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**Nepad and HIV/Aids:
The Contribution of South
African Multinational Companies
to the Continental Fight**

George Chikondi Lwanda

Reports

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Rationale and Objectives of the Study

George Chikondi Lwanda¹

*The HIV/Aids epidemic is without doubt the biggest health challenge, its effects going beyond public health into every facet of the economy and society, inhibiting the achievement of the AU/Nepad goal of sustainable development on the continent.*²

Nepad Steering Committee

*Aids is/will be bigger than colonialism.*³

Nikiwe Bikitsha, reporter

Abstract

The New Partnership for Africa's Development (Nepad) was launched amid much pomp and praise in 2001, and promised to usher in the economic emancipation of the continent and people of Africa. Nepad has been touted as the most important developmental initiative to come from Africa in the past two decades. However, despite its laudable intentions, Nepad in its current state arguably does not address the HIV/Aids pandemic adequately. Aids is now Africa's biggest cause of disease and death.

'[It is] difficult to contemplate a serious attempt at jumpstarting development in Africa without paying urgent attention to HIV/Aids, a condition that can negate not only the vision of Nepad but also its goals, priorities and current areas of focus'.⁴

¹ GEORGE CHIKONDI LWANDA was the Eskom–Barratt Rotary Visiting Fellow for the period 7 February 2005–18 March 2005 at the South African Institute of International Affairs (SAIIA).

² *The Fight Against HIV/Aids*. Paper adopted by the Nepad Steering Committee for Presentation at the African Partnership Forum, Maputo, 16–17 April 2004.

³ Nikiwe Bikitsha, a Xhosa 702 radio reporter, on the 'John Webb Talk Show' on 1 July 2001.

⁴ Chinua A, *Africa and Nepad: What About HIV/Aids?* See http://www.theperspective.org/africa_nepad.html.

The authors of *Nepad*, however, appear to believe that they can map out an emancipatory process for Africa without making HIV/Aids one of the key issues. Despite being the continent's greatest threat to development, HIV/Aids is not presented as one of the priority areas in the *Nepad* document. Instead, token references are made to the issue. The active fight against the pandemic has been left in the hands of the corporations and non-governmental organisations (NGOs), without any active participation from the *Nepad* secretariat.

The question that therefore arises out of this regrettable situation is whether *Nepad*, a programme of neo-liberal descent, can succeed in bringing about the delivery of the African continent out of economic misery by pursuing policies which do not prioritise health, in general, and HIV/Aids, in particular.

The study addresses some aspects of these concerns, using a two-pronged approach.

- The author examined the extent to which the *Nepad* initiative has supported moves to place HIV/Aids higher on the agenda, in order to improve human capacity and lead Africa into economic prosperity, as envisioned in the *Nepad* document.
- The author assessed the efforts undertaken by South African corporations that have penetrated the African continent, to contribute to countering the spread of the pandemic. Here attention was paid to uniformity of workplace HIV/Aids policies in the various countries in which these corporations are operating; and any partnerships they have undertaken with the *Nepad* secretariat or with trans-continental Aids initiatives, or with host governments to fight against Aids.

Delimitation of the research

The study, besides analysing what South African firms which have expanded into other African countries are doing to combat HIV/Aids,

has as its main concern the lack of sufficient emphasis on HIV/Aids prevention and control in the Nepad priority areas that determine its policy. More specifically, the study attempted to make the following points:

- It is impossible to bring about Africa's economic emancipation without confronting HIV/Aids. Nepad, with its token reference to the HIV/Aids pandemic in its policy framework document, seems to have overlooked one of Africa's major impediments to economic prosperity. Africa is losing 0.5–1.2% of its GDP because of the pandemic. The continent needs to achieve a growth rate of at least 7% to break out of poverty. Is it possible, given the rate at which the pandemic is spreading?
- Nepad, through its secretariat, could adopt a more proactive approach to HIV/Aids, comparable with its 'implementation agency' role in its projects, for example, those in communications and infrastructure.
- The African private sector, led by South African corporations operating in the various African countries, has contributed to efforts to prevent the spread of HIV/Aids.

The scope of study was, therefore, generally confined to:

- the support (or lack thereof) available to corporations from either their host governments or the Nepad secretariat;
- the support that South African firms have received in their attempts to curb the spread of HIV/Aids in the various African countries in which they operate;
- the Nepad HIV/Aids policy (or lack thereof); and
- thoughts and suggestions on how Nepad could take on a more aggressive approach to the control of the pandemic.

Theoretical assumptions, methodology and research procedures

Assumptions

The study sprang from 10 major assumptions:

- the HIV/Aids pandemic could slow economic development in Africa to a halt;
- no African development strategy can expect to succeed without making HIV/Aids a major priority;
- the Nepad initiative sidelined HIV/Aids issues from its inception;
- African governments have generally not taken an aggressive approach towards confronting HIV/Aids;
- the Nepad initiative is bound to fail in terms of developing and maintaining human capacity, if it continues to treat the HIV/Aids issue with minor importance;
- South African corporations, in partnership with other private sector actors in various African countries, are leading the continental fight against the pandemic, with the public sector, regional and continental initiatives lagging behind;
- the African private sector, taking its cue from the Nepad secretariat, could do much more to contain the spread of the pandemic more efficiently;
- the views of the South African president, Thabo Mbeki, on HIV/Aids hinder the incorporation of HIV/Aids into Nepad's priority plans, and are symbolic of the exclusion of HIV/Aids from the core aims of the Nepad initiative;
- the Nepad initiative could, through the various African Regional Economic Communities (RECs), co-ordinate the continental fight against the pandemic in a much more efficient manner; and
- the Nepad initiative could assume a more hands-on approach to the fight against the pandemic, possibly through the incorporation

of HIV/Aids as a fifth category in the Nepad African Peer Review Mechanism (APRM).

Methodology and research procedure

A fairly simple research methodology was adopted. This included the following:

- Various literature related to the study topic, which included Internet publications, newspapers, magazines, journals, articles and books, were collected and reviewed.
- Various workplace HIV/Aids policies, information on national strategies to control the HIV/Aids pandemic in a number of Nepad countries (including any policy and written implemental frameworks) were also read and analysed.
- Policy and framework documents from a selected number of major South African companies and business coalitions that have extended their operations into the region were consulted, to see what these businesses were doing in relation to HIV/Aids and the effects of the disease on the maintenance and building of capacity. These firms included:
 - Standard Bank
 - Anglo-American
 - British Petroleum
 - The South African Business Coalition on HIV/Aids (SABCOHA)
 - SASOL
 - ESKOM
 - De Beers
 - NEDCOR
 - Group Five International
- Interviews were held with representatives of various other institutions, including members of the Nepad secretariat, the

Centre for African Renaissance Studies, the Centre for the Study of Aids at the University of Pretoria, the Aids Research Institute at the University of the Witwatersrand and some donor agencies. Individuals who took part included Ms Nana Kgosiginitso, the Cultural Industries Development Agency (CIDA) HIV/Aids adviser; Dr Sibusiso Vil-Nkomo, Executive Director of the University of Pretoria; Dr Pieter Fourie, a lecturer at the University of Johannesburg; Mr Kondwani Mwangulube of the International HIV/Aids Alliance in Brighton, England (by e-mail); and Dr Chinua Akukwe, who serves on the board of directors of the Constituency for Africa (by e-mail). The resultant information was collated and analysed.

Nepad and HIV/Aids: The Contribution of South African Multinational Companies to the Continental Fight

Introduction: HIV/Aids in Africa

It is the only disease to have a dedicated United Nations organisation — UNAids — charged with the single aim of confronting it.⁵

The levels that the HIV/Aids pandemic has reached in Africa, especially sub-Saharan Africa (SSA), are alarming. Despite accounting for only 10% of the global population, SSA was, by 2000, already home to 70% of people living with HIV/Aids (PLWHA). UNAids estimated that at the end of 2004, Africa accounted for 25.4 million PLWHA out of the 39.4 million in the world (see Table 1).

The pandemic is largely responsible for the resurgence of tuberculosis on the continent, and has led to the crumbling of an already strained health system in many countries.

Among other effects, the UN Economic Commission for Africa (UNECA) estimates that in 2003 African economies were losing between 0.5% and 1.2% of their GDP to HIV/Aids. Life expectancy in SSA, which is estimated to have been at around 62 years without HIV/Aids, has dropped to between 40–47 years, depending on the country. The number of HIV/Aids orphans on the continent has ballooned to an all-time high of about 11 million,⁶ representing ‘the loudest cry of warning of an impending social and economic crumble of the African continent’.⁷

⁵ Barnett T & A Whiteside, *Aids in the Twenty-First Century: Disease and Globalisation*. Palgrave Macmillan Press, New York, 2002, p.4.

⁶ Subbaro K & D Coury, ‘Reaching out to Africa’s orphans: A framework for public action’ in the World Bank’s Africa Region Human Development series, 2004. www.worldbank.org.

⁷ Lwanda G, ‘Nepad: The need to mainstream HIV/Aids’, *OSSREA Bulletin*, February 2005. See <http://www.ossrea.net/publications/newsletter/feb05/article8.htm>.

Table 1: Regional HIV/Aids statistics and features, end 2002 and 2004

	<i>Adults and children living with HIV</i>	<i>Adults and children newly infected with HIV</i>	<i>Adult prevalence (%)*</i>	<i>Adult and child deaths due to Aids</i>
Sub-Saharan Africa				
2004	25.4 million (23.4–28.4 million)	3.1 million (2.7–3.6 million)	7.4 (6.9–8.3)	2.3 million (2.1–2.6 million)
2002	24.4 million (22.5–27.3 million)	2.9 million (2.6–3.6 million)	7.5 (7.0–8.4)	2.1 million (1.9–2.3 million)
North Africa and Middle East				
2004	540,000 (230,000–1.5 million)	92,000 (34,000–350,000)	0.3 (0.1–0.7)	28,000 (12,000–72,000)
2002	430,000 (180,000–1.2 million)	73,000 (21,000–300,000)	0.2 (0.1–0.6)	20,000 (8,300–53,000)
South and South-East Asia				
2004	7.1 million (4.4–10.6 million)	880,000 (480,000–2.0 million)	0.6 (0.4–0.9)	490,000 (300,000–750,000)
2002	6.4 million (3.9–9.7 million)	820,000 (430,000–2.0 million)	0.6 (0.4–0.9)	430,000 (260,000–650,000)
East Asia				
2004	1.1 million (560,000–1.8 million)	290,000 (84,000–830,000)	0.1 (0.1–0.2)	51,000 (25,000–86,000)
2002	760,000 (980,000–1,2 million)	120,000 (36,000–360,000)	0.1 (0.1–0.2)	37,000 (18,000–63,000)
Oceania				
2004	350,000 (25,000–48,000)	5,000 (2,100–13,000)	0.2 (0.1–0.3)	700 (<1,700)
2002	28,000 (22,000–36,000)	3,200 (1,000–9,600)	0.2 (0.1–0.3)	500 (<1,000)
Latin America				
2004	1.7 million (1.3–2.2 million)	240,000 (170,000–430,000)	0.6 (0.5–0.8)	95,000 (73,000–120,000)
2002	1.5 million (1.1–2.0 million)	190,000 (140,000–320,000)	0.6 (0.4–0.7)	74,000 (58,000–96,000)
Caribbean				
2004	440,000 (270,000–780,000)	53,000 (27,000–140,000)	2.3 (1.5–4.1)	36,000 (24,000–61,000)
2003	420,000 (260,000–740,000)	52,000 (26,000–140,000)	2.3 (1.4–4.0)	33,000 (22,000–57,000)

Table 1: Regional HIV/Aids statistics and features, end 2002 and 2004 (continued)				
	<i>Adults and children living with HIV</i>	<i>Adults and children newly infected with HIV</i>	<i>Adult prevalence (%)</i> [*]	<i>Adult and child deaths due to Aids</i>
Eastern Europe and Central Asia				
2004	1.4 million (920,000–2.1 million)	210,000 (110,000–480,000)	0.8 (0.5–1.2)	60,000 (39,000–87,000)
2002	1.0 million (670,000–1.5 million)	190,000 (94,000–440,000)	0.6 (0.4–0.8)	40,000 (27,000–58,000)
Western and Central Europe				
2004	610,000 (480,000–760,000)	21,000 (14,000–38,000)	0.3 (0.2–0.3)	6,500 (<8,500)
2002	600,000 (470,000–750,000)	18,000 (13,000–35,000)	0.3 (0.2–0.3)	6,000 (8,000)
North America				
2004	1.0 million (540,000–1.6 million)	44,000 (16,000–120,000)	0.6 (0.3–1.0)	16,000 (8,400–25,000)
2002	970,000 (500,000–1.6 million)	44,000 (16,000–120,000)	0.6 (0.3–1.0)	16,000 (8,400–25,000)
Total				
2004	39.4 million (35.9–44.3 million)	4.9 million (4.3–6.4 million)	1.1 (1.0–1.3)	3.1 million (2.8–3.5 million)
2002	36.6 million (33.3–41.1 million)	4.5 million (3.9–6.2 million)	1.1 (1.0–1.2)	2.7 million (2.5–3.1 million)
<p>* The proportion of adults (15–49 years of age) living with HIV/Aids, using 2004 population numbers.</p> <p>• The ranges around the estimates in this table define the boundaries within which the actual numbers lie, based on the best available information.</p>				
Source: US Census Bureau, International Programme Centre, International Database (2004) and unpublished tables				

Table 2: Population by sex with and without Aids for select countries: 2005 and 2015

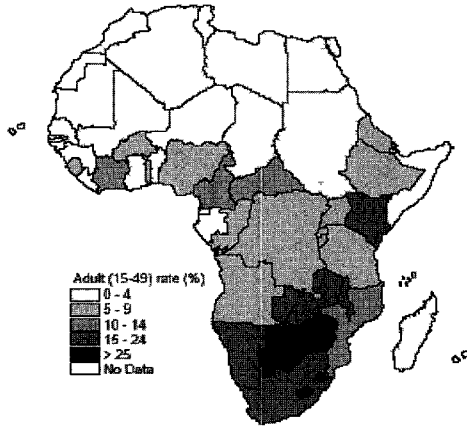
	2005				Projected 2015			
	Male		Female		Male		Female	
	Without Aids	With Aids	Without Aids	With Aids	Without Aids	With Aids	Without Aids	With Aids
Country	60.6	23.5	64.9	23.2	63.4	24.7	67.6	26.1
Botswana	47.6	41.5	53.1	43.9	49.3	42.0	55.4	44.4
Côte d'Ivoire	47.5	43.3	50.5	44.9	49.1	43.8	52.7	45.3
Ethiopia	48.6	40.4	49.4	38.6	50.8	48.7	52.2	49.3
Mozambique	46.4	36.1	48.9	36.5	48.1	33.6	51.1	31.5
Namibia	56.3	34.8	60.0	32.4	58.0	36.2	62.2	32.6
Nigeria	49.6	44.0	52.4	44.4	50.7	45.2	54.0	46.3
Rwanda	48.1	42.8	51.0	44.1	49.6	44.5	53.0	46.1
South Africa	53.1	34.5	60.0	33.6	54.9	36.3	61.5	33.6
Tanzania	48.4	39.3	51.6	39.5	50.1	41.3	53.9	42.0
Uganda	50.9	44.7	54.0	45.7	52.5	49.4	56.1	52.1
Zambia	49.6	34.0	53.1	33.4	51.2	35.8	55.2	34.6
Guyana	54.9	51.7	61.3	56.5	56.8	53.6	63.4	58.0
Haiti	50.9	44.1	54.4	46.1	52.7	46.1	56.8	48.0
Vietnam	56.8	55.9	62.3	61.9	58.6	57.7	64.1	63.4

Source: US Census Bureau, International Programme Centre, International Database (2004) and unpublished tables

Some facts

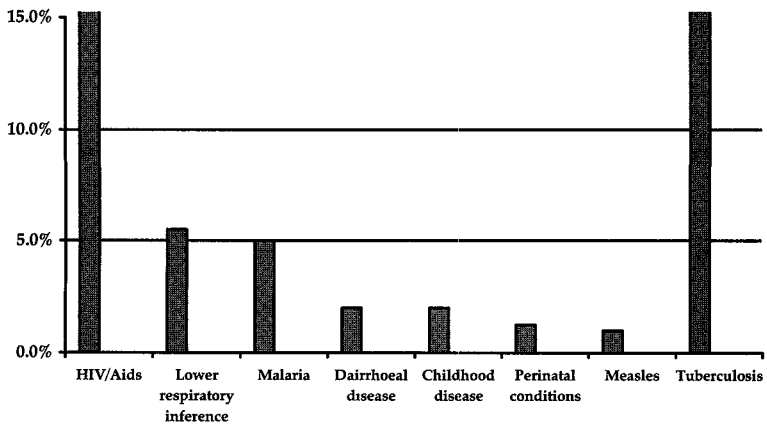
- Sub-Saharan Africa has the lowest life expectancy at birth (47 years in 2001).
- Women account for 55% of adults living with HIV/Aids in Sub-Saharan Africa.
- Voluntary counselling and testing has not made inroads, and the majority of people living with the virus do not know that they are infected.

HIV/Aids prevalence rates in Africa, end 2001



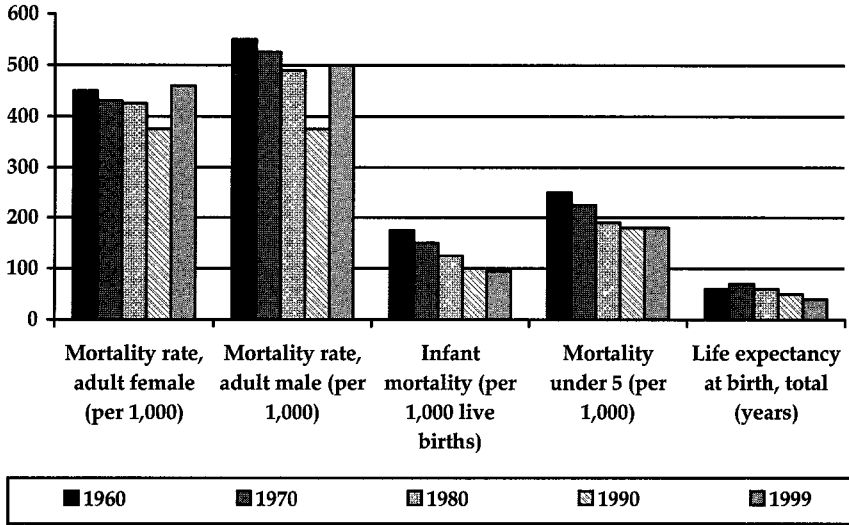
Source: Adapted from USAids, 2002

HIV/Aids dwarfs other diseases as major killer, 2001



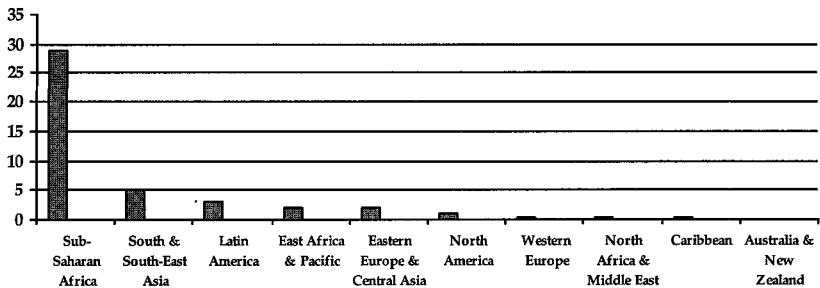
Source: Adapted from USAids, 2002

Mortality and life expectancy reversals in Sub-Saharan Africa, 1960–1999



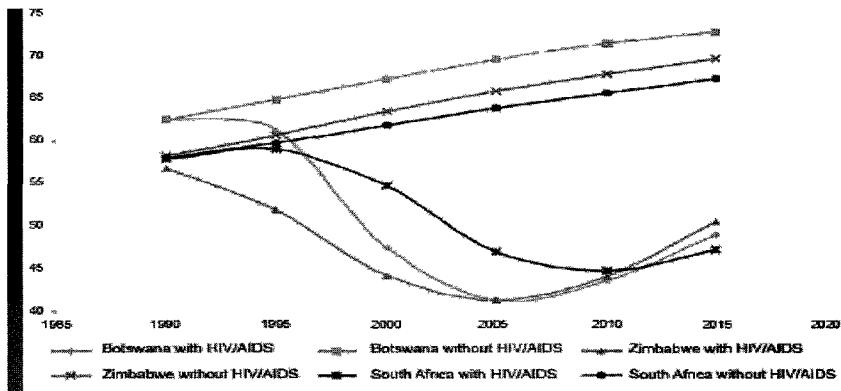
Source: United Nations, 2000

HIV/Aids prevalence highest in Sub-Saharan Africa People living with HIV/Aids in the world by region, end 2001



Source: United Nations, 2000

Life expectance with and without HIV/Aids in some of the hardest-hit countries in Sub-Saharan Africa, 1990–2015



Source: United Nations, 2000

The New Partnership for Africa's Development (Nepad)

What is Nepad...?

*Nepad has been described as a vision, a policy, a strategy, a plan and an organisation. In some respects it is all of these.*⁸

PricewaterhouseCoopers

*Nepad is a holistic, integrated, sustainable development initiative for the economic and social revival of Africa involving a constructive partnership between Africa and the developed world.*⁹

Wiseman Nkuhlu

⁸ PricewaterhouseCoopers, 'Nepad — A new dawn for Africa?' Available from www.sarpn.org.

⁹ Nkuhlu W, 'Nepad: A new chapter in African-led development'. Paper presented at the University of Edinburgh Centre of African Studies, Annual International Conference, 22–23 May 2002.

The Nepad initiative is the refined compound of three different documents presented at the UN Economic Commission for Africa (UNECA) conference of ministers held in Pretoria in March 2001. At the conference, the South African government presented a distilled version of President Thabo Mbeki's African Renaissance project, the 'Millennium Partnership for the African Recovery Programme'. At the same event, the Senegalese president, Abdoulaye Wade, contributed his 'Omega Plan', whilst UNECA offered its 'Compact for African Recovery'. The three documents were then merged and refined into the 'New African Initiative'. On 23 October 2001, in Abuja, Nigeria, the plan was published in its present form as The New Partnership for Africa's Development. Since then Nepad, in a bid to maintain its relevance and leadership in the African development nexus, has continued to build institutional structures and resources. Its secretariat is located in Midrand, South Africa.¹⁰

In a nutshell, Nepad is a blueprint for a revitalised attempt at development in Africa — a somewhat 'last ditch' effort to revisit the socio-economic and political fabric of the continent by a community of nations. It describes itself as a 'long-term vision for an African-led development programme'.¹¹

What the private sector thinks about Nepad

After interviewing 239 CEOs of East Africa's leading businesses in 2002, PricewaterhouseCoopers found that:

- 38% of the CEOs held the view that Nepad was at least likely to succeed in its stated objectives;
- 26% were undecided;
- 32% held the view that Nepad was unlikely to succeed in its stated goals because the initiative lacks legitimate African ownership as well as clarity on what it is about as well as ownership; and
- 61% said Nepad's success rests on the African leaders.

¹⁰ For more information see www.nepad.org.

¹¹ Nepad Mission document, p.13.

In summary

The East African private sector is aware of the potential benefits accompanying Nepad. However, a lot still has to be done in terms of marketing the initiative because apprehension and scepticism continue to prevail. More importantly, 'there also seems to be a lack of appreciation that this is the private sector's job too; that development is not just the responsibility of governments'.

Principles and objectives of Nepad

Nepad carries with it what has been termed in certain quarters a wishful shopping list, which is not attainable in the foreseeable future. The key principles, as articulated by the then head of the Nepad secretariat, Professor Wiseman Nkuhlu,¹² are:

- ensuring African ownership, responsibility and leadership;
- making Africa attractive to both domestic and foreign investors;
- unleashing the vast economic potential of the continent;
- achieving and sustaining an average GDP growth rate of more than 7% per annum for the next 15 years;
- ensuring that the continent achieves the agreed International Development Goals (IDGs);
- making increased investment in human resource development;
- promoting the role of women in all activities;
- fostering sub-regional and continental economic integration;
- developing a new partnership with industrialised countries and multilateral organisations on the basis of mutual commitments, obligations, interests, contributions and benefits;
- strengthening Africa's capacity to lead her own development and to improve her co-ordination with development partners;

¹² Nkuhlu W, *op. cit.*

- ensuring a capacity to accelerate implementation of major regional development co-operation agreements and projects already approved or in the pipeline; and
- strengthening Africa's ability to raise additional external funding for its development.

**Nepad and HIV/Aids:
What needs to be done to strengthen the fight?**

There seems to be a general consensus among the stakeholders interviewed that the only way in which Nepad can show its commitment towards fighting the pandemic aggressively (in the interim) is by adopting Health and Wellness as the fifth thematic area of the Nepad African Peer Review Mechanism (APRM). The basic idea is that if indeed Nepad agrees that HIV/Aids is the biggest challenge to any continental development initiative, it is difficult to understand why it has not so far launched a strategy to counter the pandemic. It is also important that the active involvement of member countries in fighting Aids should provide another criterion by which their performance can be judged in the peer review mechanisms.

If Nkuhlu, who headed the Nepad secretariat, conceded that HIV/Aids is the biggest threat on the African continent, then to have a Peer Review Mechanism that excludes HIV/Aids as a thematic area is clearly contradictory.

Nepad and HIV/Aids

*'It seems to me that there's a critical flaw at the heart of the Nepad document. ... And in a fashion quite startling, Nepad hardly mentions HIV/Aids at all. But how can you talk about the future of Sub-Saharan Africa without Aids at the heart of the analysis?'*¹³

Stephen Lewis

*'We are not aiming at a Nepad clinic, where you cut a Nepad ribbon.'*¹⁴

Prof Eric Buch

Nepad has generally been criticised for the scant attention that its marketing and strategy document pays to HIV/Aids. Despite the pandemic being the continent's biggest killer, it is mentioned only three times in this document, which leads the analyst to infer that the initiative might just have undermined itself by marginalising an issue crucial to Africa's future economic prosperity.

This lack of attention to HIV/Aids has been largely attributed to the views of the initiative's chief architect, President Thabo Mbeki. His controversial views on the causes and nature of the pandemic are well known. Many commentators observe that despite his many noble efforts to revitalise development on the continent, President Mbeki's statements about the pandemic are retrogressive. Sadly, he is considered the de facto leader of the Nepad initiative because of the major role he has played in realising and marketing it. In the process, his views are seen as having superseded the desperate and immediate needs of the millions of Africans ravaged by the disease.

¹³ Stephen Lewis, HIV/Aids adviser to the UN Secretary-General in a speech in the run up to the G8 summit, June 2002.

¹⁴ Professor Eric Buch, Nepad HIV/Aids adviser, personal interview.

Nepad: The way forward

'It's [Nepad] so out there, I don't know if anyone is holding their breath on the Nepad strategy and what it will deliver'¹⁵.

Nana Kgosiginitso

Nepad is without doubt a noble initiative derived by the political leaders of Africa to the benefit of the ordinary citizenry of the continent. It is an initiative that, if successful, will not only free African political leaders from the undesirable label of 'mis-managers' given them by the rest of the world, but will also, and most significantly, raise millions of poverty-stricken Africans to a better standard of living. However, many analysts suggest that if Nepad adopts the following recommendations, it may yet realise its economic aims.

- Nepad has to adopt an all-encompassing line of attack in terms of ownership, and avoid any marginalisation of any of the continent's stakeholders. Nepad is seen as an elitist politicians' club which has failed to incorporate the 'non-political' sectors of African society, effectively marginalising other African stakeholders. It is vital that Nepad abandon its identification with the African political elite and include all the other interested parties on the continent.
- The unsympathetic effects of neo-liberalism are plain in many African countries. The steady decline of African economies is partly due to the neo-liberal policies adopted during Structural Adjustment Programmes (SAPs) which have seen expenditure on social services plummet to almost non-existent levels. It might, therefore, be worthwhile for Nepad to revisit its current neo-liberal leanings.

¹⁵ Nana Kgosiginitso, CIDA HIV/Aids adviser, personal interview, 10 February 2005

- Besides 'calling for a new relationship of partnership between Africa and the international community', it is imperative that Nepad strives to establish a new state-civil society partnership. The current 'African world' remains dominated by undemocratic thinking and policies that have at times greatly alienated civil society. The latter has been forced to helplessly endure a seemingly endless range of oppression, economic hardship and denial of basic human rights, stemming from the deliberate actions of the state. As a step forward, African states need to establish a new and refined state-civil society partnership.
- Nepad should adopt a proactive role in the formulation and implementation of policies aimed at tackling the HIV/Aids pandemic on the continent. Nepad has continually shied away from doing so, claiming that it is not an implementation agency. Paradoxically, however, Nepad is to date vigorously engaged in the co-ordination of action programmes in sectors such as agriculture, transport and telecommunications.

Whilst conceding that 'there have been times when there has been a perspective that Nepad is soft on Aids',¹⁶ Professor Eric Buch, Nepad's HIV/Aids adviser, says that such an analogy does not hold up. 'The chairperson of the secretariat has on more than one occasion... stated very clearly that he perceives HIV/Aids as the single biggest threat to the attainment of the goals of Nepad'.¹⁷ Buch also cites various African pronouncements such as the Abuja Declaration on HIV/Aids, TB and other related diseases as a sign of Nepad's commitment to tackling the pandemic.

The Nepad secretariat contends that HIV/Aids presents a multi-sectoral development challenge for Africa and that 'you can't simply put HIV/Aids in an isolated chamber and say we will deal with

¹⁶ Professor Eric Buch, Nepad HIV/Aids adviser, personal interview, 7 March 2005.

¹⁷ *Ibid.*

HIV/Aids in itself'.¹⁸ It also claims that the strengthening of the continent's health systems remains Nepad's primary strategy in countering HIV/Aids. Critics of the initiative think otherwise and claim that Nepad is renegeing on its responsibility to do much more.

As regards making HIV/Aids a 'mainstream' issue, the secretariat's HIV/Aids adviser pointed out that the secretariat is already focusing on the effects of Aids on development, which has led to a greater emphasis on HIV/Aids in Nepad's programmes. For example,¹⁹

the principles for establishing any infrastructure project will be that they will have to include a strategy to address HIV/Aids in the programme before they will be eligible for consideration (for funding).

In an attempt to verify this claim, the author subjected a concept paper submitted to the heads of state and government of the implementation committee of Nepad (HSGIC) by the Malawi government in Sharmel-El Sheikh, Egypt, on 19 April 2005, to close scrutiny. The proposed project for the development of the Shire–Zambezi waterway is clearly an infrastructure project, but it definitely does not include a strategy on tackling HIV/Aids. In fact, the whole seven-page document does not mention HIV/Aids at all. Yet it is under consideration by Nepad. This, therefore, raises two possibilities – either some of the member states have simply decided to ignore this requirement or the policy of giving priority to HIV/Aids in Nepad policies has not been communicated by the secretariat to its member states. This would not be surprising, given the understaffing at the Nepad secretariat.

In agreement with the East African company executives who believe that the responsibility for Nepad's success lies squarely on the shoulders of African leaders and that Africa must address HIV/Aids before turning to the rest of the world for help, the Nepad HIV/Aids adviser recapped the need for a concerted political effort to overcome the pandemic. He emphasised that if the fight is to be

¹⁸ *Ibid.*

¹⁹ *Ibid.*

won, 'every minister in every sector of the continent has to become a champion in the fight against HIV/Aids in their sector'.²⁰

Delivering the boxes: A boxed-in view of HIV/Aids?

Professor Eric Buch uses a box analogy to illustrate the Nepad secretariat's contention that the fight against HIV/Aids can be won only by strengthening African health systems. Fighting HIV/Aids is seen as a single box to be delivered, together with the TB and malaria boxes, in one bigger box/case. Buch argues that 'it is quite clear that the boxes are too small at the moment. The boxes have to become commensurate with the sizes and scale of the challenge'. It is a mistake to believe that you can deal with the boxes alone. Instead, if the box is to be delivered, you need to fix the vehicle (the healthcare system) that has to deliver the box, and you also need to have staff to drive that vehicle and carry the boxes, otherwise you will fail. The interpretation of the analogy is that unless there is a functional and adequately staffed healthcare system, HIV/Aids preventative programmes will never work. 'The current state of investment and the current situation is that healthcare systems in Africa are too weak and too dysfunctional to be able to deliver an effective Aids programme'.

It can, nevertheless, be argued that such a 'boxed-in' view of the fight against the pandemic is not only defeatist but also a fallacy. Buch's statement that 'Africa has to make sure that it does what it can do in terms of the pandemic before it goes beyond Africa and to the world for help and support' seems to suggest that Africa might not be doing enough to fight the pandemic.

By not entering into partnership with the private sector, the secretariat might have committed the mistake of waiting for a car to deliver the boxes whereas, in the interim, the boxes might be delivered as effectively using a bicycle (the private sector), in this way saving thousands of lives.

Lastly, it is quite apparent that the Nepad view of how to go about tackling HIV/Aids is not only misunderstood by the majority of stakeholders, but it is not accepted.

²⁰ *Ibid.*

Further confusion as to the specific role of Nepad in the fight against HIV/Aids seems to have been caused by the AU's recent steps towards becoming a continental leader in the fight against HIV/Aids through its draft strategy plan. As Nepad is part of the AU, their strategies should not overlap. Clear lines need to be drawn to delineate where the AU's responsibilities start and end, to avoid unnecessary replication or gaps.

Nepad, the private sector, health and development in Africa

In line with its largely neo-liberal leanings and bearing in mind the weakness of the African state sector, the Nepad initiative recognises that business 'can provide the necessary impetus to unlock Africa's vast economic potential, allowing it to engage successfully with its many developmental challenges'.²¹ This belief is articulated in various sections of the Nepad document.

- Paragraph 86 affirms the need for the development of an atmosphere conducive to private sector-led growth in Africa.
- Paragraph 145 reiterates the 'urgent need to create conditions conducive to private sector investments by both domestic and foreign investors'.
- Paragraphs 150–152 indirectly touch on the role of the private sector by emphasising the need to promote private capital inflows into Africa.
- Paragraphs 163–164 explicitly lay out the actions necessary for the promotion of the private sector within the African growth framework.
- Paragraph 192, under proposed Nepad projects that are crucial for regional development, recommends the promotion of private

²¹ Games D, *South African Business in Africa: An Introductory Survey and Analysis*. http://saiia.org.za/images/upload/Games_final.pdf.

sector growth through the formulation of an assortment of guidelines, strategies and policies.

Nepad HIV/Aids policy or lack thereof

Most company representatives expressed ignorance of any attempts, strategies or plans of the Nepad initiative to counter HIV/Aids in general, and its proposed engagement with the private sector to fight against HIV/Aids, in particular.

All of those interviewed confirmed that they had had no direct interaction with the Nepad secretariat. They referred any enquiries on this subject to the SABCOHA. The Nepad secretariat HIV/Aids adviser also conceded that no approaches had been made to corporations on this issue. However, there are indications that steps are being taken to address this lack of partnership. Both SABCOHA and the Nepad HIV/Aids adviser are in the process of formalising such a partnership.

Pressed further, all company representatives agreed, as did the East African CEOs, that the Nepad strategy, in general, is not well comprehended in the business sector.

Although the Nepad document makes no reference to a strategy to engage the private sector in the continental fight against HIV/Aids, the considerable prominence it, and subsequent Nepad publications and declarations attach, to the importance of health²² on the continent suggests a recognition that the African business community has as much a role to play as the state sector in Aids control and prevention. The importance of the private sector in this

²² Paragraphs 64, 123, 124, 125, 126 and 128 of the Nepad document deal with health and the health sector, as does the Nepad health strategy. Subsequent declarations include the declaration made by the Nepad steering committee in Maputo 2004 that; 'The HIV/Aids epidemic is without doubt the biggest health challenge, its effects going beyond public health into every facet of the economy and society, inhibiting the achievement of the AU/Nepad goal of sustainable development on the continent'.

global fight was recognised at the Pan African Health Conference held in Midrand, South Africa, in May 2005. Delegates agreed that the private sector has an indispensable role to contribute in ensuring that Africa meets its millennium development goals with respect to access to healthcare for all by 2015. At the conference, S'mangaliso Hlengwa from the Nepad secretariat called for business to 'look at the developmental issues rather than profit, in order for us to move forward and meet these targets'.²³

²³ SABC news website, *Business should join bid for greater healthcare*, <http://www.sabcnews.com/world/other/0,2172,104707,00.html>.

South African Firms and the Continental Fight Against the Pandemic

Why South Africa/South African companies

'Never mind the rhetoric about Nepad, the African Union, the Pan-African parliament and other institutions designed to create greater political and economic integration on the continent, the real action is happening at the corporate coal face'.²⁴

Business in Africa

Owing to its size and level of development, the economy of post-apartheid South Africa is considerably larger than that of any other on the continent. According to the World Bank development indicators for 2002, the South African economy contributes 19% of the total continental GDP and 'is responsible for around 40% of the continent's industrial output'.²⁵

Foreign direct investment (FDI) from South Africa into the rest of the continent has been steadily rising, in contrast to the lacklustre performance of FDI into Africa from the rest of the world. South African firms are arguably the largest investors into Africa today, as is shown by the results of empirical studies carried out by the United Nations Conference on Trade and Development (UNCTAD) and research conducted in 2003 by Liquid Africa Research. The South African business environment is far more developed than any other on the continent. Most of these are characterised by a grossly stunted, highly uncompetitive and state-dominated business sector. This advantage puts South African firms that have penetrated into

²⁴ Business in Africa, 'It's only natural', South African *Financial Mail*, 6 May 2005. Also available on: <http://free.financialmail.co.za/>.

²⁵ South Africa Foundation, *South Africa's Business Presence in Africa*, South Africa Foundation Occasional Paper No.3/2004, June 2004 p.6. Available on www.safoundation.org.za/documents/SAinAfrica.pdf.

other parts of the African continent in a position to lead the charge against Aids.

The advantages private companies bring to the continental fight against HIV/Aids

South African multinational companies (MNCs) no doubt bring with them qualities that, if put to full use, can reverse the tide of the pandemic on the continent. The strategic potential and the corporate expertise they can provide are accompanied by a number of other factors.

- **The private sector is much easier to engage than the donor countries of the west.** Because the private sector and Nepad share a common enemy in HIV/Aids, a partnership to fight the disease makes sense. Secondly, the private sector is more ready to engage in a 'no-strings-attached' relationship with African governments than are international donors.
- **The private sector has well-developed financial capability.** Most MNCs possess the financial ability to frame and implement comprehensive HIV/Aids policies (which encompass awareness, voluntary counselling and testing, support, care, treatment and the provision of antiretroviral therapy) at the lowest possible cost.
- **The private sector has greater flexibility.** Most MNCs are much more flexible and dynamic than their smaller counterparts in the business world and public sector institutions. They can, therefore, implement intervention policies at a significantly faster rate and are also more creative in designing intervention policies.
- **Addressing Aids is in the interest of the private sector.** A healthy mixture of profit maximisation and cost minimisation remains the primary motive of firms. By increasing running costs and threatening to minimise profits (see below), HIV/Aids is a threat to this motive. It is, therefore, in the interest of firms to implement

comprehensive HIV/Aids policies. As Solly Molekwa, the Wellness manager of BP, explained:²⁶

‘it’s a win-win situation because the guy stays alive, he remains to be the father of his family and breadwinner, the community keeps its community leader and the company continues to make profits’.

This ‘win-win’ notion is further supported by separate studies carried out by three South African corporations on the financial benefits of implementing a comprehensive HIV/Aids policy.²⁷

➤ Daimler Chrysler found that by actively tackling HIV/Aids in the workplace, its South African operations could make savings of between R156,000–R1,629,000 a year. In addition, the company said that the implementation of an HIV/Aids policy protected its asset value through the preservation of human capital.

➤ ESKOM, after its assessment, concluded that HIV/Aids was a strategic priority.

➤ BP projected that the introduction of treatment into a comprehensive set of HIV/Aids intervention policies would save 45 lives and approximately \$800,000 per annum.

MNCs, by providing care and treatment to employees who are living with HIV/Aids, are participating actively in the continental struggle against the pandemic.

²⁶ Solly Molekwa, Wellness Manager BP, personal interview, 10 February 2005.

²⁷ Natrass N et al. ‘Opportunities for business in the fight against HIV/Aids: A framework for analysis of the impact of HIV/Aids on business and benefits of direct company action in the global response’, January 2004.

How HIV/Aids affects firms

There are several ways in which HIV/Aids affects the competitiveness of firms. Therefore, any attempt by business to address Aids is in their interests.

- **Labour supply.** Aids deaths reduce the available labour pool, since deaths occur predominantly among workers in their most productive years. As younger, less experienced workers replace experienced workers, productivity is reduced, which in turn results in loss of competitiveness.
- **Profitability.** Aids reduces profitability by increasing costs, whilst simultaneously reducing profits as illustrated below.

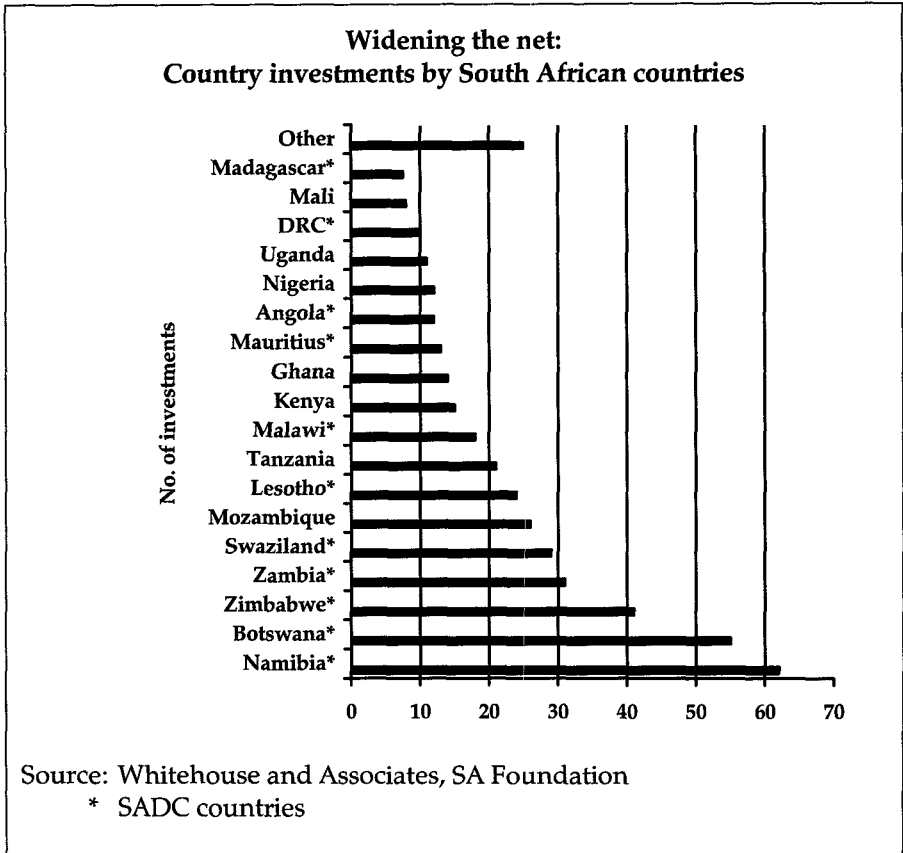
<i>Factors leading to increased costs</i>	<i>Factors leading to decreased profits</i>
<ul style="list-style-type: none"> • Healthcare costs • Burial fees • Benefits payouts • Training and recruitment 	<ul style="list-style-type: none"> • Absenteeism due to illness • Funeral attendance • Time spent on training • Labour turnover • Reduced worker productivity • Reduced number of potential customers

- **Other consequences.** Aids also affects firms in several other ways that cannot be so easily quantified but nonetheless affect competitiveness. These include worker morale and poor labour relations. The table below illustrates other ways in which Aids affects firms.

<i>Impact on investment</i>	<i>Impact on trade</i>
<ul style="list-style-type: none"> • Declining investor confidence • Decreased national entrepreneurial pool • General negative effect on the economy 	<ul style="list-style-type: none"> • Reduced production due to higher costs • Decreased experienced human capital • Increased transportation costs.

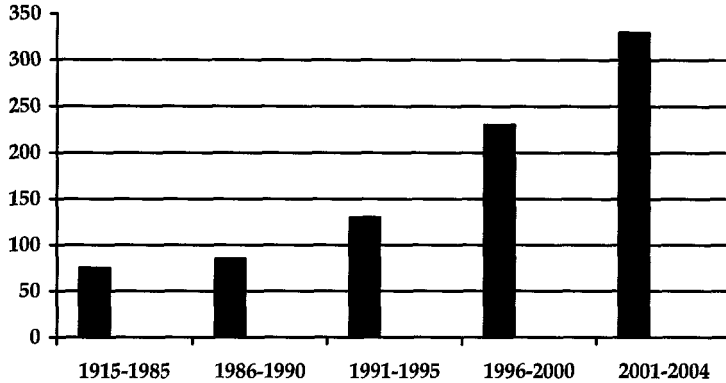
Adapted from USAID, 'HIV/Aids and Business in Africa'.

Graphic representation of South Africa's economic importance on the continent



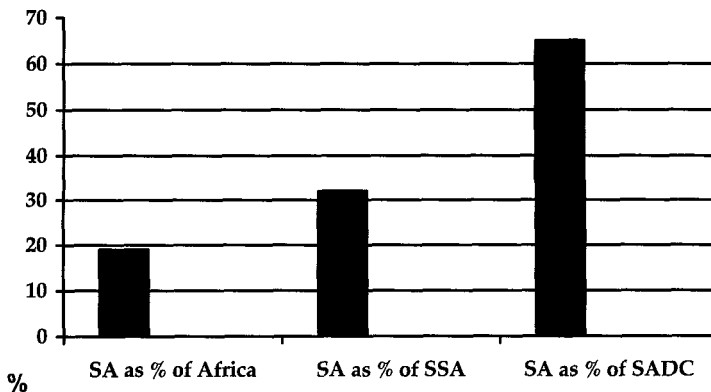
Picking up the pace: Growth in South African corporate investments in Africa

No. of investments



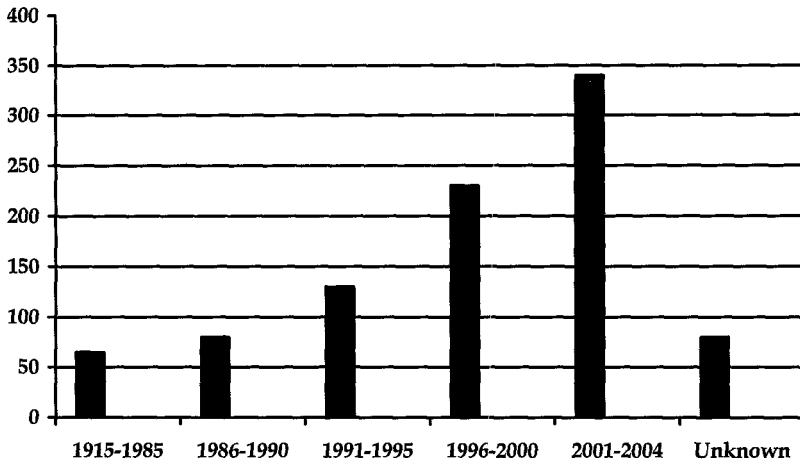
Source: Whitehouse and Associates, SA Foundation

Overwhelming Force: South Africa's contribution to regional GDP, 2002



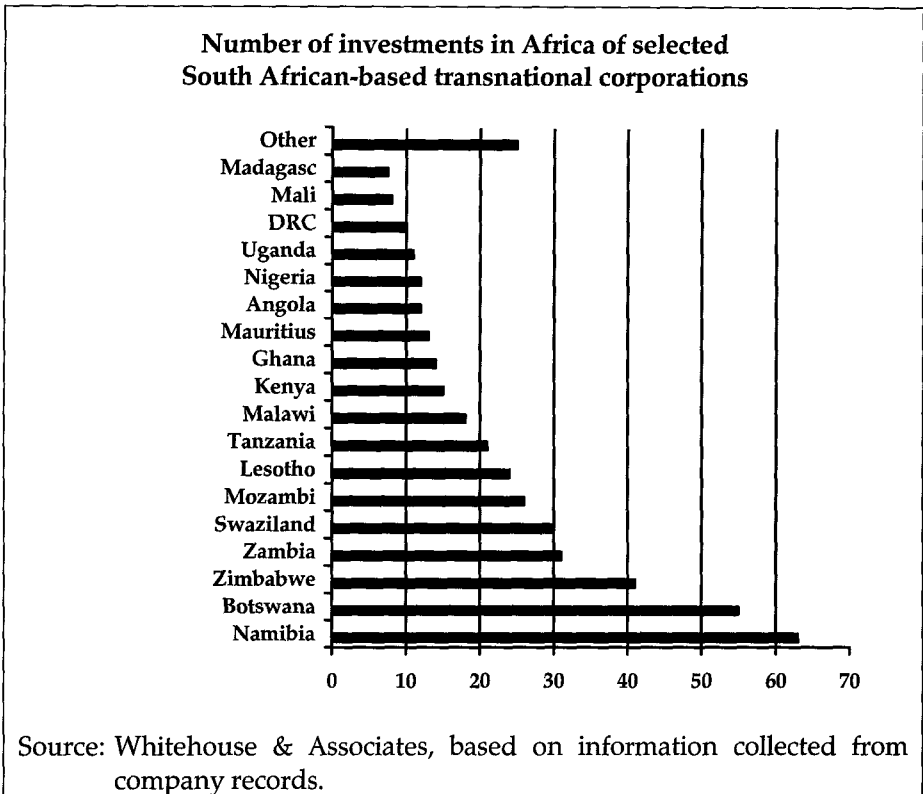
Source: World Bank

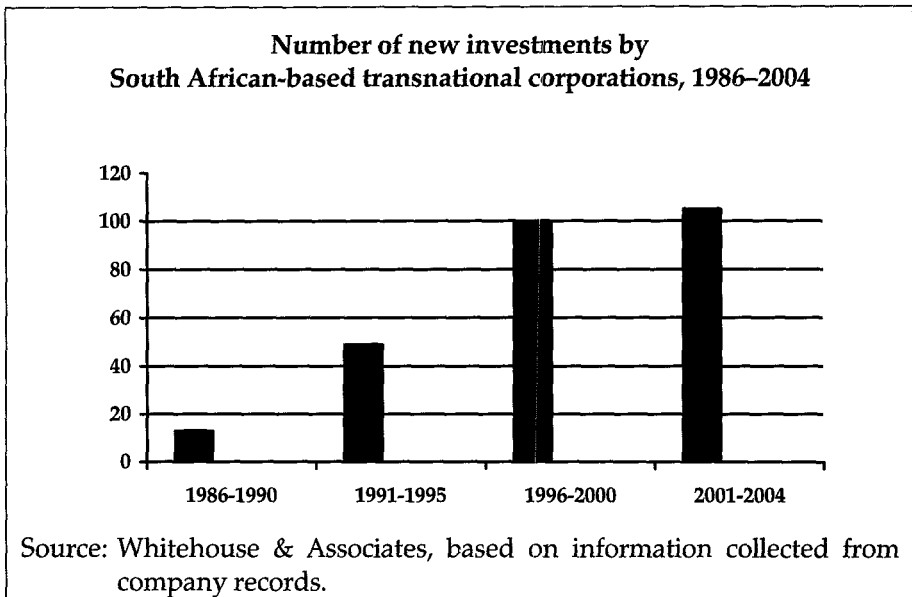
**Growth of South African transnational corporations' presence in Africa:
Number of investments by period**



Source: Whitehouse & Associates, based on information collected from company records.

Note: Unknown relates to known investments that are not specifically dated. However, the vast majority of these relate to activity in the isolation era, and generally in the SACU countries. Available company records do not extend back to this period.





South African firms and the HIV/Aids pandemic

In South Africa

According to SABCOHA and other literature, most large South African firms admit to having been affected by Aids, and therefore have introduced HIV/Aids policies. Interviews with various corporate representatives also suggest that most large firms started investigating the likely impact of HIV/Aids on their businesses in the early to mid-90s, a period when most African governments were only just beginning to accept the existence of the disease. According to SABCOHA, by 1995, 5% of companies in the manufacturing sector, 4% in mining, 4% of building and construction companies and 20% of wholesale companies had responded to the pandemic by adopting HIV/Aids policies (see Table 3 below).

Table 3: Percentage of South African companies that have an HIV/Aids policy and year of implementation — Sector breakdown						
<i>Manufacturing</i>	<i>Building and Construction</i>	<i>Retail</i>	<i>Wholesale</i>	<i>Motor</i>	<i>Mining</i>	<i>Financial Sector</i>
<i>Percentage of companies that have an Aids policy</i>						
50%	21%	15%	24%	29%	77%	58%
<i>Percentage of companies that implemented their HIV/Aids policies</i>						
<i>Before 1995</i>						
5%	4%	0%	20%	0%	4%	0%
<i>Between 1995–1999</i>						
8%	8%	13%	5%	10%	19%	7%
<i>Between 2000–2002</i>						
55%	42%	63%	35%	30%	43%	80%
<i>2003</i>						
22%	37%	17%	35%	60%	32%	7%
<i>2004</i>						
9%	9%	6%	5%	0%	2%	6%
<i>Sum total</i>						
100%	100%	100%	100%	100%	100%	100%
Source: SABCOHA 2004 HIV/Aids Report						

In addition, the SABCOHA report observes that 96% of large South African firms²⁸ and 64% of medium sized companies²⁹ have HIV/Aids policies (see Table 4 below). This is in sharp contrast to a survey conducted by PricewaterhouseCoopers on 216 firms in Kenya, Tanzania, Uganda and Zambia in 2003, which found that only 39% of the firms surveyed had instituted a formal HIV/Aids policy³⁰ (see Figure 1 below).

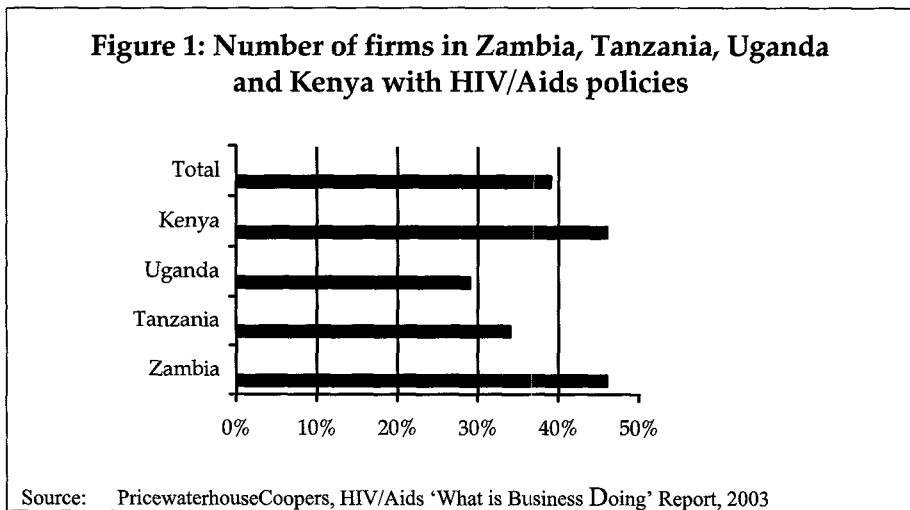
²⁸ Defined as firms employing more than 500 people.

²⁹ Defined as firms employing between 100 and 500 people.

³⁰ PricewaterhouseCoopers, *HIV/Aids: What is Business Doing?*, 2003.

Table 4: Percentage of South African firms with HIV/Aids policies and year of implementation			
	<i>Large: More than 500 employees</i>	<i>Medium: 100–500 employees</i>	<i>Small: Less than 100 employees</i>
Percentage of companies that have an HIV/Aids policy			
	96%	64%	17%
Percentage that implemented their HIV/Aids policies			
<i>Before 1995</i>	13%	2%	3%
<i>Between 1995–1999</i>	3%	9%	12%
<i>Between 2000–2002</i>	48%	59%	47%
<i>2003</i>	28%	24%	28%
<i>2004</i>	7%	5%	11%
<i>Sum Total</i>	100%	100%	100%

Source: SABCOHA 2004 HIV/Aids Report



The literature consulted, therefore, suggests that by the turn of the century the global imperative to tackle the pandemic had affected

South African firms sooner than it did their counterparts elsewhere in Africa. This was fuelled by three factors.

The first was suggestions contained in the 2002 King report, which suggested that every company take into account all threats to the health of stakeholders, including HIV/Aids, and provide well-defined measurement targets and objectives for strategies, plans and policies to address and manage the potential impact of HIV/Aids on the organisation's activities.³¹

The second was a formal requirement of the Johannesburg Stock Exchange (JSE) that listed companies should include HIV/Aids in their annual report.

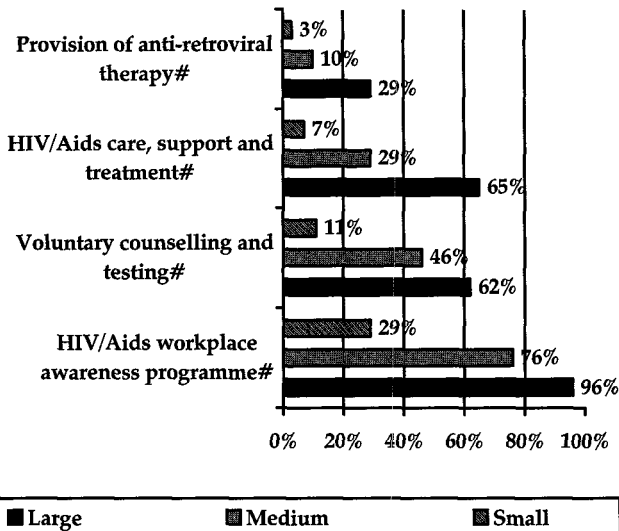
The third was the establishment in 2000 of SABCOHA and other business coalitions aimed at co-ordinating the efforts of businesses to address HIV/Aids.

SABCOHA estimates that more than two-thirds of the large South African companies have lost productivity and experienced increased costs owing to increased absenteeism and higher employee benefit costs. The HIV/Aids policies they have implemented are largely based on the following principles:

- that people living with HIV/Aids should not be discriminated against;
- that care programmes aimed at providing help for infected and/or affected communities and/or members of staff and their families should be provided;
- that educational programmes largely aimed at inducing behavioural change should be introduced;
- that communities, other businesses and government should be included in 'win-win' partnerships; and
- that progress should be monitored and reported on.

³¹ King report on Corporate Governance for South Africa. Institute of Directors in Southern Africa 2002, www.iodsa.co.za.

Percentage of companies that have implemented an HIV/Aids policy or the following HIV/Aids programmes



In the rest of Africa

As regards HIV/Aids policies, all firms interviewed were found to have extended their programmes to the various African countries in which they operated. Whilst BP was the only firm with a uniform policy throughout Africa, the other firms generally had policies that correspond with certain key elements. These include:

- reducing stigma and preventing discrimination against HIV-positive staff;
- ensuring confidentiality for affected workers;
- providing HIV education and training for employees;³² and

³² Although when compared to their overseas counterparts these firms lagged in this area, some of their programmes are at global best practice levels.

- offering care and support to people living with Aids and their families.

Since a number of the companies have only recently adopted these policies, their effectiveness remains difficult to gauge.

Contrary to the initial assumption made by this researcher that African governments have not adopted an aggressive approach in the fight against HIV/Aids, the research results indicate otherwise. According to interviewees and the available literature, there is both concern and the will to stem the pandemic at the top policy-making level of African governments. Most companies alluded to the existence of public-private partnerships with their host governments. This suggests that host governments were open to policy input on HIV/Aids from private sector interests. Some corporations actually took pride in having had 'core influence on government [HIV/Aids] policy'.³³ For example, some claimed that the governments in the countries in which they operate had actually drawn up their HIV/Aids policies with financial and technical assistance from the corporations. They said that their corporations' comprehensive HIV/Aids policies had led to other governments making '180 degree turns' in their policies and attitudes towards the pandemic.

Aware that they are experts in their core business operations rather than in HIV/Aids issues, a significant number of companies have gone beyond partnerships with their host governments to partnerships with their host communities, NGOs and grant-making institutions. For example:

- in Tanzania, Geita gold, a joint venture by Ashanti and Anglo Gold, went into partnership with a local NGO;
- MTN Uganda joined a USAID project;

³³ Solly Molekwa, *op. cit.* Personal interview, 10 February 2005.

- in Nigeria, ESKOM was involved in broad-based HIV/Aids community awareness programmes;
- in Botswana, Debswana's HIV/Aids strategic policy obliges stakeholders to be supportive of Debswana's community HIV/Aids initiatives; and
- BP, besides working with its host government, also engages with NGOs and communities to bring about behaviour change through public awareness and education programmes.

Most corporations were non-committal about their experiences in certain countries they had branches in. Instead they reported that their experiences varied from country to country across the continent. This suggests that companies may be reluctant to accuse their host governments of laxity in the fight against HIV/Aids, possibly for fear of reprisals.

South African firms with businesses in other parts of Africa seem to have committed themselves to fighting the spread of HIV/Aids both in the workplace and in the communities, and hence the economies in which they have invested. This raises an important question concerning the positive role that large South African companies are playing in the continental campaign against HIV/Aids. To what extent would African governments have been able to deal with the pandemic on their own, had these businesses not come in? One must remember that by the time these firms had begun conducting assessments on the present and future effects of HIV/Aids on their operations, preparatory to finding strategies to cope with the pandemic, most African governments were still in a state of denial that the pandemic had a presence in their countries. This should be borne in mind by those who accuse these companies of colonising the continent economically.

Conclusion

*'The New Partnership is much about public and private as it is about FDI, trade and aid.'*³⁴

PricewaterhouseCoopers

*'Whilst Nepad is the brainchild of Africa's leaders and whilst it will require their unswerving commitment for it to work, the future success of Nepad rests squarely with the private sector. It is estimated that in the region of \$64 billion per annum in foreign direct investment, trade, debt relief and donor funding is required to meet the 7% growth target. The public sector, whether it is the donors or African governments, simply cannot muster this level of funds ... But it is up to us, the private sector – in partnership with governments and funding agencies – to meet the challenge.'*³⁵

PricewaterhouseCoopers

Africa is presently at a developmental crossroads. It is reeling under the immense combined pressures of poverty and HIV/Aids, which threaten to slow development to a screeching halt. Realising this, various African political leaders formulated a visionary initiative that would offer the impoverished African masses economic emancipation. This was Nepad. However, the lack of a functioning, well-oiled partnership between the initiative's secretariat and the African private sector remains Nepad's Achilles' heel.

Recent efforts by SABCOHA to host a pan-African business coalition against HIV/Aids and moves by the Nepad secretariat to enter into partnership with such an initiative are therefore very encouraging. However, the devil is always in the detail. It remains to be seen how much both parties are willing to engage and compromise in order to formulate a strategic and formidable 'win-win' partnership in the continental fight against HIV/Aids.

³⁴ PricewaterhouseCoopers, *op. cit.*

³⁵ *Ibid.*

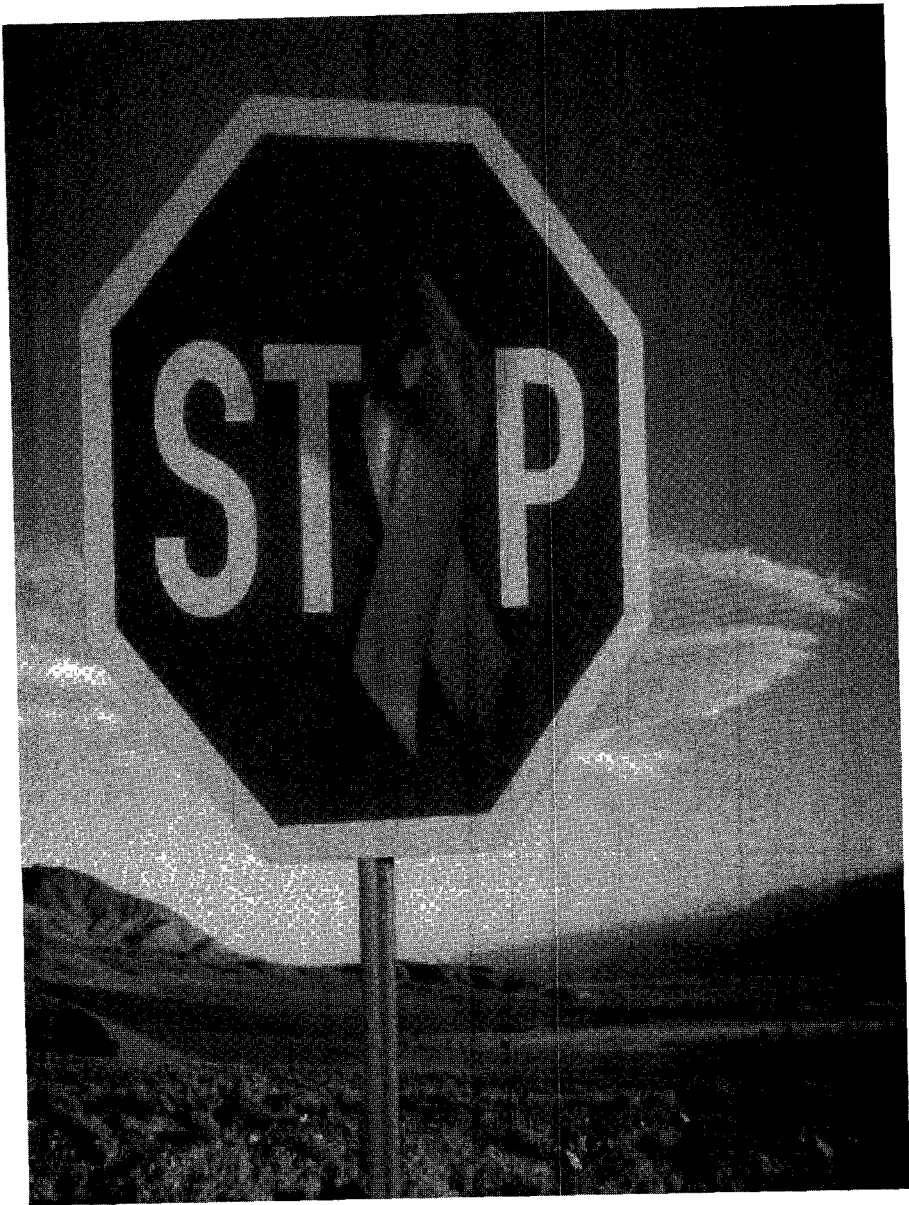
Business is a critical component of the African renaissance, and HIV/Aids is not limited by national boundaries. As the Africa-wide body responsible for bringing about African regeneration, development, growth and good governance, Nepad should move to engage African business interests in a partnership to tackle the HIV/Aids pandemic.

Select Glossary

Aids	Acquired Immuno-Deficiency Syndrome
AU	African Union
APRM	African Peer Review Mechanism
CEO	Chief Executive Officer
CODESRIA	Council for the Development of Social Science Research in Africa
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HIV	Human Immuno-Deficiency Virus
HSIG	Heads of State and Government of the Implementation Committee of Nepad
IDGs	International Development Goals
MDGs	Millennium Development Goals
MNC	Multinational Corporation
Nepad	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
PLWHA	People Living With HIV/Aids
REC	Regional Economic Community

SABCOHA South African Business Coalition against HIV/Aids
SSA Sub-Saharan Africa

UNAids United Nations Joint Programme on HIV/Aids
UNCTAD United Nations Conference on Trade and
Development





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