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Executive summary

UNAIDS has estimated that at the end of 2003, there were nearly 38 million persons who were HIV-positive globally, all but 2 million of them between 15 and 49 years. On the basis of the UNAIDS prevalence estimates, population data from the United Nations and the ILO's own estimates of the economically active population, the ILO has evaluated the global¹ population of persons who are in the labour force and are HIV-positive at 26 million. Consequently the great majority (73%) of older adolescents and adults who are HIV-positive are economically active. In most developing countries, furthermore, there are grounds to assume that many older adolescents and most adults of working age (up to 65 years) contribute to the economy in some measure, even if not in conventional economic terms. On this basis, the ILO has estimated that globally as many as 36.5 million persons who are engaged in some form of productive activity are HIV-positive, a figure that exceeds by nearly 800,000 the estimated number of 15-49-year-old persons who are HIV-positive.

Labour force participants and working-age men and women who are HIV positive eventually become ill with symptomatic HIV-related diseases, and in the absence of treatment they eventually become unable to work. The death of men and women due to HIV/AIDS deprives their families, society and the economy of many years of productive life. Cumulative deaths of labour force participants worldwide are projected by the ILO to reach 28 million in 2005, 48 million in 2010 and 74 million in 2015 in the absence of increased access to treatment. Illness for a period prior to death also reduces the economic contribution of otherwise economically active men and women. The ILO estimates that, globally, by 2005 over 2 million labour force participants will be unable to work at any time as result of HIV/AIDS, and by 2015, well over 4 million.

Crucially, also, the duration of illness increases the economic burden of the global population of men and women in the labour force, and the social burden of care and support of families, which compounds the burden of

losing an economically productive individual or a breadwinner as a result of death due to HIV/AIDS. The ILO estimates that, globally, the combined impact of the deaths and illness of persons with HIV/AIDS will add 1% to the economic burden and just over 1% to the social burden by 2015.

These effects of HIV/AIDS on the labour force and on all persons of working age are measurable in their overall impact on economic growth and development. By causing the illness and death of workers, the HIV/AIDS epidemic reduces the stock of skills and experience of the labour force, and this loss in human capital is a direct threat to goals for poverty eradication and sustainable development.

A model developed at the ILO to measure the impact of HIV/AIDS specifically on the rate of growth of the gross domestic product (GDP) and of the gross domestic product per capita (GDP per capita) between 1992 and 2002 in the countries studied suggests that the effect of HIV/AIDS was to lower the rate of growth of GDP for all the countries as a group by 0.2% annually, and the rate of growth of GDP per capita by 0.1% annually, equivalent to US\$ (1995) 25 billion and US\$ (1995) 5 per capita per year.

The impact of HIV/AIDS is manifest in its effects on the labour force and on working-age men and women in the private sector, the public sector, agriculture, the informal economy, and on the populations of women and children in the most affected countries. The enterprise is now calculating the costs of the HIV/AIDS epidemic; many firms have concluded that the direct and indirect costs of inaction are far greater than the costs of treatment. The public sector is gravely affected by the epidemic, in particular the educational and health sectors, and the human capital of knowledge and experience is being lost in some countries at a greater rate than it can be replaced. According to the Food and Agricultural Organization, in rural areas of the most affected countries, HIV/AIDS is worsening the economic situation of

¹ The countries covered in the report include 40 countries with an estimated HIV prevalence over 2% in 2001, 5 countries with an estimated prevalence between 1.5 and 2.0 in 2001, and 5 countries with a population of persons living with HIV/AIDS of a million or more. They include 35 countries of sub-Saharan Africa, 8 countries of Latin America and the Caribbean, 5 countries of Asia, and 2 countries in the more developed regions.

impoverished rural households, exhausting the ability of rural communities to withstand shocks, and seriously aggravating existing food insecurity. The informal economy that has long been a dynamic source of employment and income growth, absorbing most of the growing labour force in many developing countries, is especially vulnerable. Foremost problems are absenteeism, loss of experience and technical skills due to the illness and death of key workers, and depleted savings and excess expenditures to pay for health care.

In the most affected countries, more women than men are becoming HIV-positive as a result of gender-based inequalities. At the same time, the burden of caring for sick family members falls more heavily on women and girls, which not only adds to their workload but supplants the time devoted to formal work, and for other essential 'invisible' tasks such as subsistence agriculture that may be fundamental to survival. Support for caregivers may be the only means to prevent further impoverishment of women in the most affected communities. Children are made vulnerable by the HIV/AIDS epidemic in two ways: it robs them of parental care and guidance, and it often results in the move away from school and into work of young children, which has lifelong effects on the individual child and long-term effects on the skill level and quality of the next generation. Both the elimination of child labour and goals for sustainable development are threatened by the pressure for orphans and children of parents who are ill with HIV/AIDS to work.

The challenge for national policy is to address human capital issues, and develop means to sustain the supply and quality of public goods and services. Furthermore, to reach a critical mass of response to the epidemic, a supportive and enabling policy environment needs to be fostered, with specific focus on the legal framework, sustaining educational and employment capacity, integration as a goal of development strategies, and reduction of poverty.

The response to the HIV/AIDS epidemic in the world of work is manifold. The ILO established a programme in 2001, and drafted a Code of Practice the same year to guide response to the epidemic as a workplace issue. Several countries have drafted enlightened legislation in the form of revised or new laws that can play an important role in mitigating the impact of HIV/AIDS at the workplace and protecting the rights of persons who are living with HIV/AIDS. There are efforts in

numerous countries in a range of response areas focussing on both prevention and treatment that include developing national sectoral policies, community efforts to reduce stigma and discrimination, private sector initiatives to promote prevention, behavioural change communications for workers, and, finally, treatment programmes in the workplace, which are increasingly seen by a range of enterprises as the least costly option to maintain profitability and ensure growth.