HIV/AIDS is helping drive South Africa’s poor further into the poverty trap with employers shedding over a million formal sector jobs in the past decade and increasingly turning to machines in order to stay globally competitive.

Incomes in black households fell by 19% between 1995 and 2000 while the converse happened in white households — incomes rose by 15%.

The poorest third of black households are falling into long-term destitution, even in the urban centres.

These are the combined findings of the University of the Western Cape’s programme for Land and Agrarian Studies (PLAAS) and the Chronic Poverty Research Centre. They were cited by Johan M Calitz, a senior demographer with the Development Bank of South Africa during the Demographic Association of South Africa’s recent conference on sustainable population development held in Potchefstroom.

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Top local demographers and economists said that while they were sceptical of the World Bank conclusion that South Africa’s economy was very labour-intensive — whereas it was fast becoming capital-intensive. ‘What the World Bank bases this on is that HIV/AIDS will so deplete the country’s social and human capital that it will make the economy unsustainable,’ he explained.

He had puzzled on why local employers were going for capital-intensive investment instead of taking the cheaper labour-intensive route — until he compared research notes with a number of scientific colleagues involved in productivity studies.

‘The answer we all came up with is that employers try and optimise utility value. The long-term utility value of capital-intensive investment is simply far greater than the long-term utility value of labour-intensive investment.’

As the economic impact of HIV/AIDS peaked (long after the pandemic itself) absenteeism and deaths would impact hugely on labour productivity.

Employers were preferring to ‘lose money in the short term’ by investing in machines, rather than face unions and HIV/AIDS, thus enabling themselves to tap into high-tech global markets and become internationally competitive down the line.

Van Aardt warned that while the World Bank study had its flaws, the government would ignore the ‘generational affect’ of HIV/AIDS research at its peril.

This traced the effects of the disease over several generations of people. Take a family that moves into the city. Suddenly Mum and Dad die and you have orphans who can’t earn the money or acquire the skills and education to pass onto their own children,’ he explained.

Ian Marsberg, a senior economist with the Global Macroeconomic Services, agreed that ‘the worst is still to come’.

By killing mostly young adults, AIDS did more than destroy the human capital embodied in them. It deprived children of parents, those very things they need to become economically productive adults — loving care, knowledge and capacity to finance education. Without that ‘guiding light, people do basically what they want, so social knowledge is undermined’. 

Marsberg said the generation currently going into retirement would ‘probably carry the economy for a while’, but the most productive South Africans would be hardest hit.

The poverty trap included the inability of AIDS-stricken poor people to generate income or pay for decent food or access medical help.

‘By itself, AIDS skews income distribution even more,’ he stressed. Marsberg said the government had to focus on income and expenditure. ‘You have to focus on the revenues which will be lost if you don’t address the pandemic because they can never be recovered and the base just gets lower and lower.’

Van Aardt said what the World Bank had failed to take into account was how ‘incredibly adaptive families and societies are’, and that multinational
companies often stepped into the breach (as in Botswana).

The conference heard that 3 years ago, an ING-Barings/Global Insight study found that HIV/AIDS could reduce real GDP in South Africa by an average of 3.1 - 4.7% between 2006 and 2015. An Arndt and Lewis study concluded that HIV/AIDS would reduce GDP by as much as 17% by 2010.

Senior economist Ian Marsberg said nobody could be sure who was right because all the studies relied on underlying assumptions.

However, what was hugely sobering and true was the World Bank finding that the AIDS pandemic would peak ‘far in advance’ of the economic damage it would ultimately cause.

Van Aardt said the racial income gap had increased in spite of political stability and improved social services because South Africa had moved from isolation into the global economy. Most studies agree that the number of South Africans infected with HIV/AIDS will peak naturally during this and next year, but that the burden of social, human and economic misery will continue increasing for many years.

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Consultant to the Medical Research Council’s Burden of Disease Unit, Mr David Bourne, said the debate ‘may continue over the detail, fuelled by the lack of good quality statistics, but the broad picture of the epidemic is very clear’. He said it was useful to look back just 2 short years. ‘We’ve come from denying that there even was an epidemic caused by HIV/AIDS. There’s been a huge mindset change.’

Chris Bateman

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The South African Medical Journal

100 years ago:

It seems to us that medical training has much to do with the attainment of political eminence by medical men. In the first place they must be men of a higher education than the colonial average. Secondly they receive a training only second to that of the lawyer in the logical sequence of ideas, and in drawing correct deductions from ascertained facts. The man accustomed to diagnose the diseases of the individual body, and to guide his therapeutics accordingly, consciously or unconsciously follows the same lines of thought in diagnosing and treating the ailments of the body politic. Again, medical men have an enormous advantage over almost all others, in the fact that their daily work brings them into contact with every class of the people, gives them a knowledge of the wants of all, and widens their ideas. And lastly, your medical man soon finds out in practice how disastrous ‘nibbling’ treatment is, and in politics he invariably goes right through a question and takes up the responsibility of a definite position just as he has to do when he is face to face with a case requiring operation.

50 years ago: Unusual cases of measles

I have recently seen 2 unusual cases of measles which might be worth recording. In 17 years of general practice, I cannot recall seeing similar cases.

The first was a boy of 7 who presented the signs and symptoms of acute laryngitis. He had such marked dyspnoea that a diagnosis of laryngeal diphtheria was entertained in the beginning. Only when the rash appeared did the aetiology become obvious. The usual early signs of measles such as Koplik’s spots and conjunctivitis were absent. Here the laryngitis, present to a degree in most cases of measles, dominated the whole picture.

The second was a little boy of 2 1/2 who showed all the classical signs and symptoms of measles during the first few days. But there was no rash on the 4th day. The 5th day passed and still there was no rash. I began to think that this was a case of morbilli sine morbilis. However on the 6th day of the illness, i.e. from the onset of pyrexia, the typical rash appeared. I have often seen the rash occurring on the 5th day but never on the 6th day. This makes me wonder if students are still taught, as I was, that the rash always appears on the 4th day.

The literature does mention the occurrence of laryngitis in measles, but as complications. In the cases described the laryngitis and gastro-enteritis were present from the onset as the major condition.

I Hendler