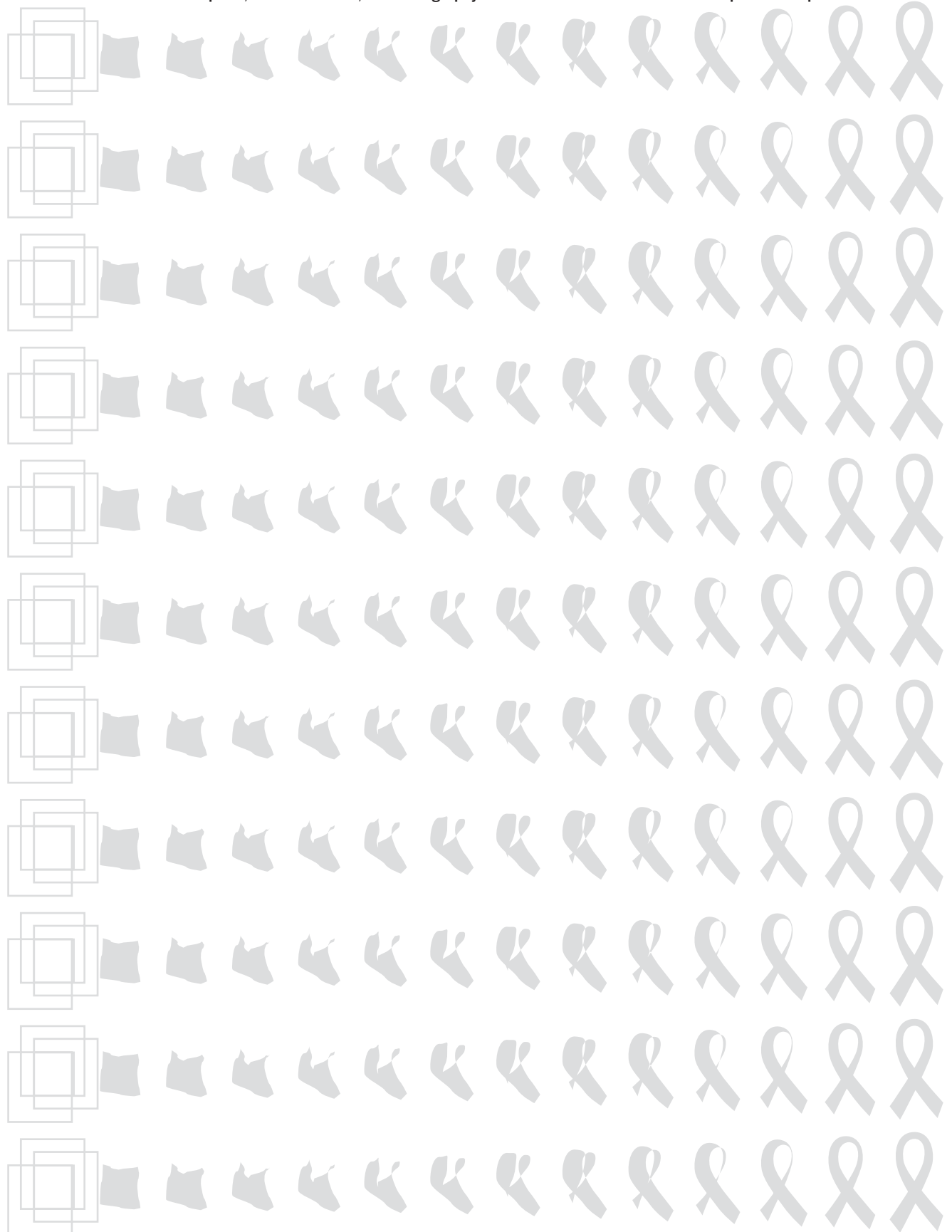




HIV/AIDS and work: global estimates, impact and response 2004

This document is one of 6 chapters, 6 sets of tables, the bibliography and the technical notes that make up the full report.



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Part II.

Policy implications and the response to HIV/AIDS in the world of work

Chapter 5. Policy implications

An analysis of the main tables leads to two inescapable conclusions: the first cautionary and the second affirmative. Firstly, by not addressing the human capital and labour force implications of HIV/AIDS, the global community will fail to avert a potential developmental catastrophe—for Africa, in the first instance, but with impacts in all regions. We need to intensify efforts and press ahead, while recognizing that the research and data needed to inform our responses are still in very short supply. Secondly, the workplace is well placed to support prevention and mitigate the impact of the epidemic, because of its natural focus on sustaining output and productive capacity.

The information conveyed by the main tables underscores the wide-ranging implications of HIV/AIDS for concerned countries, including the impact on all persons of working age, on women and on children as well as on labour force participants. The world of work has an undeniable role to play in averting the consequences projected to arise, which are summarized in terms of the increased socio-economic burden expected to fall on workers who survive the epidemic (Main Tables 6B and 6C). Responses to date have been positive, but also piecemeal, and a comprehensive and enabling policy environment is required to adequately address the problem.

A supportive policy environment

The countries with the greatest success in addressing the complex issues of HIV/AIDS have generally had a more open policy environment that is supportive of discussion and policy development. Constraints to implementing comprehensive responses have not been simply financial: they also include the undue emphasis on health aspects of the epidemic and a general inability until recent years to develop multisectoral plans and programmes. Many countries have developed new strategic plans for HIV/AIDS and, whereas they offer the possibility of a

broader framework for national activities, they do not in themselves address the issues of operationalization.

The challenge now is to develop and implement policies that address human capital issues. This requires research in two key areas: policy and legal frameworks, and the impact of HIV/AIDS on the labour market, including particular implications for the public sector. The work to be done must go beyond mere study of the problem; governments will need to develop policies and programmes to avert and address the effects of human capital losses on their capacity to sustain the supply and quality of public goods and services.

It is critical that personnel in all sectors be provided with the range of means to prevent HIV transmission, and be supported through comprehensive workplace programmes. Such programmes are largely lacking in most areas of the public and private sectors, even though everywhere the majority of national human resources are HIV-negative and thus need to, and can benefit from prevention programmes. Central, also, to the success of all policies and programmes are activities that focus on social inclusion and social mobilization, because it is the entire national human capital that represents a vital resource. Building partnerships based on supportive policy frameworks—across sectors and between civil society and government—is essential for effective national responses that benefit all members of the society.

Specific policy implications

Establishing a policy and legal framework: It must be determined whether a framework of policy and of law exists to protect the rights of all persons and workers living with HIV/AIDS, to promote prevention, and to provide care and support in both formal and informal workplaces. Where gaps are identified, it will be important to identify the obstacles to filling them in.

As HIV/AIDS has far-reaching effects on sustainable development, it is critical to move beyond the immediate effects of the epidemic and review how social sector plans (for education and health, especially) integrate HIV/AIDS; it is also important to assess whether governments are taking account of the effects of the epidemic on human capital in their public expenditure and development plans, and whether government, and major employers understand and plan to address its labour market and employment implications.

Developing a research strategy: There is a scarcity of qualitative and quantitative information relating to the impact of HIV/AIDS on labour markets. This can be remedied only through a programme of applied research focusing on the needs of policy- and decision-makers to identify what is currently happening to labour supply and labour demand in different labour markets, and the implications of these trends for development processes.

Sustaining educational and training capacity: Loss of human capital as a result of HIV/AIDS burdens the capacities of all training institutions in unpredictable ways. It is essential that capacity be sustained if countries are to move towards fulfilment of the Millennium Development Goals and their specific targets. Human capital audits can help support the planning of educational supply relative to demand.

Focusing on poverty: There is a crucial need for applied research to identify what is happening to rural poverty and food insecurity, and what can be done to strengthen policy and programme assistance for affected populations. It is clear that an expansion of food support will be necessary and that children will require targeted health and nutrition programmes. The latter are critical to enabling the future labour supply of the country to benefit from access to educational and other programmes relating to skill development, which ultimately enhances productivity.

Integrating development strategy: The workload of women is already excessive and HIV/AIDS increases demands made on women who are themselves often HIV-positive. It is essential that the greater constraints facing both agriculture and informal economic activities be urgently addressed, and that programmes be rapidly developed to relieve such constraints. It is evident from country experience in sub-Saharan Africa that relatively small-scale investment with a focus on women's labour can significantly reduce labour constraints.

Sustaining employment: The labour force will consist of younger and less well-educated persons—a fact that will make it more difficult to create and sustain employment growth. It may well be that the new conditions cannot be left to market processes alone to address. A deliberate programme aimed at enhancing labour skills through vocational education and training is probably essential, requiring public investment in building human and organizational capacity. It will be possible to tackle employment growth only under conditions where the labour supply has the skills requested by public and private employers.



Modelling the social policy costs and consequences of HIV/AIDS in the Russian Federation

The ILO's Subregional Office for Eastern Europe and Central Asia, based in Moscow, commissioned a research team to conduct a study initiated and funded by ILO/AIDS to assess the social and economic repercussions of HIV/AIDS in the Russian Federation. The model developed can be applied to other Commonwealth of Independent States (CIS) countries with similar social protection systems. As it is, the model may need revision after the pension reform currently under way in the Russian Federation and other countries.

In recent years, the Russian Federation has experienced an exceptionally steep rise in reported HIV transmission. The total number of reported HIV cases rose sharply between the end of 1998, when 11,000 cases were reported, and mid-2002, when over 200,000 cases were reported. Up to 90% of the reported cases are attributed to injecting drug use (IDU). Although the number of persons reported as HIV-positive is small relative to many other countries, the growth rate of HIV transmission in the Russian Federation is now one of the world's highest.

Taking into account discussions with a tripartite working group on HIV/AIDS, the research team developed a model to assess the impact of HIV/AIDS in the Russian Federation on:

- the general population and the economically active population
- the financial sustainability of the pension fund
- the costs of short-term disability benefits
- health-care expenditures for diagnosing and treating people living with HIV/AIDS
- productivity and, hence, on the national output (GDP)

The team developed estimates of probabilities of infection by age and sex on the basis of data for 2000–2002 from the Russian Federal AIDS Centre. The resulting distribution was adjusted for under-reported cases and the model to estimate the social and economic costs was based on the following observations and assumptions:

- the numbers of recognized HIV and AIDS cases by 2003
- the probabilities of being HIV-positive for men and women, by age
- the probability of death after onset of symptomatic AIDS in untreated cases
- the annual cost of antiretroviral therapy
- the costs of medical examinations at different stages of HIV/AIDS
- the average number of paid days in the case of short-term disability
- the reduction in the level of ability to work
- projected numbers of pensioners, persons on long-term disability benefits (the model allows for granting disability status after a person develops symptomatic AIDS), and numbers of orphans on survivor benefits

Three basic scenarios were drawn up to illustrate costs if the probability of being HIV-positive by sex and age were projected to remain constant, to rise, or to decline. A fourth scenario was based on the assumption that transmission would occur at older ages, reflecting a shift from transmission through injecting drug use to heterosexual

transmission. A fifth scenario projected saturation of the high-risk group of injecting drug users, assumed to number 1 million, and looked at the consequences.

A projection to 2050, which ignored HIV/AIDS, was compared with a projection taking into account the effects of HIV/AIDS, and the resulting model yielded the following findings:

- In the first four scenarios, the number of HIV cases is anticipated to peak at 640,000–700,000 between 2006 and 2008, whereas, in the saturation scenario, the number of cases would rise to nearly 1.2 million by 2008.
- The numbers of AIDS cases would then peak at 255–259,000 in 2011–2012 in the first four scenarios. In the fifth scenario, the number of AIDS cases would peak at 385,000 in 2010.
- In the first four scenarios, expected health-care costs would peak at 0.25–0.26% of GDP in 2010–2012, whereas, in the last scenario, the health-care costs would peak at 0.43% of GDP in 2011.
- By 2050, the labour force is anticipated to shrink by 1.4–3.0% in the first scenarios, but by 5.4% in the last one.
- The numbers of pensioners would fall by 1.4–4% by 2050.
- The affordable replacement rate for the pay-as-you-go pension system would similarly decrease by 1.4–4%.
- By 2010–2015, the number of persons receiving disability pensions and survivor benefits is projected to be greater by over 4% in the first four scenarios, and by 7–8% in the fifth.
- The maximum growth in short-term disability benefit costs is projected to be about 7% in 2005–2010 in the first four scenarios, but reaches 11–12% in 2005–2015 in the fifth.

Although it is difficult to foresee the course of the HIV epidemic, given the numerous factors involved, it will be important to constantly track emerging trends and new factors that can affect the epidemic's development. These include changes in the risk-group structure, implementation of vigorous anti-epidemic measures, and the ease or difficulty of accessing treatment. The model can be updated accordingly and its applications will continue to be relevant. The results of such monitoring are already available to specialists in HIV/AIDS and to governments, trade unions, employer organizations, and non-governmental organizations. In this way, the model can help create a consensus on the necessity to make appropriate decisions and course corrections. It can also serve to evaluate the effectiveness of prevention interventions, of broad-based campaigns designed to change youth behaviour, and advocacy for the use of condoms and for treatment. As the above-mentioned projections are not exhaustive, the model can be expanded with additional modules, as required (Source: Misikhina, et al. 2004).

