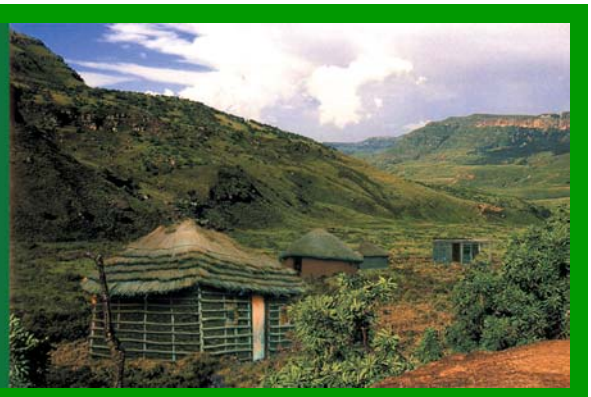
The MRC KwaZulu-Natal AIDS Forum

KZNe News



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Ed's say:

In June the AIDS FORUM focused on the economic impact of HIV/AIDS; in particular, the costs associated with the illness and death of a contributing household member.

Especially in low-to-middle income countries, prevention and education programmes are crucial to reverse prevalence rates. So is a vocal and visible leadership. Indications are, that *If* HIV/AIDS is not accorded the attention it deserves, the cost implications at all levels of the economy may not only halt and cripple, but also reverse, any advances we have made to control the epidemic to date.

Proclaimed custodian of business intelligence, the *Namibia Economist*, recently published an article that predicted that R154 billion would be

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Economic and Social Costs of Illness and Death

By Prof. Anne Case, Research Operations, Africa Centre for Health and Population Studies

In new research, we plan to document the economic and social costs associated with illness and death in the Africa Centre Demographic Surveillance Area (from Hlabisa to Mtubatuba). The economic consequences of AIDS illness and death are potentially large and devastating for households. Not only do households suffer the trauma of seeing a member deterio-

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NEXT FORUM

HIV prevention and behaviour change efforts amongst youth in KZN

29, 30 & 31 July 2003

At Durban, Pietermaritzburg and Mtunzini

Start: 12:30

rate and pass away, they also shoulder the burden of medical and funeral costs, and cope with the loss of income and labour formerly provided by the afflicted member and his or her caregivers. Treatments and funerals can be very expensive, and may cause a household to sell belongings or borrow money. These burdens may result in reduced expenditure on necessities, such as food. Children may be forced to leave school. It may result in the out-fostering of children, and even the dissolution of households. To date, there has been little research quantifying the size of this impact. Our first objective is to document these costs.

Burial societies and funeral policies sometimes protect families from having to pay large costs at the time of a funeral. But we know very little about how well these policies are working, and how much protection they are providing to families, and at what cost. A second goal of this research is to document who participates in burial societies, who owns funeral policies, and how much money is being spent on these.

In recent research, we have found that orphans in Africa on average live in poorer households than non-orphans, and are significantly less likely to be enrolled in school. However, orphans' lower school enrollment is also not explained by their poverty. Another goal of our research is to explore decisions made about where children of the deceased will live, orphans' school enrollment and their overall well-being. Understanding the risks that orphans face is important for policy. If, holding all else equal, orphans are at risk for lower investments, then governments may be well advised to target orphans specifically when designing policies to improve outcomes such as school enrollment.

Finally, if socio-economic well-being has a causal effect on health, then the economic shocks associated with illness and death may have lasting effect on health of household members. Our research intends to deepen our understanding of the dual causal relationships existing between socio-economic status and health in a community crippled jointly by extreme poverty and the AIDS epidemic.

Our research team includes researchers from Princeton University in the United States (Professor Anne Case, Dr Alicia Menendez, Ms Elizabeth

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wiped from the South African economy over the next seven years because of HIV/AIDS. This excludes the costs of taking care of 11 million orphans in Africa, who will need to be fed and educated.

In the AIDS Management Report, *Lifeworks*, 2003 – Volume 1, it further said that " productive lifespan was expected to decline to 38 years in South Africa by the year 2010, while in Botswana the average age now stands at 29 years. Estimates are that 19,9% of South Africa's working population are HIV positive. "

The epidemic is by all accounts, having a negative impact on the South African economy. De Beers Diamond Mining hit the headlines last year when it went public with its milestone decision to provide ARVs (antiretrovirals) to infected employees and their spouses. Unfortunately this groundbreaking workplace policy has since encountered some obstacles and is currently on hold. It appears that South African tax laws make the provision of free or subsidised medication to employees a taxable benefit. At the

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BUT... ... ...

How cost-effective are prevention programmes?

By Jo-Ann du Plessis of the Centre for HIV/AIDS Networking (HIVAN)

If a developing country is given $10 million for HIV prevention, what types of programmes would it choose to implement in order to effectively decrease HIV transmission?

This question prompted the University of California, San Francisco (UCSF), in collaboration with the World Bank, Imperial College London and Axios International, to undertake a massive five-country research project into the cost effectiveness of various HIV-prevention strategies. The project was named PANCEA (Prevent AIDS Network for Cost-Effectiveness Analysis), and is currently being carried out in South Africa, Uganda, Mexico, India and Russia. The main goal of the study is to provide new data on costs and services that can be used

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If you have any suggestions you wish to share with the Forum ,contact E-NEWS editor at the following address:

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Gummerson), researchers from the University of Cape Town (Ms Cally Ardington), and from the University of Natal, Durban (Ms Sibongile Mkhize), together with Dr Victoria Hosegood of the MRC and Africa Centre.

Ed's say cont.

same time, the company was also in danger of falling foul of the Medical Schemes Act, as it would be providing services similar to those offered by medical aid schemes. Without the foresight of companies such as De Beers, fears are that the costs of looking after ailing HIV-positive workers will shrink company profit margins while forcing some to close their doors. Other effects may include increased sick leave, decreased productivity and rising costs associated with replacing employees lost to AIDS.

South Africa's health care system is also feeling the strain of caring for increasing numbers of patients with too few resources - many hold the spiraling HIV epidemic responsible.

AIDS orphans AIDS orphans are another distressing and costly side effect of the epidemic. Counting some 100.000 children five years ago, the AIDS orphan problem today is in the region of 420.000 according to USAID. Usually below working age, these children will generally need to be cared for and the cost of their survival will fall upon either the State or sponsored programmes. Sonja Giese, an academic who recently completed a study of AIDS orphans for the United Nations Children's Fund (UNICEF), said "Hundreds of thousands of children have lost their parents already, and with millions of adults expected to die in the future, we are sitting on a crisis of staggering size." Giese went on to say that up to 800.000 children in South Africa have lost both their parents or their sole known parent, usually their mother, to AIDS. This figure is expected to reach 1 million by 2005, and possibly as much as 3 million by 2010.

A possibly more direct cost associated with HIV/AIDS is that of treatment. Recently, Deputy President Jacob Zuma said that the Medicines Control Council had finally made progress in registering some generic antiretroviral drugs after receiving voluntary licenses from certain multinational companies, and expected this to lead to lower prices for these antiretrovirals in the medium-term. The new Medicines Control Amendment Act, which comes into force later this year, should also facilitate the purchase of medicines at cheaper prices.

How cost-effective are prevention programmes?

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together with HIV epidemiological data to describe the most efficient use of HIV prevention resources. A second goal is to understand the realities and challenges faced by HIV prevention programmes, and how they have attempted to respond to those realities.

HIVAN is responsible for the research relevant to South Africa. Forty sites are targeted for data collection, and while the project takes into account a number of HIV prevention activities, the focus in this country is on VCT programmes and programmes involving sex workers (or women at high risk of contracting HIV).

The research includes both quantitative and qualitative data. On the qualitative side, it aims to understand how each programme has developed over time and what opportunities and challenges are envisaged for the future. It also looks at the story behind fluctuations in costs and outputs over time. Quantitative data collected are the costs and outputs associated with each programme over the last financial year, and, for a selection of sites, over the life of the programme. Cost information is very detailed, incorporating every expense (e.g. personnel costs, allocations of capital goods expenditure, recurrent expenses and so on) that is associated with each programme in the facility from which it operates. For a VCT programme, the outputs measured include number of counselling sessions offered, number of tests done, number of clients returning for their results, and so forth. From this information the cost-effectiveness of the programme over time can be calculated. The data will also be used along with econometric modelling developed by the Imperial College London, to determine the probable impact of the programme on HIV incidence.

It is expected that the data collection in all countries participating in PANCEA will span about two years. For more information about PANCEA, please contact HIVAN directly: Jo-Ann du Plessis joannd@hivan.org.za or Nicci Stanley nicolas@hivan.org.za