

# THE SOCIO-ECONOMIC CONCEPT THAT FORECASTS THE IMPACT OF HIV/AIDS ON THE ECONOMIC SYSTEM

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## ABSTRACT

Nearly HIV/AIDS has infected 58 million people, and 22 million have died since the first cases were recorded twenty years ago. Over the last two years, the world community has come to the conclusion that HIV/AIDS poses a risk to growth, security, and economic prosperity. Over the previous ten years, a few studies have looked at the impact on workers and their businesses. further which effects the country's economy. The Aids illness is a primary concern for all health experts in all countries, and it adds serious social disadvantages to societies all over the world. A few make the argument that the Aids pandemic has decelerated the pace of growth in so many nations gross national product (GNP) significantly lowered by more than 1% for every 10% HIV incidence. Those around contend that HIV/AIDS has had only a small effect on the macroeconomy so far. Because many variables other than HIV/AIDS influence economic growth, evaluating the impact of HIV/AIDS on financial outlook experimentally is difficult. This manuscript, on the other hand, discusses a few factors that HIV/AIDS has on the economy. Corresponding Author – Dr. Prashant Tripathi,

## 1. INTRODUCTION

HIV is spread when an infected person's blood or bodily fluids come into contact with the blood or bodily fluids of an uninfected person. Unsafe sex contact, including heterosexual sex and men who have sex with men (MSM), sharing injection drug equipment, and getting infected blood transfusions are all potential modes of transmission. There are regional variances in the primary means of transmission, with MSM being the most common form for adults in more developed nations, whereas heterosexual transmission is the most common in Sub-Saharan Africa and Southeast Asia.

Since the first incidence in 1981, Acute Immune Deficiency Syndrome (AIDS) is a pandemic disease caused by the Human Immunodeficiency Virus (HIV). People living with HIV and AIDS, are infected with the virus. As time goes on, more people are becoming afflicted with this sickness. In reality, this condition has harmed economic growth because it primarily affects young adults between the ages of 15 and 24, when they are at their most productive[1].

HIV weakens a host's immune system after it has entered the body. As a result, the individual becomes increasingly vulnerable to opportunistic illnesses, which may eventually lead to death. An infected person can take up to a decade to display symptoms, depending on their circumstances and the environment. As a result, before the disease is recognised, it has already entrenched itself in the host population. The interval between initial infection and the onset of symptoms is significantly shorter in developing nations, owing to a higher prevalence of opportunistic infections and less access to treatment.

Antiretroviral medication has seen significant advancements in recent years, allowing many people in affluent countries to live longer lives, but there is still no

cure. Furthermore, treatment costs are now too high for the majority of people in underdeveloped nations, and the healthcare infrastructure is inadequate. Vaccine research is already underway, but medical experts do not expect any vaccines to be accessible for at least 10 years. As a result, current research into medications and behavioural modifications to lessen the virulence and occurrence of opportunistic illnesses has been performed.

The public and non-profit sectors spearheaded the early response, mobilizing increasing human and financial resources to tackle the disease, for which there is currently no treatment. The business sector is becoming increasingly cognizant of the impact of HIV/AIDS on its personnel, manufacturing systems, markets, and the communities in which it operates.

## 2. HIV/AIDS and the Business Environment

The global Aids epidemic is swiftly nearing the position of the deadliest highly contagious disaster in known history, exceeding both the 14th-century black plague and the 1917 influenza pandemic, as these pandemics killed 20million. More than that number of people have died as a consequence of AIDS, according to UNAIDS, which also oversees the United Nations' response to the epidemic. The AIDS-causing human immunodeficiency virus affected almost 40 million individuals (HIV).

A Global Threat Although frightening, that AIDS has already claimed the lives of over 20 million people worldwide, and that the epidemic is spreading rapidly in nations as diverse as India, China, Russia, and Ukraine. 950,000 in North America, 420,000 in the Caribbean, and 1.5 million in Latin America Western Europe has a population of 550,000 people, whereas North Africa and the Middle East have a population of 500,000. 28.5 million people live in Sub-Saharan Africa. Central Asia

and Eastern Europe 1,000,000 5.6 million people live in South and Southeast Asia. The Pacific and East Asia 1,000,000 Australia and New Zealand are two countries that share a common border. [2]

Businesses offer a variety of resources that can aid in the fight against HIV/AIDS. Their strategic thinking can aid in the development of more successful preventative and treatment initiatives, and they have a ready audience in their workforces. Their product development talents (antiretroviral medications, for example) are already saving the lives of millions of infected people (private sector pharmaceutical development is frequently aided by government investment and research, of course). The private sector's marketing expertise can effectively transmit education messages to broad and difficult-to-persuade audiences, and distribution networks utilized for their own products can be leveraged to provide HIV prevention and treatment materials to hard-to-reach groups.

### 3. Effects on the economy

When economies face rapidly increasing mortality and morbidity, economic theory can help predict what will happen. We looked at empirical studies that attempted to quantify the HIV/AIDS pandemic's macroeconomic effects.

#### 3.1 A Shrinking labour pool

Because of increasing death and disease, the HIV/AIDS outbreak has a negative influence on labour supply. This is aggravated by skill loss in key labor market sectors. In South Africa, for example, almost 60 percent of the total of the mining employed population is between ages of thirty and forty-four and in fifteen years, this is expected to drop to 10%. HIV infection that affects 20% of new nurses in South Africa's healthcare system. [3]

#### 3.2 Labor productivity is down.

Sickness caused by AIDS has a long-term impact on labour output. Based to one analysis, the annual expenditures of Aids illness and decreased earnings varied from \$eighteen per worker at a Kenyan automotive firm to \$300 per worker at the Uganda Railway Corporation. However costs have a negative impact on competitiveness and earnings. Government income are also falling as tax collections fall, and authorities are now being pressed to spend resources to deal with the rise in the prevalence of AIDS, which could lead to economic crises.[4]

#### 3.3 Imports have grown while exports have decreased.

Exports will decrease as domestic productivity declines, but imports of expensive healthcare products may increase. If important industries such as South Africa's mining are damaged, the resulting loss of export revenues will be significant. As a result, the trade balance (gap between export revenue and import spending) and government finances will be squeezed. As a result, defaults that require foreign funding may occur. Despite emphasising the financial impacts of the pandemic, these simulations were based on a simplified picture of economic linkages. They, for example, feel

that consumers may effortlessly transition from one sort of job to another. Because replacing qualified workers is a time-consuming and costly job, and workers might not easily be relocated from one sector to another (for example, farming to health care) in response to skills deficiencies, this hypothesis is likely to minimize the pandemic's impact on productivity.

Estimating the combined influence of these interconnected factors on an economy's performance is a difficult undertaking. To simplify gauging "economic success," Analysts generally tended to concentrate on a single metric, such as minimum salary or Economy. In general, regression analysis was utilized in this study to evaluate the impact of the HIV pandemic on real Gross domestic product while adjusting for other factors that may affect growth. According to the findings of these studies, the net impact on GDP per capita growth would be negative and significant. According to the most recent estimates, the pandemic has decreased estimated annual national rates of growth in Africa by 2-4 percent. [5]

### 4. CONCLUSION

The development of comprehensive strategies suited to the demands of each countries economies is a critical step in mitigating the epidemic's economic consequences. These policies will almost certainly include intervention and rehabilitation programmes, but fiscal policies such as focused labor training for essential businesses may also be included. Considering the macroeconomic effects of actions can lead to a variety of ethical and political quandaries. To ensure financial prosperity, pricey antiviral medications may need to be targeted to highly efficient economic backgrounds in only certain industries that depend on their role in economic output instead of their healthcare requirements. A technique like this would result in increased economic success and public finances, as well as more time for replacement labor to be educated, reducing the pandemic's total impact. The AIDS epidemic is far more than a serious medical condition, and as such, it demands far more than medical answers. Economic models aid in the development and maintenance of economic settings conducive to the implementation of long-term medical programmes.

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