

# HIV/AIDS: A Development Issue

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## Background

Now in its third decade, the global HIV/AIDS epidemic has long exceeded being a serious health challenge, and has become a critical threat to sustainable development. HIV/AIDS is primarily affecting people in their most productive years, eroding human and institutional capacities and jeopardizing the productive base of entire societies, while also leaving the very young and elderly to fend for themselves. Many developing countries that were experiencing positive trends in life expectancy at birth before the HIV/AIDS epidemic are now grappling with alarmingly low life expectancies – under 40 years in some of the most affected countries.

HIV/AIDS is both a cause and a consequence of poverty, creating a complex cycle that demands multi-sectoral emergency and long-term strategies. HIV/AIDS' impacts on human and institutional capacity are affecting economies, the labour force, formal and informal social safety nets, health systems, education, and food security from the national level right down to the household level.

Due to its widespread effects, HIV/AIDS is also the biggest obstacle towards achieving Millennium Development Goals (MDGs) for 2015, which aim to end extreme poverty and hunger, ensure education, promote gender equality, improve health and reduce disease burden, protect the environment, and strengthen global partnership.

## Economic Impact

The loss of human capital due to HIV/AIDS is taking a toll at both the micro (household) and macro (national) economic levels. At the microeconomic level, the loss of income earning potential and diversion of savings towards health care and funeral costs creates a tremendous burden on families. Too often, children (especially girls) are forced to leave school to find work, take on household duties, or care for sick family members and younger siblings. Without education, children are at risk of entering a

cycle of debt, as well as exploitive labour and additional threats that heighten vulnerability to HIV/AIDS.

At the macroeconomic level, HIV/AIDS is believed to slow economic growth. This in turn threatens not only job creation and standards of living, but also government spending resources, and therefore threatens the capacities of governments to effectively respond to the epidemic itself. National economies are also hurt by the declines in production caused by losses in human capital, especially in key revenue areas such as agriculture and mining.

Effects of globalization, including trade barriers such as high agricultural tariffs and agricultural subsidies in industrial countries, make it difficult for developing countries to export goods overseas. It also forces local small farmers – who often depend on the sale of surplus production for their families' survival – to compete with cheaper imported goods.

## Labour Market Impact

AIDS-related morbidity and mortality is concentrated among the most productive skilled and unskilled workers of society. This introduces enormous costs from absenteeism, recruiting and replacing lost staff, health expenditures and drops in productivity from loss of human resources. The International Labour Organization (ILO) estimates that with the continued absence of treatment for HIV/AIDS, 17 countries worldwide (16 in Africa plus Haiti) will have lost more than 10% of their labour force by 2010; five countries will have lost over 20%. As AIDS-affected workers are replaced by younger, less experienced workers, workforce quality also declines.

## Impact on Health, Education and Social Systems

In many of the most affected countries, health sectors are unable to meet the tremendous increases in demand for health services – a demand which is exacerbated by a parallel loss of health workers as a result of HIV/AIDS and out-migration. Access to antiretroviral treatment for people living with HIV is

disparagingly low in most developing countries; but even if drugs were available, health infrastructures in the most affected countries lack the capacity to effectively manage the demand. Exhausted health sectors are facing declines in the supply and quality of formal and informal health care services. Where health sectors are most stretched, remuneration for health workers is low, the hours long and the incentives to stay in those systems weakening. Brain drain – out-migration to countries or the private sector, where monetary and other incentives are greater and the work less onerous – is further eroding health systems. Community resources are being stretched as community and extended family members are scrambling to fill gaps in the health care system. With HIV infections on the rise, the challenges are only expected to increase in the future.

The education sector is also hit hard by HIV/AIDS. While education is a powerful tool in fighting the epidemic, the pools of teachers and school administrators are slowly diminishing as a result of AIDS-related sickness or death. AIDS-affected families, in order to reduce household expenditures, are often forced to withdraw children (usually girls) from school so that they can care for family members or take up income generating activities. Without a social safety net, children who lose both parents to HIV/AIDS often have no choice but to drop out of school.

In countries with high HIV prevalence, formal social safety nets, social security and social welfare systems, are dealing with similar challenges to those faced by health and education sectors. Faced with increasing numbers of vulnerable children and families, they are unable to deliver services and support to all those who need them. In areas where social norms and values promote power imbalances and gender inequality, women are often excluded from accessing the services and resources they need to cope with the effects of HIV/AIDS. Marginalized groups and the poor are also faced with barriers to accessing services and resources; as a consequence they are disproportionately affected by HIV/AIDS. In this way, HIV/AIDS can deepen social divisions as it feeds off of gender inequality, discrimination, and human rights abuses.

### Food Security Impact

Agriculture plays a key role in the national economies of many developing countries: it provides jobs, generates export revenues, supplies raw materials, and helps uphold national food security. In

the countries most affected by HIV/AIDS, agriculture provides the main source of livelihood for up to 80% of the population. Declines in the agricultural workforce therefore have significant effects on a country. The Food and Agriculture Organization (FAO) estimates that most countries in Southern Africa will have lost 20% or more of their agricultural workers to AIDS by 2020. Some farmers cope with the loss of skilled labour by reducing the variety of crops they farm and downgrading from cash crops and/or highly nutritious crops to less labor-intensive crops (such as root crops) – which are fast-maturing but less nutritious and profitable. The effects are devastating for farmers, whose livelihoods are dependent on the marginal profits from their crop sales.

Subsistence farmers are also affected: after illness or death from HIV/AIDS, devastated households may not be able to sustain their crop yields to feed their families. In addition, suspended income and diversion of funds to health care and funeral costs leaves very little money for purchasing nutritious food, further threatening household food security.

### A Fraile Future

In the 25 years since the first officially reported cases of AIDS, the world has gained valuable knowledge on how to prevent and treat HIV/AIDS, mobilized financial and technical resources, and slowly rallied political leadership. But the disheartening fact is that global actors have, until now, failed to come together to mount a successful response to HIV/AIDS and secure a positive future for global development. A lack of political will and human compassion is preventing this preventable disease from being stopped. The world possesses the means to reverse the epidemic, but whether or not future generations will live free from the crippling impact of HIV/AIDS will depend on the choices made around the world today.

*ICAD's mission is to lessen the spread and impact of HIV/AIDS in resource-poor communities and countries by providing leadership and actively contributing to the Canadian and international response. This document was prepared with funding from the Public Health Agency of Canada. The opinions expressed by the authors and researchers do not necessarily reflect the official position of the Public Health Agency of Canada. Ce feuillet d'information est aussi disponible en français.*