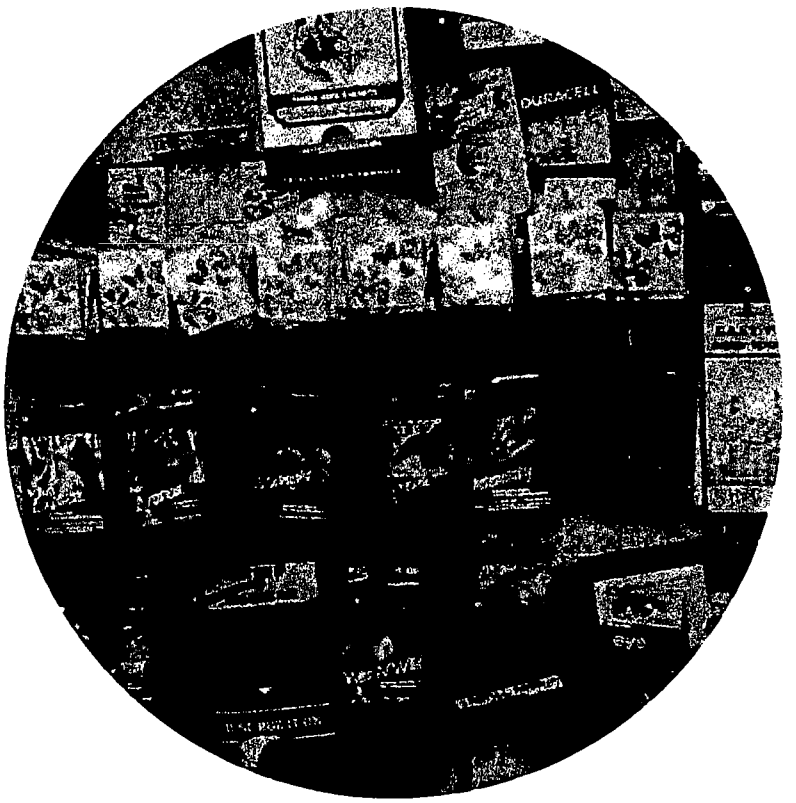
[5] *The Health and Wealth of Nations*, David E. Bloom and David Canning, *Science* 1999, forthcoming.

[6] UNAIDS defines an orphan as someone who has lost his or her mother before the age of 15 and points out that many maternal orphans have also lost their father.

[7] In *EAGER/Public Strategies for Growth and Equity, The Institutional Impact of HIV/AIDS in* Africa, August 1999, Malcolm McPherson writes of the "institutional disruption and dysfunction arising from both the loss of personnel due to HIV/AIDS and the changes in behavior and attitudes induced by the pandemic. Some of these costs include: the loss of 'institutional memory' when senior staff in an organization become disabled or die; declining job performance of workers whose lives have been prematurely shortened; and the reduction in productivity due to the erosion of discipline. Other related costs have been the increase in losses of public sector entities due to opportunism and the increase in organizational inefficiency as remaining, and new, staff struggle to 'keep up'."

[8] In Botswana, Namibia, Malawi, Zambia and Zimbabwe, roughly 25% of adults and 40% of pregnant women are HIV-positive.

[9] See www.mednet.loxinfo.co.th/tbca



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a moment in time...

...AIDS and business

A white paper prepared for the **American Foundation for AIDS Research** (amfAR) symposium
The Global Economics of HIV/AIDS: Defining Social and Business Costs
The **United Nations**

November 30, 1999

A Moment In Time:

AID$ and Business

David Bloom

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White Paper prepared for the American Foundation for AIDS Research (amfAR) symposium 'The Global Economics of HIV/AIDS: Defining Social and Business Costs' held at the UN, November 30, 1999.

Business has transformed the planet. But this gives it new responsibilities. People now expect business leaders to lead – and not just respond when things go wrong.

HIV/AIDS is a global problem, with over 16.3 million people now thought to have died of the disease[1]. Without action now, the pandemic will worsen, health services will come under relentless pressure and the number of people dying will increase exponentially.

So why should business sit up and take notice?

First: money.

> AIDS is slowly strangling many businesses and economies – and in a global market, everyone eventually suffers. Without profit, there is no business – so the business community needs to act to protect its bottom line.

Second: people.

> Over 80% of those dying are in their 20s, 30s and 40s. Businesses are losing workers and customers, and human networks that have taken decades to build.

Third: imagination.

> Business is inventive, creative and fast-moving. It has the opportunity to use these strengths for the benefit of the wider community. It's time to pit business *ideas* (and some money, too) against the threat of AIDS.

The course of the AIDS epidemic is not inevitable. The world's businesses have the skills and intensity to make a measurable difference, especially if they find public sector and NGO partners with whom they share a vision. A focused, coordinated, results-driven effort will hit AIDS hard.

The HIV virus moves fast (and is mutating all the time). Business has the opportunity to make a difference. It must grasp this opportunity. And grasp it fast.

back to basics

These simple facts provide a framework for action against AIDS:

- *HIV is an invisible problem.* The illnesses associated with AIDS can develop within months or after 10 years, during which HIV-positive people may infect many others. The biggest problem is therefore the one we can't yet see. Action should ideally be taken *early* in an epidemic – with efforts concentrated on countries where the problem is growing, as well as those countries where a crisis has already been reached.

- *HIV is transmitted socially.* Infection follows patterns of commerce and development – whether the long-haul trucking industry in East Africa, the commercial blood donation system in India, or migrant miners in southern Africa. Interventions must work through communities, overwhelming patterns of infection with patterns of prevention and treatment.

- *AIDS hits workers hardest.* HIV is spread in a number of ways (unsafe blood, sharing of needles amongst injecting drug users, transmission from mother to child, and homosexual sex, for instance) but **heterosexual sex is the dominant means of transmission** in most developing countries. As a result, more than four in five people dying from AIDS are in their 20s, 30s or 40s. Their deaths suck productivity out of businesses and whole economies. And they leave behind children and elderly relatives who must be supported by those who are left to work. The epidemic also crosses social and economic classes in many developing societies, affecting the skilled as well as the unskilled, the rich as well as the poor.

- *A vaccine won't come quickly.* After a period of stagnation, the pace of vaccine development has picked up. But even following a major breakthrough, trials and distribution would take many years. Researchers also face a moving target, as the virus continues to rapidly mutate. Like cancer, there is unlikely to be a 'magic bullet' cure.

- *For the moment, information is the best defense we have.* Prevention campaigns have had a significant impact in the West, with information moving faster than the disease. But few efforts have been tried on this scale in the developing world. Clear, imaginative, well-researched marketing could save millions of lives, especially if it grapples with the problems of reaching audiences in countries that have less sophisticated communication networks than are now common in the developed world.

- *Something can be done for the sick.* There is a despicable but detectable tendency to 'write people off' because they are infected. Yet there is great human and economic value in extending lives and improving their quality. In addition to families, business needs this productivity – especially as the global economy continues to develop.

- *Affordable approaches to AIDS care are available.* We've all heard of new antiretroviral therapies that cost dozens of times what the average African, for example, earns in a year. But there are cheaper treatments – such as preventive antibiotics, antifungal creams or vitamin supplements – that can help combat the symptoms of AIDS, even if they cannot treat the virus itself. Improved care can also have a significant – and cost effective – impact on the quality of people's lives. Training and support for home carers and better training for front-line physicians lifts the burden from hospitals and helps people lead longer, more productive, and more dignified lives. These interventions can also keep people working, which is a vital boost to their prospects (as they need income to protect their health), as well as to the bottom-line of their employers.

one: beyond statistics

Not everything that can be counted counts, and not everything that counts can be counted.

Albert Einstein, scientist

How bad is the global HIV/AIDS pandemic?

Thousands of conferences have tried to answer this question. Frightening and arresting statistics abound – one of the most sobering is that as many as 15,000 people are now infected every day. The problem is worse in some countries than others, but no country is immune to the ravages of the disease. We believe the seriousness of AIDS is now self-evident, and the focus should move from plotting the size of the epidemic to better policy and more effective action.

95% of people with HIV now live in developing countries, with the public in developed countries increasingly aware of the global impact of AIDS. A recent opinion poll showed that Americans think the disease is one of the most important problems the world faces (more critical than the environment, terrorism, political unrest, or overpopulation[2]). 95% believe that as long as AIDS exists anywhere in the world, Americans will be at risk – while 80% think the global AIDS epidemic will have a serious impact on the world economy.

We believe that it is possible to build on this heightened interest and call on a large number of new actors – especially from the business community – to take action to target AIDS around the world. The aim would be to engage developed world and developing world audiences, while bringing imagination, skills, and increased resources to prevention and care programs in countries most at risk.

So why should business get involved?

- *business has a natural interest* – productive adults are hit hardest, while the social nature of transmission means AIDS goes hand-in-hand with economic development.

- *business can make a difference* – the global AIDS epidemic is terrible, but not hopeless (see 'back to basics'). As not-for-profit pioneers have shown, the right interventions save large numbers of lives and alter the course an epidemic takes through a society. They also make many lives better, by mitigating the social and economic impact of the disease on those afflicted, their families, and communities.

- *business has skills that can add value* – any new business efforts will add to the value of existing work, not displace those already involved. Business is by nature diverse. It is constantly inventive and serves large, varied, and demanding audiences. It has effective distribution channels, excellent marketing skills, consumer credibility, and political clout – and will bring a heightened focus on results to existing public health efforts. Many businesses have bridged the gaps between developed and developing countries, and between quite different cultures. AIDS is a global problem – and business can suggest global solutions.

- *business will benefit from the campaign* – businesses will see the benefits of involvement in a campaign against AIDS on their bottom line. Direct benefits include decreased risk and operating costs. There will also be discernible indirect effects on intangible – but increasingly valuable – assets such as reputation and customer loyalty, while some businesses will be able to use action on AIDS to build stronger and more effective brands.

new stories

Stories mean more than statistics. In 1991, it was not the world's 10 million HIV-positive people who caught the public imagination as much as the infection of one man – Magic Johnson. When Johnson announced his status, it led to more news stories in the American press than ever before or since[3].

A business campaign will need to tell similarly compelling stories about AIDS around the world, about human suffering and the tragedy of fragile economies under attack – but also about its positive agenda and the fact that action can and will make a real difference. It will also have to engage different audiences and make new connections with them.

AIDS is a story:

- *for young people* – businesses find it notoriously difficult to engage this audience, but anyone under 30 has lived with AIDS throughout their sexual maturity and knows the impact the disease has. This makes AIDS the universal story of a generation – uniting people across the world in a shared experience (unlike for example malaria or TB). Any new campaign needs to embrace youthful energy, developing an explicitly creative and contemporary approach.

- *about globalization* – while the public in many countries is dubious about the benefits of the global economy, most businesses and economists are convinced it is essential to future prosperity. An effective, business-based global campaign will tell quite new stories about globalization and assert that the move towards interconnectedness is about international security and cooperation, as well as money.

- *about new types of business and how they express themselves* – after a decade of phenomenal innovation and rapid change, business has transformed people's lives and their ability to communicate. New business sectors are now dominant, run by a different generation and organized in ways that would have been unthinkable 20 years ago. According to the United Nations Development Programme, more than half the GDP in the major OECD countries is now knowledge-based, while tourism has proclaimed itself as the world's largest industry. A campaign against AIDS should look for champions and advocates in these new sectors. They are now reaching maturity, broadening their horizons and beginning to realize the impact they can make (the Bill and Melinda Gates Foundation looks likely to overtake the Wellcome Trust as the world's biggest foundation, for example).

- *for small businesses* – as societies emphasize entrepreneurship, the small business sector becomes more important. No one has yet found a winning formula for talking to this diverse and busy audience. Business people, however, like to listen to other business people (a businessman once said that "one entrepreneur can recognize another at 300 yards on a misty day") and big businesses are powerful influences on their suppliers and competitors. United Distillers, for example, helped the Confederation of Indian Industries to reach its 3,500 industry members – sending out powerful messages about what networks of businesses can achieve when they work together.

- *about partnership* – businesses are often drawn into adversarial relationships with not-for-profit organizations. An HIV/AIDS business campaign offers the chance for businesses to work closely with NGOs, trying to achieve clearly defined goals. The goal is a new standard for co-operation. Flexible partnerships will allow different types of organization to work to their strengths and set a new (and popular) standard for social solidarity.

two: the business agenda

If... your inanimate machines can produce such beneficial results, what may not be expected if you devote equal attention to your vital machines, which are far more wonderfully constructed.

Robert Owen, 19th century British industrialist

A detailed case for business action on AIDS starts with the balance sheet. As AIDS advances:

- *business costs rise and markets shrink* – as health and life insurance costs, loss of productivity and discipline, and increased absenteeism hit the balance sheet. Businesses must replace trained workers (with staff turnover expensive whether unemployment is high or not). As people get ill, they have less money to spend on businesses' products and services. As Mechai Viravaidya, AIDS pioneer in Thailand, put it – "dead customers don't buy"[4].

- *global instability becomes more likely* – health shocks are hitting countries hard at a perilous stage in their economic development – and as the East Asian crisis showed, economic shocks can move quickly from market to market in today's world, with political unrest following close behind.

It's about more than money, of course. Commerce is one of the most fundamental interactions between *people* – and AIDS threatens this exchange. As AIDS advances:

- *human capital is lost* – as societies get healthier, people invest more in their own and their children's education. More sophisticated businesses develop as the population becomes more educated. Health also increases the amount of available capital for investment, as people save more for their retirement (healthy people think about life tomorrow, not just living today). Wealthier societies go on to spend more on health, locking an economy into a virtuous spiral where every 5-year increase in life expectancy adds as much as 0.5% to annual growth figures[5]. AIDS is *reversing* this process in many countries.

- *social capital is lost* – a market does not exist in a vacuum. Businesses need strong and fair government, freedom from corruption, and effective social institutions to function efficiently. AIDS makes achieving good governance harder. In many parts of Africa, for example, AIDS has taken a heavy toll on senior civil servants and younger people are now being promoted early, without sufficient experience or training. AIDS also hits the families of those who have the disease. AIDS has now left behind 11.2 million orphans[6], most of whom have decreased opportunity to become productive members of society. The disease also has an intangible – but real – effect on morale, draining vibrancy from businesses and society as a whole[7].

By taking action on AIDS, businesses do more than protect investment and reduce risk. They also have the chance to significantly enhance their image. Businesses across the world are now more client-focused, with value increasingly concentrated in intangible assets such as reputation, brand and customer loyalty. Action on AIDS offers companies a chance to enhance dialogue with the audiences on whom they rely – shareholders, media, employees, suppliers, and customers (and all their friends and families) – while for businesses that take a lot from developing countries, this is a clear opportunity to demonstrate they are giving something back.

An energetic campaign against AIDS raises real leadership challenges. So far, few businesses have brought the same dynamism to their social programs as they bring to marketing core products and services. If businesses are to join the leaders, social *responsibility* must be

regional round-up

Successes include:

- in *North America* and *Western Europe* predictions of the extent of the epidemic have not been borne out. Information spreads faster than the disease, especially in the gay community, leading to many fewer HIV infections than some experts were predicting. The disease is not defeated, of course, and complacency is a real danger. Epidemics are still building in certain sections of the population (mostly poorer or minorities) and the number of new infections is no longer declining in many richer countries.

- in *Australia*, however, dramatic gains have been sustained, with incidence of new cases continuing to move down, from 5,985 in 1995 to 206 in 1997. As a result, the country is acknowledged as the world leader in prevention and tracking of the disease.

- *Thailand's* vast sex industry soon made it Asia's worst case, but it is now recognized as having one of the world's "most forceful, long-standing, and successful AIDS prevention programs." Brothels were bombarded with campaigns and condoms, which are now used in 90% of sex acts, with sexually transmitted disease incidence dropping steadily over the past ten years.

- *Uganda* also launched an aggressive prevention campaign that has halved numbers of new infections among young people, and bucked the trend in the rest of the region. Increased condom use, higher rates of abstinence, fewer sex partners, and the treatment of sexually transmitted disease have all had a significant effect.

These successes put lack of progress in other countries into stark relief:

- In *Eastern Europe* and *Central Asia*, the epidemic is in its early stages and there are worrying signs that it is beginning to grab hold, especially in countries where economies are deteriorating. HIV infections in the former Soviet Union have doubled in just two years.

- *Sub-Saharan Africa* remains the global epidemic's undisputed center of gravity. Eight per cent of all African adults are now living with HIV/AIDS, with some countries having a much more serious problem[8]. Life expectancy in the region is now declining – reversing the development gains of the past twenty years. 56% of the region's population are not now expected to reach the age of 60, compared to 28% for developing countries as a whole.

- in Asia, the spotlight, according to UNAIDS, is on HIV in *South* and *South-East Asia*, whose populations have an increased risk of transmission because of their youth. Cambodia is an example of a small country that is especially at risk, with 100 new infections a day. In India, to cite another example, 4 million people are HIV-positive and, although the country has made great strides in improving its understanding of the epidemic, stigma and discrimination still present major obstacles to successfully tackling the disease. In *North-East Asia*, there is a growing problem. In China, for example, infection rates are low but seem to be rising fast, as the Chinese economy becomes increasingly open. This could have serious consequences both for the world economy – with China now a global center for manufacturing – and for the poor, in a country that has achieved in recent years what the World Bank has described as possibly the most spectacular poverty reduction in the history of the world.

three: learning lessons

It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all try something.

Franklin D. Roosevelt, 32nd President of the United States of America

Successful interventions against AIDS have often come from beyond the establishment and have involved working with communities in new and different ways. In the UK, for example, early government initiatives against AIDS were widely ridiculed and it was left to new not-for-profit organizations, working in highly entrepreneurial ways, to set a different tone. They had a clear understanding of their audience's needs and had discovered, to paraphrase Peter Drucker, the godfather of modern management, that "marketing is not a function, it is the whole problem seen from the customer's point of view."

When designing new initiatives, business has the opportunity to learn from the experience of fifteen years of action against AIDS. We believe that any new business campaign will need to:

- be about *more than money* – while researching this paper, one senior corporate figure told us that for business "money is the easy way out", while many businesses have come to resent being tapped for funds by organizations they do not believe will spend them well.

- bring in *new ideas* – a new business initiative must add to the overall effort, rather than displacing existing activity. A business campaign should audit business skills, identify deficits in current HIV/AIDS work, and offer an approach that marries the two.

- be *entrepreneurial* – businesses are successful because of the drive to do things better than the competition. This tends to make them more efficient and better at creating value than the public sector. A business campaign should find ways to ensure that businesses bring the same high standards into social programs as they apply to their economic activities.

- be *results-driven* – businesses are used to working towards clearly defined targets and they should bring the same discipline to social campaigns. Defining achievable objectives – and demonstrating that interventions achieve value for money – is essential to success.

- be *cooperative* – thriving markets are not characterized by unfettered competition, but by a mixture of competitive and cooperative mechanisms. Businesses understand the value of partners (and use this model when entering new markets). However, businesses will not benefit from all-embracing coalitions that smother innovation. Instead, they need to find partners with whom they share goals, have mutual trust and respect, and have complementary skills and capacity.

- be *audience-led* – whether mounting a national advertising campaign or running a prevention program in a local factory, AIDS initiatives need to be run with an understanding of the audience (or community) for whom they are intended. Levels of dialogue, engagement and participation are critical to success.

- have *political support* – businesses are very good at getting the attention and commitment of top political leaders. Their involvement and support will continue to matter. Business also has to operate in a legal environment and need, therefore, to consider the international agreements, national laws and shop-floor agreements that are part of the wider social response to HIV/AIDS.

business impact

This paper, we hope, pushes at an opening door. Many businesses are waking up to the threat AIDS poses and beginning to respond with imaginative solutions.

In Africa, for example, preliminary findings from a survey in 29 countries conducted by the World Economic Forum and the Harvard Center for International Development reveals that business leaders now believe that AIDS imposes significant and increasing costs on their businesses, with perceptions of costs especially high in responses from the AIDS-ravaged countries of Zambia, Zimbabwe, and Malawi. HIV/AIDS is reported as having a strong or very strong impact on the productivity of the workforce among 30% of the firms surveyed, up from 20% three years earlier, but already over 50% among those firms surveyed in Zambia, Zimbabwe, and Malawi.

There are encouraging signs that increased awareness of the problem is leading to action. Over 40% of companies in Angola, Botswana, Kenya, Malawi and Zimbabwe now provide free condoms to their workers, while over 40% of companies in Kenya, Malawi, South Africa and Zimbabwe provide free counseling services.

Many countries now have a not-for-profit organization that works with and represents businesses on AIDS. The Thailand Business Coalition[9] on AIDS is thriving, with over 100 full members. It is struggling to meet demand for its workplace education (which it offers for everyone from chief executive to shop-floor worker) and is now compiling evidence for the cost effectiveness of this kind of intervention.

In India, UNAIDS highlights a partnership between the southern Indian state of Tamil Nadu and a multinational advertising agency. They launched an advertising campaign targeting young men. Advertisements were screened at major cricket matches, using cricketing language with humorous sexual innuendo to get the message across ("if you bowl a maiden over tonight, use a condom"). Surveys show the campaign has had a measurable effect on sexual behavior.

China clearly has great potential for this kind of workplace strategy. It already has large numbers of workplace health facilities and has widespread experience in using health campaigns to encourage behavioral change (population control is a well-known, if controversial, example). With China and India likely to have as many HIV infections as Africa by 2005, according to Xu Hua, Associate Secretary-General of the China Sexually Transmitted Diseases and AIDS Foundation, the time is right for extensive work to develop AIDS programs through existing health facilities.

Any new initiative will grow out of the strength of existing best practice – learning from other businesses and from pioneering work in the public sector. UNAIDS, for example, is collaborating with MTV International, as well as a number of not-for-profit organizations, on the 1999 UNAIDS campaign, while the Global Business Council on HIV/AIDS (under Sir Richard Sykes, chair of Glaxo Wellcome) runs a highly successful award scheme, among other activities. The International AIDS Vaccine Initiative, meanwhile, is a non-profit scientific organization working to ensure the development of safe, effective, accessible, preventive HIV vaccines for use throughout the world. It is attempting to expand public/private collaboration and increase private sector investment in a global vaccine effort.

Many not-for-profit organizations provide especially inspiring examples. There are social entrepreneurs at work in NGOs across the world, large and small. Business people need to emulate their courage, sincerity and imagination, if their efforts are to really count.

four: a call to action

Ideas won't keep: something must be done about them.

Alfred North Whitehead, philosopher

In the 20th century, the USA has shown itself capable of overcoming vast obstacles in the pursuit of economics and development (the Marshall Plan after WWII), while global efforts in public health have seen family planning spread across the world and childhood vaccination shoot up from five percent in 1970, to now cover over 80% of the world's children.

We believe that global business can help mobilize the human, financial and organizational resources needed to mount a strategic effort to tackle AIDS. We therefore suggest forming a small team to:

- *assess existing activity* (duplication will not help anyone), brief business leaders, and recruit supporters

- *prepare a presentation for the World Economic Forum* in February, and for other key business events, business leaders, and like-minded partners

- *define the mission of a new task force* to take the campaign forward, with the skills of the best and brightest of the business world and benefiting from a mix of managerial, political, and communication skills

If formed, the task force might then consider some or all of the following areas for action:

- *condom promotion* – since the 1960s, condoms have not been heavily promoted (and are only chosen by four percent of developing world couples who use contraception). AIDS has stimulated the development of cutting edge packaging, marketing, and distribution efforts in some countries. Business efforts are the best way to extend this approach across the world.

- *consumer education* – businesses are skilled at creating new markets for products and services, using marketing, advertising and PR to change the buying decisions people make. Again, these skills can be directly applied to action on AIDS.

- *consumer research* – prevention campaigns benefit from clear behavioral segmentation of target markets – information that is hard to collect and is rapidly out-of-date. Business has proven experience of using focused quantitative and qualitative techniques in its marketing activities. This capacity can be transferred to an HIV prevention and AIDS care campaign.

- *removal of stigma* – abuse is part of life for many AIDS sufferers. Driven underground, transmission rates are higher and treatment is less effective. Businesses can effectively fight stigma through the workplace – and supply chain – sending a strong signal to the communities in which they operate.

- *workplace action* – the workplace offers a key strategic location for health-care initiatives. Business people are also best placed to talk to other business people about what works and why – helping them safeguard productivity with cost-effective interventions.

- *support of existing efforts* – public health efforts treating STDs, preventing drug use, or offering clean needles are often under-resourced and poorly promoted. Businesses can provide back up that will add value to the work of those already on the ground.

five: do the right thing

Obsession does not guarantee success.
On the other hand a lack of obsession does guarantee failure.

Tom Peters, business consultant

Business has transformed the planet, but HIV/AIDS is undermining tomorrow's world – today.

Governments can act. NGOs can act. But on their own, they can't do enough. Without the creativity, drive (and wealth) of business, a serious crisis is certain to worsen across many parts of the world.

The business community has already made some impact, with many projects underway and some strong partnerships developing. It's time to pull these efforts together – to articulate a new vision, build an embracing strategy and take concerted action.

Business is used to acting decisively and quickly. We need its help – right here, right now.

'A Moment in Time' has been prepared for the **American Foundation for AIDS Research (amfAR)**. The paper will be presented to a symposium, entitled **'The Global Economics of HIV/AIDS: Defining Social and Business Costs'**, to be held at The United Nations, November 30, 1999.

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[1] *Global Summary of the HIV/AIDS epidemic*, UNAIDS, December 1999

[2] *Public Perceptions of HIV/AIDS*, conducted for amfAR, June 17 1999, Louis Harris and Associates. When a sample of American adults were asked to rate world problems on a scale of 1 to 10, the worldwide spread of AIDS rates 7.9. Political unrest and terrorism rates 7.6. The threat to the global environment rates 7.3. The rate of worldwide population growth rates 6.7. Other relevant results include the finding that 95% of Americans believe that "as long as AIDS exists anywhere in the world, Americans are at risk"; while 80% believe that a "catastrophic AIDS epidemic in the rest of the world would have a serious impact on the US economy." In addition 72% of people believe that "as America leads the world in medical research... the USA government should take the lead in solving the international AIDS crisis."

[3] *Covering the Epidemic: AIDS in the News Media, 1985–1996*, prepared for the Kaiser Family Foundation by Princeton Survey Research Associates, June 26, 1996.

[4] Ann Marie Kimball and Myo Thant (Viewpoint, *The Lancet*, 1996, 347, 70–72) also note that more than half of households with a person living with AIDS "have had their consumption of goods and services reduced by 40–60%." Mechai Viravaidya is now so associated with family planning that a "Mechai" has become slang for a condom.

[5] *The Health and Wealth of Nations*, David E. Bloom and David Canning, *Science* 1999, forthcoming.

[6] UNAIDS defines an orphan as someone who has lost his or her mother before the age of 15 and points out that many maternal orphans have also lost their father.

[7] In *EAGER/Public Strategies for Growth and Equity, The Institutional Impact of HIV/AIDS in* Africa, August 1999, Malcolm McPherson writes of the "institutional disruption and dysfunction arising from both the loss of personnel due to HIV/AIDS and the changes in behavior and attitudes induced by the pandemic. Some of these costs include: the loss of 'institutional memory' when senior staff in an organization become disabled or die; declining job performance of workers whose lives have been prematurely shortened; and the reduction in productivity due to the erosion of discipline. Other related costs have been the increase in losses of public sector entities due to opportunism and the increase in organizational inefficiency as remaining, and new, staff struggle to 'keep up'."

[8] In Botswana, Namibia, Malawi, Zambia and Zimbabwe, roughly 25% of adults and 40% of pregnant women are HIV-positive.

[9] See www.mednet.loxinfo.co.th/tbca

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Business, AIDS, and Africa

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Once rates of new infection reach a critical threshold, they tend to accelerate quickly, reaching 20 percent to 40 percent of adults in parts of many countries within ten years. In just a decade, then, HIV/AIDS can ruin the prospects for a large swath of a country's population.

Economic development may be leading to rates of infection that partially offset, but do not yet overwhelm, the economic advantage.

The ACR provides some evidence of at least modest denial among African business leaders about the extent of the epidemic, bolstered by the fact that many are not yet feeling the full effects of the epidemic on their bottom line.

The African Epidemic

The Emergence of the Disease

In 1981, the *New York Times* reported an outbreak of a rare cancer among gay men in California and New York. The same year, a technician at the U.S. Centers for Disease Control (CDC) noted increased demand for the drug pentamidine, used to treat patients with *pneumocystis carinii* pneumonia (PCP). PCP was on the rise not only among gay men, but also among drug users. Within a year, a new syndrome had been identified and named first as GRID (gay-related immune deficiency) and then AIDS (acquired immune deficiency syndrome).

Early suspicions that AIDS was caused by drug abuse proved unfounded and, by 1983, a retrovirus had been identified as the probable cause of the syndrome. It was soon discovered that the human immunodeficiency virus (HIV)—named in 1986—was transmitted through bodily fluids, mainly blood, semen, vaginal fluid, and breast milk, passed from person to person during sexual intercourse, pregnancy, or breastfeeding; through blood transfusion; or by sharing used needles contaminated by infected blood. The oldest HIV sequence yet discovered dates from the 1950s; however, according to Los Alamos National Laboratory in the United States, the virus probably emerged around 1930 when most scientists believe it crossed from chimpanzees to humans.[2]

At first, HIV/AIDS was popularly believed to be a "gay disease" and to be principally a problem for the West. By 1987, however, more than 120 countries had reported more than 60,000 cases to the World Health Organization (WHO). Seventy-seven percent of reported cases were in the Americas, 12 percent in Europe, and 9 percent in Africa. Ten years later, the reporting epicenter of the epidemic had shifted dramatically. By December 1996, UNAIDS estimated that over 60 percent of the 21.8 million people infected with HIV were living in sub-Saharan Africa. It observed how rapidly mini-epidemics could explode and predicted a grim future for many African countries unless action was taken quickly.[3]

Today, the situation continues to worsen. In December 1999, UNAIDS reported that 8 percent of adults in sub-

Saharan Africa were HIV positive, with heterosexual sex the dominant means of transmission. It called for "massive national and international efforts... to end the stifling silence that continues to surround HIV in many countries [and] to explode myths and misconceptions that translate into dangerous sexual practices."[4] Eleven million Africans have already died of AIDS, and the world's twenty worst-hit countries are all in Africa.

The Importance of Health

Health is critical to the development of modern societies. Improved life expectancy triggers a fertility transition, as families choose to invest intensively in fewer children, based in part on an increased confidence that their children will survive for longer. Education thus becomes increasingly valued, in turn promoting higher productivity and income. Healthy children are also more receptive to education, and are likely to make more active and enterprising workers as adults. Further, people who expect to live on into old age also need to save for retirement, which provides a significant boost to domestic funds available for investment in business.[5]

The effects of improved health are thus substantial. Evidence from a range of studies shows that, for a five-year increase in life expectancy, a developing country can expect to receive a sizable boost to the growth rate of its per capita income of between 0.3 and 0.5 percent annually.[6] In short, good health helps people become richer and better educated, just as income and education allow people to take better care of their health. This positive feedback encourages a "virtuous spiral" to develop that can lead, in the right policy environment, to rapid economic and social development.

AIDS, however, is rapidly reversing the health gains made in Africa during the twentieth century. Life expectancy is falling at unprecedented speed. Only 44 per cent of sub-Saharan Africans are now expected to reach their sixtieth birthday, compared with 72 percent of people worldwide.[7] An African child born today can expect to live for only 48.9 years, compared with a world average of 66.7 years.[8] In addition to AIDS, Africa faces many other serious health problems, such as malaria and a daunting number of killer childhood diseases. The region's health crisis threatens its security and leaves its people unable to make the most of their opportunities. Declining standards of health have an impact on the education and prospects of young people. It impedes the operation of the labor market, diminishes the availability of capital, and undermines the strength of business. And it is likely to have an impact on all aspects of governance and public administration. Poor health is significantly depressing Africa's prospects in the new century, a situation that will worsen as the vicious spiral—the reverse of the virtuous spiral—continues to take hold and gain momentum.

The Economic Impact of HIV/AIDS

A number of features of HIV/AIDS are likely to exacerbate its economic impact. In Africa, heterosexual sex is the dominant means of transmission. As a result, the disease strikes adults hardest, with the economically active and relatively mobile being the main drivers of the epidemic. The long period (eight to ten years on average) during which an infected person shows no symptoms helps the disease to spread with astonishing rapidity. Once rates of new infection reach a critical threshold, they tend to accelerate quickly, reaching 20 percent to 40 percent of adults in parts of many countries within ten years. In just a decade, then, HIV/AIDS can ruin the prospects for a large swath of a country's population.[9]

Worldwide, more than 80 percent of those dying of AIDS are aged 20-59 years. Their illness has an immediate impact on their families, which often withdraw children from school, sell assets, and exhaust savings to provide and pay for health care and then funeral costs. The death of a productive adult leaves dependents in a critical situation. There are over eight million AIDS orphans in Africa, and orphans make up 15 percent of all children in some African cities[10]. Africa is now home to 95 percent of the world's orphans.[11] These children receive less care and schooling, significantly reducing their prospects in later life.[12] In many African countries, adolescent girls face particularly serious risks, due to the likelihood that they will have sex with older men (in a situation frequently characterized by an imbalance of power in favor of those men). In Kisumu, Kenya, for example, UNAIDS recently found 3 percent of males aged 15-19 infected, against 23 percent of females—despite these young women reporting relatively few sexual partners. The same study showed that less than 25 percent of men regularly used condoms outside marriage.[13]

The disease also strikes at areas critical to African society and its development. Thirty percent of Malawi and Zambian teachers are infected, for example, while in many countries AIDS exacts a heavy toll on urban professionals.[14] A study in Rwanda in 1997 showed the likelihood of HIV infection for a pregnant woman to be 38 percent if her husband worked for the government, 32 percent if he was a white-collar worker, 22 percent if he was in the army, and 9 percent if he was a farmer.[15]

Businesses risk losing senior staff and face the prospect of increased direct costs, as they spend more on training, health care, funerals, insurance, and absenteeism. In Zimbabwe, for instance, insurance premiums generally doubled between 1996 and 1998, while Botswanan companies expect their AIDS-related costs to rise to 5 percent of the wage bill by 2004.[16] Businesses must thus cope with rising costs while their customer markets are under pressure: the expenditure on normal goods and services of households in which someone is suffering from AIDS is often halved.[17] Thai businessman, politician, and AIDS campaign pioneer Mechai Viravaidya makes the point succinctly: "dead customers don't buy."[18]

It is not easy to estimate the wider economic impact of AIDS on national and regional economies. However, there is growing concern that AIDS increases political and economic instability. At the instigation of the United States, the UN Security Council recently put a health issue on its agenda for the first time: AIDS. "In already unstable societies," commented UN Secretary General Kofi Annan, "this... is a sure recipe for more conflict. And conflict, in turn, provides fertile ground for further infections. The breakdown of health and education services, the obstruction of humanitarian assistance, the displacement of whole populations and a high infection rate among soldiers—as in other groups which move back and forth across the continent—all these ensure that the epidemic spreads ever further and faster."[19]

According to Business...

The Data

By including questions on HIV/AIDS for the first time in a major cross-national business survey, the Africa Competitiveness Report (ACR) allows us to explore the business sector's perception of the AIDS epidemic, its effect on business, and the business response.

The survey asks business leaders in thirty African countries to estimate:

—the percentage of their work force that has died of AIDS-related illnesses now; had died five years ago; and will have died in five years' time;

—the percentage of their work force that is HIV positive; and whether these HIV-positive people are managers or workers, as well as whether they are highly educated;

—whether, due to HIV/AIDS, their firm is suffering a burden of increased health care costs; time off work due to the effects of the illness or to attend funerals; reduced skill levels among their work force; increased training costs;

—whether, as a response to death and disability from HIV infection, their firm has had to hire extra employees in management and technical positions; and/or laborer or clerical positions; and

—whether their firms provides routine HIV screening; free condoms; HIV counseling, or education.

The responses to these questions are summarized, country-by-country, in tables 1 and 2, alongside data from UNAIDS showing the "real" state of the epidemic in 1997. Comparisons are therefore possible between the perception of business people and the best scientific estimates of infection rates and AIDS deaths.

Perceptions of HIV Prevalence

Business leaders tend to perceive HIV infection levels to be lower than those recorded by UNAIDS among those aged 15-49 (figure 1). The average Africa Competitiveness Report figure (calculated as a population-weighted average for the twenty-nine countries where UNAIDS data are available) is 4.26 percent, against a UNAIDS average of 6.16 percent. The difference is sizable (and even more so, given that the UNAIDS data refer to 1997, two years earlier than the ACR data). The difference can be accounted for in one of two main ways: either respondents are "in denial" and

Table 1

Comparison of UNAIDS 1997 Data with Business Leader's Views OFHIV/AIDS in the Workplace

	UNAIDS 1997					ACR 1999				
	Estimated Number of People Living with HIV/AIDS, End 1997			Estimated AIDS Deaths		Number of Business Leaders Surveyed	Average Estimate of Percentage of Workforce that is HIV Positive	Average Estimate of Percentage of Workforce that has Died of AIDS-related Illnesses		
Country	Adults and children	Adults (15-49)	Adult rate (%)	Adults and children 1997	Adults and children, cumulative			5 years ago	Now	2 years from now
Algeria	—	11,000*	0.07*	—	—	7	0.00	—	0.00	0.00
Angola	110,000	100,000	2.12	7,200	25,000	9	1.58	0.00	0.30	0.63
Burkina Faso	370,000	350,000	7.17	42,000	250,000	19	2.75	28.33	17.14	23.50
Botswana	190,000	190,000	25.10	15,000	43,000	69	14.78	0.50	1.41	6.34
Cameroon	320,000	310,000	4.89	24,000	100,000	12	3.00	—	0.00	0.33
Cote d'Ivoire	700,000	670,000	10.06	72,000	420,000	16	3.94	52.33	56.67	46.67
Dem. Rep. of Congo	950,000	900,000	4.35	93,000	470,000	3	15.00	—	50.00	50.00
Egypt	—	8,100	0.03	930	5,400	103	0.00	0.00	0.00	0.00
Ethiopia	2,600,000	2,500,000	9.31	250,000	1,000,000	65	3.02	0.34	0.69	1.38
Gabon	23,000	22,000	4.25	1,700	7,100	6	1.00	3.00	0.75	0.00
Ghana	210,000	200,000	2.38	24,000	170,000	121	0.76	0.11	0.09	0.39
Kenya	1,600,000	1,600,000	11.64	140,000	600,000	119	7.51	2.55	1.36	4.07
Lesotho	85,000	82,000	8.35	5,200	15,000	29	10.56	0.67	2.42	9.71
Madagascar	8,600	8,200	0.12	600	1,900	117	0.04	0.00	0.00	0.04
Mauritius	—	500*	0.08*	—	—	44	0.05	0.00	0.00	0.46
Mali	89,000	84,000	1.67	8,300	40,000	6	0.00	0.00	0.00	
Malawi	710,000	670,000	14.92	80,000	450,000	66	19.05	1.67	4.19	8.36
Morocco	—	5,000*	0.03*	—	—	25	0.00	0.00	0.00	0.00
Mozambique	1,200,000	1,200,000	14.17	83,000	250,000	31	8.71	0.00	1.90	4.70
Namibia	150,000	150,000	19.94	6,400	14,000	98	7.63	0.59	1.59	4.51
Nigeria	2,300,000	2,200,000	4.12	150,000	530,000	70	0.63	0.10	0.09	0.35
South Africa	2,900,000	2,800,000	12.91	140,000	360,000	116	8.69	0.60	1.87	5.84
Senegal	75,000	72,000	1.77	—	—	125	0.28	0.29	0.05	0.10
Swaziland	84,000	81,000	18.50	5,000	14,000	10	0.14	0.00	0.00	0.00
Seychelles						26	22.17	0.50	2.88	8.34
United Rep. of Tanzania	1,400,000	1,400,000	9.42	150,000	940,000	84	4.90	1.12	1.23	1.84
Tunisia	—	2,200*	0.04*	—	—	53	0.07	0.00	0.00	0.00
Uganda	930,000	870,000	9.51	160,000	1,800,000	141	9.01	3.35	2.67	3.54
Zambia	770,000	730,000	19.07	97,000	590,000	85	13.69	2.55	4.00	9.10
Zimbabwe	1,500,000	1,400,000	25.84	130,000	590,000	130	17.84	3.51	6.05	12.75

Source: UNAIDS, ACR 1999

Table 2

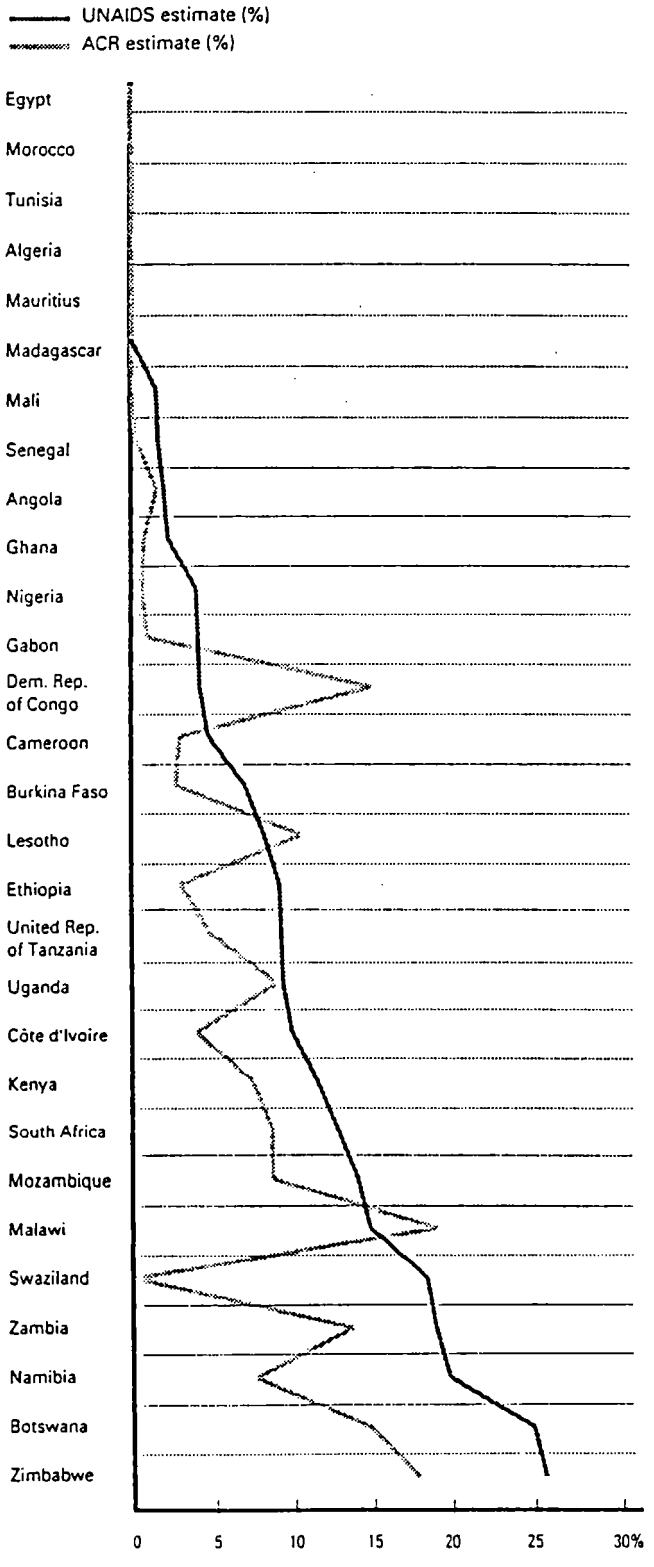
ACR Survey: Impact of the HIV/AIDS Epidemic on Business

	ACR 1999													
	Average Estimate of the Percentage of HIV-Positive Employees Who Are:				Percentage of Firms that Rank the AIDS Epidemic as Having a Moderate or Major Impact on the Following Costs of Running their Businesses:					As a Response to Death and Disability from HIV Infection, the Percentage of Firms that Hire More than One Employee in:		As a Response to HIV/AIDS, the Percentage of Firms that Provide the Following Employee Services:		
Country	Management	Workers	University graduates	Lacking a formal education	Healthcare costs	Time lost to AIDS-related sickness	Time lost due to employees attending funerals	Reduction in skill level of workforce	Increase in training costs	Management of technical positions	Laborer or clerical positions	Routine HIV screening	Free condoms	HIV counseling or education
Algeria	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Angola	—	—	—	—	0.00	20.00	20.00	20.00	25.00	0.00	0.00	16.67	50.00	16.67
Burkina Faso	0.00	100.00	0.00	100.00	30.00	63.63	30.00	70.00	22.22	17.65	18.75	22.22	17.65	53.33
Botswana	17.45	55.60	12.67	23.76	48.27	55.18	55.93	45.76	52.54	6.15	6.15	1.49	56.25	51.85
Cameroon	25.00	75.00	0.00	0.00	33.33	0.00	0.00	0.00	33.33	0.00	0.00	33.33	40.00	54.55
Cote d'Ivoire	15.50	64.50	1.00	80.00	33.33	33.33	12.50	0.00	0.00	0.00	0.00	18.75	20.00	50.00
Dem. Rep. of Congo	15.00	60.00	0.00	60.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	33.33	0.00	50.00
Egypt	—	—	—	—	0.00	0.00	0.00	0.00	0.00	8.33	9.09	18.75	0.00	9.09
Ethiopia	2.00	43.33	2.00	36.00	19.05	19.05	14.29	23.81	14.28	0.00	2.33	0.00	15.79	16.67
Gabon	—	—	—	—	25.00	33.33	50.00	25.00	25.00	0.00	0.00	20.00	40.00	40.00
Ghana	0.83	65.00	0.00	6.00	20.64	15.87	15.51	14.29	12.90	0.00	1.23	8.57	14.61	40.79
Kenya	19.18	63.66	12.43	15.67	54.26	54.83	37.23	35.16	31.18	5.83	8.08	27.93	41.51	59.55
Lesotho	1.00	72.00	3.75	35.00	33.33	50.00	58.82	50.00	53.34	12.50	21.74	6.90	62.50	34.78
Madagascar	—	—	—	—	2.94	0.00	0.00	0.00	5.88	0.00	0.00	5.38	14.46	28.38
Mauritius	—	—	—	—	7.70	8.00	0.00	4.00	4.00	3.03	0.00	5.00	3.12	16.00
Mali	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	20.00	20.00
Malawi	34.39	39.79	15.31	22.84	63.26	83.67	88.24	78.00	68.75	12.07	9.09	1.59	35.00	60.00
Morocco	15.00	50.00	1.00	68.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00
Mozambique	12.50	57.78	6.88	43.13	66.67	50.00	47.62	45.46	63.64	4.35	0.00	4.00	33.33	31.25
Namibia	2.33	85.20	0.88	23.15	45.68	49.37	38.75	36.71	35.45	1.12	1.14	11.96	38.55	50.00
Nigeria	6.75	82.50	6.67	40.00	7.89	5.41	5.56	0.00	10.81	0.00	0.00	25.42	15.38	51.06
South Africa	4.78	73.56	3.26	31.71	40.77	40.77	30.09	28.15	34.00	0.00	0.00	9.73	36.36	59.34
Senegal	0.00	0.00	0.00	100.00	3.23	3.45	3.57	0.00	7.69	5.97	7.41	9.30	22.37	31.03
Seychelles	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00	20.00	28.57
Swaziland	6.75	71.33	1.11	26.11	52.00	76.00	34.61	65.39	53.84	4.00	4.17	12.00	62.50	71.43
United Rep. of Tanzania	18.48	40.83	14.16	20.40	27.91	31.82	15.91	28.57	25.58	3.39	3.77	4.35	15.00	27.27
Tunisia	—	—	—	—	4.76	4.76	4.76	0.00	0.00	3.70	0.00	13.89	0.00	31.43
Uganda	35.66	45.28	28.00	7.41	40.96	59.03	58.75	40.00	32.47	16.67	17.71	3.08	18.80	27.72
Zambia	21.91	52.76	5.71	13.13	51.56	67.70	60.60	66.16	56.25	15.28	10.45	6.49	38.16	35.48
Zimbabwe	9.60	67.18	2.78	21.70	54.78	72.88	72.50	50.84	49.58	4.96	9.32	8.26	40.00	57.47

Source: ACR 1999

Figure 1

Comparison of HIV Prevelance: UNAIDS 1997 vs. ACR 1999



are underestimating the prevalence of HIV; or the proportion of infected workers is lower than the proportion of infected adults, with a high number of those infected not working for one reason or another.

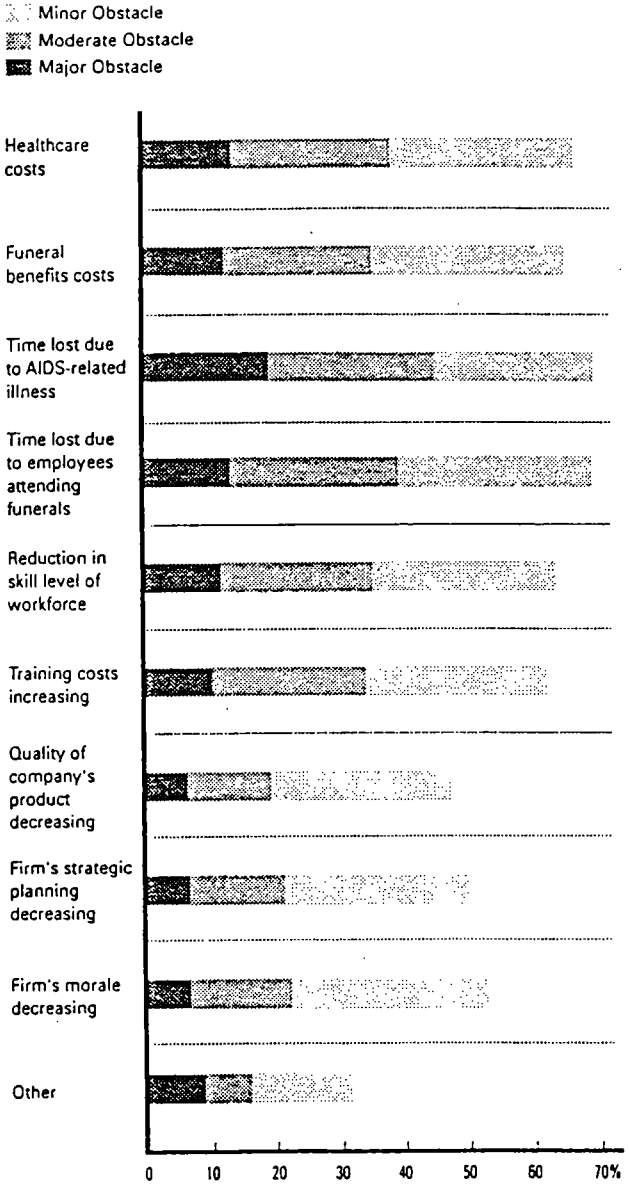
Support for the latter hypothesis is provided, to a certain extent, by the fact that the cross-country correlation between reported and actual infection rates is relatively high (0.74), and the difference between reported and actual infection levels does not vary systematically across countries. This suggests that the ACR data replicate the general pattern of HIV prevalence across Africa and that business leaders' estimates are indeed related to the extent of the epidemic in their country, not based on wildly inaccurate guesses.

However, there is also evidence to support the view that these ACR figures reflect a degree of denial. In many countries, leaders expect only a modest increase in the number of workers dying of AIDS, which is at odds with the epidemiology of a disease with such a long latency period. In some countries, with mature epidemics, the number of people dying may indeed remain fairly constant, but in other African countries, increases in mortality are rapid. Many countries have ten or more people living with HIV for each person who has already died from the disease. This is an indication that the full fury of the epidemic has yet to be felt—and that business leaders are unaware of this. Respondents also generally consider HIV prevalence to be higher among workers than among managers, and also higher among the uneducated than those with a university degree. This seems to fly in the face of the reported positive association between HIV and socioeconomic status in the early stages of the African epidemic, and suggests that respondents (who are all managers) are denying the potency and pervasiveness of the epidemic.

The Effects of the Epidemic

Currently, there is no correlation between the severity of the epidemic (as measured by UNAIDS or ACR estimates) and the ACR competitiveness index. In other words, this survey provides no evidence that the HIV/AIDS epidemic diminishes national competitiveness. This result could be interpreted in a variety of ways. First, the epidemic may not be having any discernible macroeconomic impact *yet*. Second, there may

Figure 2
Impact of AIDS on Company Performance



be reasons why AIDS is hitting more competitive economies harder. They are likely to be more open to trade, with higher levels of internal and international migration, for example. They are also likely to have higher income levels, which can translate into high rates of multiple sexual partnering, as people (mostly men) use their wealth to maintain mistresses or visit brothels. Economic development, in other words, may be leading to rates of infection that partially offset, but do not yet overwhelm, the economic advantage.

About half of the survey respondents report that illness and disease impose costs on their businesses. There is also evidence that businesses think the costs are increasing. While only 6.6 percent think the costs were significant three years ago, 9 percent think the costs are significant today, and 15.4 percent think the costs will be significant in two years' time. Employers show a considerable degree of concern about the impact of AIDS on various areas of their business. Predictably, they are most worried about employees taking time off due to sickness or to attend funerals (figure 2). There is a fairly strong correlation between the impact of the HIV epidemic on the costs of running businesses and perceptions about the severity of the epidemic (see figure 3). Respondents are least concerned when they consider the effects of the epidemic on the central competencies of their business. Sixty-three percent expect that skill levels will decline, but only 47 percent expect this to have an impact on the quality of their product, and only half believe that HIV/AIDS will make it difficult for them to plan for the future.

The results of the ACR are consistent with earlier studies. Tyler Biggs and Manju Shah, for example, surveyed nearly a thousand firms in Ghana, Kenya, Tanzania, Zambia, and Zimbabwe. They concluded that the effects of HIV and AIDS on firms, as measured by increased staff turnover, are relatively minor, though this may change as the epidemic continues. Professional staff are proving most hard to replace, for example, with firms taking an average of nearly 24 weeks to replace a deceased professional, compared to two to three weeks for less skilled staff.[30]

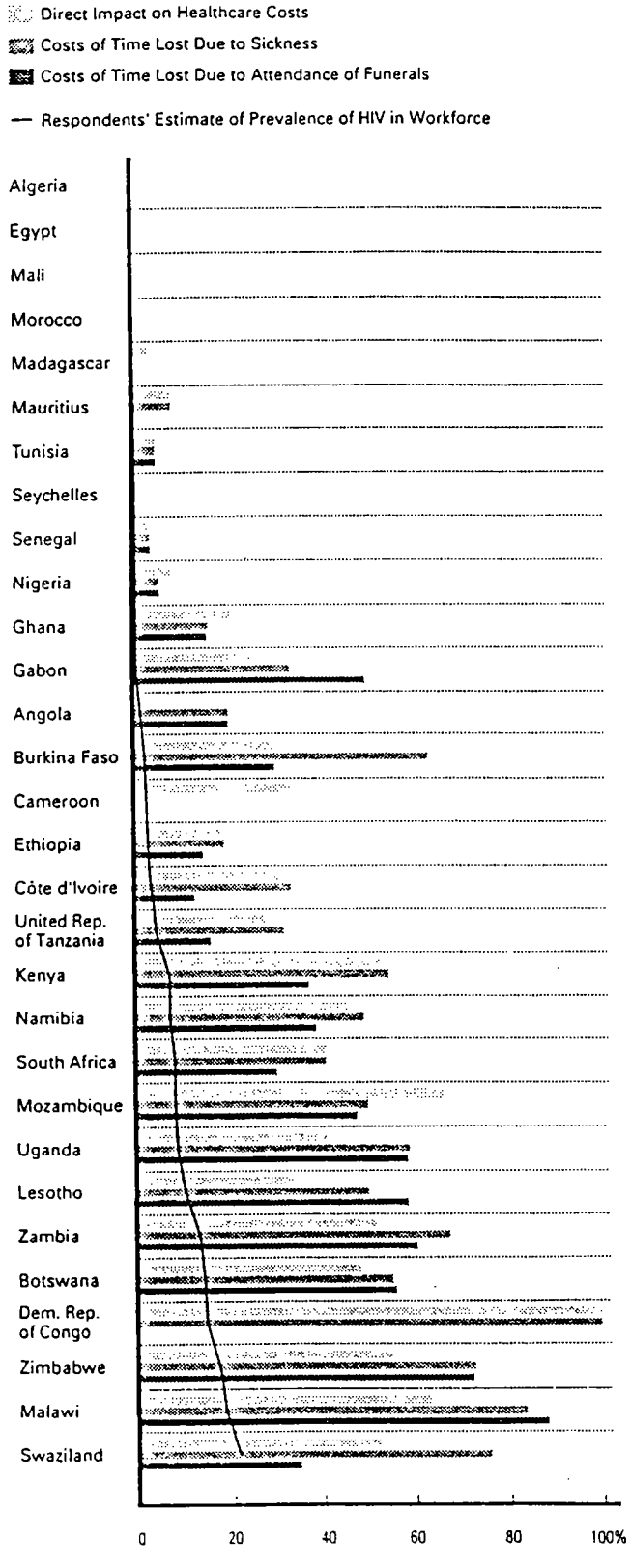
Responding to the Epidemic

The Deficit Model

The ACR provides some evidence of at least modest denial among African business leaders about the extent of the epidemic, bolstered by the fact that many are not yet feeling the full effects of the epidemic on their bottom line. Businesses, therefore, are likely to be contributing to the "world of silence" that UNAIDS, and many other observers, have complained still surrounds the epidemic. "The silence is extraordinary..." comments John Caldwell. "There is less public or media discussion of AIDS in Zimbabwe, with an adult seroprevalence level approaching 30 percent, than there is in Thailand, with a level of 2 percent."[31]

Figure 3

Firms that Believe in the HIV/AIDS Epidemic as Having a Moderate or Major Impact on Their Costs



The African experience is consistent with initial approaches to the epidemic in Western countries, where early government information campaigns were often embarrassing failures. They relied on the "deficit model" of the public's understanding of science, an assumption that the public suffers from a deficit of knowledge, which can be corrected through education.[32] The result is one-way communication from experts to the public, with the style and content of the communication dictated by the professional agenda, rather than the public's needs. The British government, for example, reacted to the onset of the AIDS epidemic with a misguided public information campaign. The advertisements, which ran initially in cinemas, were allusive rather than frank; using tombstones and doom-laden music as a metaphor for the impact that HIV/AIDS would have on adolescents' sex lives. The advertisements were widely ridiculed by the target audience, which saw them as an attempt by authority figures to coerce young people into celibacy. Educational efforts of this kind were successful in raising awareness, but they did not promote the changed behavior needed to slow the progress of the epidemic.

Successful campaigns, meanwhile, were produced in opposition to establishment efforts. Among gay men—and especially in the United States, Australia, and the UK—changes in behavior were rapid because information was cycled *through* the gay community *by* the gay community. Groups, like the Terrence Higgins Trust in the UK, sprang up and showed that it was impossible (and counterproductive) to talk about sex without being (at least a little) rude. These groups worked in highly *entrepreneurial* ways. They discovered the importance of dynamic marketing, of working from an understanding of the position of the target audience, and of developing two-way communication. Instead of merely warning of the seriousness of the disease, they were explicit about what behavior was safe and what was not. They explained the nature of the risks that different people faced and proposed strategies for minimizing exposure. In most cases, these groups heavily promoted the use of condoms and often distributed them in new ways. They thus sent an explicit message to their target audience: not pro or anti sex—just pro safe sex.

Awareness of HIV/AIDS is now high in most African countries, but this awareness has been slow to translate

into changed behavior. Instead, an extraordinary number of myths and conspiracy theories have flourished. Reliance on the deficit model has dampened open and engaging discussion of the disease and awakened suspicions that those talking about AIDS nurse a secret agenda. Openness is now needed and, as in the West, this openness is likely to come first from non-governmental organizations (NGOs) and other groups operating outside the establishment. Their initiative will translate into growing pressure on governments and the media. As a result, increasing numbers of people will benefit from campaigns that focus on the availability of means of prevention, the skills to use these methods, and the social support for their use. These campaigns can be developed and rolled out rapidly, and the evidence suggests they bring fast results.

Options for Action

There is now evidence from several African countries that have taken significant steps to combat the AIDS epidemic. Senegal is an example of the success that can be achieved from swift action at an early stage. AIDS was first reported in 1986. By 1987, decisive action had been taken, with all blood for transfusion screened for HIV antibodies. Between 1992 and 1996, the government invested US$20 million in AIDS prevention programs, with a tax break for condoms (reducing their price by as much as 25 percent) and action to involve the media, religious leaders, NGOs, and local communities in the response. Religious leadership played a critical role. In March 1995, Senegal's senior Islamic leaders declared that AIDS was not divine punishment for immoral behavior and called for everyone to be provided with full access to AIDS information. Sex education was introduced in primary and secondary schools in 1992 and efforts were made to contact young people through proven channels of influence such as youth groups and religious and community organizations.

Reported awareness levels in Senegal are now very high. Over 95 percent of secondary school pupils are aware of AIDS and know at least two ways of preventing it. Condom use has also increased dramatically—from around 1 percent to some two-thirds of men, and half of women, using condoms for casual sex. Infection rates of all sexually transmitted diseases, including HIV, have remained low, with only a few groups, such as prostitutes, showing high rates of infection.[33]

Senegal acted quickly, but initiatives can also deliver big benefits when the epidemic is much further advanced. In the West, for example, the gay community achieved remarkable success in reducing infection levels, although it was unable to act until the disease was already rampant.[34] In Africa, Uganda seems to be achieving favorable results for its belated attempt to control the epidemic. For many years, the country failed to act. The first AIDS cases were officially reported in 1982, but according to the Uganda AIDS Commission, "between 1980 and 1986, government and public response to the new disease was initially *ad hoc* and slow. During this period, government was silent about the epidemic and virtually nothing was done." In 1990, however, a national task force was set up to tackle the epidemic and in 1992 the Uganda AIDS Commission was established. By 1998, a National Strategic Framework for HIV/AIDS Activities was adopted.[35] An updated strategic framework for 2000-05 was published recently.

Uganda's vigorous prevention campaign has focused on educating people about safe sex, in their own language. CNN reports one initiative—the Straight Talk Foundation—which produces a weekly radio program listened to by 1.5 million young people. "Straight Talk" forcefully debunks sexual myths and helps young people learn how to negotiate their way out of difficult sexual situations. It works closely with youth groups and youth-friendly health clinics, and allows young people to "speak their mind" on air.[36] The success of this approach is shown in rapidly declining infection rates among some groups. One testing site in Kampala, for example, saw infection rates among women aged 15-19 drop from 26 percent in 1992 to 9 percent in 1996. The Uganda AIDS Commission believes national infection rates among women of this age group have probably halved.

The success of prevention campaigns in some countries—combined with the uncontrolled nature of the epidemic in many more—has inspired increasing levels of commitment to fighting AIDS in Africa. The International Partnership against AIDS in Africa was launched in December 1999 in an attempt to coordinate a new regional response. The partnership brings togeth-

er a number of multilateral agencies, twenty African countries, a dozen bilateral development agencies, and a broad cross-section of African NGOs. The partnership has agreed to concentrate on four areas of action: building political support at the highest level; helping each country develop a national strategy for combating AIDS; increasing resources available for programs; and building regional and national capacity to tackle AIDS.

A Role for Business

The Africa Competitiveness Review offers African business leaders the opportunity to assess their role in the fight against AIDS. The data seem to show a reasonable level of awareness about the disease, combined with some denial about the extent of the epidemic and the ferocity of its expected future impact. The business response to the epidemic is currently limited and seems to be another outgrowth of the deficit model. Business leaders tend to think the disease is more a problem among low-skill employees than among themselves, and workplace efforts tend to concentrate on education for prevention rather than the delivery of services that relate directly to HIV status and transmission (i.e., condom provision and HIV testing).

Business responses vary markedly from country to country. On average, nearly 14 percent of businesses surveyed provide routine HIV testing, with a high of 40 percent in Mali and a zero figure for Algeria and Ethiopia. Free condoms are provided by just over a quarter of all firms in the survey, and 37 percent provide HIV counseling and education. These figures are modestly correlated with perceptions of the epidemic's severity, unlike the provision of HIV screening, which is mildly negatively correlated.

Yet businesses are exceptionally well placed to join the fight against AIDS—both on their own and in partnership with the public sector and NGOs. They have unique human, financial, and organizational resources. Their marketing people are skilled at using communication to change human behavior; they are experienced at conducting and using market research; and their extensive networks give them influence at national levels, as well as at the grassroots. They are not necessarily tied to an establishment agenda. They are also placed as well as any NGO to break through the silence.

Business intervention could make a real difference in four key areas:

1. Condom promotion—the reinvention of the condom is at the heart of a successful prevention strategy. Business packaging, marketing, and promotion skills can help promote the product in innovative ways, especially to young people.

2. Consumer education and research—education initiatives need to start with a clear understanding of the target market's needs and display a willingness to talk in a language to which people can relate. Business can use its proven techniques for building and communicating brands, as well as its PR and advertising capabilities. The same sophistication used to market business brands needs to be applied to marketing messages about HIV prevention and AIDS care.

3. Workplace action—the workplace provides an excellent environment for the promotion of HIV prevention, better health care, and education. Larger businesses can also influence the efforts of other concerns in their supply chain, and send strong signals to the communities in which they operate, by instituting policies to discourage stigmatization, for example.[27]

4. Lobbying for change—the economic power of business translates into considerable political influence. Many big businesses have a head office in the capital running operations across the country. This allows them to develop a detailed understanding of the progress of the national AIDS epidemic, knowledge that can be used to educate and motivate policy makers to take action on AIDS.

Some businesses are prepared to show leadership. The South African Business Coalition on HIV/AIDS, for example, was launched in Johannesburg in February 2000 to coordinate a new level of response to the problem. Individual businesses have also taken bold steps. In Zambia, for instance, Barclays Bank has reacted to a mortality rate that has risen from 0.4 percent to 2.23 percent. It provides education, free condoms, and medical care. It also has strict policies on sexual harassment and stigmatization.

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HEADLINE: AIDS threatens global business

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HEADNOTE:
What global companies are doing or not doing to counteract an AIDS epidemic may determine the severity of the labor shortage in some countries.

ABSTRACT:
AIDS casts a looming shadow over global business and has already begun causing bottom-line losses. Yet planners seem to be ignoring the epidemic. The bottom line: All parties need to now set aside old paradigms and reframe global **HIV and AIDS** as a business issue.

AIDS casts a looming shadow over global business and has already begun causing bottom-line losses. Yet planners seem to be ignoring the epidemic. Leaders of US-based businesses, thinking in terms of their country's epidemic, need to reframe their awareness and their plans in light of the long-range business effects of global AIDS. The bottom line: All parties need to now set aside old paradigms and reframe global **HIV and AIDS** as a business issue. HR, with its unique blend of strategic expertise and information about the human impact of policies, is the best partner to bring the new model into the conversation.

BODY:
Recently, loan negotiations between the government of an **African** country and the World Bank were suspended when a high-ranking official of that country died of AIDS. No one else in the government was trained to assume his role.

The official's death resulted in unanticipated delays and the suspension of loan negotiations while other officials were briefed and readied to continue discussions with the World Bank. Critical national business and public sector issues were put on hold.

AIDS, so often regarded as a public health or humanitarian issue, casts a looming shadow over global business and already has begun causing bottomline losses. Yet planners seem to be ignoring the epidemic. Leaders of U.S.based businesses, thinking in terms of their own country's epidemic, need to reframe their awareness and their plans in light of the long-range business effects of global AIDS.

How substantial is the threat? Consider the following:

* During 1999 alone, 2.6 million people died from AIDS/HIV Also last year, 5.6 million people worldwide contracted HIV, the virus that causes AIDS. According to UNAIDS, a United Nations Programme on **HIV/AIDS,** the total number of RIV-infected people as of December 1999 is 33.6 million.

* Half of all new infections are in the 15-to-24 age group, according to the UNAIDS' December 1998 Epidemic Update. This group includes some current employees, some family members on employee benefits plans, and the future hiring pool.

* Life expectancy in the regions with high rates of HIV is shrinking. Some countries face an unplanned zero population growth rate because of AIDS-related deaths and associated declines in birth rates. Barely 10 percent of the world's population live in sub-Saharan Africa, but 70 percent of the newly infected live there, says UNAIDS. And South Africa, emerging into a developed nation while part of its economy is still in the developing world, is among the hardest hit.

* While the epidemic is established in sub-Saharan Africa, it is young in South and Southeast Asia, North Africa, the Middle East, East Asia, and the Pacific, and very young in Central Asia and Eastern Europe. (See "Regional **HIV/AIDS** Statistics and Features," on this page.)

UNAIDS describes a situation that's unfamiliar to business leaders who are accustomed to the US. epidemic. We have an HIV infection rate of about one in every 265 people. Countries where the rate can be as high as one in four urbanbased adults now experience staffing shortages and productivity interruptions.

The report warns, "AIDS ... is decimating a limited pool of skilled workers and managers and eating away at the economy ... Businesses are already beginning to suffer."

Eighteen years into the epidemic, some companies and coalitions are undertaking global efforts to analyze and deflect the business impact of AIDS. Yet while 73 percent of respondents cited in the recent report, "Corporate Response to AIDS," have programs to help inform their own employees about HIV, only 13 percent are involved in AIDS-specific partnerships in the wider community, according to Victor Barnes, associate director for international HIV prevention at the Centers for Disease Control and Prevention in Atlanta.

What happens to unprepared employers?

Barnes describes the consequences of AIDS-related death and illness within the ranks of the highly trained, as well as a parallel problem within the broader labor pool: inefficiencies from lost labor due to caring for families, attending funerals, and providing child care.

In sub-Saharan Africa, he explains, what used to be a five-day leave for deaths has been reduced to one-half day, so that employers can maintain productivity. In his 15 years with USAID before joining the CDC, Barnes encouraged employers to build in parallel training requirements because of the potential for illness. He stresses that employers need to search constantly for replacements for people with technical skills in highprevalence countries.

Without intervention, the eventual effects of AIDS mortality among workers who are parents include declining family nutrition, deteriorating economic status, and pulling children out of school-especially girls-leading to the de-education of the future labor pool.

But only in Africa, you may think. Not true. The epidemic is still relatively young in Asia and India, where the same outcomes will result unless prevention measures are more effective.

Needed: a better lens to look through.

If productivity is at risk, how has the global AIDS epidemic created such profound business effects without becoming an important business issue? Part of the problem is positioning. "The two defining paradigms for AIDS worldwide are as a humanitarian or public health issue," according to the Levi Strauss Foundation report, "Developing a Global Business Response to AIDS: Strategies for US.-Based Multinational Corporations," by Stephen T. Moskey. Neither paradigm prepares business leaders to be alert to trends that will have bottom-line impact.

Dr. Anthony Pramualratana, executive director of the Thailand Business Coalition on AIDS, offers a view of business impacts from within a Type 3 country that would startle any business planner from the United States. He points to effects in the following:

The Economy: There will be a reduction in savings and investment, a change in employment opportunities as well as in the labor force, and a decrease in tax revenue.

Social Structure: There will be higher proportions of the very young and the very old, an increase in workplace discrimination, closure of primary schools because persons of reproductive age have died, and population shifts as those with HIV leave the cities and return to the provinces.

Health System: Problems will arise due to complications in resource allocation and financing health care

Any U.S.-based company is limited in its planning capacity if it fails to take into account these effects of AIDS in Type 3 and Type 4 countries. Even if the company has no local affiliate in any Type 3 or Type 4 country, its marketing department may be projecting sales in that country that will evaporate if families must choose, for example, between CDs and medicine.

What can U.S.-based businesses do now?

Farsighted employers can intervene. For example, Chevron Corp. in San Francisco is working with its affiliates in Chevron Overseas Petroleum to "meld their expertise in in-country business with our expertise in addressing AIDS," explains David Scull, program officer for AIDS and gay/lesbian funding. "In countries where we have operations, we want to undertake community involvement."

Scull reports that no particular crisis or event has provoked Chevron's commitment to confronting AIDS. But in communities where AIDS is a big issue, "we try to focus our dollars there." For example, in Angola, Chevron donated $250,000 in medical supplies to two hospitals for state-of-the-art blood testing and storage equipment.

When Levi Strauss in San Francisco is praised as a model in domestic and global AIDS response, many other businesses roll their figurative eyes, assuming that no one else could touch Levi Strauss's level of involvement, largely a measure of its CEO's high commitment. Yet the model isn't exclusive to Fortune 500-size employers.

Jan Bein, Levi Strauss's EAP regional manager for the United States, explains that the company has sought to provide HIV education to all its affiliates in more than 60 countries with a tool they now make available to other businesses. In 1998 they produced "The Changing Face of AIDS: The Global Epidemic," a video

now translated into 14 languages and shown worldwide in the company.

Levi Strauss focuses on providing culturally appropriate HIV education to its employees' communities, using posters and theater groups in areas of low literacy. Employees learn about HIV as a workplace issue during orientation.

Yet Bein reports that most affiliates are still reluctant to talk about AIDS. Levi Strauss is responding with an EAP Web site on its intranet, linked to its European affiliates and providing both US. and European HTV resource information.

As Exxon builds a huge pipeline across southwest Africa, it plans to provide health-care services to its large workforce, much of which will be displaced male workers.

Exxon has sought technical assistance from the CDC to provide HIV prevention education models for this vulnerable population and the surrounding communities that will interact with the workforce. CDCs "Business Responds to AIDS" approach to providing workplace education and outreach will supplement Exxon's broader health promotions.

Pramualratana urges a "rational response strategy." He explains that "business operating in any country should consider **HIV/AIDS** workplace guidelines and policies. AIDS programs cost very little. They certainly will develop staff morale. Strategically planned, they can even develop a good corporate image to [present] to the wider customers and public. Americans can make a difference through links in their corporate sectors and the network of Rotary Clubs abroad."

What if your overseas workforce couldn't produce?

In Type 3 and Type 4 countries, maintaining productivity will become a critical issue unless the company takes action. Moskey's report acknowledges that not all employers will respond in the same way.

In the best link between corporate headquarters and in-country operations, Moskey suggests there will be "an interdependent, synergistic relationship with each other around AIDS issues. The field needs to push for involvement of the home office by providing it with information and analysis of the local, in-country situation. At the same time, the home office needs to pull field officers into a global corporate strategy to address issues of the epidemic."

The bottom line: All parties need to now set aside old paradigms and reframe global HfV and AIDS as a business issue. Human resources, with its unique blend of strategic expertise and information about the human impact of policies, is the best partner to bring the new model into the conversation.

GRAPHIC: IMAGE TABLE, Regional **HIV/AIDS** Statistics and Features, December 1999

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Davos, 3 February 1997

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Panel Session:

Business in a World of HIV/AIDS

**Statement by Peter Piot, Executive Director,
Joint United Nations Programme on HIV/AIDS
(UNAIDS)**

Good afternoon. Thank you for joining us to discuss *Business in a World of HIV/AIDS*. Because while many governments and NGOs are doing all that they can to curb the tide of HIV, they cannot succeed without the involvement of business.

I am very pleased to be here today with Donna Shalala, Secretary of Health and Human Services for the United States, Sir Richard Sykes, Chief Executive Officer of Glaxo Wellcome, and Alan Wright, Chief Executive Officer of Gold Fields of South Africa.

A few years back, it became tragically clear that AIDS was not just another outbreak -- a confinable health threat. We realized that AIDS will be a part of our world for a very long time.

One year ago, UNAIDS was launched to coordinate a multi-prong attack on the epidemic. UNAIDS works like many modern corporations. We run a lean operation, drawing upon the resources of our United Nations sponsors -- UNICEF, UNDP, UNFPA, UNESCO, WHO and the World Bank -- and create partnerships with governments, non-governmental organizations (NGOs) and the private sector to extend our impact beyond the reach we would otherwise have. We conduct and facilitate research that centres on the needs of people in the developing world, and we support AIDS programmes in developing countries.

UNAIDS is a virtual organization in that it uses the network society to allow the sharing of knowledge. Why should Cambodia, Laos or Nepal have to reinvent the wheel, when Brazil and Thailand have a decade of experience with successful prevention programmes? We call this exchanging "best practice".

And since knowledge of the facts must dictate the strategies employed to fight AIDS, we keep a close watch on the global status of the epidemic.

So where do we stand today? In just the past year, 3.1 million more people worldwide became infected with HIV -- one half of them women. In just the past year, 1.5 million people died of AIDS-related illness. That is nearly one quarter of all the AIDS-related deaths since the beginning of the epidemic, over 15 years ago.

AIDS is not over, not even close. In some places, it has only just started. In the struggling countries of Eastern Europe, overall HIV infection rates are still low. But they are skyrocketing so incredibly fast that it will soon be a major epidemic. China is another country to watch -- it is estimated that in 1993, 10,000 Chinese were HIV-positive, and that two years later, in 1995, there were 100,000 Chinese people infected with HIV. At those rates, this year, there are likely to be one million.

HIV is also spreading explosively in some parts of India. India now has more people with HIV than any country in the world, and most have been infected in the last two years.

Sub-Saharan Africa continues to be the hardest hit region, with 14 million people living with HIV, or 63 percent of the world's total. And new, unexplainable outbreaks still occur. In some urban areas in Botswana and Zimbabwe, 40 percent of all pregnant women are infected with HIV.

President Nelson Mandela will deliver a plenary address tonight on the AIDS epidemic, and we are extremely honoured that he has accepted to come here. But his participation speaks to the devastation that is now occurring in his country. With nearly one half of all the GDP of all of Africa, South Africa is a beacon of hope for the struggling continent. Yet President Mandela understands that his country must maintain robust economic growth to succeed. That it must be attractive to outside investors. And that economic growth in South Africa is potentially threatened by HIV/AIDS, as it is in so many other countries.

I am by no means naive. I know that there are people in this room who would gladly direct resources to HIV education and prevention around the world, but that their businesses must also answer to financial imperatives.

Well, I am here to tell you that it is more than basic humanitarian concerns that should drive the private sector to get involved in the global fight against AIDS. Any company that operates in affected countries, that sells its goods to overseas markets, or imports goods from those markets, must take action now to reduce the spread of HIV. Because today, with nearly 23 million people infected, AIDS is increasingly a threat to the global market economy.

Most epidemics we have seen prey on the sick, the old, the very young. The weakest members of society. Of course, this is tragic.

But the difference with AIDS, and the danger it poses to the global economy, is that AIDS strikes young adults -- people at the prime of their lives. Young adults are the backbone of the workforce. Economies cannot grow if they lack human resources. In most of the world, HIV is spread by heterosexual sex. HIV also affects all social classes and income groups, and no one will convince me that only poor customers and unskilled workers have sex.

Take Zambia. Barclays Bank of Zambia has lost most of its senior managers to AIDS. In countries such as Uganda, 40% or more of the military are infected with HIV. And Malawi. Up to 30% of all schoolteachers in Malawi are infected with HIV. These are people who cannot be replaced quickly or easily. When they die, who will teach these children?

As the growth of Western economies is slowing down, businesses are looking to Latin America, Asia, Eastern Europe and South Africa as prospects for market growth. As you know, investing in emerging markets means betting on the chance

that they will continue to grow, to make progress.

But consider this: a Kenyan business survey found that HIV/AIDS costs companies nearly 4 percent of annual profits, and that because of AIDS, Kenya's GDP will be 15 percent less than it would otherwise have been by the year 2005.

At this point, the epidemic in Kenya and the rest of Africa is much more entrenched than the epidemic in countries of South-east Asia. But remember that HIV in sub-Saharan Africa had a ten-year headstart. We have every reason to assume that the epidemic in South-east Asia will soon be just as widespread as it is in Africa. And that East Africa's experience -- a slow-down of its economy -- will be replicated in Eastern Europe and the developing countries of Asia and Latin America.

In fact, economists at McGraw-Hill have predicted that by the year 2000, the world economic impact of AIDS could be as high as equivalent to 4 percent of the GDP of the United States or the entire economy of India.

When the breadwinner in a family dies, the household suffers. Consumption decreases as dwindling resources are rationed to provide for the necessities. Believe me, if infections continue at their current rate, a huge proportion of young adults in Eastern Europe, India, South-east Asia and Latin America will never get the chance to buy a refrigerator. A phone. A car.

So what can the private sector do? While many companies have made important efforts to protect and educate their workforces, we ask that companies go beyond the workforce into the communities in which they are active; lobby public health officials; start their own programmes.

Here is what some are already doing:

- Gold Fields of South Africa and Rio Tinto in Zimbabwe have extended employee protection programmes to the surrounding community, at little or no extra cost to themselves.

- Unilever has taken a lead in supporting local community education programmes in bars, schools and meeting places in a number of different developing countries.

- Shell Oil is a funder of Botswana's national HIV/AIDS education campaign.

Large companies can also help their smaller suppliers face the issue.

- Levi Strauss is working on a major AIDS education programme for supplier communities in South-east Asia.

- The Confederation of Indian Industry has developed advocacy and education programmes for its member companies. Over 100 firms, including multinationals, have joined this effort.

For many more examples, and for help in developing your own initiatives, please contact us at UNAIDS.

There is other good news. As you are probably aware, this past year saw incredible scientific advances in AIDS treatment. So incredible, that AIDS scientist Dr. David Ho was named *Time* magazine's Man of the Year. The fact that, in some people, we have been able to stall HIV's attack on the body, is the single greatest medical advance since penicillin.

I applaud the efforts of scientists from academia and the public sector, who have contributed so much to our understanding of HIV and other viral infections. But without industry, their work would never have made such an impact on human suffering. Pharmaceutical companies, like Glaxo Wellcome, realized that it was up to them to make the huge investments necessary to develop effective treatments, and they should be applauded.

I must also say, however, that I am very disappointed that the same investment has not been made in vaccine research. With the exorbitant costs of HIV treatments, the only true hope for ultimately curbing the epidemic is a vaccine. And believe me, we are a long way from an AIDS vaccine.

Vaccine research must charge full steam ahead and these new treatments must be more accessible to the 90% of people infected with HIV who live in the developing world - and who can only dream of paying the US$20,000 per person per year that is currently the cost of antiretroviral treatment. At UNAIDS we are working on a number of public/private partnerships to help drive these efforts.

But the best hope we have right now is prevention. And we already know that our investments in prevention are paying off. Prevention works. It is working in Thailand, in Uganda -- and resulting in increased condom use, delayed start of sexual activity, and a reduced number of infections. Now we must bring that success to other countries at risk.

You may think that governments and non-governmental organizations are better suited to handle social programmes

like AIDS prevention. Yes, government and NGOs have a substantial role to play. But they -- we -- cannot do it alone. We need your help.

There is massive potential for business to get involved: using your reach, your marketing, your distribution networks to help deliver prevention messages. This has already happened in countries like Thailand, where the Thai Business Coalition has played a critical role in getting the message out about prevention.

With governments around the world straining under the pressure of massive economic and social change, the hope of solving many problems lies in the development of public/private partnerships. At UNAIDS, we actively seek the guidance of the business community. We invite you to create with us a Global Forum, an opportunity for chief executive officers to provide advice and input for UNAIDS initiatives on partnership, and to act as ambassadors encouraging business involvement around the world.

In the interest of your bottom line, in the interest of the continued growth of the global economy, the business community, the private sector, must step up its commitment to slow the spread of HIV, to help communities around the world protect themselves against infection.

Today -- today alone -- 8,500 more people have been infected with HIV -- 1,000 of them children.

I appeal to you to work together with us to fight this devastating epidemic.

top