




**Putting HIV/AIDS
on the business
agenda**



**UNAIDS
Point of view**

November 1998

Facts and Figures

- Over 33 million people are HIV-positive, that is 1 out of every 100 people worldwide between 15 and 44 years old.

- AIDS has already become as big a killer in Africa as malaria. Economic losses due to AIDS may soon outweigh foreign aid in some countries.

- A study in Kenya in 1995 came to the conclusion that over the period of the next 20 years the gross domestic product (GDP) will be 14.5% smaller than it otherwise would have been had AIDS never occurred. Per capita income will decrease by 10%, and the country's macro economy will decline as more money is spent on health care.

- In households in Thailand and Côte d'Ivoire where a family member is HIV-infected, household income declines by 40–60%. The Thai epidemic is projected to cost Japan 1.2% of its gross national product (GNP) by the year 2000 as a result of losses in trade and potential markets.

- Uganda Railways has lost about 5600 employees to AIDS and has a labour turnover rate of 15% annually. The medical and funeral expenses of another Ugandan company doubled in one year.

- By the year 2000, one-third of the deaths among the work population in Thailand will be from AIDS.

- In Asia, the business response to the AIDS epidemic has until now been weak. The 885.8 million people working in Asia have received only sparse HIV prevention support.

- In Madras, India, a study of large industries found that absenteeism is expected to double in the next two years, largely as a result of STDs and HIV-related illness. This study also found that 75% of employees were unaware that condoms could prevent STDs and AIDS and only 5% of employees used condoms properly.

- The death rate among young adults in formal employment in South Africa is projected to increase threefold by the year 2000 due to AIDS. A study in South Africa projects that the total costs of employee benefits will rise from 7% to 19% between 1995 and 2005 because of AIDS.

- ILO projects there will be 3 billion men and women in the productive sector by the year 2000, and 80% of them will be in the less developed countries of the world. 2.1 billion will be in the 15–44 age group, the segment of the population most affected by HIV. Where national AIDS programmes have created opportunities for business leaders to contribute strategically, as for instance in Thailand, there are relatively successful responses. Their workplaces are the platforms and opportunities to reach them in large numbers and with high impact.

- An average of 15 years of working life will be lost per employee due to AIDS, according to ILO estimates.

- Nearly 10,000 men and women in sub-Saharan Africa are becoming infected every day. While they may work productively for a decade or more, most will die before they reach retirement age.

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Selling AIDS prevention to business

“The threat of AIDS and the problems arising from it cannot be left to government and non-governmental organizations alone. We are committed to the dire need to control the spread of AIDS and of discrimination against people with HIV-infection. The way forward is to accept that AIDS is a national problem at every employer’s doorstep—it is a management problem.”

A.L. Keembe, former Personnel Director, Barclays Bank of Zambia

For too long AIDS prevention and care was pitched to business on health terms by health experts, on the basis that ‘dealing with AIDS in the workplace is good for workers’. Initially perceived as a health problem, the health sector was at the forefront of epidemic control efforts. Experience now shows that both management and workers have a stake in the battle against AIDS and that all sectors need to be engaged right at the outset. Unquestionably, in the overall workplace context, management’s response is a key element in shaping the level and quality of company interventions. To mobilize the corporate sector’s participation in a major way, management must be included as a stakeholder from the planning stage to implementation. Thailand has been relatively successful in drawing support from business, even though this initiative came at a late stage in the development of the epidemic. Thailand’s success is based on continuing and determined efforts by the National AIDS Programme and nongovernmental organizations to create opportunities for key business leaders to contribute in a strategic and substantial fashion. Those in the business sector need to be convinced that their participation is essential in making a difference, not only to the larger national endeavour, but also to their businesses.

AIDS is a bottom line issue for business

Is AIDS a threat to business? The epidemic impacts on productivity, costs, and markets and is thus clearly a bottom line issue. Lessons have been learned from many companies who have made HIV/AIDS their business. Over a decade of experience with AIDS at the workplace has yielded some compelling reasons why AIDS should be a business concern.

1. AIDS is already costing businesses, and these costs will continue without timely company responses.

In Kenya, an analysis revealed that HIV/AIDS is costing companies an average of US\$ 25 per employee annually, and costs would increase to an average of US\$ 56 by 2005 if the rate of HIV infection were to go unchecked. On the other hand, a comprehensive prevention programme would cost US\$ 15 per employee (this is a one-off cost). A survey of a small company in Thailand found that AIDS was costing a loss of US\$ 80,000 annually, whereas a prevention programme would cost US\$ 11,500. A study in Botswana by the Botswana Business Coalition on AIDS calculated that AIDS-related costs will soar from under 1% of the wage bill to 5% in six years’ time, because of the rapid rise in infection in the past few years.

AIDS increases health, pension, and welfare costs. Pension funds are being hollowed out by premature death, since payments into the fund are cut off early just as payments out increase. Insurance premiums rise as well. In Zimbabwe, for instance, premiums on death-in-service benefits quadrupled between 1992 and 1994 because of deaths due to AIDS. Some companies in Africa report a doubling in their health bills. In Zambia, one large company reported in 1995 that AIDS-related illness and deaths had cost more than its total profits for the year.¹ Inadequate attention has been given to the cost impact of decreased productivity, disruptions in production due to absenteeism and increased demands for medical care, which, taken all together, can take a serious toll on the profitability of a small business venture.

Comprehensive workplace programmes and appropriate HIV/AIDS policies can be established for a fraction of the amounts that would otherwise be incurred because of AIDS-related illness and death. Managers want evidence and estimates of the costs of AIDS and of prevention. There are now tools available to assess the financial impact of the epidemic on company operations as well as the costs of setting up and maintaining suitable HIV/AIDS programmes (suggested resource materials are listed on the last

¹ From the UNAIDS, Family Health International, and the Organization of African Trade Union Unity (OATUU) Joint Consultation Workshop on Workplace Actions in East and Southern Africa, July 20–22, 1998.

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page). The type and extent of an HIV/AIDS programme can be tailored to suit the needs and resources of each business.

"The business community must deal with the issues of HIV/AIDS in the workplace now if they are to avoid the problems of fear, poor morale, discrimination, and low productivity in their companies in the future. Our labour force will be affected, our consumer buying power will diminish, and the overall viability of our businesses will threaten our commercial livelihoods—not to mention our families, our communities and our country."

The Thailand Business Coalition on AIDS (an alliance of more than 100 business companies)

2. Companies that take a leadership role—lending their name and resources—in battling AIDS at the workplace and in their communities are rewarded with a positive public image.

The success of many businesses depends, to a large part, on the goodwill of their customers and the communities from which they draw their workforces. Over recent years, the business sector has supported various social, civic, and health causes. These activities have been publicly perceived as an exercise of corporate citizenship and social responsibility. Multinational companies, such as Levi Strauss, United Distillers, and Northwest Airlines who have ongoing AIDS education programmes testify to improved community relations and increased sales after being associated with AIDS support. United Distillers launched an

AIDS awareness campaign to market its Tanqueray gin. In addition, the company established an ongoing series of Tanqueray-sponsored AIDS bicycle rides in the United States of America. This initiative is now the biggest single AIDS fundraising event in the country. It has won the company an award for best cause-related marketing and raised its visibility in the media and the community at large. Tanqueray's activities have created a positive image for the corporation and positioned it as a supporter of public health. Local companies have also realized gains in their community standing as a result of their HIV/AIDS activities. A Brazilian manufacturing company, Villares, is recognized by government and corporate sectors and the communities around its factories as a fine corporate citizen, because of its support for HIV/AIDS drug therapies, government activities, and advocacy efforts. Contributions such as these lead to a reputation of being a "good neighbour", which may be particularly helpful when businesses need to protect or expand their local operations.

3. Employees are valuable company assets and should be protected.

A Kenyan company manager said:

"If you lose someone you've trained for twenty years, that's a great loss. Condoms and AIDS education cost peanuts."

Whether "white-" or "blue"-collar workers, a company's most valuable resource is its workforce. The capacity of employees to perform their jobs is a prime management concern. Systems that provide for employee health

and overall well being lead to higher productivity. Consistent productivity levels are the engines to national economic growth, which in turn affect general business climates.

The impact on the bottom line is heavily felt when technical staff fall ill. In Thailand, a large manufacturing conglomerate states that, even with abundant labour supply to replace employees, it would take 5–7 years for new employees in technical areas to reach the competence levels of their predecessors. In Tanzania, a manager of an agricultural estate has said: *"People think tea-plucking is an unskilled job ... but I disagree. I think it's a highly skilled job. It's easier to hire a trained motor mechanic than a good tea-plucker. The work is also very labour-intensive and AIDS will have an impact on our labour supply."* There is no doubt that each business has to keep its workforce skilled, healthy, and adequately compensated to sustain a competitive advantage.

4. As the HIV/AIDS epidemic progresses, companies will face increasing employee-related issues.

Companies with growing numbers of employees who are HIV-positive are increasingly called on to deal with a variety of issues. Businesses need recruitment and employment policies that are fair and based on sound medical facts. These policies must be clearly communicated and consistently applied. Employers need to be aware of the latest medical and scientific developments and to modify their policies according to new knowledge. Key policy areas include health care, work duties and performance, employee benefits (pensions,

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disability), recruitment and training, and costs. As the AIDS threat continues to affect the workforce, employers will increasingly require policies and mechanisms for dealing with personnel issues such as absenteeism, sick leave, ill health, and early retirement. Furthermore, as more countries move towards expanded national AIDS programmes that will cover workplace issues, as have Uganda and the Philippines, the business sector will need to consider national and local regulations aimed at protecting the welfare of the workforce.

It has become evident that proactive and transparent management action will be important in ensuring a fair and economically viable package of employee benefits, in the face of HIV/AIDS. Just as long-term strategic planning on other issues has been found

to be worthwhile, planning to manage employee welfare as it is affected by HIV/AIDS will ultimately result in cost-effective operations.

5. Businesses are now more globally linked politically, economically, and technologically.

Businesses can no longer ignore or deny increasing interdependence. The dynamics of economic globalization have brought about changes at the company level. Many local companies have become part of larger multinational groups or are linked to other businesses as suppliers, contractors or subsidiaries. Increased movement of workers within countries and across borders means that migrant labour is an important feature of employment patterns, particularly in agricultural,

manufacturing and transportation industries. Advanced communication technologies and global media linkages increase information flows that influence attitudes and behaviours. These developments can change the character or culture of a company's workforce, the customers for their products and services, and the communities in which they are active.² These socioeconomic changes have been found to have direct links with the risk and spread of HIV/AIDS. They may create or aggravate circumstances that make a company's workforce vulnerable to HIV/AIDS or they may support the spread of information and attitudes that help in AIDS prevention.

² From Prince of Wales Business Leaders Forum, p.8

UNAIDS Best Practice Collection

The Joint United Nations Programme on HIV/AIDS (UNAIDS) is preparing materials on subjects of relevance to HIV infection and AIDS, the causes and consequences of the epidemic, and best practices in AIDS prevention, care and support. A *Best Practice Collection* on any one subject typically includes a short publication for journalists and community leaders (Point of View); a technical summary of the issues, challenges and solutions (Technical Update); case studies from around the world (*Best Practice Case Studies*); a set of presentation graphics; and a listing of key materials (reports, articles, books, audiovisuals, etc.) on the subject. These documents are updated as necessary.

Technical Updates and Points of View are being published in English, French, Russian and Spanish. Single copies of *Best Practice* publications are available free from UNAIDS Information Centres. To find the closest one, visit UNAIDS on the Internet (<http://www.unaids.org>), contact UNAIDS by email (unaids@unaids.org) or telephone (+41 22 791 4651), or write to the UNAIDS Information Centre, 20 Avenue Appia, 1211 Geneva 27, Switzerland.

Journalists seeking more information about a UNAIDS Point of View are invited to contact the UNAIDS Geneva Press Information Office (tel: +41 22 791 4577 or 791 3387; fax: +41 22 791 4898; e-mail: wintera@unaids.org).

Putting HIV/AIDS on the business agenda: UNAIDS Point of View (UNAIDS Best Practice Collection: Point of View).
Geneva: UNAIDS, November 1998

- I. UNAIDS
- II. Series
 1. Acquired immunodeficiency syndrome—prevention and control
 2. Workplace
 3. Personnel management
 4. Cost of illness

WC 503.6

What business can do

"There is a clear role for business to play in these partnerships. Much more than just providing financial support, the business community, with its marketing and organizational skills, can bring a commercial efficiency to the delivery of health promotion messages to targeted audiences, whether they be young people in industrialized countries, or urban workers in emerging markets."

Sir Richard Sykes, CEO-Glaxo Wellcome plc

There are many solid examples of corporate responses with proven effectiveness in the fight against AIDS.

Establish AIDS programmes for companies and their stakeholders

Many companies have begun to invest in HIV/AIDS programmes for their employees; others have provided education programmes for their employees' families, suppliers, and other members of the community. Workplace programmes often involve training some staff members as "peer educators" to talk to colleagues about the risks of HIV and to discuss prevention methods, such as condom use and safer sex. Some companies supply condoms directly to their workers, or work with public or private distributors to ensure condom availability and affordability in the market. Since HIV is spread more quickly by and to people suffering from untreated sexually transmitted diseases (STDs), some companies have trained educators to talk about the signs and symptoms of these diseases. Other companies ensure that STD treatment is available, either at their staff health services or from other health facilities. At a minimum, these efforts will support risk-reducing behaviours among employees. At best, they will help maintain a reliable supply of workers and encourage an economically vibrant community that will buy the company's goods and services.

Villares offers an excellent example of a company that has established a comprehensive programme at modest cost, and is already seeing benefits accrue from its decision. A Brazilian specialty steel and elevator manufacturer with 8,000 employees and 18,000 employee dependants, Villares began its AIDS programme in 1991. The company offers AIDS/STD education via presentations, teamwork, training sessions and the distribution of information materials. Condoms are sold to employees and dependants at below-market prices. HIV-positive employees are offered counselling and encouraged to act responsibly with their partners. Management has adopted policies aimed at demonstrating its commitment to AIDS prevention and care, including keeping medical information confidential and maintaining good working conditions for all employees, regardless of their HIV-status. What has resulted from Villares' efforts? The company has reported a 31% reduction in the incidence of new HIV infections one year into the programme.

In a peer-led AIDS education programme in 40 factories in Zimbabwe, which included a condom distribution campaign, new HIV infections among employees were 34% lower in participating businesses than in factories that were not part of the programme.³ The prevention campaign cost US\$ 6.00 per worker: in other words, less

than the price of a single set of protective overalls. Another programme in a large sugar estate in Tanzania demonstrated that treatment of STDs cut HIV infection by 40%. Treatment cost as little as US\$ 2.11 per case.

These lessons are drawn from the experience of companies that are already benefiting from taking action. A concerted business response to AIDS, based on these lessons, has the potential to make a positive difference to business operations, markets and communities, and a substantial impact on this deadly disease.

Create links between business and local communities

Many companies may not be able to set up or carry out their own AIDS programmes owing to lack of organizational, financial, and human resources. A company's size should not, however, be an impediment. Collaborating with public health facilities to provide services for employees is a feasible option. In many countries, NGOs have well-established education, condom distribution and counselling programmes. Partnerships between business and these organizations will be mutually beneficial financially. Larger, more financially secure companies have embarked on "social investment" programmes where AIDS-related initiatives in the external community have yielded benefits such as improvements in corporate image and healthier workforces.

³ Bassett. Challenges in implementing a workplace-based peer-led AIDS education in Harare: the Zimbabwe AIDS Prevention Project. (Paper presented in the UNAIDS/FHI/OATUU consultation workshop, 1998).

What business can do

An exemplary model of partnership is found in Thailand, where CARE (an NGO), the American International Assurances/Thailand company, and the Ministry of Public Health have joined forces to conduct AIDS programmes reaching thousands of factory workers and their surrounding communities. The programmes use a variety of materials and strategies including videotapes, exhibitions, group workshops, comic books, and peer educators. The rapid assessment techniques and health communication skills of CARE, combined with the financial and human resources of the other partners, has resulted in a lively, effective and ongoing AIDS initiative in the workplace.

The Body Shop, a cosmetics and skin care company with local operations in many countries, has demonstrated that a philosophy of corporate responsibility can be a powerful force for business expansion. Expanding its internal workplace AIDS response, it assisted two of its suppliers in Nepal and India to initiate HIV/AIDS prevention programmes. With the assistance of The Body Shop, these suppliers now conduct workplace and community programmes that include AIDS awareness poster campaigns, education programmes for school children and information and condom distribution booths for truckers. The company is now a multinational operation, with sales in Asia increasing rapidly.

Implement philanthropic programmes: business and its "social contribution"

A growing number of companies have extended their programmes into the wider society. Gifts or grants in the form of cash, equipment, technical assistance,

or other resources have become part of corporate initiatives generally aimed at fighting the disease or benefiting specific affected groups. Some companies have, for example, donated millions of dollars worth of equipment and technical support to assist AIDS organizations at local, national, and international levels. Local companies have also engaged in philanthropic giving, a typical response being in-kind assistance, such as free use of their facilities or equipment. Such donations cost the company very little, but are often invaluable to local AIDS efforts and provide much-needed practical and moral support. United Distillers offered major financial support to the Confederation of Indian Industry's AIDS in the Workplace programme to help it reach its 3,500 industry members. In Thailand, employees of Jardine Matheson, a major company engaged in diverse sectors, started an AIDS Fund as part of its HIV/AIDS programme which extends financial assistance to a variety of AIDS activities. Philanthropic contributions may give minimal financial returns to a company but provide considerable social benefits in terms of strengthening the company's standing in the community.

Carry out cause-related marketing

Promoting AIDS messages in product marketing has become a popular strategy, particularly among companies that have a wide consumer base. The Pilot Pen Corporation and Clairol Company include AIDS-related messages and the highly recognized AIDS ribbon on their products. Other companies donate portions of their proceeds to support AIDS

activities of national programmes and NGOs. These strategies have yielded mutual benefits for companies and AIDS programmes—the extensive retail base for the products carrying the AIDS messages has generated greater public awareness of HIV/AIDS issues, while, from the companies' points of view, a positive image has been achieved by associating their brands with a popular cause.

Sustain the fight

Despite the continuing and growing threat of AIDS, some companies are scaling back their AIDS prevention efforts. A survey of companies in the United States of America found that the number of corporations offering AIDS education has decreased 10% in the past five years. The perception that "AIDS is over" is simply incorrect. 16,000 people continue to be infected every day all over the world. There is no cure. Although new drugs are being discovered that help prolong lives, people in developing countries often have little or no access to these drugs. With 95% of HIV infections now occurring in the developing world where 80% of the productive sector live, the fight is far from over.

Because HIV/AIDS will seriously impact on economic growth, the business sector is a major stakeholder. Choices made about how to act, indeed whether to act, to respond to the impact of HIV/AIDS, will make a difference to the immediate and long-term viability of individual businesses and the sector in general. HIV/AIDS programmes that have been effective have carved out significant roles for private sector participation. HIV/AIDS initiatives expand and flourish when undertaken in



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partnership with the public sector. A national policy framework that provides opportunities and rewards for active, meaningful involvement of business in the national effort is a building block for this partnership. An environment where incentives for action are extended and where the contributions of the business sector are recognized will drive HIV/AIDS higher on the business agenda.

Corporations have an extremely rich diversity of resources in terms of skills, materials, and networks. Engaging them in partnerships with government and non-

government efforts will create a synergy of resources whose impact will be felt beyond national and corporate boundaries.

The business sector actively pursues a "win-win" situation. Its dynamics are based on seeking and achieving mutual benefits for all the parties involved, with the ultimate aim of providing sustainable, harmonious, and productive relationships. Active business involvement in HIV/AIDS programmes most certainly fits this mould.

It only needs to be started.

"All sectors and all spheres of society have to be involved as equal partners. We have to join hands to develop programmes and share information and research that will halt the spread of this disease and help develop support networks for those who are affected."

Nelson Mandela, President of the Republic of South Africa

"For effective action against AIDS, we need a strong alliance between the public and the private sector. Businesses should lend their expertise and provide financial support to the national AIDS programme. In turn, the national AIDS programme should help create a social climate that is conducive to private-sector action, an environment that encourages businesses to get involved in AIDS prevention and care."

Peter Piot, Executive Director, UNAIDS

Suggested resource materials

Guidelines for developing a workplace policy and programme on HIV/AIDS and STDs. Department of Health, Directorate: HIV/AIDS and STDs, South Africa, 1997

Business Responds to AIDS. Centers for Disease Control and Prevention, US Dept. of Health and Human Services, Atlanta, Georgia, 1992

Private Sector AIDS Policy: Businesses Managing HIV/AIDS. Family Health International, 2101 Wilson Blvd., Suite 700, Arlington, VA, USA, 1996