



The Business Case for AIDS

AIDS kills primarily young and middle-aged adults during their peak productive years. By reducing the labor supply and disposable incomes, a generalized epidemic can have broad macroeconomic effects, dampening markets, savings rates, investment, and consumer spending. Assessing the economic impact of AIDS is difficult, but studies suggest that some of the hardest-hit countries with generalized epidemics may forfeit 2 percent or more of annual GDP growth (World Bank 2006).

Approximately 2-3.5 million people in South Asia are living with HIV or AIDS including between 1.8 - 3.2 million people in India alone. 2006 estimates indicate that national adult HIV prevalence in India is approximately 0.36%. Although overall prevalence remains low, even relatively small increases in HIV infection rates in a country of more than one billion people could translate into large numbers of people becoming infected. In other countries in the region, such as Bangladesh, Nepal, Pakistan, and Sri Lanka, HIV prevalence is low among the general population but significantly higher among the Most At Risk Populations (MARPs), such as injecting drug users, commercial sex workers and their clients, and men who have sex with men.

Businesses have an enormous stake in the fight against HIV and AIDS, an epidemic that affects their workforce and, if left unchecked, can rob them of their workers and their markets. Farsighted companies have incorporated the fight against HIV and AIDS into their corporate strategy

because they are convinced that there is a business case for doing so:

- **Control of the cost of HIV and AIDS.** HIV and AIDS can impose large costs on businesses through higher medical and health insurance spending and the need to recruit and train new staff to replace those who are lost. Where prevalence is high, the epidemic also leads to higher costs, and to lower revenues, as a result of greater absenteeism and staff turnover, lower productivity, declining morale, and a shrinking consumer base. Where the epidemic continues to grow, companies may face a shortage of healthy labor in the long run, leading to a migration of workers between cities and states to fill labor needs. Companies would have to bear the long term cost of this migration, including the cost of relocating staff and providing housing and other benefits.
- **Conflict reduction in the workplace.** Within companies a lack of awareness and understanding of HIV and AIDS can lead to conflict in the workplace and thus disruptions for management. HIV awareness programs can help reduce these conflicts that arise because of lack of information and communication.
- **Strong markets.** Businesses survive and succeed in settings where people have the capacity to purchase. In regions heavily affected by HIV and AIDS the general pattern of expenditure is skewed toward health care and medication. It is thus in the interest of businesses to stem the spread of the epidemic so as to retain and build markets for their products and services.

- **General goodwill and better relations with stakeholders.** The danger of HIV and AIDS has raised concern throughout society. Thus companies that launch HIV prevention programs gain from the publicity benefits of engaging in corporate social responsibility. Establishing an HIV and AIDS program also improves relations with labor and with other key stakeholders, such as investors, the government, and civil society.

Businesses, particularly private sector ones, have been an effective partner in addressing HIV and AIDS in South Asia. Companies have many comparative advantages that they can mobilize in the fight against AIDS:

- **Coverage and influence.** A large share of the HIV-affected population work for businesses, giving these businesses significant influence over the general workforce. Businesses can harness this influence to spread HIV education and awareness among employees and their families. Their organizational structure also provides mechanisms for reaching out to a larger group of people. Firms have influence over supply chain networks and other players with links to the general workforce. Thus companies that want to extend their efforts beyond their own workplace can develop ways to encourage their suppliers and distributors to help prevent the spread of HIV. The influence of businesses in mainstreaming HIV and AIDS initiatives is also important in reducing stigma.
- **Lobbying power.** Businesses have the power to form strong lobby groups that can influence government policy. Collectively, Indian companies could work through business associations and councils to promote HIV prevention

programs at the workplace in all sectors. They could also raise and donate funds for strengthening communications infrastructure and connectivity to provide easy access to useful information on HIV and AIDS.

- **Special expertise.** Private companies generally have the managerial skills to run a program more effectively than the public sector. They offer a range of capabilities—logistics expertise, technical know-how, financial and accounting skills, and media, communications, marketing, and training skills. All these can be brought to bear in changing opinions, attitudes, and behaviors on a large scale so as to reduce the stigma associated with HIV and AIDS.
- **Financial resources.** Private firms typically have the financial resources and infrastructure to carry out HIV and AIDS interventions such as awareness programs. They can also find innovative ways to finance and sustain programs.
- **Results orientation.** Private sector efficiency could help in achieving more efficient and effective HIV and AIDS interventions, if well monitored and evaluated.

What the World Bank Group is Doing

The Bank is working with partners in the prevention, treatment, care, and mitigation of HIV and AIDS through multi-sector approaches. The Global HIV/AIDS Program, ACT Africa (AIDS Campaign Team for Africa) and the South Asia Regional multi-sector AIDS team coordinate this work, globally and in respective regions, and all include private sector endeavors. Similar

approaches and team efforts exist in the other regions. A sample of our work:

- In July 2007, we published a set of five case studies on corporate responses to HIV and AIDS in India.
- As part of World AIDS Day 2007, we organized a seminar on private sector engagement in HIV/AIDS, focusing on three modes of engagement:
 - **Corporate Social Responsibility:** Sai Paranjpye, Indian filmmaker, spoke about how the private sector could fund innovative initiatives, such as a commercial film on AIDS
 - **Drawing on private sector strengths:** Michael Cover, Ogilvy PR Worldwide, illuminated how private sector players like PR firms can use their core strengths to direct well-crafted and powerful messages on AIDS to the right audiences
 - **Piggybacking on private sector business models:** Tamsin Smith, President of Product (RED), spoke on how RED has piggy-backed on iconic brands like Gap and Apple to fund HIV/AIDS in Africa through the Global Fund.
- Most recently, the World Bank's South Asia Region and partners organized a South Asia Regional Development Marketplace 2008, "Tackling HIV/AIDS Stigma and Discrimination: From Insights to Action" to identify and fund innovative approaches for how to reduce stigma and discrimination associated with HIV and AIDS. 26 winners were selected from the approximately 1,000 proposals received, which included proposals from the private sector.
- The World Bank Institute supports the World Bank Group's efforts in AIDS lending, research and advocacy, and contributes to leadership capacity building on HIV/AIDS and stigma reduction. The 2008 and 2009 program was developed in collaboration with World Bank regional and in-country counterparts as well as partners from the private sector, government, civil society and donor organizations. The overall objective is to increase the role of the media, business organizations and companies, particularly from key sectors, such as information technology in addressing HIV/AIDS and stigma reduction.
- IFC Against AIDS helps client companies step up their involvement in the fight against HIV. Through this program, IFC works with clients to analyze the business risks the disease presents and provides guidance on design and implementation of education, prevention, and care programs that target the workforce and surrounding communities. The mission of IFC Against AIDS is to protect people and profitability by being a risk management partner, HIV/AIDS expert and catalyst for action where HIV/AIDS is threatening sustainable development.

Private Company Efforts in South Asia

Some individual companies in South Asia have taken the initiative in developing and implementing their own HIV/AIDS programs for their workforces. Examples include the following companies listed in our case studies from India, "Corporate Responses to HIV/AIDS":

- *Reliance Industries Limited*, India's largest private company, set up a well-equipped medical center near its industrial site in Hazira, Gujarat, where it provides both tuberculosis and AIDS treatment. Since inception of the program in 2004, company physicians and local NGOs have together reached nearly 300,000 people through awareness initiatives, testing and counseling services, and antiretroviral therapy.
- *Transport Corporation of India (TCI)*, recognizing the importance of truckers to its business and the vulnerability of the trucking community to HIV and AIDS, established a network of clinics along national highways. Operated by local NGOs, these clinics serve long-distance truck drivers and their assistants, providing treatment for sexually transmitted infections and counseling services aimed at preventing HIV.
- *Delhi Metro Rail Corporation (DMRC)*, a public sector company, is constructing the metro rail system in Delhi. This enormous construction project draws migrant workers, a population typically at high risk for HIV infection, from across India. DMRC initiated an HIV and AIDS program for contractors and workers that included advocacy, peer education, and promotion of condom use. This nine-month program reached more than 3,000 workers. The company has ensured that the efforts will be extended: its agreements with contractors now require that they carry out HIV prevention activities for employees working on DMRC projects.
- *DCM Shriram Consolidated Limited (DSCL)*, a company with interests mainly in chemicals and agribusiness, initiated an HIV and AIDS program at its plant in Kota, Rajasthan, aimed at providing a safe and healthy work environment. The program draws on the local culture, adapting information, education, and communication material to local sensibilities and using cultural performances to convey HIV and AIDS messages. This strategy has helped broaden the appeal of its messages and gain acceptance for the program among the local population.
- *Hindustan Lever Limited (HLL)*, a fast-moving consumer goods company with more than a hundred manufacturing plants across India, has initiated workplace programs aimed at protecting the health of its skilled young workforce. With technical assistance from the International Labour Organization, the company's factories have built HIV and AIDS awareness programs into their health and safety training. HLL has also used its expertise in distribution and management to spread HIV and AIDS awareness through initiatives with rural entrepreneurs.

What can be done to mainstream HIV/AIDS in Finance and Private Sector Development?

Type of Action	Methods	Example of what to do and monitoring of progress
Policy and Strategy work	<ul style="list-style-type: none"> ✓ Develop policies and strategies to engage private sector in the establishment of workplace programs. ✓ Adopt policies and strategies, such as the ILO code of practice on workplace programs 	<p>Encourage public commitment by the relevant bodies, industry leaders and regulatory agencies to adopt workplace policies for HIV/AIDS and publicly display their strategies.</p> <p><u>Indicator:</u> workplace policy exists and is publicly displayed.</p>
Economic and Sector Work	<ul style="list-style-type: none"> ✓ Conduct socio economic analysis of impact of HIV/AIDS 	<p>Conduct, synthesize and present findings from analysis of economic impact of HIV/AIDS and of unit cost of treatment for infected persons; use this to make a business case and advocate for the need for private sector involvement.</p> <p><u>Indicator:</u> Context specific and relevant information and data is readily available</p>
Dialogue and Advocacy	<ul style="list-style-type: none"> ✓ Inform policy, and make the business case for HIV/AIDS by providing the evidence-base for it. ✓ Adapt and use the Investment Climate Assessments (ICA) and Doing Business Indicators to gather information and promote dialogue. ✓ Sensitize industry leaders. 	<p>Devote (parts of) peer reviewed publications to the impact of HIV/AIDS on the business climate and report on business indicators.</p> <p>Use high profile speakers, and get industry leaders to address the epidemic in public along side HIV/AIDS campaigners to break barriers to dialogue. Organize a South Asia Business summit on HIV/AIDS</p> <p><u>Indicator:</u> Business indicators adapted and used. The business case is written up and readily available. Industry leaders & target audiences are informed and attitudes changed (as measured by KAP surveys).</p>
HIV/AIDS at the Workplace	<ul style="list-style-type: none"> ✓ Capitalize on the Bank's long standing relationships with various regulatory agencies – central banks ministries of finance and commerce, securities and exchange commissions, insurance authorities, pension boards – to introduce HIV/AIDS at the workplace policies and programs 	<p>Develop prevention, VCT, and treatment programs, in accordance with national prevention & treatment policies</p> <p>Build public -private partnerships and sector-specific business coalitions on AIDS.</p> <p><u>Indicator:</u> Employers aware of and use HIV/AIDS prevention, VCT, and treatment services offered at the workplace</p>
Capacity building	<ul style="list-style-type: none"> ✓ Train World Bank staff to be competent and confident in discussing HIV/AIDS prevention with clients. ✓ Encourage clients to appoint focal persons and peers to facilitate HIV mainstreaming in the workplace. 	<p>Organize seminars and workshops for Bank staff on HIV/AIDS. Encourage the designation of focal persons who will be trained on HIV/AIDS related issues and serve as resource person in the respective organizations.</p> <p><u>Indicator:</u> task team leaders & focal persons trained and with plans for mainstreaming</p>

Challenges within and outside the World Bank – and how to tackle them

There are several challenges to implementing a comprehensive and effective private sector strategy for the South Asia Region, including:

- Many Bank staff and their clients are not convinced of the necessity of a comprehensive, multi-sector approach to combating HIV beyond the efforts of the health sector. And, Bank staff and counterparts working in the areas of finance and private sector development do not have adequate knowledge and experience for policy dialogue, strategy development and implementation of HIV/AIDS programs.

What can be done: Organize seminars and workshops for task team leaders and partners on HIV/AIDS. Identify champions who

will be trained on HIV/AIDS related issues and serve as resource person in the respective units or organizations.

- The business case for investment in HIV/AIDS programs in South Asia for most industries has not yet been convincingly made, especially in the context of low prevalence and concentrated epidemics. Without a strong case, and in the context of competing priorities, companies will not spend money even where offered the best-laid, affordable plans.

What can be done: Present findings from analysis of the economic impact of HIV/AIDS and unit cost of treatment for infected persons to advocate for the need for private sector involvement. Include the impact of HIV/AIDS on the business climate and on business indicators in advocacy and policy documents.

Useful References and websites:

- *Asia Business Coalition on AIDS*. Best practices, case studies, and key NGO and private sector contacts in Asian countries. <http://www.abcon aids.org>
- *Family Health International (FHI)* : “Workplace HIV/AIDS Programs: An Action Guide for Managers” <http://www.fhi.org>
- *IFC against AIDS* .Specifically tailored tools and advice to address workforce and community-related concerns stemming from the disease <http://www.ifc.org/ifcagainstaids>
- *International Labor Organization*: tripartite UN agency that brings together governments, employers and workers of its member states in common action to deal with labor issues [worldwww.ilo.org](http://www.ilo.org)
- *South Asia HIV/AIDS Website* containing regional multi-sector activities on HIV/AIDS including “Corporate Responses to HIV/AIDS: Case Studies from India”: www.worldbank.org/saraids
- *The Corporate Council on Africa*. U.S.-based corporations doing business in Africa report on HIV/AIDS with case studies and best practices in policy and program design and implementation. www.africacncl.org
- *The Global Business Coalition on HIV/AIDS* Links to workplace-related resources <http://www.businessfightsaids.org>
- *The World Economic Forum's Global Health Initiative*. “Business Tools” web page with corporate case studies, best practices and a networking directory. <http://www.weforum.org>
- *UNAIDS and the International Organization of Employers*. Employers Handbook <http://www.ioe-emp.org>
- *World Bank Institute*. www.worldbank.org/wbi

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