AIDS, Social and Ethical Implications for Business

AIDS is an acronym for acquired immunodeficiency syndrome. AIDS is associated with the presence of HIV, the human immunodeficiency virus, though all persons with HIV cannot appropriately be said to have AIDS. The United States Centers for Disease Control’s (CDC’s) technical descriptor of AIDS has to do with either the presence of an opportunistic infection associated with HIV or a diminution of the body’s CD4 (T-lymphocyte or T-cell) count to below 200 per cubic millimeter of blood. Evidence suggests that HIV is spread through transmission of bodily fluids typically associated with intimate sexual contact and/or intravenous drug use, though cases of in utero mother-to-child transmission are both on the rise and well documented. HIV is fragile once outside the body and is therefore not transmissible through casual contact. AIDS is treatable but not curable. With proper treatment, it is not unusual for individuals to live 10 years or even longer from time of initial diagnosis with HIV, with death no longer an eventuality.

The statistics related to HIV/AIDS are staggering. Originally identified as a disease of male homosexuals in the United States, as of 2006, 65% of the total cases of HIV are in Sub-Saharan Africa. Nearly 13,000 people are newly infected every day, and less than 10% of the 40 million people living with the virus know they are infected—dramatically increasing the likelihood of their transmitting the disease to others. China, India, Russia, Ethiopia, and Nigeria are identified as second-wave countries for HIV infection. With these five regions accounting for 43% of the world’s population, the potential for infection to spread is virtually without limit. It is sobering that in regions such as the English-speaking Caribbean HIV/AIDS is the leading cause of death among 15- to 44-year-olds. In general, epidemics might eventually become concentrated among economically disadvantaged populations due primarily to the fact that those who are wealthier and better educated are in a position to take preventative or curative action. As noted in the literature, throughout the world one of the greatest barriers to preventing the spread of HIV and even caring for people with AIDS is the persistent level of stigma and denial associated with the disease.

HIV/AIDS and Business

The Joint United Nations Programme on HIV/AIDS (UNAIDS) describes a situation unfamiliar to business leaders accustomed to the pandemic in the United States. While the United States suffers from an HIV infection rate of about one in every 256 people, there are countries where the rate can be as high as one in four urban-based adults, and these countries are now experience staffing shortages and productivity interruptions.

The impact of HIV/AIDS on business takes a number of forms. Bloom and his colleagues suggest these can be categorized as the effect on the workforce, the threat to the customer base, the impact on brand and corporate reputation, and concern for the global good. Others have added to the list the general economic toll HIV/AIDS takes on a country’s gross domestic product (GDP).

Effect on the Workforce

Globally, the labor force has decreased by more than 28 million people as a direct result of the onslaught of the pandemic. If there were no further intervention, it is predicted this number could grow to 74 million during the next decade. UNAIDS estimates that 37 million working people are living with HIV/AIDS. The International Labour Office estimates that an average of 15 years of working life will be lost for each employee affected by AIDS.

HIV/AIDS is not an equal opportunity disease where workers are concerned. The most active industry groups are food/beverages, mining and minerals, and energy. A key occupational risk is work involving mobility. Workers engaging in regular travel and living away from spouses and partners in high prevalence countries are at particular risk for contracting HIV/AIDS. Costs of dealing with HIV/AIDS can be substantial. One global mining company has calculated that total expenses for dealing with the disease could amount to 8% to 17% of their total payroll by 2009; a manufacturer in South Africa puts the figure at 4% of its total current wage bill. More sobering is a report from The Economist documenting that some multinationals in South Africa hire three workers for each skilled position to ensure that replacements are available when trained workers die.
The onslaught of escalating expenses has precipitated a shift in policy, which runs counter to workplace privacy rights. In the summer of 2004, the World Health Organization and UNAIDS, in partnership with the Global Business Coalition on HIV/AIDS (GBC), endorsed a change from voluntary counseling and testing to an approach that routinely offers and recommends testing. While there is always the ability to “opt out,” the clear intent is that mandatory testing for HIV become the company norm. The positive economic and utilitarian justifications for this change pepper the literature.

The GBC has become a visible presence regarding issues of HIV/AIDS and business activity. Established in 1997 to fully engage the private sector and recognize business as an important partner in ending the HIV/AIDS pandemic, the GBC is organized as a non-governmental organization (NGO) to get businesses to do their part against the spread of HIV/AIDS. By 2001, the organization had only 17 members; today, the partnership boasts 215 members. In 2006, GBC issued their first annual “the State of Business and HIV/AIDS” report, and labeled it an effort to document a baseline for identifying trends and new frontiers to help companies improve their response to the HIV/AIDS pandemic. Booz Allen Hamilton, one of the GBC’s most active members, played the lead in the report.

This report is the first attempt to provide a foundation on which business could consider the pace, range, and content of its response to the pandemic. The study was designed using GBC’s Best Practice AIDS Standard, a 10-component self-assessment tool enabling companies to confidentially monitor their business AIDS response and examine their progress.

The report provides some evidence that business has been successful in partnering with NGOs, as well as with education and prevention programs. Other activities were proving more difficult. Companies found it challenging to engage business associates and supply chains in the fight against HIV/AIDS. That area was the one with the lowest score in the survey, with only 9% of companies able to successfully engage their supply chain contractually in supporting their HIV programs. Companies reported taking about 3 years to get fully into action around their own response to the pandemic. After that, a company was generally active in 20 of the 50 specific activities that the GBC surveyed.

One critical component of HIV/AIDS programming is prevention and treatment. A total of 82% of companies reported providing workplace information on HIV/AIDS, or to approximately 11 million workers. One of the more interesting findings has been that companies with operations only in America and Europe are less likely to focus on workplace programs, ostensibly because employees’ medical insurance coverage tends to cover HIV/AIDS. In addition, the report notes that only 41% of those companies were conducting surveys and assessments to make sure that the programs in place were hitting the targets they were aiming at. In the area of treatment, 84% of the companies in the survey ensured that their staff had access to treatment; only 34% of these companies, however, fully subsidized that treatment. Of critical import, some 94% of HIV-infected employees were able to continue normal working life after receiving treatment.

The baseline report underlined that the fight against HIV/AIDS was now a real strategic concern for business and had moved on from simply being a matter of corporate responsibility. Treatment coverage has increased as costs of antiretroviral treatment (ART) have fallen over the past 6 years from around US$10,000 to US$140–300 per person per year. Cost reductions are to the point that in the short term the cost of ART is more than covered by the savings achieved through a reduction in absenteeism. Globally, 36% of companies surveyed by the GBC (which by their own admission are not necessarily representative of the population at large) are fully subsidizing treatment for direct employees, with 45% additionally providing access to treatment for all dependents.

Threat to Consumer Base

It is well known that HIV/AIDS affects people within their most productive years. As a result, both saving rates and disposable income among infected populations drop precipitously. In the long run, this has the effect of reducing the market size for business. One study published by UNAIDS shows that monthly consumption per capita of families living with AIDS was roughly half that of the general population.

The impact on the market has historically been concentrated by region and industry. A leading manufacturer in South Africa—the hardest hit of any country by the HIV/AIDS pandemic—has forecast
the prevalence of HIV among its customers. Their conclusion? An expected increase from 15% in 2000 to 27% in 2015, with a corresponding reduction in their customer base of 18%.

Infection rates have accelerated to the point that the GDP for entire countries is predicted to drop as a result of the pandemic. As one example, over the next 10 years a 2005 report predicts China’s GDP growth rate will drop by a full 1% as a result of HIV/AIDS.

The news is not all bad, however. In a recent survey, 71% of consumers indicated they would pay more for a product if they knew the extra proceeds would benefit HIV/AIDS. And companies such as Levi Strauss, United Distillers, and Northwest Airlines actually report improved community relations and even increased sales after being associated with work on AIDS.

**Business Interventions**

Bloom and his associates have noted that business interventions have been employee driven, market driven, brand driven, or a combination of the three. Whatever their impetus, virtually all the literature on business and HIV/AIDS recommends collaborative interventions crossing all sectors of the economy as most effective. The GBC is adamant that the next frontier for business response to HIV/AIDS includes creative partnerships and collaboration, including leveraging supply chains, linking business growth with HIV prevention, and realizing investment in new technologies.

The GBC approach is to rate companies using a common index capturing 10 global business HIV/AIDS categories. The baseline report outlines success on 2 of the 10 categories: prevention initiatives and community and government partnerships. The other categories fall below what the GBC establishes as an acceptable threshold of engagement. These eight categories include the following:

- Nondiscrimination in the workplace
- Care, support, and treatment
- Product and service donation
- Testing and counseling
- Corporate philanthropy
- CEO advocacy and leadership
- Monitoring, evaluation, and reporting
- Business associates and supply chain

In many instances, the business response to HIV/AIDS has been delegated to already overworked parts of the organization or passed down several levels, resulting in efforts that appear fragmented, low level, or even invisible.

**HIV/AIDS, Business, and Ethics**

Deep ethical concerns underlie the pragmatic impacts of HIV/AIDS. Links between HIV infection and social “baggage” such as homosexuality, sexual promiscuity, and drug abuse render HIV/AIDS a volatile issue for those formulating corporate policy.

From the view of Kantian ethics, or deontology, there is a potential clash of rights between the HIV positive worker and the HIV negative coworkers. The concern on the part of some during the early years of the HIV/AIDS pandemic that the ease of transmissibility of HIV had been grossly understated has since been countered by evidence documenting the fragility of the virus. Calls for disclosure of HIV/AIDS status persist, however—although for different reasons than those advanced during the early years of the disease. Those infected with HIV are justifiably concerned with the variety of discriminatory practices, including erosion of the right to privacy, revocation of health benefits or escalation of the cost of such benefits, shunning by coworkers, and even termination of employment, which often accompany making a positive diagnosis with HIV a matter of public record. As recently as five years ago, a survey in Thailand showed that 12% of businesses fired staff known to have HIV/AIDS.

It is not immediately apparent how much regard ought to be given to an employee’s right to privacy when the company has a countervailing duty to protect its shareholders’ interests—in part by securing its workforce from disruption. Furthermore, the right of the HIV/AIDS sufferer to his or her work must be considered against the backdrop of the right of the employer to exercise the doctrine of employment at will, if such applies. This particular conflict is compounded—or perhaps alleviated—by the Americans with Disabilities Act, which in part treats workers with AIDS as a disabled class subject to the protections contained in this legislation.

Utilitarianism requires consideration be given to the consequences of including or excluding HIV/AIDS sufferers from the workplace, with an eye
toward bringing about the “greatest good for the greatest number.” The presupposition of utilitarian logic is that relevant benefits and costs can be both identified and quantified. On this logic, the “end” of corporate profitability may well justify the “means” of violating the rights of HIV/AIDS workers. Utilitarians must, however, come to terms with research into the longevity of HIV positive individuals indicating that a supportive community leads to life extension.

Perhaps the most relevant ethical perspective to adopt relative to HIV/AIDS is the ethic of care. This perspective demands attention be given to consideration of the personal—and relational—implications of AIDS policy formulation and implementation. The topic of AIDS in the workplace needs to be connected to how we as human beings live, and more particularly how we live in a caring relationship with one another. Jonsen offers perhaps the best insight to any discussion of policy alternatives relating to HIV/AIDS in the workplace as he argues that in all epidemics fear stimulates isolation while responsibility requires inclusion—adding this might well be called the moral law of epidemics.

—Craig P. Dunn

See also African Business Ethics; Americans with Disabilities Act of 1990 (ADA); Business Ethics and Health Care; Employment Discrimination; Gender Inequality and Discrimination; Informed Consent; Life Settlements; Privacy; Shame

Further Readings


AIRLINE DEREGULATION

The Airline Deregulation Act (ADA) of 1978 initiated an era of fundamental change in the U.S. airline industry. The ADA attempted to address the economic inefficiencies of regulated air carriers by opening the airline marketplace to competition among both established and predicted new entrants. Prior to the passage of the ADA, the U.S. government used regulation as a tool both for protecting the airlines’ economic interests and for overseeing the traveling public’s safe, reliable access to service. The U.S. airline industry’s response to the opportunities presented by government deregulation under the ADA has spawned a wide array of initiatives that have changed the basic nature of this industry’s customer-supplier relationship. The consequences of these actions have affected both the structures and the operating philosophies of airlines globally.

The early days of the U.S. airline industry—generally considered as the time period between the end of World War I and the onset of the global depression of the 1930s—contained a mixture of government support schemes and competitive marketplace efforts. Most air carriers survived only through air mail contracts granted by the government on behalf of the U.S. Post Office. In the 1930s, though, the modern U.S. airline industry began to grow and take shape: Fledgling aircraft manufacturers and air transport companies began to develop the technologies and infrastructure needed to transform air travel from a novelty to an economic necessity.

However, during this decade the world was in the midst of a major economic depression, which many people blamed on the previous decade’s lack of