

Business and HIV/AIDS: Commitment and Action?



A Global Review of the Business
Response to HIV/AIDS 2004-2005

Executive Summary

World Economic Forum
Global Health Initiative
in cooperation with



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This report provides an overview and summary of business perceptions and responses to HIV/AIDS. It draws in particular on the information collected by the 2004-2005 Executive Opinion Survey that forms part of the World Economic Forum's annual *Global Competitiveness Report*. The data come from surveys of 8,719 business executives in 104 countries during the first five months of 2004. The report from 2003-2004 – including its comprehensive economic review – and the full text of this report can be accessed at www.weforum.org/globalhealth/globalsurvey

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For further information about the report, see the GHI's website at www.weforum.org/globalhealth or contact globalhealth@weforum.org

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"The world is expecting more and more from its corporate citizens, while heightened international competition means that investors are increasingly demanding of results. Executives should consider activities that build the capacity and well-being of their workforces as investments for future productivity rather than current costs. Investors should increasingly ask companies in their prospective or current portfolios what they are doing about HIV."

Peter Piot, Executive Director, Joint United Nations Programme against HIV/AIDS (UNAIDS) and Klaus Schwab, Founder and Executive Chairman, World Economic Forum

"AIDS is uniquely destructive to economies, because it kills people in the prime of their lives."

Kofi Annan, Secretary-General of the United Nations

"Today we operate in a world where both business and society as a whole are threatened by the scourge of HIV/AIDS. Moral imperatives demand that we see beyond purely commercial advantage to combat this disease."

Nicky Oppenheimer, Chairman of Investments for De Beers

"The contribution of business in the fight against AIDS goes far beyond the individual workplace. Business can have a wider-ranging impact as advocates for change by speaking up about the HIV/AIDS epidemic and what can be done to stop it. Silence and stigma drive the virus underground and fuel its spread."

Kofi Annan, Secretary-General of the United Nations

Business and HIV/AIDS: Commitment and Action?

A Global Review of the Business Response to HIV/AIDS

HIV/AIDS, tuberculosis (TB) and malaria continue to ravage the world. 40 million people are infected with HIV. Two billion people carry TB, and three million died of the disease in 2004. HIV and TB are most common in 15-49 year olds – people in their productive and reproductive prime. Malaria kills more than a million people a year, predominantly women and children.

These diseases pose economic as well as social and health threats. Each disease reduces the productivity of affected individuals, their families and ultimately their community – hampering macroeconomic growth. For business, economic impacts can be felt in lost revenues, increased costs and – though harder to measure – lost productivity.

Business leaders should be concerned about the impacts of these diseases on their bottom lines. Many business leaders are concerned by the effects of HIV/AIDS, TB and malaria. In wealthy, low-prevalence countries, however, few firms expect HIV/AIDS to harm their business. In poorer, high prevalence countries, its impact – already noticeable – is expected to grow over the next five years.

Larger firms (those with more than fifty employees) are more concerned than smaller firms about the current and future effects of HIV/AIDS on their business. Surprisingly, concern over HIV/AIDS varies little by industry, such that potentially high-risk industries, such as mining and transport, perceive no greater impacts than those in, for example, education, retail or agriculture.

Yet, businesses are slightly less concerned than a year ago. Firms appear to be slightly less worried about HIV/AIDS than they were a year ago; 16% expect serious business impacts, compared to 21% last year. This is true across all income and HIV-prevalence groups.

Business leaders, however, rarely have a robust fact base on which to base decisions. Only 14% of firms have conducted quantitative HIV/AIDS risk assessments such as company-based prevalence testing or actuarial calculations. Even in countries with the highest prevalence rates, only 30% of firms have conducted assessments. Additionally, respondents find it very difficult to estimate how many of their employees are HIV-positive. Two-thirds say they do not know or do not respond. This reinforces a picture of widespread ignorance about the impact of the epidemic on business operations, suggesting risk management responses that probably are inadequate.

Additionally, executives find it difficult to specify how their businesses are affected, fairly equally citing negative

effects on: death, disability and funeral expenses; medical costs; recruitment and training costs; productivity and absenteeism; and revenues. Globally, only 5% report serious impacts on costs, productivity or revenues. In hardest hit countries, this rises to around 20% (see figure 1).

Too few firms are acting against HIV/AIDS. Globally, most firms (71%) do not have either formal or informal policies to tackle HIV/AIDS. In 2003-2004, 6% of firms reported having written policies. In 2004-2005, 7% have written policies.

In the hardest hit countries, the proportion of firms with written policies to tackle HIV/AIDS has increased by about two-thirds since the 2003-2004 survey, to 72%, compared to 15% in countries with the least advanced epidemics. Only where HIV prevalence is above 20% do the majority of firms have policies. These policies are generally more comprehensive than those in lower-prevalence settings (see figure 2).

Globally, informal policies (reported by 12% of firms) outnumber written policies (7%). Even in high-prevalence settings, about one-quarter of firms' policies are informal, rather than formal (25% and 47%, respectively). Informal policies cover significantly fewer prevention and treatment aspects than formal policies.

Formal risk assessments are important. Firms that have carried out quantitative HIV/AIDS risk assessments are more likely to have policies to tackle the virus. Globally, 16% of firms with studies have written policies and 24% informal policies – compared to 5% and 11% of those without, respectively. In the high-prevalence regions where conducting a study is more likely to show business impacts, however, firms with studies are more than twice as likely to have written policies as those that have not assessed the threat (79% vs 37%). Those firms that do not investigate impacts, meanwhile, produce a more limited response.

Generally, companies' programmes focus on workplace prevention rather than treatment and care activities. 49% of firms with HIV policies offer general disease information, while 32% provide voluntary HIV testing and 28% provide condoms. Few firms report not implementing policy provisions (education (13%), voluntary testing (12%) and condom provision (8%)). Employees are the main target of prevention programmes. Fewer companies include workers' families (16%); the surrounding community (12%); suppliers, contractors or customers (10%); or high-risk community groups such as sex workers (9%).

Business responses vary by region. Sub-Saharan African firms are the most concerned about the current and future impacts of HIV/AIDS. They tend to have the most comprehensive policies but at the same time have the lowest confidence in their responses. Firms in the Caribbean are also very concerned about HIV and believe its future impacts will significantly outweigh current effects. They are unusual in that very few (6%) provide condoms, but they do focus on combating stigma and discrimination to a greater extent than elsewhere. Middle Eastern and North African firms are largely unconcerned about the current and future impacts of HIV/AIDS on their business, and only 3% have written policies or prohibit discrimination against HIV-positive individuals in promotion, pay and recruitment. Firms in Oceania and Western Europe are the least concerned (see figure 3).

Confidence in policies is mixed. Globally, 41% of firms with policies or programmes are strongly confident that they are sufficient to cope with HIV/AIDS, while 13% strongly lack confidence. Firms in high-income countries are the most confident, with 67% of those with policies strongly confident compared to 24% in low-income countries.

Firms are more confident in countries they believe to be well governed. Government transparency and honesty, effective institutions, a free media and a focus on poverty reduction were all thought to help protect firms and communities.

Stigma reduces programme effectiveness. 40% of firms with policies reported that stigma has a negative effect on programme implementation. Over 60% of firms with policies in countries with over 5% infection rates report some negative impacts from stigma. Despite this, firms' own policies are rarely designed to combat stigma and discrimination. Only 13% of firms prohibit disclosure of workers' HIV status, and only 11% prohibit discrimination based on HIV status in promotion, pay, benefits or hiring decisions. Of firms that have HIV/AIDS policies, only around one in three has such prohibitions. These prohibitions are more common in countries with very high HIV prevalence.

Conclusions and Recommendations

HIV/AIDS, tuberculosis and malaria pose challenges of such magnitude that no pillar of state or economic entity can deal with them alone. They can only be dealt with through collective efforts – actions from governments, the private sector, civil society, faith-based organizations, trade unions and the global community. The private sector can make a unique contribution through its privileged access to people, its communications and implementation skills and the products and services it delivers. To benefit from this power, greater support is needed from:

Business leaders – Need to get informed about their risk exposure and local good practices for managing HIV-related risks. This is particularly true for firms that are based in or have dealings with countries with established and growing epidemics. They should note that the firms that have formally assessed their risks tend to institute stronger policy responses and see this fact as a warning signal to other firms. Even in low-prevalence settings, companies should have policies underpinning other programmatic elements to ensure sustained management support and provide a basis to reduce stigma and fear of discrimination.

Organizations supporting the business response – Should focus on raising firms' awareness of the impacts of HIV/AIDS as a beneficial course of engagement for advocates of business action on HIV/AIDS. Advocates working in such settings would be well advised to find out why some firms have not conducted studies or implemented programmes. To support this, they should advance the understanding of the short- and long-term risks that businesses face in low-prevalence environments and develop agreed recommendations on cost-effective, scaled interventions.

National business coalitions against HIV/AIDS, as well as other business associations (industry organizations, chambers of commerce, etc.), have an important role in disseminating good practices on study design or to develop cost-effective templates for studies and programmes. Industry organizations, in particular, should ascertain and communicate to their members the risks implied by industry-specific structures and activities. Combining persuasion with assistance may be an attractive approach for both advocates and firms.

Governments and donors – Should better include companies in national AIDS strategies, recognizing that if engaged, businesses can reach large numbers, potentially with both prevention and treatment activities. To encourage such assistance, donors should consider new financing models to support the costs of interventions, particularly treatment and care.

While the range of potential workplace interventions is wide, Global Health Initiative research on good practice suggests that business programmes should:

- start in the workplace;
- establish workplace policies, drawing on the ILO Code (www.ilo.org/aids) and emphasizing non-discrimination and confidentiality;
- increase worker awareness and prevention;
- encourage employees to know their HIV status;
- ensure worker access to treatment, care and support;
- regularly monitor and evaluate their activities.

For a full report, see
www.weforum.org/globalhealth/globalsurvey

How serious do you consider the current impact of HIV/AIDS on your company?

Country	Expect serious impact	Expect some impact	Do not expect impact	No response
Income group subtotal				
Low income	32%	62%	34%	4%
Lower middle income	8%	24%	73%	3%
Upper middle income	8%	26%	70%	4%
High income	2%	14%	84%	2%
UNAIDS HIV prevalence group subtotal				
Prevalence <1%	5%	19%	78%	3%
Prevalence 1 - 4%	21%	47%	49%	4%
Prevalence 5 - 9%	38%	71%	26%	3%
Prevalence 10 - 14%	50%	83%	14%	3%
Prevalence 15 - 19%	59%	82%	10%	8%
Prevalence >20%	58%	89%	8%	3%
Prevalence unclassified	5%	19%	79%	3%
Regional subtotal				
Caribbean	21%	55%	42%	3%
East Asia	6%	21%	78%	1%
Eastern Europe & Central Asia	5%	19%	77%	4%
Latin America	5%	21%	76%	3%
North Africa & Middle East	5%	16%	81%	4%
Oceania	2%	13%	87%	0%
North America	5%	30%	70%	0%
South & South-East Asia	9%	37%	62%	2%
Sub-Saharan Africa	41%	72%	23%	4%
Western Europe	1%	10%	87%	3%
Overall	12%	30%	67%	3%

How serious do you consider the future impact of HIV/AIDS on your company in the next five years?

Country	Expect serious impact	Expect some impact	Do not expect impact	No response
Income group subtotal				
Low income	35%	68%	27%	5%
Lower middle income	10%	34%	61%	5%
Upper middle income	10%	35%	61%	4%
High income	3%	17%	80%	3%
UNAIDS HIV prevalence group subtotal				
Prevalence <1%	6%	27%	70%	4%
Prevalence 1 - 4%	25%	58%	36%	6%
Prevalence 5 - 9%	41%	73%	23%	4%
Prevalence 10 - 14%	57%	88%	8%	4%
Prevalence 15 - 19%	65%	84%	6%	10%
Prevalence >20%	66%	90%	7%	3%
Prevalence unclassified	4%	20%	76%	4%
Regional subtotal				
Caribbean	29%	67%	30%	3%
East Asia	7%	31%	68%	1%
Eastern Europe & Central Asia	7%	29%	65%	6%
Latin America	7%	35%	62%	3%
North Africa & Middle East	5%	18%	77%	4%
Oceania	2%	17%	83%	0%
North America	4%	33%	66%	1%
South & South-East Asia	9%	41%	56%	3%
Sub-Saharan Africa	45%	77%	18%	6%
Western Europe	2%	13%	80%	6%
Overall	14%	37%	58%	4%

How serious do you consider the current impact of tuberculosis on your company?

Country	Expect serious impact	Expect some impact	Do not expect impact	No response
Income group subtotal				
Low income	22%	57%	39%	4%
Lower middle income	6%	21%	77%	3%
Upper middle income	4%	17%	80%	3%
High income	1%	5%	93%	2%
UNAIDS HIV prevalence group subtotal				
Prevalence <1%	4%	15%	83%	2%
Prevalence 1 - 4%	13%	37%	58%	4%
Prevalence 5 - 9%	23%	64%	32%	3%
Prevalence 10 - 14%	30%	79%	17%	3%
Prevalence 15 - 19%	51%	69%	20%	10%
Prevalence >20%	21%	59%	38%	3%
Prevalence unclassified	4%	13%	84%	3%
Regional subtotal				
Caribbean	6%	22%	77%	1%
East Asia	6%	22%	77%	1%
Eastern Europe & Central Asia	5%	19%	77%	4%
Latin America	4%	14%	84%	2%
North Africa & Middle East	4%	14%	83%	3%
Oceania	1%	2%	98%	0%
North America	2%	6%	94%	0%
South & South-East Asia	8%	33%	65%	1%
Sub-Saharan Africa	25%	62%	33%	5%
Western Europe	1%	2%	95%	3%
Overall	8%	24%	73%	3%

How serious do you consider the current impact of malaria on your company?

Country	Expect serious impact	Expect some impact	Do not expect impact	No response
Income group subtotal				
Low income	35%	66%	32%	3%
Lower middle income	4%	14%	83%	3%
Upper middle income	2%	10%	86%	3%
High income	1%	3%	95%	2%
UNAIDS HIV prevalence group subtotal				
Prevalence <1%	3%	10%	87%	3%
Prevalence 1 - 4%	21%	40%	56%	4%
Prevalence 5 - 9%	40%	75%	23%	3%
Prevalence 10 - 14%	57%	95%	5%	0%
Prevalence 15 - 19%	61%	82%	10%	8%
Prevalence >20%	8%	39%	58%	3%
Prevalence unclassified	4%	9%	88%	3%
Regional subtotal				
Caribbean	6%	19%	80%	1%
East Asia	4%	17%	82%	1%
Eastern Europe & Central Asia	3%	7%	89%	4%
Latin America	3%	12%	86%	3%
North Africa & Middle East	4%	10%	87%	3%
Oceania	0%	0%	100%	0%
North America	2%	4%	96%	0%
South & South-East Asia	6%	30%	69%	1%
Sub-Saharan Africa	39%	72%	25%	3%
Western Europe	1%	2%	95%	3%
Overall	10%	22%	76%	3%

What is the state of your company's HIV/AIDS policy?

Country	No policy	Informal company policy	Written HIV/AIDS specific policy	No response
Income group subtotal				
Low income	64%	17%	10%	10%
Lower middle income	72%	10%	6%	12%
Upper middle income	73%	12%	5%	10%
High income	73%	10%	6%	11%
UNAIDS HIV prevalence group subtotal				
Prevalence <1%	74%	11%	4%	11%
Prevalence 1 - 4%	68%	13%	8%	10%
Prevalence 5 - 9%	61%	18%	9%	11%
Prevalence 10 - 14%	56%	22%	15%	8%
Prevalence 15 - 19%	59%	20%	14%	6%
Prevalence >20%	21%	25%	47%	7%
Prevalence unclassified	72%	11%	8%	9%
Regional subtotal				
Caribbean	62%	17%	12%	9%
East Asia	72%	16%	6%	6%
Eastern Europe & Central Asia	79%	7%	2%	12%
Latin America	75%	13%	6%	7%
North Africa & Middle East	71%	5%	3%	22%
Oceania	76%	15%	3%	6%
North America	56%	21%	11%	11%
South & South-East Asia	66%	16%	9%	9%
Sub-Saharan Africa	56%	19%	15%	10%
Western Europe	78%	8%	4%	11%
Overall	71%	12%	7%	11%

Do you believe that your company's current policies and programmes are sufficient to effectively manage the impact of HIV/AIDS on your business in the next 5 years?

Country	Confident	Neutral	Not confident	No response
Income group subtotal				
Low income	44%	17%	36%	4%
Lower middle income	57%	16%	24%	3%
Upper middle income	56%	19%	22%	3%
High income	82%	8%	8%	2%
UNAIDS HIV prevalence group subtotal				
Prevalence <1%	66%	14%	17%	3%
Prevalence 1 - 4%	43%	18%	37%	2%
Prevalence 5 - 9%	46%	16%	31%	6%
Prevalence 10 - 14%	40%	10%	48%	2%
Prevalence 15 - 19%	24%	24%	41%	12%
Prevalence >20%	62%	14%	23%	1%
Prevalence unclassified	73%	15%	10%	2%
Regional subtotal				
Caribbean	52%	11%	35%	3%
East Asia	65%	18%	17%	1%
Eastern Europe & Central Asia	55%	19%	24%	2%
Latin America	48%	17%	31%	4%
North Africa & Middle East	63%	20%	7%	10%
Oceania	86%	0%	14%	0%
North America	83%	10%	7%	0%
South & South-East Asia	67%	16%	15%	2%
Sub-Saharan Africa	47%	16%	34%	3%
Western Europe	88%	4%	4%	3%
Overall	58%	15%	24%	3%

What percentage of your employees would you estimate to be HIV positive?

Country	<1%	1 - 4%	5 - 9%	10 - 14%	15 - 19%	>20%	Don't know or no response
Income group subtotal							
Low income	15%	5%	3%	2%	1%	1%	73%
Lower middle income	25%	2%	1%	1%	0%	1%	70%
Upper middle income	26%	2%	1%	0%	0%	1%	70%
High income	47%	2%	0%	0%	0%	0%	50%
UNAIDS HIV prevalence subtotal							
Prevalence <1%	33%	1%	0%	0%	0%	0%	65%
Prevalence 1 - 4%	18%	3%	2%	1%	0%	1%	75%
Prevalence 5 - 9%	12%	6%	4%	2%	2%	0%	74%
Prevalence 10 - 14%	6%	10%	3%	8%	4%	3%	65%
Prevalence 15 - 19%	8%	6%	6%	10%	4%	2%	63%
Prevalence >20%	8%	16%	13%	12%	7%	15%	30%
Preval. unclassified	45%	0%	0%	0%	0%	0%	54%
Regional subtotal							
Caribbean	25%	7%	2%	0%	0%	0%	65%
East Asia	40%	0%	0%	0%	0%	0%	59%
East. Eur. & Cent. Asia	26%	1%	0%	0%	0%	0%	73%
Latin America	28%	1%	0%	0%	0%	1%	69%
North Afr. & Mid. East	30%	0%	0%	0%	0%	0%	69%
Oceania	56%	1%	0%	0%	0%	0%	43%
North America	41%	9%	1%	0%	0%	0%	49%
South & SE Asia	30%	3%	0%	0%	0%	0%	67%
Sub-Saharan Africa	11%	7%	5%	4%	2%	3%	69%
Western Europe	44%	2%	0%	0%	0%	0%	54%
Overall	28%	3%	1%	1%	0%	1%	66%

Is your prevalence estimate based on the result of a quantitative HIV/AIDS risk assessment (e.g., company-based testing, actuarial calculation)?

Country	Based on a study	Not based on a study	No response
Income group subtotal			
Low income	15%	53%	32%
Lower middle income	16%	62%	22%
Upper middle income	12%	70%	18%
High income	11%	70%	19%
UNAIDS HIV prevalence group subtotal			
Prevalence <1%	14%	65%	21%
Prevalence 1 - 4%	13%	62%	26%
Prevalence 5 - 9%	13%	55%	32%
Prevalence 10 - 14%	10%	51%	39%
Prevalence 15 - 19%	12%	67%	20%
Prevalence >20%	30%	51%	20%
Prevalence unclassified	24%	64%	12%
Regional subtotal			
Caribbean	12%	66%	22%
East Asia	31%	60%	10%
Eastern Europe & Central Asia	11%	75%	14%
Latin America	17%	59%	24%
North Africa & Middle East	12%	57%	32%
Oceania	2%	83%	15%
North America	3%	76%	21%
South & South-East Asia	23%	56%	21%
Sub-Saharan Africa	14%	54%	32%
Western Europe	7%	72%	21%
Overall	14%	64%	22%

Figure 1: Companies are reporting negative effects from HIV

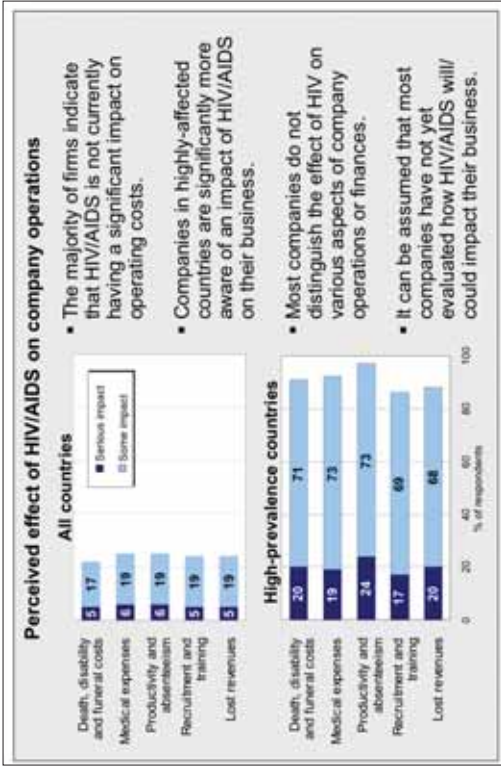


Figure 2: Written policies increased by two-thirds in the last year — but only in hardest hit countries

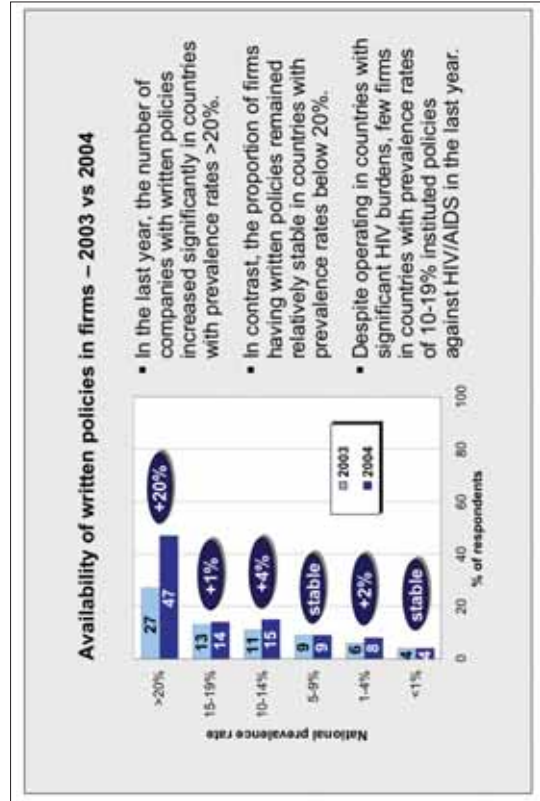


Figure 3: Business responses vary by region

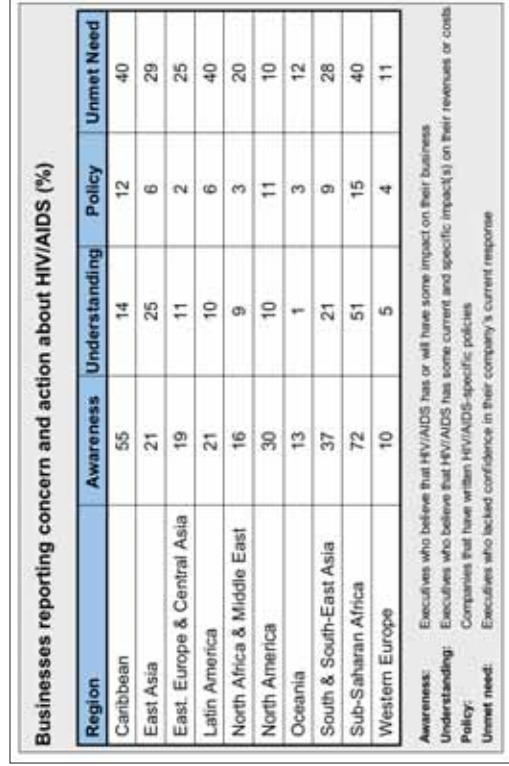
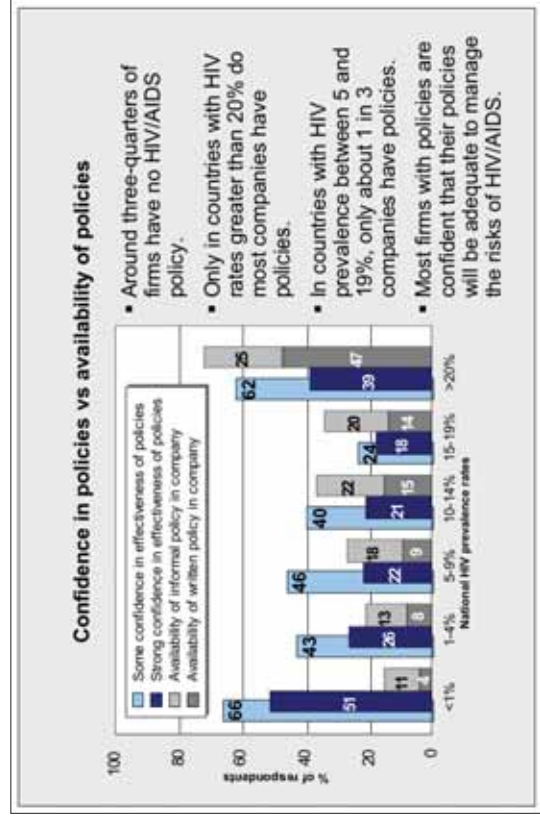


Figure 4: Few firms have policies, but most of those that do are confident in them





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