

Declining african economy – hides



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HIDES has been known as one of the main contributing causes of the declining African economy ever since it started as an epidemic. The commencement of this deadly disease and its sporadic nature caused many deep economic problems, which are currently being experienced by the region. Some of which is because of the various policies and regulations that have been altered due to its unfortunate arrival in the area.

The main issues facing most of Africa due to this terrible epidemic are the high expenses of healthcare and its limited access, poor economic performances, the decline of the labor market, the poor being affected the most, and agricultural & loss of farm output. This in return has caused people and African governments to try and come up with policies to mitigate the effects of this terrible disease. These policies were put into place with certain fundamental aspects, which meant to create a positive outcome, in order to restrain all or some of the damages that this disease has brought upon the continent.

The World Bank is amongst the most reliable sources that produce data on the economic progress of African countries. It has advised that though there are several elements related to poor economic performance, HIV/AIDS is among the worst. The effects instigated from this disease can be seen as direct and indirect costs. Direct costs are the ones related to any treatment cost related with HIV linked illnesses. This has exhibited serious repercussions for health care budgets around the continent.

In addition, poverty makes the African population at vulnerable stages since any access to medical care is extremely expensive and most people cannot

afford it (Sided 2007). On the other hand, the unintended costs are more problematic to quantify as they present the loss of the current value of future earnings, the loss of current wages, training costs of new staff, value in production, great staff turnover, cost of absenteeism, greater recruitment costs, savings drainages, etc. These costs are not only effecting public companies and the private sector, but also everyone from families, friends and the community at large.

Also, the drastic decrease in population, as one predication states that in 2020 the populations in Sub-Sahara Africa will be 3. 2 % less, due to AIDS (African Development Bank Group 1993). In other countries that reduction is more extreme, for example, Uganda by 8% and in Zambia by 12% (Population Newsletter 1992). In the South African region, many studies have been done and macroeconomic modeling practices have been conducted with the aim of determining the probable impacts of AIDS on the South African economy.

In one of the models, they have established different economic consequences that have resulted from such disease in the South African region. The channels include low labor force, lower labor productivity through absenteeism and illness. There is so such pressure on organizations to provide benefits and compensation to the victims that have caught the disease. Moreover, life expectancy is dropping to 47 years in Sub Sahara Africa, as oppose to 62 years in the absence of AIDS (Population Newsletter 1992). Which ultimately can have a major negative impact on the entire population.

Labor income is being reduced drastically by organizations in anticipation that employees may catch the disease in the longer run. Also, smaller populations are almost always accompanied with low expenditures, and with high death rates due to the disease, (Poke, Widthwise, & Sander 2007) this will ultimately lead to a weak economy in the country. The private sector demands from the public health care services to improve in parallel with people's needs including making a common pledge to have a well-established health care system.

That is why the government undertakes high expenditures based on the purchases of highly sensitive equipment's and medication to enhance the proper care of the disease. AIDS has showed a major severe effect on the gross domestic product of most countries it has affected. This was clearly evident in the South African GAP of the year 2010. The country had anticipated a higher GAP but it was later recorded that it was much less than they had anticipated. This was mainly due to the lack of investment.

Many people and families avoided and evaded making medium to long-term investments, because they want to have some money in case they become sick (Katharine 1993: 93). Also, the magnitude of the situation is often seen and felt in other aspects of the economy. For instance, AIDS increases urban migration, which puts the current population at risk. Not to mention poverty, and prostitution, that often become the only conditions available for some families. This effect then expands from one sector to the other, one society to the other, and one area to the other.

The influence of HIV/AIDS relative to the household level also has adverse effects in the macro-economic framework. The ramifications of HIV/AIDS are most damaging at the domestic level of poor families in comparison with rich families. Poor families are usually more affected by this disease than rich families, which consequently cause social instability. By looking at the micro level of society, which is mainly families and individuals, and seeing the effects of such disease, leaves one beseeches. The scenario goes like this, the person get sick/infected; they can't work and lose income.

His/her family will spend more money and time to take care of them. Also, the person who got sick could've been a doctor, an engineer, etc. So, by losing the individual not only does the family suffer but the whole society at large (Pangs Instituted). This would only predict an economic downfall of the country in the foreseeable future, if serious governmental measures were not taken. The government and other agencies must look at this problem more seriously and take the proper measures and mechanisms to resolve it, as this issue cannot be solved by one element of the society.

Different regions and sectors of a single country can experience major differences of the impact of HIV/AIDS. Certain parts of a country, due to deep poverty, cultural norms of the resident population, and nearness to the means of transportation, maybe more greatly affected than others. Many public and private sectors of an economy face major threats by the enormous decrease of the workforce, for example, transportation, agriculture, construction, and mining.

Sectors that face the most vulnerability are the ones that most rely on high trained employees who have high rates of AIDS contagion amongst them, like truck drivers, teachers, construction workers, etc. (UNDO n. D. A and Gillespie 1989). HIV/AIDS is not sufficiently recognized in rural areas due to poor health care standards, limited entry to the health facilities, and insufficient data warehousing. This mainly explains that rural areas are prone to such illnesses due to lack of adequate nursing and access to these services.

There are various effects on the rural economies, which comprise allocation of insufficient resources with an accumulative demand for expenditure on health and social services. There is also a threat of collapse of the educational system due to high morbidity and mortality rates amongst educators and learners. There would also be a reduction in productivity mainly due to the replacement of older experienced workers in the field of work. Employers are to face increased labor costs because of low productivity, absenteeism, sick leaves and other benefits that include attending funerals.

Premature retirement and added training costs are also significant factors (Poke, 2005). Agricultural production is often the major economic artery of the rural areas in Africa. This includes farming families whose households engage in several physical work jobs, including home maintenance, in addition to the production of crops and care for animals. Agriculture as a major factor in most of the developing countries provides the living mechanism for almost 80% of the continent's population (Abdul, & Abdul, 2010).

Agriculture incurs various obstacles comprising international terms of trade, growing population density on land and environmental degradations. The spreading of HIV/AIDS poses a major hindrance to the agricultural economy. The major threats that come up with the epidemic are the human resources, the consumption of savings, loss of farm outputs and others that affect productivity. Those problematic threats result due to agricultural downfall, which is caused mainly due to the losses of human resources and alterations of capital from agriculture.

Distinguishing the effects caused by the impact of HIV/AIDS and the ones caused by other factors may be complicated as they are hardly detectable or distinguishable at times. The effect of HIV/AIDS on agriculture includes both commercial and subsistence farming. Several studies that have been made on the agricultural sector mainly focus on sectors of the economy dealing with cash crops; which in return limits the scope on how deep this impact goes. Expansion out of the agricultural sector may be complex due to the virtue of the labor impacts and dynamics of the traditional social security.

The costs may also be prone to pay off such things as medical care and funerals instead of productive assets (Poke, 2005). Another small scale effect is the internal knowledge of systems and technology adapted over the years by farmers to suit the conditions of particular areas, which often die with farmers before they could pass the knowledge to other generations, particularly in HIV/AIDS inflicted regions. On the micro-economic scale also comes the death of breadwinners due to AIDS. Which is another major problem that results in the incremental destruction of societies.

This is a major socio-economic problem, especially when it includes the death of a family's sole provider as well as the working households in the area they specialize. For example, in Zanzibar the death of a breadwinner causes a significant deduction in production, and in the rural areas or other areas of communal production (Programmer De IOTA sure lee VII/SAID et lee monde du travail 2004). In conclusion, it is important to fully understand and comprehend the affect this disease has brought to Africa.

The difficulties of AIDS can be seen from a household level to the whole population. Kofi Annan puts well when he said, " The global HIV/AIDS epidemic is an unprecedented crisis that requires an unprecedented response. In particular it requires solidarity between the healthy and the sick, between rich and or, and above all, between richer and poorer nations. We have 30 million orphans already. How many more do we have to get, to wake up? " (" Fighting aids,"). Also, Bill Clinton said " AIDS is no longer a death sentence for those who can get the medicines.

Now it's up to the politicians to create the 'comprehensive strategies' to better treat the disease.