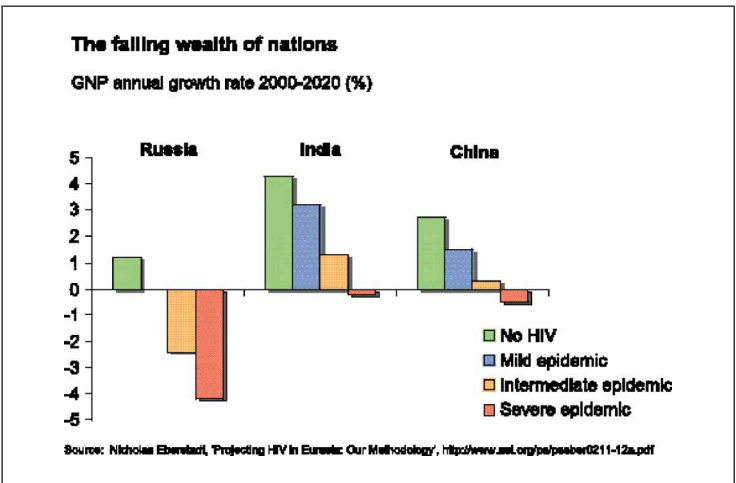


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The Global HIV/AIDS Crisis

Unknown just a generation ago, HIV/AIDS is now the worst epidemic to blight the world since the Black Death. More than 42 million people have HIV and there is no known cure. AIDS has the power to change national destinies, bring misery to families and communities and touch the deepest social taboos.

Beyond the personal tragedies caused by AIDS, there are economic tolls for businesses, regions and nations. If 15% of a country's population is HIV positive (nine nations by 2010), its gross domestic product (GDP) declines by about 1% each year. For example, it is predicted that South Africa's GDP will be reduced by 17% by 2010.



AIDS is a crisis but not a foregone conclusion. If we act today, the future can change. Business leaders have a special role to play in both protecting and supporting their workers, communities and governments.

What is HIV/AIDS?

AIDS is caused by the Human Immunodeficiency Virus (HIV). It destroys the immune system and spreads from person to person through sexual contact, contact with blood and blood products, or during labour and breastfeeding.

SCENARIOS

The Global HIV/AIDS Crisis

The HIV virus spreads via commerce and communication, notably with men who travel, such as the uniformed services, migrant workers and truck drivers – and the women with whom they have sex along the way.

It strikes at the productive and reproductive population, the young, to whom society looks for future enterprise, economic contribution and ideas. A country's GDP is correlated with its people's longevity, thus as the young die, economies wither. In South Africa, Botswana and Zimbabwe, based on current trends, more than 80% of 15-year-old boys will die before the age of 40.

Prevention is critical as there is currently no cure for AIDS. However prevention should go hand-in-hand with high quality healthcare, efforts to mitigate the epidemic's impact on society and the provision of antiretroviral drugs. These drugs have been shown to prolong lives, even if they cannot provide a cure.

The key lesson about AIDS from its first 20 years is that new epidemics can be prevented, and bad epidemics turned around. The crucial factor is accountable leadership at the highest levels in both developed and developing countries. Leaders can stimulate the necessary action, such as the spread of information, condoms, counselling and testing, clean needles and drugs.

These leaders must be champions from the broad arenas of government, civil society, the international community and business. They must come from sub-Saharan Africa, where the epidemic is focused today; from Asia and Eastern Europe, where the epidemic is now spreading the fastest; and from wealthy countries, whose support is desperately needed.

Non-governmental organizations, religious authorities and people living with AIDS all have huge contributions to make. Finding new ways to leverage the contribution of civil society, through partnerships between the public and private sectors can provide a new, powerful front line in the fight against the disease.

As part of these efforts, the private sector has four critical roles to play. Businesses should:

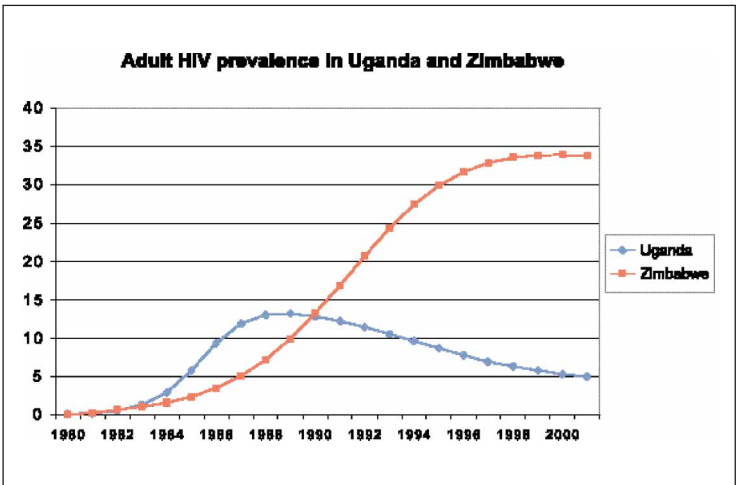
- Invest in basic prevention, care and treatment interventions in the workplace

SCENARIOS

The Global HIV/AIDS Crisis

- Contribute assets to national AIDS strategies, including leadership, marketing, distribution, sales, communications and supply chain management
- Assist through traditional philanthropy – providing resources in cash or kind so that others can fight the war against AIDS
- Contribute to the development of new vaccines, in conjunction with other governments, foundations, NGOs and global institutions.

As seen below, countries starting from the same position can fundamentally change the trajectory of their epidemics. The best way to beat AIDS is a combination of prevention, treatment and ultimately immunization.



Here we look at possible scenarios for the future of the AIDS epidemic and consider their impact on sufferers, societies and economies.

Best-Case Scenario: Fighting Back, Saving Lives

In a best-case scenario the rich countries give 0.7% of their GDP to development, coupled with debt relief. At the same time there is a renewed focus on research and development to produce new vaccines and more effective drugs.

SCENARIOS

The Global HIV/AIDS Crisis

In the countries most affected by the disease, governments, business and civil society unite to build the infrastructure to care for millions living with HIV. They provide vaccines to prevent its further spread. Fewer people contract AIDS and live with the disease, and they have greater support.

- Africa: Countries with infection rates of 30%-40% in 2002, fall to 15% by 2010 and 5% by 2020.
- Eastern Europe and Central Asia: Infection rates reach 2%-3% in 2010 and then fall to 0.5% by 2020.
- Asia: India's national prevalence never reaches 1% because prevention efforts keep the epidemic at bay. China has regional outbreaks, but national prevalence never reaches 0.5%.

By 2020, the epidemic still isn't over. The number of people infected in Southern Africa, Russia, India and China continues to rise but at a slower rate. Notably, India and China introduce massive new programmes of sex education for school children and for economic migrants. The fight against AIDS actually empowers women and brings their voices to bear on a range of social issues. More young people decide to postpone sex, stick to one partner and are tested together before having unprotected sex. The social stigma of AIDS is lifted.

There are still enormous pressures on the education and health systems and a quarter to one third of skilled and educated workers have died. Despite some tough years, however, significant financial and technical cooperation from richer countries ensures that governments survive.

Medical breakthroughs lead to the development of a vaccine by 2010 and there is a global effort to get the vaccine and AIDS drugs to the people who need them. A microbicide gel that protects women during sex is an important breakthrough. Activists continue to campaign for lower prices, bulk purchasing and tiered pricing.

SCENARIOS

The Global HIV/AIDS Crisis

However, they also work closely with industry to ensure that incentives for research remain.

AIDS is seen to be everybody's problem, although it directly affects fewer people. There is a sea change when the Global Fund to Fight AIDS, Tuberculosis and Malaria gives money to major companies and civil society to run joint HIV programmes in their local communities. Governments support broad corporate initiatives on HIV/AIDS through tax breaks and training. This is a world where strong leadership and growing cooperation between governments, business and society have begun to turn the tide. An end to the epidemic is in sight.

Worst-Case Scenario: A World in Crisis

In the worst-case scenario, some leaders continue to deny the threat of AIDS. Instead of tackling the epidemic, time and effort is wasted arguing over the number of infected people. At the same time HIV remains a taboo in some countries, preventing mass education and prevention.

By 2020, Africa has been decimated by the disease. Many international businesses have left Southern Africa because the lack of educated staff makes hiring and training too expensive. The same will soon be true of parts of Asia. There are widespread food shortages because of scarce labour and a shift to subsistence farming for immediate survival.

- Africa: By 2020, around 60-70 million people are dead. In the most affected countries, 15-30% of workers are HIV-positive and GDP is 30% lower than predicted.
- Eastern Europe and Central Asia: The countries of the former Soviet Union have an adult prevalence of between 1% and 5%.
- Asia: The continent surpasses Africa as the region with the most people living with HIV/AIDS. More than 30 million people have died.

SCENARIOS

The Global HIV/AIDS Crisis

So many teachers have fallen victim to AIDS that the schools have been forced to close. Orphaned children with few options join the many local conflicts.

Eastern Europe and Central Asia are also suffering a serious HIV epidemic with tuberculosis raging alongside AIDS. Major businesses have begun to leave the region and recession, mass unemployment and disintegrating public services mean that intravenous drug use – often linked to prostitution – proliferates.

Asia also faces an AIDS disaster. In China and India authorities view the dying as “surplus” and feel that others can take their place in the economy. International businesses still invest in the region with confidence.

The Chinese and Indian governments pride themselves on keeping the overall prevalence rate below other countries but become ever more heavy-handed to control the epidemic. Sex workers, drug users and HIV sufferers can all expect periods of detention. Almost 5% of migrant workers are infected, bringing the next wave of the epidemic with them.

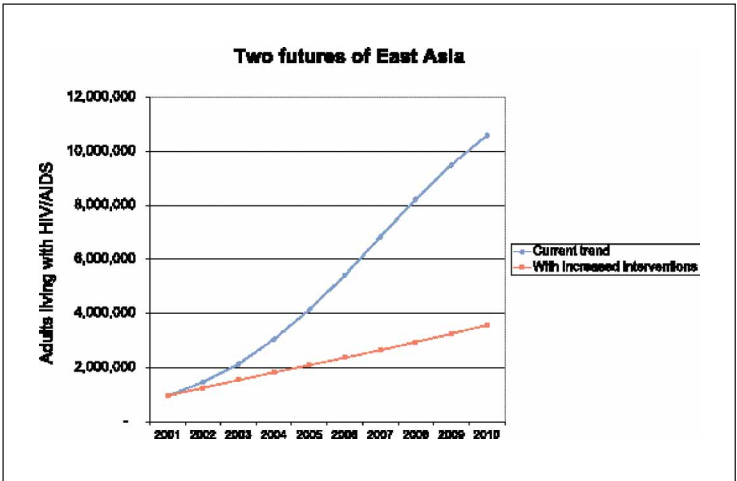
The stigma of HIV deepens globally. India’s middle class, for example, sees AIDS as a problem of the poor. Elsewhere, infected people and their families are shunned, breeding increasing ignorance and fuelling the virus’ spread.

In the West, infected people live almost normal lives on long-term treatment. Vaccines protect the rest of the population. However, in other parts of the world unmonitored and uncontrolled use of drugs breeds worse strains of HIV. Drug companies, fearful of losing intellectual property protection, reduce investment in new treatments.

This is a world of increasing tensions, social divisions, inequity and fear. Some governments have failed to learn the lessons of earlier epidemics in other countries. Millions of people expect to contract AIDS, to see their children die and to die themselves in their 30s or 40s.

SCENARIOS

The Global HIV/AIDS Crisis



Conclusion

As the graph above shows, the extent to which AIDS shapes our future over the coming years depends on decisions that we make today. We need deeper national and international commitment. The will of governments, civil society, communities and individuals can protect a new generation of young people – and help those already affected.

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