



## HIV/AIDS and poverty: the critical connection

There are strong bi-directional linkages between HIV/AIDS and poverty in resource-poor settings. HIV/AIDS is both a manifestation of poverty conditions that exist, taking hold where livelihoods are unsustainable, and the result of the unmitigated impact of the epidemic on social and economic conditions. HIV/AIDS is at the same time a cause and an outcome of poverty, and poverty is both a cause and an outcome of HIV/AIDS.

### **HIV/AIDS impoverishes**

HIV/AIDS causes impoverishment when working-age adults in poor households become ill and need treatment and care, because income is lost when the earners are no longer able to work, and expenditures increase due to medical care costs. Poor households often expend their savings and lose their assets in order to purchase medical care for sick members. Assets may have to be sold when many households are facing the same need, and such distress sales are often ill-timed and at a loss. Even when assets are retained, productivity can become severely curtailed: among smallholder farmers, the acreage under cultivation can be limited simply by the lack of able-bodied workers. Physical labour may be the only productive asset possessed by the very poor in the informal and rural sectors, and one that households can least afford to lose.

### **HIV/AIDS slows economic growth**

As a result of labour force losses, the epidemic is an important factor in slowing the pace of economic growth at the national level. This in turn undermines efforts to reduce poverty, critically locking some populations - especially in the poor and least developed countries - into their poverty and a greater exposure to HIV/AIDS.

### **Poverty exposes workers to HIV/AIDS**

Poverty increases the risk of HIV/AIDS when it propels the unemployed into unskilled migratory labour pools in search of temporary and seasonal work, which increases their risk of HIV/AIDS. Poverty also drives girls and women to exchange sex for food, and to resort to sex work for survival

when they are excluded from formal sector employment and all other work options are too low-paying to cover their basic needs. Abject poverty often leads to a casual, day-to-day existence dominated by survival needs, and at the extreme, poverty fosters a fatalistic attitude that manifests itself in indifference to high-risk sexual and other behaviours. In these circumstances, individuals are poorly motivated and poorly equipped to take the necessary steps to protect themselves from HIV.

### **HIV/AIDS and poverty are linked globally**

At global level, cross-country evidence indicates strong and significant associations between HIV prevalence and aspects of socio-economic performance. In general, the higher the level of HIV, the lower the level of economic performance, whether measured in terms of lost rate of growth in GDP or rate of growth in per capita GDP, level of income inequality, or the poverty headcount ratio (the proportion of the population living under US \$1 and \$2 per day).

There are, however, exceptions to the relationship between HIV/AIDS and poverty, in particular in Africa where some countries with very high HIV prevalence rates are also among the richest. One explanation advanced is that the paradox is due to weaknesses in strategy, policy and programme implementation, and to poor institutional response.

### **Lowered quantity and quality of labour**

A grave aspect of impoverishment brought about by HIV/AIDS is the loss of human capital, and of persons with the skills needed to overcome poverty. This *deprivation of human capital* comes about not only directly from labour force losses but also from lost capacity to develop and utilize human capabilities that are necessary for social and economic development. In many poor and least developed countries, a large number and a substantial fraction of public sector personnel with a capital of skills, training, and education, and of experience in management and policy-making – notably in the fields of health and education – are

being removed from the labour force as a result of AIDS at a time when the need for their services is greatest for development. In the private sector, the cost of high absenteeism and turn-over among skilled and semi-skilled labour which entails burdensome costs of training for replacement and recruitment translates into reduced profit and discourages investment.

### **Succeeding generations lose schooling and skills**

Another aspect of lost human capital is the long-term effect of the epidemic on the skills and experience of succeeding generations. Children in HIV-affected households face multiple disadvantages in their access to schooling. These children may have to leave school prematurely for several reasons: the school fees become too onerous when the household loses income or experiences catastrophic medical costs; the child has to take over domestic or agricultural tasks; the child has to stay home to care for a sick adult; the household needs income and the child enters the labour market prematurely to replace the income lost, or even to become the sole earner and become the head of a household of orphans. For HIV-affected households, the purpose of sending children to school can decrease in meaning and importance as adults see the threat to life expectancy posed by AIDS. For orphans, there is most often no alternative to the need to leave school. These pressures to de-school children are not strongly countered when HIV/AIDS is at the same time reducing the capacity of the educational system to train the next generation.

### **An obstacle to sustainable development**

When these causes and consequences of HIV/AIDS are taken together, they point to the epidemic as the biggest single obstacle to the achievement of poverty reduction and sustainable development in poor and least developed countries, in particular sub-Saharan Africa. The HIV/AIDS crisis thus presents a major challenge to poverty reduction strategies and to the achievement of targets and goals such as the Millennium Development Goals (MDGs) as well as other efforts by governments, donors and the international community. Poverty itself is complex and multi-faceted, and encompasses many forms of deprivation over and above income poverty and consumption deficiencies. It is critical to examine the role of the HIV/AIDS epidemic in

maintaining or exacerbating a range of the components of poverty, including *poverty of access to essential public goods and services* (education, healthcare, clean water and sanitation), *poverty of private assets* (physical labour, land, livestock, food), and *poverty of social relationships* (discrimination, social exclusion and lack of mutual support).

### **A multifaceted response on both fronts**

There is no simple solution to address the predicament of the linkages between HIV/AIDS and poverty and of their mutual reinforcement. But the very fact that they are so intimately connected means that progress in reducing poverty levels will also reduce HIV transmission, and that success in reducing HIV prevalence will simultaneously serve to remove an important obstacle to greater productivity and growth. Intervention and action in a number of areas can help to reduce both poverty and HIV/AIDS ill-health, such as the following:

- Strong political leadership and commitment
- Taking account of HIV/AIDS at all stages of poverty-oriented development planning
- HIV/AIDS policies and programmes, and actions taken by public and private sector employers and by enterprises in poor-resource settings
- Public information, education and communication about prevention and behaviour change
- Targeted programmes for groups at high risk, including youth, migrant workers, and women
- Better training and conditions of service for health sector workers
- Calculating and addressing the lost human capacity in essential public services
- Protecting access to education
- Scaling-up and coordinating care and treatment for workers living with HIV/AIDS
- Creating or scaling-up programmes to mitigate the effects of HIV/AIDS on carers, households, orphans and communities
- Supporting and encouraging non-governmental, community-based and other local initiatives (NGOs and CBOs)
- HIV/AIDS policies and programmes, and actions taken by workers' and employees' organizations in poor-resource settings.

