## Corporate South Africa's response to HIV/AIDS:

Why so slow ?

Why is corporate SA so slow to respond to HIV/AIDS? **David Dickinson** looks beyond the traditional argument presented by business that governments' failure to lead a national response to the epidemic confronted business with an insurmountable collective action problem and managers misunderstood the vulnerability of their companies.
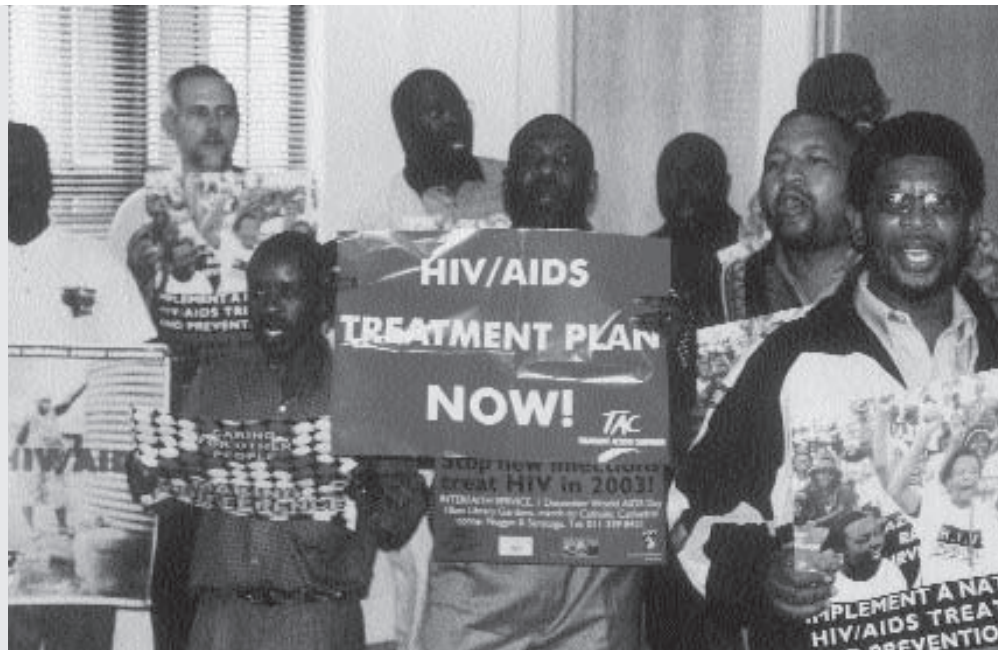
After more than a decade of bewilderingly slow, fragmented and contradictory efforts to tackle the HIV/AIDS epidemic in South Africa, two important developments occurred in 2002. The first was the government's April statement indicating that it might belatedly take the lead in coordinating the country's efforts. The second was the realisation by corporate South Africa that it too needed to respond. This was most visible in the rash of announcements from large companies that they would provide antiretroviral drugs (ARVs) to their HIV-positive employees. However, these corporate announcements were in sharp contrast to strong evidence from a number of surveys of how little corporate South Africa had, in fact, done in responding to HIV/AIDS. This is particularly puzzling when viewed against the longstanding knowledge that AIDS would affect South African business.

The fact that a mounting AIDS crisis went unanswered for more than ten years contradicts the conventionally expected ability of business to monitor and respond to the environment in which it operates. The critical socio-economic tension which caused this is illustrated by managerial responses in 'Deco' (not its real name), a large South African company.

THE USUAL SUSPECTS

Two explanations are frequently offered for the slow response of SA business to the threat of AIDS – the failure of the government to lead and coordinate a national response and

HIV/AIDS: KNOW YOUR RIGHTS!
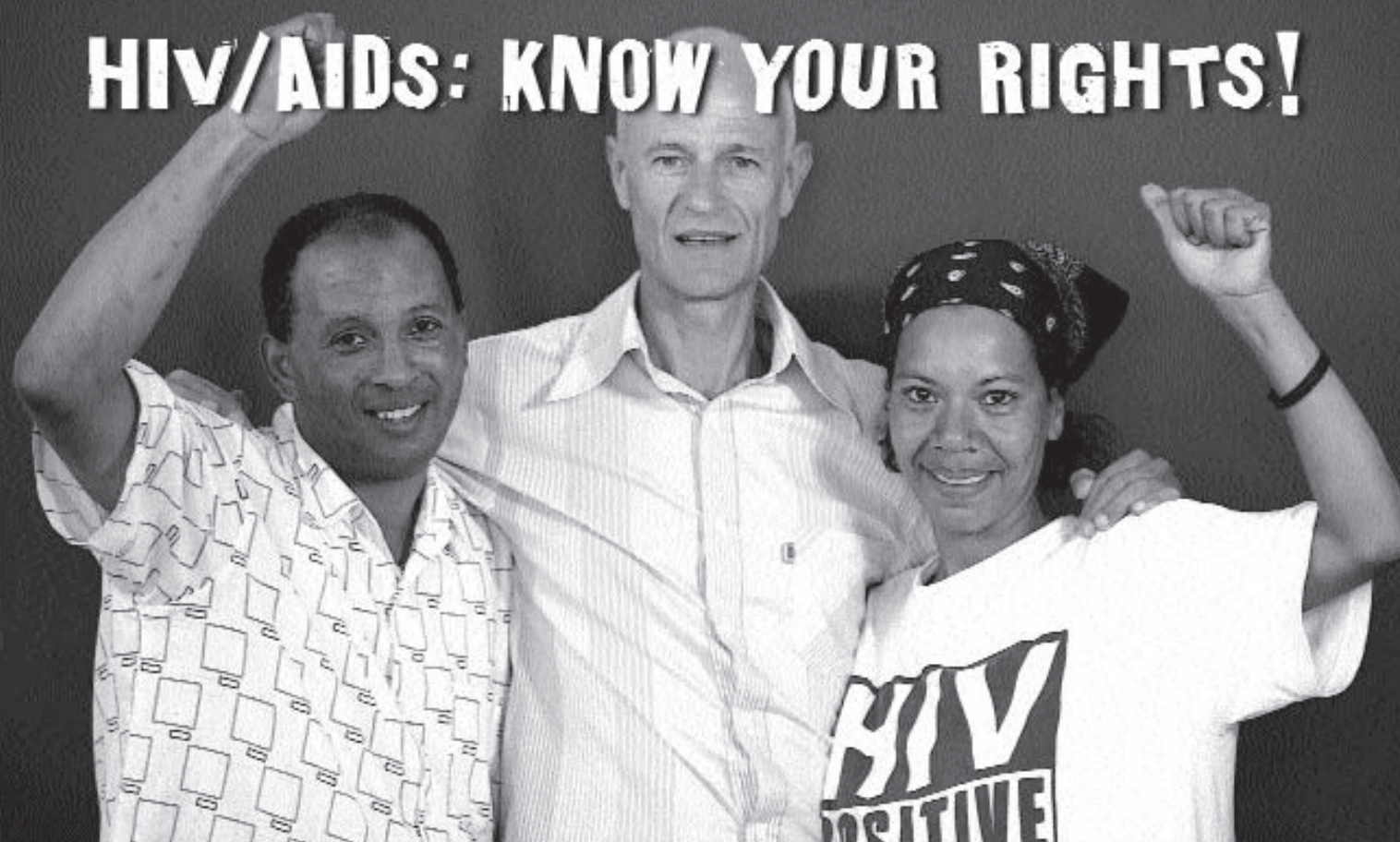
1
You have the right to equality, human dignity, privacy, access to health care services and social assistance, and freedom of association.
(The Constitution)

2
You cannot be asked to have an HIV test when you apply for a job, unless your employer has been granted permission by the Labour Court.
(Employment Equity Act of 1998)

3
You cannot be unfairly discriminated against because of your HIV status at work, or when you apply for a job.
(Employment Equity Act of 1998)

4
You are entitled to the same working conditions as all other employees, including sick leave. You cannot be dismissed just because you have HIV. If you have AIDS and are very sick, you have the right to access treatment that will make you well.
(Basic Conditions of Employment Act of 1998, Labour Relations Act of 1995 & the Cabinet's Operational Plan for Comprehensive HIV and AIDS Care, Management and Treatment for South Africa)

5
You cannot be unfairly discriminated against in access to financial services, such as insurance.
(The Constitution & the Promotion of Equality and Prevention of Unfair Discrimination Act of 2000)

6
You cannot be refused membership of a medical aid scheme because you have HIV/AIDS. All members are entitled to a minimum package of benefits, including HIV-related care.
(Medical Schemes Act of 1998)

7
You have the right to make decisions about whether or not to have children. As a pregnant woman you have the right to medicine that reduces the risk of HIV transmission to your baby.
(The Constitution and Constitutional Court ruling)

8
Children and young people with HIV/AIDS have a right to education and non-discrimination.
(The Constitution & the National Policy on HIV/AIDS for Learners and Educators)

9
You have the right of access to antiretrovirals and other medicines for illnesses caused by HIV.
(The Constitution & the Cabinet's Operational Plan for Comprehensive HIV and AIDS Care, Management and Treatment for South Africa)

10
As a rape survivor, you have the right to antiretroviral medicine that reduces your risk of getting HIV from the rape.
(The Constitution and the Statement of Cabinet on HIV/AIDS, April 2004)

Get Tested
Get Treated
Stand Up for Your Rights

Photo: courtesy of Treatment Action Campaign (TAC)

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that senior managers believed that AIDS would not have a significant impact on their operations, primarily because they saw the disease as a problem for low-skilled black workers who could supposedly be replaced with ease.
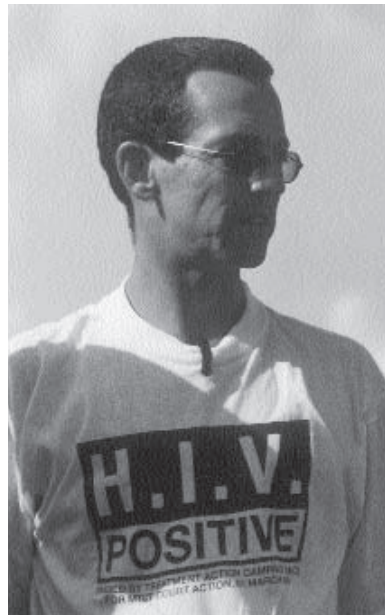
The apartheid regime suffered from a lack of credibility with the majority of the population when attempting to respond to HIV/AIDS. The advent of a democratic government in 1994 made a national response, a possibility but the demands of political transition and the ambitions of the new regime to develop South Africa into a modern economy deflected attention and resources.

Yet, as an explanation for business inaction this overlooks the important fact that even within a state-led and coordinated response to HIV/AIDS, business would still have needed to respond to the direct threat posed to it – in ways that are not dramatically different from those which it is now beginning to implement. Many managers did believe that their companies were not vulnerable – a belief buttressed by their social distance from 'others' who they believed to be at risk from HIV/AIDS. No doubt managers are busy, but most companies failed to even assess whether this belief this was in fact true.

But neither of these explanations is wholly adequate in making sense of business' response. In addition to conventional explanations, we also need to account for the tensions that rear up when HIV/AIDS is approached within the South African company – tensions that pre-date and exist independently of any corporate strategy seeking to respond to HIV/AIDS. Within the South African context four such tensions are identified: political, moral, industrial relations, and socio-economic.

Political tension
HIV/AIDS provided business with an issue on which it could legitimately criticise government. This has both strengthened its overall collective critique of government policies, which it felt were detrimental to the business environment, and brought it into alliance with other traditionally hostile social forces. As AIDS came to be understood as a major challenge for South Africa, and hence an issue on which government could be held accountable, business found itself adding the

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epidemic to its list of factors – along with crime, 'inflexible' labour markets, the 'brain drain' and exchange controls – that were threatening economic growth. What has been different about AIDS is that business found its criticisms resonating with wide sections of civil society with whom it has traditionally been in conflict, such as unions and pressure groups.

Moral tension
The moral dimension presents a more complex tension. Where companies – or individuals within companies – have become convinced of the need to respond to HIV/AIDS on economic or other grounds, they have faced morally based resistance to effective measures. The moral codes on which this resistance is based are generated and maintained in the wider, external environment, but are located within companies in the form of managers or other employees subscribing to these belief systems.

A number of features make HIV/AIDS a difficult topic to deal with, including its primarily sexual means of transmission and its 'incurability'. The reaction to HIV/AIDS in the workplace has mirrored that of wider society: because of the widespread moral evaluation of sex – generated largely from religion.

Moral codes and the controversies that they generate are as present within companies as they are in other parts of society, and this has affected the response of

business to HIV/AIDS in a number of ways. First, 'othering' – especially in a deeply divided society such as South Africa – provides a mechanism by which the threat of HIV/AIDS can be put out of mind. This allows a company's response to HIV/AIDS to be downgraded, delayed, and delegated to more junior employees. Second, when a workplace response to HIV/AIDS is initiated, it often faces resistance from sections of management on moral grounds, with the installation of condom dispensers frequently becoming sites of contestation. Lastly, the stigma surrounding the disease makes the effective implementation of workplace HIV/AIDS programmes more difficult. 'Structures of discrimination', such as the systematic overlooking of employees believed to be HIV positive for promotion or training, can work against a company's formal policy of promoting voluntary testing, counselling and disclosure.

Industrial relations tension
In a similar fashion to moral codes, industrial relations tensions have resulted in companies' responses to HIV/AIDS being resisted by unions that are also guided by wider systems of understanding. Here the criterion for resistance has been the rights of employees, rather than the company's moral condition. This resistance has seen HIV/AIDS slot, with unfortunate ease, into well-rehearsed and well-understood differences between

management and organised labour.

An effective response to HIV/AIDS benefits both management and workers, but the success of workplace-based HIV/AIDS programmes depends on the workforce deciding that management can be trusted on this issue, when previous experience over a multitude of issues has taught them otherwise. Initiatives such as pre-employment HIV testing and management-led HIV prevalence surveys that do not involve unions illustrate the critical importance of control and benefit. Many unions took up positions opposed to testing because it was regarded as a vehicle for discrimination.

Thus, while business and unions (along with civil society groups such as the Treatment Action Campaign) have, at a political level, shared common ground in opposition to government inaction, actual workplace responses to HIV/AIDS have to negotiate the difficult terrain of South Africa's industrial relations. Initial responses imposed by management have been blocked by unions on the grounds that, while AIDS is a 'bad' thing, not all responses to it are necessarily 'good'. In many ways this resistance has improved the responses that have been mounted by blocking

discriminatory 'solutions' and through stakeholder involvement but much of this progress has been at a high level while tension remains on the shop floor.

Socio-economic tensions
Finally, socio-economic tensions drive up the cost of workplace responses to HIV/AIDS. The need to provide ARVs to employees who cannot afford them, but whose skills the company cannot afford to lose, remains internal to the company – though its origins lie in the distorted external labour markets of South Africa. The need to address HIV transmission in the employees' communities, and the fact that this can be only done through upliftment of the entire community, leads directly out of the factory gate and into wider South African society.

South Africa, a middle income country, has one of the most unequal distributions of wealth in the world. This sets up tensions throughout society that are, given South Africa's history, linked to and reinforced by race, class, and gender. With respect to AIDS and business, two socio-economic tensions can be identified: first, a tension between the income of employees, their value to the company in terms of skills and experience, and

their ability to fund ARV treatment if infected with HIV; and second, a tension linked to the necessity of responding to HIV/AIDS at the workplace, when HIV transmission occurs primarily in the community.

'It could become enormous': The company, the Community and HIV/AIDS
As with many South African companies, Deco's response to HIV/AIDS has been slow. Managers indicated that the slow response to HIV/AIDS was due in part to the initial perception that AIDS would be restricted to low-skilled and easily replaceable black workers. A senior HR manager explained how, in the past, managers in the company's mining division said they could 'pick [black, low-skilled] workers off the tree like apricots'. This confidence resulted from high levels of unemployment in South Africa generally, but also from the specific labour market in the mining industry which had retrenched some 200 000 workers during the 1990s.

By 2002 this view of 'apricots' was changing as it came to be seen how absenteeism among low-skilled employees could adversely impact productivity. Deco's mining division which, after extensive restructuring (and downsizing), was regarded

as a highly efficient operation that could be easily disrupted by low performance or absenteeism. The belief that new workers could be picked like apricots to replace those dying of AIDS had not taken into account a number of critical factors: the previously unexplored disjuncture between formally recognised skills and the actual contribution that roles played within the team-based mining workforce; the fact that people with HIV do not succumb quickly, but frequently have extended periods of low performance or illness-related absenteeism interspersed with temporary recovery; and that post-1994 South African labour legislation prevents employers from summarily dismissing workers for low performance.

This shift in understanding was also linked to a growing awareness that AIDS may not be restricted to low-skilled individuals. The company's R&D division, for example, while still believing that the overall risk of HIV/AIDS to their activities was small, became concerned that the considerable number of bursary students that they sponsored up to PhD level might become infected at university. If this were to be true, the considerable investment made in these individuals could be lost and human resource planning severely disrupted. Moreover, as the MD of R&D explained, the changing profile of bursary students (with more black students being sponsored) meant that some lived in the same areas from which low-skilled workers were drawn.

Uncertain boundaries
The question of company involvement around HIV/AIDS in surrounding communities was a matter of considerable concern within Deco management. Indeed, the development of an HIV/AIDS strategy during 2002 had engendered vigorous internal debate on this issue. When asked where they thought the boundaries of corporate responsibility over HIV/AIDS should be drawn, senior managers would typically smile or laugh and say that this had been given much thought, but that they were still unsure. The question had crystallised around the new scheme to provide ARVs to employees who were not entitled to (and could not afford) medical aid and whether this should be extended to spouses

and other dependents. A human resource manager explained how Deco managers championing the company's HIV/AIDS strategy had gotten support from senior management to hold out the 'carrot' of ARV treatment for employees' spouses to ensure union involvement.

Thus, a precarious bargain was reached: unions would legitimise and support the company's HIV/AIDS programmes, provided that ARVs were available for all employees and on the understanding that the company would access donor funding for the treatment of employees' spouses – something that was presented as a first step to wider intervention in the community. This was facilitated, however, only by blurring the boundaries of corporate responsibility with the suggestion that donor organisations would take over ARV provision beyond the immediate workforce. From the management perspective, internal programmes could continue without the company having to take financial responsibility for external programmes. The unions concerned did not agree with this in principle, having long demanded medical aid cover that would extend to workers' families, but they were willing to wait and see what emerged.

'WE COULD BE SUCKED IN'

Apart from this possible agreement over treatment funding for spouses, however, considerable doubts were raised by managers over the potential cost and complexity of Deco taking responsibility for HIV/AIDS in the community. The Deco managers interviewed highlighted the company's Corporate Social Investment projects with local communities, but saw any move beyond this – such as comprehensively responding to HIV/AIDS – as something that was not either practical or affordable. The MD of one division explained: 'There is a fear that we could be sucked into this kind of thing... Even setting up liaison structures with the community in Naledi would require us to appoint a number of people full-time. Then we need to ask whether we're running a company or a province... The people who come to the 'Donations Committee' [the old name of the 'Stakeholder Forum'] are extremely emotional; they talk but they're not organised. They don't know how to

manage their own structures... There's lots of small organisations and they overlap... [Joking] We can't get to the end of the community invitation list [for a function]! We've the widest [community] network in the country – but it does the least!'

On occasion, the often dim view of the community from which much of Deco's workforce was drawn allowed managers to put forward morally loaded explanations of AIDS and its impact in communities. The MD of a different division saw HIV/AIDS as a social problem, rather than as a matter of resources: 'It's a social problem, so the solution is also a social one... The community response is typical of black responses. They do not deal with the issue. For example, in the hospitals they don't deal with people who have AIDS, they simply let them die quickly. They don't care that much. With that response it's not surprising that you won't admit that you're HIV positive. So it's the social side... civilisation is a hierarchy of values – from not attacking each other to helping each other. There's always a value system. So it is this value system that needs to be examined and addressed.'

Other managers were more optimistic about the ability of Deco to have a positive impact in the community, but they were concerned that this not become a financial burden. While many community organisations were local, others were national. There was a worry about the lack of boundaries. As one divisional MD put it: 'We cannot run the programme for South Africa'. A senior HR manager explained that, 'If we try to grapple [with HIV/AIDS] beyond the immediate family [of employees] it could become enormous... The approach is Deco employees and families first'.

Pressures
Despite these attempts to define boundaries to the company's HIV/AIDS responsibilities, those involved in thinking about HIV/AIDS were well aware that any response needed to take into account expectations and pressures from both inside and outside the company. With regards to the provision of ARVs this was very clear: massive public pressures were being echoed internally by the unions. A consultant who assisted Deco in drawing up its response to HIV/AIDS in 2002 explained how, when

developing the business case for the intervention, there had been little option but to address the perceived 'gap' of ARV provision in the company's response.

Despite the consultant's efforts, not all managers were convinced by the business case that was constructed, but nevertheless did accept the need for ARV provision because of other factors. As one division MD explained in regard to the provision of ARVs for the company's lowest paid workers,

'There isn't a business case for antiretroviral drugs on labour supply grounds. But there's a case in terms of the company's image and in terms of other people [in the company who are not infected] and their emotional capacity [to deal with HIV positive colleagues]'.

The question of the company's image was one that a number of senior managers raised. At the same time, they were aware that this image cost money. As an executive committee member explained, 'We want to be seen as a responsible corporate citizen. Companies are held accountable by public opinion. But we are here in the interests of our shareholders; we have to deliver value to them'.

Given these conflicting pressures and interests, managers at Deco recognised the need for partnerships whereby the costs of dealing with HIV/AIDS in the community could in some way be shared or mitigated. One divisional MD explained that he understood European companies to have roles clearly separated from government, but that in the case of large South African companies this was not the case. Deco, he went on, 'needs to have a good relationship with its employees, the community, and with all parts of the state – local and national'. While unions welcomed – with some concerns – the company's response to HIV/AIDS, it was far from clear whether progress had been made in establishing good relationships outside the company. The company's view of the local community was simplistic at best, only tentative steps had been made to find where government's role and the company's role should begin and end, and there was talk, but little progress, on coordinating HIV/AIDS interventions with other companies.

Deco's response

A number of prominent issues arise in Deco's response to HIV/AIDS. Initial, and incorrect, assumptions about the vulnerability of the company's workforce resulted in the early 'strategy' of picking replacement workers from the ranks of the unemployed. As an accurate picture began to emerge, a more sophisticated approach of protecting the company's human capital through the provision of costly medical treatment, if necessary, was developed. This response appeared to be, in part, recognition of the actual progression of the epidemic, but also a recognition of wider environmental constraints, such as the need to manage the company's image as a good corporate citizen and the greater protection provided to workers in post-1994 South Africa.

The evolution of this response has forced Deco to confront a far wider agenda than simply medically ring-fencing its workforce. There is a realisation that the effectiveness of its internal programmes will be jeopardised if it does not deal with HIV/AIDS in surrounding communities. As a senior HR manager championing the HIV/AIDS programme put it: 'success in the community is critical for the success of our own [workplace] programmes'. The question as to whom the company should provide with ARVs has brought this sharply into focus. While some senior managers continue to project their moral concerns onto the issue of HIV/AIDS, most now appear to be confronting the actual difficulties of implementing an effective strategy that will minimise the cost of HIV/AIDS to their operations and project an appropriate image of Deco as a good corporate citizen.

Concern about this latter point originates from the current trend for corporate accountability and the particularities of post-apartheid South Africa in which companies are expected to help redress past imbalances. But while this potentially aligns with the company's concern over HIV/AIDS in its own operations, there are clear concerns about the enormous costs that this could entail. Moreover, such alignment is difficult when managers only dimly understand the communities around them and feel there are no clear boundaries to their potential responsibilities should they engage seriously with communities over HIV/AIDS.

CONCLUSION

In seeking to understand the response of business to HIV/AIDS, the roles of other social actors – notably government, unions, faith-based organisations, NGOs, and educational institutions – have only been explored tangentially or not at all in this article. In the absence of such assessments, any conclusions are only suggestive of how business' contribution might be weighted within an overall evaluation of South Africa's response to HIV/AIDS.

Many of the tensions that this paper has described have, to degrees, been resolved or are moving towards resolution. The disjunction between corporate public criticism and private inaction is ending and the resistance to effective preventative measures on moral grounds has largely been swept away, or driven underground, as frivolous in the face of millions of lives at risk. Unions and management are beginning to find common ground on HIV/AIDS as management, at least in larger companies, abandons the idea that it can protect its business through discrimination. Even the socio-economic tension of employees being unable to afford the required treatment to stay alive is being eroded as the cost of ARVs comes down and companies introduce treatment programmes for those without medical aid.

The failure of the government to effectively coordinate a national response to HIV/AIDS is important, but corporate South Africa's slow and fragmented response also raises pertinent questions given the frequent argument that business principles provide the most effective way of running organisations and that responses based on profit considerations provide efficient and effective decision-making unhindered by prejudice or tradition. While business is not alone in failing to respond to the threat of HIV/AIDS, it is unable to claim that, when a new challenge arose, its response was adequate – let alone superior to that of other actors. The delays in implementing second-best defences (or even to investigate the degree to which these might be necessary), in the light of government failure, reflects poorly on business' response to a new problem.

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