

COMMENT

AIDS AND HEALTH BUREAUCRACY

A STUDY COMMISSIONED BY National Aids Control Organization and undertaken by National Council of Applied Economic Research (NCAER) has estimated that families affected by AIDS suffered a loss of nine percent in their incomes. The children and adults have to work more which has adverse implications for their education and social security. NCAER has warned that increased borrowing to deal with AIDS-related expenses can wreck 'havoc' on the economy of these households and the long term impact of the epidemic can be 'disastrous'.

The income foregone due to absence from work in the AIDS affected households was Rs 3,736 per year as per NCAER estimates. But the loss incurred because additional labour that had to be employed to undertake the cultivation work was Rs 96,510 per year. Now this is suspect. Why would a household spend 25 times the money to provide substitute of its own absence from work? Perhaps these workers were employed in normal course of cultivation but classified as having been employed due to disability arising out of AIDS. Thus the estimate of nine percent loss of income made by NCAER is not convincing. If the impact of additional employment is eliminated, the loss comes to less than one percent.

The 'disastrous' impact of AIDS on the economy is not established from this survey of families. The eleven states most affected by AIDS are Manipur, Tamil Nadu, Andhra, Maharashtra, Karnataka, Goa, Pondicherry, Gujarat, Delhi, Kerala and Himachal. One would immediately see that most of the high-growth states find place in this list. Incomes and growth rates of these states were compared with the other 11 states with low incidence of AIDS. It was found that the per capita income of the AIDS-affected states in 2003 was Rs 15,974 against Rs 8,721 for the healthy states. The growth rate of State Domestic Product of the AIDS-affected states during 1991-2003 was 8.3 percent against 3.1 percent for the healthy states.

So what is the solution to this puzzle? It seems the aggressive culture of these states simultaneously leads to two results—higher growth rates and higher incidence of AIDS. It is common sense that AIDS would have a negative impact on the economy. This negative impact, however, is more than compensated for by the higher growth rate of these states. The problem arises because aggressive culture and AIDS seem to go together. So it is difficult to distinguish what impact on economic growth is due to aggressive culture and what is due to AIDS.

NCAER has also found that 1.5 percent children were found working in AIDS-affected households against 0.6 percent in healthy households. Similarly, 32.9 percent elderly were found working in the AIDS-affected households against 28.9 percent in healthy households. NCAER concludes that this will seriously affect the education of the children.

NCAER only highlights the negative impact of AIDS. In the process it seeks to deepen the negative impact of taxes on the people and make their conditions worse.

The objective, it seems, is to enable the health bureaucracy to make a killing in the process. Everybody knows that the Public Health Centres (PHCs) are serving the health

bureaucracy more than the people. The same will happen to such special programmes of the AIDS-affected. NCAER seeks to convert AIDS into a milking machine for the bureaucracy just as the village moneylender uses the occasion of death in the family to trap the hapless household into perpetual debt. 

[Contributed] 