



## UNITED NATIONS SPECIAL SESSION ON HIV/AIDS

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### Fact Sheet

## HIV/AIDS and development

*By killing so many people in the prime of their lives, AIDS poses a serious threat to development. By reducing growth, weakening governance, destroying human capital, discouraging investment and eroding productivity, AIDS undermines countries' efforts to reduce poverty and improve living standards.*

### Impact on economies and poverty

- AIDS has a profound impact on growth, income and poverty. It is estimated that the annual per capita growth in half the countries of sub-Saharan Africa is falling by 0.5-1.2% as a direct result of AIDS. By 2010, per capita GDP in some of the hardest hit countries may drop by 8% and per capita consumption may fall even farther.
- People at all income levels are vulnerable to the economic impact of HIV, but the poor suffer most acutely. AIDS pushes people deeper into poverty as households lose their breadwinners to AIDS, livelihoods are compromised, and savings are consumed by the cost of health care and funerals. In some countries, conservative estimates indicate that the number of people living in poverty has already increased by 5% as a result of the epidemic. This is jeopardizing efforts to reach the Millennium Summit goal of halving the proportion of people living in extreme poverty by 2015.
- With less access to jobs, health care and other services, impoverished people are more likely to resort to commercial sex and other survival strategies that put them at risk of contracting HIV, thus creating a vicious cycle.

### Impact on governance

- Governments are losing valuable skilled employees and are confronted with mounting expenses for health and orphan care, reduced revenues and lower return on social investment.
- Governments in a number of low-income countries depend heavily on a small number of policy-makers and managers whose skills are often scarce in important areas of public management and core social services. In heavily affected countries, the ranks of such personnel are being thinned further as more civil servants fall prey to the epidemic. The loss of such officials is reducing capacity, while raising the costs of recruitment, training, benefits and replacements.

### Impact on the production sectors

- Companies of all types face higher costs in training, insurance, benefits, absenteeism and illness. There are many forecasts of health care costs increasing as much as tenfold within a few years. This slows private sector development—a core element in the development strategies of many nations.
- AIDS is reducing the ratio of healthy workers to dependants. Productivity growth may be cut by as much as 50% in hard-hit countries. Combined with the erosion of human capital and loss of skilled and experienced workers,

this will result in a mismatch between human resources and labour requirements.

- In agriculture, HIV/AIDS is reducing investments in irrigation, soil enhancement and other capital improvements, thereby inhibiting production. Households are shifting to crops that are less labour-intensive but also less nourishing. AIDS is forcing families to sell assets in order to cover the costs of care and funerals. As a result, lower food production is already being reported in some areas, further threatening the Millennium Summit goal of halving the proportion of people suffering from hunger by 2015.

### Impact on the social sectors

- AIDS overburdens social systems and hinders health and educational development. Life expectancy has fallen by up to 20 years in some countries. The current number of children who have lost their mothers or both parents to the epidemic—13.2 million—is forecast to more than double by 2010. This poses unprecedented social welfare demands for countries already burdened by huge development challenges.
- Teachers and students are dying or leaving school, reducing both the quality and efficiency of educational systems. Faltering education services will also diminish human capital in every other sector. The Millennium Summit goal of ensuring universal primary education by 2015 is at risk in the worst affected countries.
- Health care systems in many countries are overstretched as they deal with a growing number of AIDS patients and the loss of health care personnel.
- AIDS is also undermining social cohesion in many countries and is increasingly recognized as a threat to social and political stability.

### Impact on women

- Women and girls are more vulnerable to HIV/AIDS and are disproportionately affected by the epidemic. The greatest burden of care also

rests on their shoulders. Families often remove girls from school to care for sick relatives or assume other family responsibilities, jeopardizing the girls' education and future prospects.

- The effect on girls' development is especially detrimental, leaving girls even more vulnerable to HIV infection. Girls who are forced to abandon their schooling are less likely to achieve the earning power required to increase their economic independence. Reduced education for women also impedes national development.

### Safeguarding development

- Countries that have registered successes in their struggles against the epidemic have shown that development achievements can be safeguarded if HIV/AIDS activities are integrated into overall development strategies and programmes.
- Improved and intensified poverty reduction strategies are also essential. Efforts to promote equitable growth, generate employment, raise incomes, improve agricultural production and promote informal sector livelihoods need to be expanded.
- Countries that explore innovative ways of maintaining and rebuilding capacity in government are better equipped to contain the epidemic. Equally valuable are labour and social legislation changes that boost people's rights, more effective and equitable ways of delivering social services, and more extensive programmes aimed at those worst hit by the epidemic (especially women and orphans).
- It has been shown that a successful response to AIDS requires that essential public services such as education, health, security, justice and institutions of democratic governance be maintained. Each sector has to take account of HIV/AIDS in its own development plans and introduce measures to sustain public sector functions. Such actions might include fast-track training, as well as the recruitment of key civil servants and the reallocation of budgets towards the most essential services.