UNIT 2 SOCIAL AND ECONOMIC IMPLICATIONS

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Contents

2.0 OBJECTIVES

HIV has not remained an epidemic only, rather has become a developmental concern. It has been more than two decades since first HIV case was detected in India. At that time, since the number and proportion of people with HIV were quite low, impact at macro-level was hardly felt and consequently assessed. At present, with more than 5 million cases of HIV in India, economy is experiencing the pinch of the pandemic. This unit aims to appraise the adverse economic and social impact of HIV and AIDS, mainly at three levels: individual/household, sectoral and national or macro-levels. In this unit, the socio-cultural context of the discussion would primarily be India, though at times, situational analysis of other countries would be referred into. After reading this unit, you should be able to understand the:

- economic impact of HIV and AIDS at the family and community levels
- assess the socio-economic bearing of the pandemic on the economy of the nation
- irreversible damage of the pandemic on human capital
- changing demographic aspects and social institutions, and their functioning
- changing family dynamics and care-giving issues

2.1 INTRODUCTION

There were about 34.3 million adults and children living with HIV/AIDS in 2001. In 52 countries, more than 1 percent of all adults carry the virus. The AIDS pandemic has claimed more than 18 million lives since it was first detected in the early 1980s. The pandemic is most severe in sub-Saharan Africa, with 24.5 million people infected with HIV in the region (WHO, 2006). Approximately 5 million people are living with HIV/AIDS in India today. Although India's adult HIV-prevalence rate is low at about 0.8 percent, this converts into staggering numbers due to India's enormous population.

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It is painfully clear that HIV/AIDS is not just another infectious threat to health. HIV/AIDS is destroying the traditional social fabric of the societies and is a threat to all aspects of sustainable development. Studies on impact of HIV/AIDS on demographic aspects indicate the classic population pyramid in developing countries will be radically changed with the advent of HIV/AIDS, within the next two decades. Never before has the world experienced death rates of this magnitude, among young adults of both sexes and across all social strata. It is hard to imagine how societies will be able to cope with such dramatic changes, where the old will have to care for their children and grandchildren, and where the youth will have to take responsibility for caring for family members at a much younger age than they do today. Although the pattern and severity of the pandemic is not as drastic in other continents as it is in Africa, it is of concern to all societies and will remain so for the foreseeable future.

In this unit we would examine the impact of HIV/AIDS on various aspects of social, political, and economic life, especially with reference to less developed countries. It is believed that HIV has influenced, most often negatively, the social institutions such as family and community relations. A look into the actual and probable devastation that HIV has brought about or would bring about, indeed would give us the necessary insight to reduce vulnerabilities associated with it and make us better equipped to deal with the infection, improve response, and strengthen social institutions.

We would also look into some of the salient effects of HIV/AIDS, both direct and indirect, from the decline in productivity that result from early mortality, to increased burdens on households and states that stem from caring for infected persons. We would analyze the effects on households, the growing orphan problem and gender relations. We would also review a variety of economic effects, including on economic growth, on corporate firms, agriculture, health sector, and so on. It may be noted that for the purpose of the study, we may categorize the impact of HIV into socio-economic impacts, macro-micro-level implications, both of which are highly interlinked issues. Response to HIV infection at the level of households affect the supply of labour, which influence the responses of employers and workplace, which produce macro-level consequences. Similarly, the responses of national and international institutions determine the choices and alternatives available to individuals and families. Further, the impact of HIV/AIDS on economic institutions has the potential to influence many other institutions as well, including education, health care, government, and the law.

2.2 HOUSEHOLD LEVEL IMPACT OF HIV

At the micro-level, economic constraints due to HIV infection are quite obvious and visible. Income losses, at the household level are on various accounts – reduced work capacity, expenditure for treatment and care, reduced time to work and earn, caregivers' inability to work full time, premature death of an AIDS afflicted member of the household, funeral costs and so on.

At the household level, the most frequently felt impact of HIV is increased spending on treatment and care, even if the cost of anti-retroviral therapy is not taken into account. Stated otherwise, meeting the cost of management of opportunistic infections is quite an uphill task especially for families with financial constraints. Further, affordability of anti-retroviral drugs is not easy for most of the households affected with HIV/AIDs. The World Health Organization (2003) estimates that, of the six million people who currently need anti-retroviral treatment in the developing world, only 8 percent are receiving it. In Africa where more than half of the PLHA (People

Living with HIV/AIDS) reside, this figure drops to 2 percent. When seen in the context of poverty, most of the HIV infected people would remain out of the purview of Anti-retroviral therapy that could elongate their lifespan.

Next, HIV most often attacks the productive age group of 15 to 35 years, designated as youth. It consequently affects the ability to work and earn and there is substantial loss of earning and income of households having members infected with HIV. There is reduced earning due to frequent ailments and reduced ability to work due to the infection. Another dimension of this accentuated vulnerability is reduced employability due to stigma associated with the infection. So, people afflicted by HIV, face problems in getting job due to stigma and discrimination associated with HIV, and also retaining it because of deteriorating body's health and immunity. In India, in consonance with many of the other developing nations, almost 93percent of the people are engaged in unorganized sector and more often than not, engaged in physically strenuous and hazardous jobs. With HIV infection, stamina and energy drops significantly and so significantly too affects the ability to work.

Sunder and Singh (2006), in their research, confirmed that six states with high prevalence namely Maharashtra, Tamilnadu, Karnataka, Andhra Pradesh, Manipur, Nagaland have households affected on the economic front due to HIV. In economic terms, seriously affecting their capacity to earn as compared to 'no-AIDS'. The medical condition of the people living with HIV/AIDS reduce savings as treatment cost is manifold. In this context, it is important to note that the long term impact of HIV varies depending upon the initial economic condition of the households. So, the rich or the economically better off families have greater resilience in absorbing the economic shock brought by HIV infection and on the other hand poorer families may be pushed below poverty line while trying to cope with the crisis of infection.

There have been many studies that indicate on higher work participation rate among the children and the elderly on account of lowering or the lack of work participation by the young HIV infected family member(s). Sunder and Singh (2006) in their study have found that families affected by HIV are under greater financial strain, often losing breadwinners and having less money to spend on education and health care of children. They often respond by taking their children out of school and adding them to the labour force, contributing to the abundance of unskilled labour and further accentuating the problem of child labour. Likewise, households affected with HIV may also change the skill composition of the future work force, as young people are forced to forgo education and training, in order to join the work force and contribute to household financial resources.

There is rapidly growing number of AIDS orphans. According to the UN, the disease has resulted in more than 14 million AIDS orphans, since the epidemic began (Hagen, 2002) and this number is projected to increase to some 40 million in Africa by 2010 (Foster and Williamson, 2000). Orphanhood has adverse impact on children. In general, children who lose one or both parents to AIDS, are at risk of leaving school or falling behind their age group in school. Additionally, even before the parent dies, the child is required more in the household to help with domestic work. On becoming orphaned, some children stay home to take care of their siblings, and therefore do not go to school. The long-term effect is a loss of productive human capital. Researchers have also noted the deterioration in nutritional, health and educational status as the impact on the child of losing one or both parents. It has also been found that with the loss of the mother as caregiver, the health of orphans often gets worse. HIV can have a greater impact on children as the surviving parent is likely to die too if also infected, and because of the enormous economic burden due to a prolonged

period of illness. Needless to add, the emotional impact of losing one or more parents to HIV/AIDS is distressing, and can be intensified if a child is abandoned (especially, once the cause of death of the parent is known). As AIDS is often associated with promiscuity, prostitution, or other unacceptable behaviour, the AIDS orphans get stigmatized and is alienated. These problems, along with economic difficulties, may force orphans to migrate to cities, joining the already large number of street children, who in turn become more at risk of HIV infection and transmission through sexual work and exploitation to secure their basic needs.

Children, at times, after the death of one parent may have to live with step-parent(s), which has its whole gamut of consequences ranging from exploitation - verbal, physical, sexual - at home, to desertion, and finally taking on urban streets. Many other AIDS orphaned children live with their grandmothers or in child-headed households, taken care of by older siblings. Grandmothers who have traditionally 'retired' from active life are forced back to take up new child-rearing responsibilities and at times, even earn for livelihood. According to a study in Zimbabwe, the large majority of main caregivers were females over 60 years of age caring for their grandchildren (WHO, 2002). Further, studies conducted in Thailand, have found that AIDS victims return to their parental homes at late stages of the illness, imposing an unexpected burden of care on elderly adults (Knodel and Van Landingham, 2003). As older parents in developing countries commonly expect to rely on adult children for support, the loss of children also affects parents in the long-term. Rather than relying on their children, the elderly are finding themselves caring for children and grandchildren, causing extreme financial strain. Impacts on the health of elderly parents include, physical strain from care-giving, extra work required for needed expenses, as well as potential exposure to opportunistic diseases such as TB and a host of other physical illnesses (WHO, 2002).

The effects of care-giving can vary across households, with most facing a decline in living standards due to the costly long term treatment, loss of income as the sick and their caregivers drop out of the workforce, funeral expenses, all of which can lead to debt and poverty (Danziger, 1994; WHO, 2002). Indeed, a study of household expenditure due to AIDS in Tanzania found that the cost of medical care and funerals exceeded the annual income of many households, largely due to the long duration of this disease. Further, the price of antiretroviral treatments as determined by pharmaceutical companies as well as the government subsidies will also be a strong determinant in the future impact on families. Caregivers also face many problems such as constrained relationships with in-laws, exhaustion due to care to HIV positive relative, stress of seeking additional sources of income, etc. (Magadi, 1992). Emotional strain, burnouts due to demanding care, psychological stress related to poverty, inability to care for one's children, and overall despair takes a heavy toll, particularly on mothers. Thus, we analyze that even if the families are doing their best to cope with crisis of HIV/AIDS, in future, the stress of caring for the growing numbers of people with AIDS as family members, may put the existing family structures under extreme pressure.

Researches have shown that many families, with no assets to sell, are often forced to borrow substantial sums of money for the care and treatment of HIV positive relative, putting great financial strain on the households. As families are less able to save, less capital is available for investment, threatening the education and skill development of the children.

Another reason for loss of income of the household is reduced work time of uninfected members primarily on account of providing care and support to the infected member.

So, we see that presence of even one infected member has multifarious economic impact.

Gender plays crucial role in defining the vulnerability to HIV as well as bearing the brunt of it. Gender inequality is further accentuated by AIDS. Females, biologically, socially and psychologically, are more vulnerable to HIV infection than their male counterparts. In traditional societies like India where mere discussion about sexual or reproductive health is a taboo, one can assess the amount of difficulty a woman faces in trying to enforce condom use to male partner, along with added pressure to have children. This makes it very difficult for many women to control their own sexuality, health, and well-being. Right now, limiting the scope of the discussion, we focus on the economic vulnerability of the women. Traditionally, money is not spent on the health care needs of females and they are socialized to remain apathetic towards their health concerns, particularly the sexual and reproductive diseases. Their need for economic self-reliance is hardly given any attention. Further, care for those affected by HIV/AIDS falls disproportionately on females and they usually operate as unpaid primary caregivers to those affected by HIV/AIDS, which takes a heavy toll on them physically, economically and psychologically. In many instances, women, the prime caregivers, are also infected with HIV, thus their health needs are regarded secondary. Providing long term care to HIV infected family member with scarce economic resources and ignoring the needs of their own ailing body, exhaust these women. It becomes all the more shattering when they have to face stigmatization, blame and abandonment from their own relatives and community people.

Widowhood further brings economic hardship along with stigma and discrimination. Widows are also vulnerable to denial of legal rights to property or inheritance. Combined with blame and abandonment by in-laws, this can lead to the loss of shelter and any means of subsistence, resulting in poverty. This forces women to fend for themselves and their children by engaging in sex work for their family's survival. This in turn amplifies the risk of HIV spread as the societal discrimination and stigma discourages women from being tested and even telling family and others about their sero-status, leaving them without the much needed support and treatment.

Gender discrimination and inequality not even spares young girls, who are likely to be the first ones to be taken out of school when economic constraints pinches the family affected by HIV. They have to care for younger siblings and, at times, may be pressurized to engage in sexual activities at a tender age, as men seek to marry younger girls to avoid risk of infection, and as girls needs to secure resources for their livelihoods. There is enough evidence that to show that AIDS has actually increased women's exploitation and abuse in myriad of ways.

Presence of an HIV infected family member adds to the health vulnerability of other family members, though indirectly. HIV predisposes a person to tuberculosis, fungal infection, pneumonia and other communicable infections, which, especially, makes young children vulnerable to these infections.

Lastly, the stigma and discrimination on account of AIDS are particularly severe in India and often at times, due to actual or even perceived fear of stigma and discrimination, individuals infected with HIV do not reveal their HIV status and deny themselves healthcare services. This indeed makes the situation all the more precarious. Experiential and empirical data bring out that many people with HIV in need of medical attention travel a long way (often away from their residence) to access healthcare services far off from their place of residence in order to maintain

anonymity and also not to let their neighbourhood and community know about their sero-status, which indeed is not a cost effective proposition.

Check Your Progress I

Note: Use the space provided for your answer.

1) Enlist five main ways in which HIV infection affects the households.

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2.3 SECTORAL IMPACT OF HIV

The impact of HIV pandemic has gone beyond the households affected with the infection and it has started influencing sectors like health, tourism, agriculture, transportation and industry. In this unit let us analyze impact of HIV on some of the prominent sectors, to begin with the agriculture sector, which has the highest unskilled labour intensity.

Agriculture sector: There is widespread agreement that HIV/AIDS exacerbates economic vulnerability. HIV/AIDS is assumed to bring the proportions of devastation similar to those such as droughts and floods, thereby threatening the sustainability of rural communities. Loss of labour power due to AIDS destroys family life as well as agricultural patterns. Researchers argue that households with infected adults generally experience a decline in agricultural production and may opt for shift in cropping patterns requiring less labour and financial inputs which in turn may result in reduced food production and quality. In addition, decreased labour input in crop production due to increased rate of morbidity and mortality among labourers, the area under cultivation may be reduced. The costs of taking care of chronically ill relatives or orphans substantially lowers the capacity to utilize appropriate inputs (seed, fertilizer, etc.), which lowers the crop production. Further, HIV/AIDS infected/affected households tend to switch cropping patterns that demand lesser labour inputs even compromising with the better returning long duration crops.

Poverty adds to AIDS vulnerability to many fold. It lowers the income and food purchasing-power of households and HIV/AIDS lowers household food and cash crop production. Small farmers may have to mortgage or sell off their piece of land for want of money. When they are left with no money to make initial investment for crop production, they often migrate to urban centers. Another pull factor for migration is better healthcare infrastructure in urban areas. Cities often provide hostile environment to these migrants and many, especially women, are left with no choice but to engage themselves in sex work for survival. These factors further accentuate transmission of HIV infection. With increasing numbers and proportions of workforce

in agriculture giving into morbidity and mortality due to AIDS, this primary sector shrinks in meeting the requirement of food production of the nation and contributing its share to GDP.

Education: HIV/AIDS would threaten educational institutions by precipitating a shortage of both teachers and students. The direct effects of the disease on the health and numbers of teachers and students are perhaps most obvious. The effects may be classified to be on the demand side or supply side. Impact that lower the demand for education may be listed as - the premature mortality of women of reproductive age due to AIDS reducing the number of children ever born. HIV-infected children dying of AIDS reduces the number of primary school enrollees. The economic burden of an HIV-infected parent may reduce the ability of households to afford school fees and uniforms or force children to engage in income-generating activities and food production instead of attending school. Children (particularly females) may be needed to provide care for sick relatives. Orphaned children may not attend school if they do not receive financial and social support from the extended family. Orphaned children as well as HIV positive children may not attend school if they feel stigmatized or are subject to discrimination. The educational performance of children from HIV-infected households may also suffer, leading to higher rates of drop out. HIV-infected young adults have a shortened time horizon (if they know they are infected) and are less likely to pursue higher education.

Further, it is anticipated that the teaching manforce may be impacted vide a disproportionate loss of teachers to AIDS mortality, creating a shortfall of educated manpower, raising pupil-teacher ratio. High rates of absenteeism among HIV-infected teachers and absenteeism due to care of sick relatives and funeral attendance drains on the efficiency of the education system. The epidemic may have disparate effects on rural areas as HIV-infected teachers in rural areas may request transfer to urban areas to access medical care. But higher rates of HIV infection in urban areas may create shortfalls in urban areas. The quality of education declines as less experienced and less qualified teachers are hired to fill vacancies. Teacher morale may be affected by the loss of colleagues, and by the increased work load their absence creates, which in turn lowers the quality of education.

Health: Health services play a crucial role in AIDS prevention, care, and treatment. While in the developed nations, the health care system has taken prime responsibility for providing palliative care for AIDS patients, in heavily affected developing countries such formal care is almost non-existent. Instead, households, families, and kin are the primary caregivers of people afflicted with HIV/AIDS. Nonetheless, the epidemic has had an obvious and profound effect on the healthcare institutions in the developing world. Demands for public health education and treatment can place burdens on health care institutions that shift infrastructure, personnel, and financial resources away from meeting other basic healthcare needs. HIV/AIDS-focused health care centers funded by foreign charities will siphon skilled medical labour away from state-run hospitals and clinics by offering higher salaries, leading to acute staffing deficits. In response to the pandemic, the state may reallocate resources meant for providing essential social services such as potable water, sewage services, educational facilities, childhood vaccination programmes and other developmental infrastructure. In most developing countries, there is acute scarcity of supplies, infrastructure and resources and organised responses to AIDS are dramatically taxing the healthcare systems even when additional resources have been provided by foreign donors. Research studies have shown that many healthcare workers are at risk of burning out, and that patients with other ailments may be suffering as time and scarce resources

are dedicated to AIDS patients (London, 2003). Thus, high budgetary allocation for the health sector, is done at the cost of some other sector. Most of the countries are allocating big share of the public health expenditure on prevention, care and treatment of HIV. When compared with a hypothetical "no-AIDS" scenario, the huge budgetary allocation on HIV could have been utilized on other crucial aspects such as poverty alleviation, education and infrastructure development of the country.

Market Economy: HIV/ AIDS has general impact on markets as it reduces substantially the number of consumers as well as their financial resources. There are myriad direct costs for firms and employers whose workforce is drawn from a population with high HIV prevalence. These costs include lower productivity due to poor health, absenteeism and sick leave; absenteeism of ill workers or workers with infected family members; absenteeism by healthy workers attending the funerals of co-workers; health claims and cost of treatment; pension and retirement claims; funeral costs borne by employers; the costs of training and recruiting workers meant to replace the ill and dying, instability due to increased turnover, recruitment as well as escalated training costs. There are indirect costs to firms of HIV/AIDS including the psychological effects on uninfected workers that may result in lowered morale due to high turnover, fear of death, and loss of interest. Responses to direct and indirect costs may vary, but include voluntary and mandatory testing of current and potential employees, provision of health care and anti-retroviral drugs (either directly or through a health plan), as well as awareness generation programmes.

It may be noted that these responses of the corporate sector may not be entirely humanitarian, as firms realize that it may be less expensive to provide drug treatment than endure the costs of a sick workforce with a high mortality rate. Pre-employment HIV screens are illegal, but firms sometimes use them to reduce HIV-related costs by avoiding the hire of infected employees. Some firms may respond to these costs in less compassionate ways, by terminating employees found to be infected, limiting or eliminating health insurance coverage, and changing the terms of retirement pensions. At times, individual firms tend to reduce the costs on account of HIV/ AIDS to individual firms by shifting responsibility for dealing with the impact of AIDS on their workforce onto families and households, communities, governments, and other organizations.

High prevalence of HIV may lead to shortage of skilled labour and often makes both types of labour – skilled and unskilled – more costly and less productive. Status and skill level of the infected workers determine, to some extent, the response of the firm; companies may provide treatment cost, health care and other benefits to highly skilled and professional workers, while limiting these benefits or even terminating the services of unskilled or semi-skilled infected employees as it is more difficult to replace skilled and qualified staff due to a general shortage of skilled workers. In addition, HIV holds the potential to erode the skill base of future workers, as young people leave school to engage in economically productive activities to support their family which has lost a breadwinner to AIDS. HIV infection can change the cost of acquiring human capital, which may lead organizations to depend on a generation of new workers with lower skills.

Armed Forces: Infection rates among the armed forces have been found to be higher than in the general population. It may be attributed the following factors: the military forces are highly mobile, face frequent dislocation, are prone to casual sex and are deployed in socially disrupted and conflict zones that make the armed forces indulge in risky behaviours. It suggests that the spread of the diseases in the armed forces will have both direct and indirect impacts on national and regional security.

Further, high rates of prevalence may weaken the army, and may reduce the ability of the nations to engage in local and regional peace-keeping activities.

Check Your Progress II

Note: Use the space provided for your answer.

1) Briefly discuss the impact of HIV/AIDS to transportation sector, with HIV infection expanding fast among trucking crew in India.

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2.4 MACRO-LEVEL IMPACT OF HIV

One of the most direct macro-level effects of HIV/AIDS is on the demographics – size and structure of population. Demographers have projected that HIV/AIDS may fundamentally change the age structure of heavily affected societies by 'hollowing out' the middle of the age distribution (Bongaarts, 1996). The population structure will change from the typical 'age pyramid' into a chimney-shaped structure because the HIV/AIDS epidemic affects youth the most. This age group of youth, 15 to 35 years, would primarily be squeezed in the age-pyramid due to the pandemic, affecting the traditional population structure. The effect of HIV/AIDS on the size of populations is primarily influenced by two factors: AIDS-related mortality as well as changes in fertility that can be attributed to HIV. The sharp decrease in numbers of children reflects child mortality due to HIV/AIDS as well as a reduction in the number of live births due to adult mortality and reduced fertility in HIV infected women.

Most of the severely affected countries, especially in the African continent, are already seeing significant reversals in development indicators due to the HIV pandemic. Therefore, while HIV/AIDS is commonly understood to be a medical or public health problem, it is becoming clear that, in terms of its causes and consequences, the pandemic is deeply embedded in the social, political, and economic processes that shape the development of nations. Accordingly, successful responses to the pandemic depend not only on the development of medical treatment and behavior change, but also on political will, cultural understanding, the preparedness and capacity of heath care systems and the achievement of broader development goals.

However, the massive influx of funds required to accomplish the provision of HIV treatment will certainly require the reallocation of funds from other health and non-health related purposes such as defence, infrastructure, education, and economic development. So, for most developing countries, realizing the Millennium Development Goals (MDGs) of eliminating HIV/AIDS would be quite tough proposition.

Researches that compared the existing 'with AIDS' scenario to a hypothetical 'no AIDS' scenario, have brought out that the pandemic is likely to decrease overall economic growth, decline the rate of progress in almost all the sectors (primary,

secondary and tertiary) and depress productive output (also differentially in the sectors that supply more unskilled workers) as a result of worker morbidity. It would also influence foreign investment as the comparative advantage of investment in developing nations is the availability of cheap labour. The cost of an HIV-infected workforce and its consequences (as discussed above) make the proposition much less attractive for international investment, and may lead to capital flight into regions with lower prevalence.

With rapidly increasing proportion of HIV positive people, there is an increased pool of infected individuals, which enhances the risk of transmission to the uninfected population, if precautions are not taken. This also implies a growing cost of care and treatment of a constantly increasing number of infected persons over longer periods of time, in terms of providing antiretroviral drugs. In this regard it may be noted that in developed nations of North America, Europe and Australia HIV has become a chronic ailment like diabetes, thanks to accessibility and affordability of antiretroviral therapy. However, fruits of these biomedical advances have not been able to reach to the overwhelming majority of those who require it, mainly in developing nations. As a consequence, developing countries would be taking many more years in transforming HIV infection from a fatal illness into a chronic condition for most of its PLHA.

Researches suggest that the economic impact of HIV on developing countries will be substantial. Impacts are not only the morbidity and mortality of HIV infected people which may result in shortened life-expectancy but also include a loss in human capital even among non-infected youth as they are forced to forgo education for early participation in labour market in order to care for the sick, thereby losing on skill acquisition and educational development. McPherson (2003) has pointed out that a major consequence of HIV infection is the shortening of decision horizons—a person who has HIV/AIDS is unlikely to plan for the future by saving or obtaining education, and decisions will be made in reference to the present. By extension, the aggregated effects of these shortened horizons in communities with a high prevalence rate are likely to have implications for everyone, including the uninfected, in ways that may have dire consequences for the economy of the nation as a whole. Researches predict that the much higher level of disease does seriously threaten economic growth, with expected economic relationships distorted, including a decline in GDP per capita. Unfortunately, the regions with the highest HIV prevalence also tend to be underdeveloped, and have unstable economic conditions, corruption, red-tapism and less-than-democratic governments, poor social security, meager infrastructures, and unskilled labour (UNAIDS, 2003). Countries hard-hit by AIDS would be having much difficulty in creating and maintaining many of the elements essential to economic development, including a large, skilled, productive labour force, an attractive environment for investors and a population with income to spend on consumer products.

A substantial number of studies have examined the past and future impact of HIV/AIDS on specific countries. The general consensus is that although quantifying the impact is difficult, the potential damage is great, especially in countries with high-prevalence. Nations with high HIV prevalence are also burdened with the costs of prevention, treatment and mitigation of the impact of AIDS, especially when employers are able to effectively shirk the burden. On the contrarily, if employers are forced to bear these costs, countries are likely to have a difficult time attracting investment (Lewis 2002). This means that in addition to the more direct impacts of HIV on development as discussed earlier, nations have fewer resources available to fund

economic development initiatives, including crucial elements such as infrastructure, education, and training, as scarce resources are directed to mitigate the consequences of AIDS. All of these factors further threaten a nation's ability to pay off debt and attract investment, which are especially vital to the economic development necessary to give nations the ability to reduce poverty and prevent and treat AIDS.

Some of the indirect effects of HIV/AIDS on national economies come from the projected demographic impact on population growth. Because the disease sickens and kills during key working and childbearing years, it will affect the workforce not only in the present and near-future, but according to demographic projections, for decades to come. About 90percent of India's reported HIV cases are among 20-45 year-olds, the most economically productive segment of the population. If HIV continues to spread at the current rate, India could experience a diminishing labour pool, which could, in turn, affect in the long term, economic prosperity, foreign investment, and sustainable development.

From sociological perspective, gradually and sultly, the primary social institutions like family and marriage are changing structually and functionally. As several African countries, the entire 'youth' section of the population is wiped away due to HIV/AIDS. Only elderly and children have survived. In the age of retirement when their body strength is fading away, most elderly in such families are struggling to earn a living for families having infants and young children. HIV affects the young population the most and with their death the composition and funcioning of the family changes. Likewise, roles and responsibilities in a marriage change if either of the partners is infected with HIV. When children get orphaned due to AIDS, eldest sibling may take up parenting role. In all such situtions, the normative patterns of the institutions of family and marriage get severely distorted.

Next, let us look at the impact of treatment. It is observed that most of the infected people in Africa, where the epidemic has been most disastrous, are without access to modern therapies. Even within regions and nations, access to these treatments is uneven. In the wealthy United States, with a sophisticated and well-developed healthcare infrastructure, there is inequality in access to current anti-retroviral treatments, with the poor and minorities being at the disadvantage (AIDS Alert 1999, 2002). In many of the Sub-Saharan African countries, the meager proportion of people, who have access to anti-retrovirals, are disproportionately urban, wealthy and well connected. A key difficulty is that even though foreign funds for ART drugs are available, many of the hardest-hit countries have weak healthcare infrastructures making accessibility a major issue for most of the needy infected people. Lack of transportation facilities and high expenses make it difficult for most of the PLWHA to access far off hospitals and clinics for ART. Healthcare institutions are themselves understaffed and undersupplied, and coupled with stigmatized attitudes towards PLWHA, their functioning gets constrained further. The AIDS epidemic has weakened an already fragile health care system, which is even less equipped to implement treatment programmes for HIV/AIDS, even when funds are available.

Further, the aggregated impact of large numbers of HIV infected workers may have other effects on other levels of the economy. Regions with high HIV prevalence do not attract foreign investment, thus, further exacerbating the problem of poverty. The macro-level economy is quite interconnected with household decision-making and outcomes. One of the key effects of AIDS tends to be an increase in migration, as rural livelihoods become untenable, creating strain for urban labour markets and instability in the provision of food through agriculture. All these factors create a vicious cycle of poverty, further accentuated by HIV infection, lack of sufficient resources for poverty alleviation programmes as well as HIV mitigation interventions,

which further deepens the vulnerability to poverty and HIV infection in future generations too. The State's role in these situations is also limited by poor economic conditions and scarce resources being transferred for care and treatment of HIV infected population. Researchers have identified poverty as the epidemic's primary social determinant. Poverty leads to vulnerability. Poverty leads to riskier behaviours, either by favouring transactional sex, or by driving migration. For example, increases in poverty and food insecurity may increase malnutrition, which catalyses the advancement of HIV infection. Further, poor infected people cannot afford the cost of ART and hence expect the state to provide it free of cost or at highly subsidized rate. Providing anti-retrovirals to people who need them is essentially throwing them in a lifeline, and once given, it is nearly impossible to take them away. Thus, extending this treatment to people who cannot afford to provide it for themselves comes with obligations, and creates dependency for a large number of people on the government and/or foreign aid for the rest of their lives. This kind of dependence adds to the vulnerability as availability of ART is subjected to fluctuations in voluntary donations, foreign aids, political motivation, commitment and leadership (see: de Waal 2003). The economics of providing ART from a health budget perspective and the potential impact on companies and households, productivity growth, structural changes, addressing inequalities and delays in progress and development of the nation is quite significant.

Check Your Progress III

Note: Use the space provided for your answer.

1) Write short note on impact of HIV on progress and development of a nation.

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2.5 LET US SUM UP

The pandemic of HIV is widely acknowledged to be the most severe health crisis of modern times. HIV continues to spread at alarming rates throughout the world, and India is one of the most badly affected countries. In this unit, we have discussed some of the socio-economic consequences of HIV/AIDS in developing countries, with special reference to India.

At the household level, loss of income due to incapacity to work, expenditure on treatment, low employability due to HIV associated stigma and discrimination, gender issues, strains in care giving especially to women and elderly were discussed. Migration and commercial sex are among the commonly adopted strategies by the families affected with HIV. Children infected and affected by the epidemic are likely to have less access to formal education and intergenerational knowledge transfer.

At the sectoral level, the unit covered impact of HIV on health sector and discussed how poor healthcare infrastructure further adds to the problems of PLHA. People engaged in agricultural work switch to less labour intensive crop production, and are often left with little resources and manpower to provide required inputs. HIV has widespread implications. Impact of HIV on education sector was discussed from demand as well as supply side. Impact of armed forces was also covered briefly. Fewer children access education and so also are the teaching force affected. The unit discussed at length the impact of HIV on corporates and firms. Employers

bear the cost of losing employees to AIDS, training newly recruited ones, bearing health expenditure and funeral costs.

Lastly, we discussed macro-level impact of HIV, which includes decline in progress and development of the nation as scarce resources are reallocated for the treatment and care of HIV infected population. Costs of the epidemic include increased expenditures for health care, prevention and education programmes, costs of caring for dependents of the ill and deceased, providing ART and increased spending on funerals. There would be drastic change in demographics due to mortality to AIDS, mainly affecting the young population. HIV/AIDS epidemic threatens the already vulnerable economies and political systems.

2.6 KEY WORDS

PLHA: People Living with HIV/AIDS. The term is used to include people who are infected with HIV and also those who are suffering from AIDS.

ART: Anti-retroviral therapy. This covers a wide range of medicines/drugs that slows the growth of HIV in the body and prolong the life span of people infected with HIV.

Sectoral impact of HIV/AIDS: It is the socio-economic assessment of the effects of HIV infection on various sectors of economy like agriculture, health, education, etc., as compared to a hypothetical 'no-AIDS situation'.

2.7 FURTHER READINGS AND REFERENCES

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