

# **IPYET 2011**

International Perspectives in  
Youth Entrepreneurship Training

## **Online Programme - Module 4** **SUSTAINABILITY OF YOUTH ENTERPRISES**



Commonwealth Youth Programme  
Regional Centre for Africa  
COMMONWEALTH SECRETARIAT



International  
Labour  
Organization

<b>Programme:</b>	IPYET 2011
<b>Materials:</b>	Modules
<b>Type:</b>	Discussion Papers
<b>Title:</b>	IPYET Module 4: <i>Sustainability of Youth Enterprises</i>
<b>Contributors:</b>	Module 4.1: HIV/AIDS and Sustainability of Youth Enterprises By <b>Victor Paa Kwesi Mensah</b> Module 3.2: ICTs and Sustainability of Youth Enterprises By <b>Brian M. Sikute</b>
<b>Editor:</b>	Victor Mensah
<b>Copyrights:</b>	CC-BY-NC-SA By COMSEC/ILO
<b>Module Links:</b>	<b>General:</b> <a href="http://wikieducator.org/lpyet/Sustainability_of_Youth_Enterprises">http://wikieducator.org/lpyet/Sustainability_of_Youth_Enterprises</a> <b>4.1</b> <a href="http://wikieducator.org/lpyet/HIV/AIDS_and_Enterprise_Sustainability">http://wikieducator.org/lpyet/HIV/AIDS_and_Enterprise_Sustainability</a> <b>4.2</b> <a href="http://wikieducator.org/lpyet/ICTs_in_Businesses">http://wikieducator.org/lpyet/ICTs_in_Businesses</a>
<b>Pages:</b>	Module 4.1: <i>Pages 06 - 17</i> Module 4.2: <i>Pages 18 – 23</i>

The contents of this module and subsequent discussions thereof are the views of the authors and compilers and not necessarily the views held or expressed by the Commonwealth Secretariat, International Labour Organization or partners of the IPYET programme. The copyright licence covering this document is CC-BY-NC-SA. This means, you are free to use the materials or its adaptation for study, reference, and training purposes, under the condition that you will NOT commercialise this document nor its resultant adaptations. You will also give credit/mention to the Commonwealth Secretariat (COMSEC) and International Labour Organisation (ILO) as the owners of this work.

©2011, *Commonwealth Secretariat and International Labour Organization*

Welcome to Module 4. This is the fourth of five modules on the IPYET 2011 Online programme. The first module set the tone for the discussions we have had so far and will explore for the remainder of the sessions and the residential programme. Module 2 took us further up the chain on entrepreneurship training by exploring some of the critical elements during an example workshop. It explored some fundamental challenges trainers face in such workshops –teaching costing and finance. After all the basics of *what a business is, why start your own business, types of enterprises, etc.*, while a bedrock of a solid entrepreneurship training, will become worthless if the training programme did not include such strong elements of financial management. Module 3 then took us into the world of *perceptions!* While some may argue that business/enterprises and its management are purely scientific being for which people can be though, social and physiological elements such as the orientation, acculturation, and perceptions of people can affect these to a large extent. Module 3 therefore discussed the perceptions of people on gender, child labour and disability, and how these affect training and the running of the businesses itself. Now, the business is formed, how do we sustain it! This is crust of our discussions in Module three.

### **Build it, it shall stand!!**

A well built house can surely stand, wouldn't it? But will it – even against earthquakes and tsunamis – if these weren't planned for? There are strong houses and strong-looking houses. It is surely a test of some greater force of nature that mostly distinguishes these. Several engineering feats have revealed that, with proper planning and taking into account a lot of different negating factors, and planning well for these, you can build in very soft stand, and have it still standing after major forces plummet it.

Do all businesses last? Do some businesses fail? Why do businesses fail? How do we know that a business has failed? Is a running business necessarily a successful business? How can we tell that a business has failed even if it still opens its doors for business? How will be defined a sustained business? What elements can ensure sustainability of businesses?

Obviously, the IPYET programme is not about advocating for building houses in soft sand, but the scenario described earlier may very well come in handy for businesses and especially trainers. How many youth entrepreneurs have you trained? How many of them went ahead to form their own businesses? How many of those businesses formed have "survived" after a defined period – say, one, two, or three year? Some trainers may argue that their jobs are to train these entrepreneurs and not necessarily to follow them throughout their business life. However the mammoth question is, how do you feel about 80% of all young people you trained having successful businesses three years down the road? Equally, how do you feel about all the businesses the young people you trained having failed less than six months from your training?

### **So what is a sustainable business?**

It is estimated that as much as **80%** of all small and micro businesses **fail** within the **first two years** of start-up! Disputing the figures? Yes, you are allowed. These may be figures for the US and you are allowed to generalise it only for more developed countries. But wait, if those are the figure in more developed countries, how does Africa and third world countries

perform? Very little quantitative data has been captured and analysed to determine a very accurate figure for failed small businesses in Africa. However, several undefined terms and unasked or unanswered questions may hamper such a determination.

- *What is a failed business* – are these folded or inspirational enterprises only?
- *What is a sustained businesses* – are these businesses which open their doors daily for businesses; undertaking a continuous/sustained level of production capacity or production levels; are these having a sustained level of profit figures; are these maintaining a sustained number of customers; making returns on investments; are these enterprises still in the same businesses they started with one, two, three years ago; etc?
- *What factors contribute to the un-sustainability of businesses* – inadequate training; too much social and family interference; acts of nature; health issues; conflicts; demand conditions; changing markets; technological changes; etc?

Clarity is indeed needed for these and many other questions for trainers and entrepreneurs to effectively promote actions that will ensure that youth businesses are made indeed sustainable.

During the residential programme several of these questions will be explored. The online discussions will however touch on two main issues – HIV/AIDS and ICTs – and how they affect the sustainability of businesses. These topics have been chosen not because they are the only issues affecting the sustainability of businesses, but because they are two pressing issues affecting youth enterprises today. Both the ILO and Commonwealth have taken several interventions in these areas. Several countries of IPYET participants have also voiced these issues as major developmental concerns.

### Key Questions

By the time you finish the online discussions on this module, you should have explored how health and wellbeing, especially HIV and AIDS, as well as ICTs impact in businesses. You should have further explored interventions towards generating businesses bottom-line benefits in these issues.

### How this module is organised

There are two sub-modules. Each sub-module can be organised as a stand-alone course.

*Module 4.1: HIV/AIDS and Sustainability of Youth Enterprises* explores the impact of health and wellbeing on businesses with particular focus on HIV and AIDS. It is assumed that all participants have a sound basic understanding of the history and effects of HIV/AIDS. While this is assumed, a brief synopsis is provided on possible impacts on businesses. The sub-module further puts forward some of the general intervention areas taken by businesses and encourages discussions on these. Your moderator for this sub-module is Victor Mensah. Get ready for a lot of discussions and participation in the class.

*Module 4.2: ICTs and Sustainability of Youth Enterprises* discusses the nature and use of ICTs in business. The types and costs of various IC options are discussed. The concept of Sustainable ICT Platforms is presented, and discussed generated on mechanisms for ensuring marked benefits from ICTs in a youth enterprise. Your moderator for this discussion, Brian Sikute is an IT specialist with expertise in several platforms. With his experience in moderating e-discussions, he will no doubt ensure that you have an experience that will leave you wanting for me during the residential programme.

**General Recommended Readings:**

Daly K. (2000). *Business Response to HIV/AIDS: Impact and Lessons Learned*. Joint United Nations Programme on HIV/AIDS, Prince of Wales Business Leaders Forum, Global Business Council on HIV & AIDS, <http://www.hrhresourcecenter.org/node/927>

OECD (2002a), "The Impacts of Electronic Commerce on Business: Summary",

USAID Africa Bureau (2002). *How Does HIV/AIDS Affect African Businesses?* Population, Health and Nutrition Information Project, United States Agency for International Development, Washington D.C.

Velden, M. van der (2002) '*Knowledge facts, knowledge fiction: the role of ICTs in knowledge management for development*' Journal of International development, Special Issue: Information and communication technologies (ICTs) and development, Editor Richard Heeks, Volume 14, No1 January 2002, Wiley

Zielinski, C. (2001) '*The changing role of information in development*', Conference paper, The Institute of Information Scientists (IIS): Information for development forum (IDF) Development and information 2001 seminar, Impact Evaluation of Services and Projects.

## Module 4.1: HIV/AIDS and Sustainability of Youth Enterprises

A discussion paper by  
**Victor P. K. Mensah**

### Welcome

*Welcome to Module 4.1 HIV/AIDS and Business Sustainability. In Southern Africa, life expectancy at birth climbed from 44 in the early 1950s to 59 in the early 1990s. With the demographic impact of AIDS, this dropped to 45 sometime between 2005 and 2010. The impact caused by AIDS has reverberated through every sector of the society, from health, to agriculture, education and the private sector, and is draining economies of the vital resources and contributions of a whole generation. The impacts felt at both the macro and micro levels of economies dictate that businesses, no matter how small, need to THINK and ACT as quickly as practicable in responding to the challenges posse. This discussion paper will introduce the issues attendant on this and encourage further thinking and discussions towards encouraging incorporation of programming to address HIV/AIDS in businesses and entrepreneurship training.*

### Course Objectives:

By the end of this course, participants will be able to:

1. List at least three macro and micro economic impacts of HIV/AIDS on businesses
2. understand reasons why businesses design interventions to respond to HIV/AIDS
3. List at least three possible intervention strategies for youth enterprises in responding to HIV/AIDS.

### Introduction - The Health of a Business

For many business analysts, economists, and managers, a business is healthy when one or more several conditions exist: the business must have clear signs of profitability and symptoms of a going concern. Obviously, the business must be of relevance (in demand terms) to the people in the vicinity of the enterprise and to the staff and members of the business itself. This creates a symbiotic relationship between the business enterprise and all these variables (stakeholders) – staff, members (or stake/shareholders), and members of the business' environment (clients, and suppliers). Through this intricate web of relations, many things/issues affecting these players in the environment of the business directly or indirectly affect the business itself. These issues include health. In other words, the health of a business is the health of its environment (stakeholders).

In this module we will explore some of the health issues that affect businesses. We will discuss why these issues affect businesses; to what extent they affect businesses; what intervention can and have been taken to address these impacts; what lessons have been learnt and can be deduced from these intervention strategies; and what innovative ways can further be explored especially by youth entrepreneurs and youth entrepreneurship development actors.

### Background: History of HIV/AIDS

As the name of this sub-module indicates, we will focus more closely on one health issue – HIV/AIDS - which has caused havoc to many especially in the developing world. A healthy employee is always more productive than one who is unwell. Health benefits and insurance, lost hours and days of work, reduction in productivity, increased exposure to other risk and work-place safety issues, and the probability of having a spiral effect (epidemic, effect on products being manufactured especially in the food and beverage industry) among other issues negatively affect the bottom line of businesses. While illness cannot generally be realized or factored or projected into planning, most illnesses can be avoided with marked benefits.

#### Question:

*What do you know as the history of HIV/AIDS?*

### HIV/AIDS and Business

UNAIDS estimated that 38.6 million [33.4 million–46.0 million] people worldwide were living with HIV in 2005. An estimated 4.1 million [3.4 million–6.2 million] became newly infected with HIV and an estimated 2.8 million [2.4 million–3.3 million] lost their lives to AIDS. According to the International Crisis Group (ICG 2001), where the epidemic has hit hardest, Sub-Saharan Africa, experts believe AIDS will eventually kill one in four adults. Seven countries already have adult prevalence rates above 20 per cent of the population. “Yet this pandemic may only be at its beginning. Infection rates are still rising in most African nations, and the strongest effects are only now beginning to be felt. Elsewhere, infection rates are rising at steep rates, in patterns disturbingly similar to those observed in Sub-Saharan Africa five to ten years ago. HIV

#### GLOSSARY OF TERMS

<p><b>Absenteeism:</b> unplanned/unauthorised absences from work by employees</p> <p><b>Capital:</b> physical (e.g. factories) and human (e.g. training) contributions to productive activity</p> <p><b>Macroeconomic:</b> combined/aggregate economic activity</p> <p><b>Morbidity:</b> incidence of a disease in a specific locality</p> <p><b>Mortality:</b> the number of deaths in a given period</p> <p><b>Production Costs:</b> the price (finance and time) of creating or manufacturing goods and services</p> <p><b>Production Cycle:</b> the process (inputs and outputs) of production of goods and services</p> <p><b>Productivity:</b> the amount of output per unit of input (labour, equipment and capital)</p> <p><b>Supply Chain:</b> provision of raw materials and manufactured goods to point of sale, including production, assembly and delivery</p>
---



infections are believed to be doubling every year in Russia and increasing rapidly across the Commonwealth of Independent States, India, China and Southeast Asia. For a growing number of states, AIDS can no longer be understood or responded to as primarily a public health crisis". HIV/AIDS has become a threat to every aspect of life as we know it.

### Effects on Businesses

The impact of the HIV/AIDS epidemic goes far beyond the household level. Firms and businesses may also be affected as HIV-infected people are usually in the prime working years and are involved in the process of production<sup>1</sup>. The resultant impacts on these businesses are multiple-fold. The impacts can be directly on the firm or indirect. Impacts can also vary as on small businesses and large firms. According to UNAIDS (2000), there could be potential Macroeconomic impacts as well as micro-economic impacts (at the level of individual firms). To understand the full nature of the impacts on businesses and the general economy however, we must appreciate some of the terminologies often used in literature analyzing this situation (*refer to the glossary box*).

Impacts on macroeconomic indicators include the fact that the disease affects mainly people in the most productive age brackets in the country. These are usually 30 years and below. They are youth. There are attendant reduced earning, lower savings and disposable income, higher demand for care, higher expenditure on healthcare, deepening issues of social and economic dependency, and premature death. The result is that, there is reduced demand for some economic goods and services and a marked reduction in market sizes for industries. Some estimates by the World Bank suggest that the macroeconomic impact of HIV/AIDS may be significant enough to reduce the growth of national income by up to a third in countries with adult prevalence rates of 10 percent.<sup>2</sup>

"Businesses do not work in isolation and so the impact of HIV/AIDS on all productive sectors, on the business supply chains, the effective labour supply and intellectual capital directly impacts on individual companies. These impacts can significantly affect the ability of business to operate. This may lead to a reduction in foreign direct investment, discouraged by these potential production deficiencies exacerbated by HIV/AIDS. There is a danger at a

<sup>1</sup> [http://www.un.org/esa/population/publications/AIDSimpact/7\\_Chap\\_IV.pdf](http://www.un.org/esa/population/publications/AIDSimpact/7_Chap_IV.pdf)

<sup>2</sup> Binswanger, H & Ayres, W (1999), "HIV/AIDS Action in developing countries", EU HIV/AIDS Programme in Developing Countries, Issue 5, Dec 1999.



national level of governments, fearful of a possible negative business response to their experience of the epidemic, maintaining a policy of denial" - Daly K. (2000).

According to the USAID Africa Bureau (2002), there could be great economic impact on both investments and trade.

### ***Impact on Investment***

- Uncertainty over the impact of HIV/AIDS causes investor reluctance
- Decrease in the pool of national entrepreneurs
- General economic picture

### ***Impact on Trade***

- Reduced production due to increased costs to firms
- Decrease in workers with experience in export markets
- Transport of export products to marketplace

At the micro-economic level (individual small business level), the impact is generally two-fold. There is marked reduction in productivity, and an increase in the cost of operations. This is illustrated below:

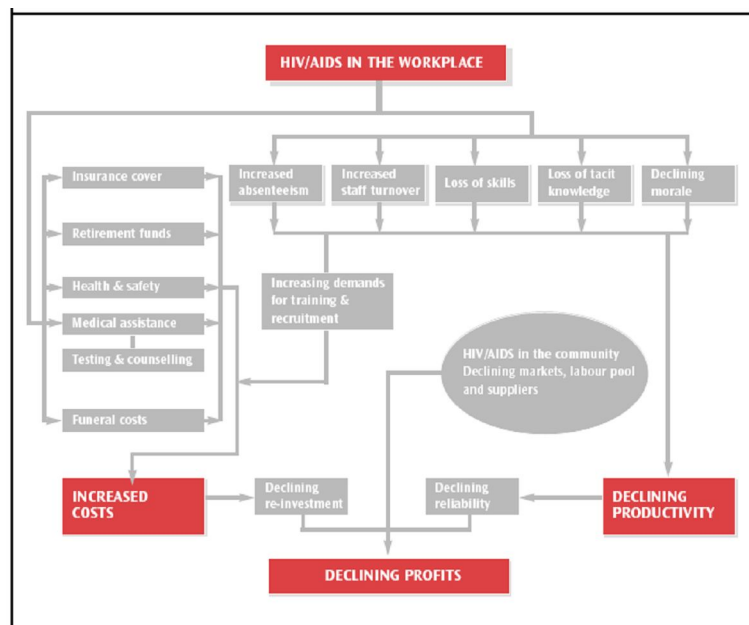


Fig 1: Impacts of HIV/AIDS on a Company. Source: Daly K. (2000)

*Declining productivity* results in declining profits and inability to meet demands from customers. This is caused mainly by increase in absenteeism as a consequence of employees becoming ill due to HIV/AIDS and attendant opportunistic illnesses, the need to attend related funerals, and caring for ill relatives and friends. Production cycles are disrupted, more use of temporary staff, and underutilization of factors of production. According to Whiteside (1999) absenteeism due to HIV/AIDS may account for between 25-54 percent of operation costs in Eastern Africa. Further, productivity is lost through greater and more impactful organisational disruption. Increased rates of morbidity results in increased staff turnover, loss of tacit knowledge, loss of skills, and loss of morale.

*Increased operational costs* are experienced by the businesses through increased health management costs, increased costs of funerals of staff members and related dependants, increased insurance cover (especially life insurance premiums) and pensions, and a marked increase in costs of recruitment and training.

For example, in Zimbabwe, over a two-year period, life insurance premiums quadrupled as a result of HIV/AIDS, while Barclays Bank in Zambia experienced a rate of AIDS-related deaths of 36 out of 1600 employees, a rate ten times the death rate in most US companies - Loewenson, R (1999). These increasing costs may eventually affect the level of benefits that a business is able to provide for its workforce.

*"...Knowledge or even suspicion that one of their colleagues has HIV/AIDS is likely to trigger certain negative attitudes and behavioural responses towards that individual and how they perform their own tasks."* Ching'ambo et. al (1995)

Most African businesses that have more than 10 employees have already seen at least one employee die of HIV/AIDS or currently employ infected workers. In some countries, the number of HIV infected employees has been devastating. For example,

- In a sugar mill in South Africa, 26 percent of all tested workers were infected with HIV. Infected workers incurred, on average, 55 additional days of sick leave during the last two years of their life.<sup>3</sup>
- In Botswana, it has been estimated that 35 to 40 percent of all teachers are infected with HIV<sup>4</sup>.

<sup>3</sup> Morris, C., D.R. Burdge, and E.J. Cheevers. 2001.

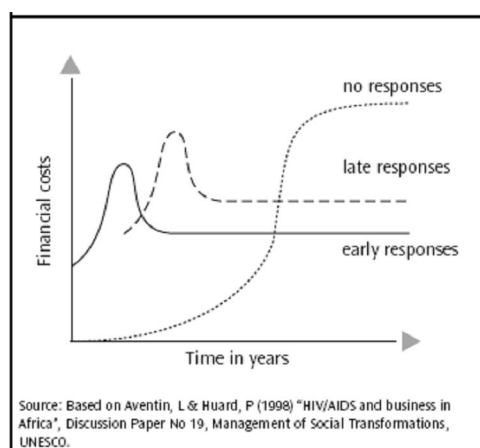
<sup>4</sup> "Education in Africa Threatened by AIDS." 2001. allAfrica.com. 7-27-2001.

- One study in Kenya on a sugar estate found that 25 percent of the estate's workforce was infected with HIV<sup>5</sup>.
- Even in countries such as Ghana, which has a more moderate prevalence of HIV, businesses report significant numbers of both AIDS deaths and known HIV infections<sup>6</sup>

## Business Responses

Now more than ever, businesses stand at the front lines to assist in the fight and decrease the prevalence and impact of HIV/AIDS on a global and national level. Direct and indirect impacts in the workplace, which include increased costs and overall threats to the foundation, can pose devastating effects to the employee and employer<sup>7</sup>. The impacts on businesses, especially small businesses like youth enterprises, are dependent on firstly, the policies in place and the general outlook of the business to such issues, as well as management leadership exhibited by the youth entrepreneur. Policies such as the level of HIV/AIDS awareness of the entrepreneurs and her/his staff and the programmes put in place to ensure that preventive actions are taken alongside care and maintenance of members of staff living with HIV/AIDS go a long way in reducing the overall impact on the business. Leadership by the youth entrepreneurs themselves, in the form of self-discipline, promoting professionalism in the workplace, and avoiding stigmatisation and abuse of other members of staff who have the disease will be helpful.

In the eventual analysis, timing also matters. Specific responses/interventions could be incorporated into the management of youth enterprises or no interventions at all can be taken. If interventions are going to be taken by these entrepreneurs, will it be a late response or an early one. The figure below shows conceptual costs related to the timing of responses/interventions.



**Fig 2:** Financial Costs of times of response

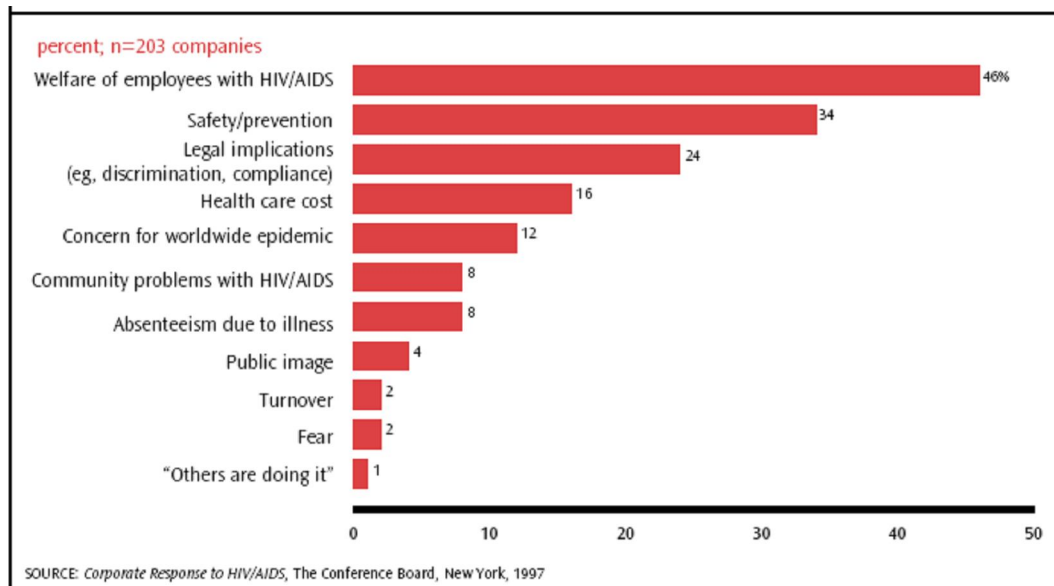
<sup>5</sup> Roberts, M., B. Rau, and A. Emery. 1996.

<sup>6</sup> Nabila, J.S., P. Antwi, K. Yeboah, and S.O. Kwankye. 2001

<sup>7</sup> [http://www.hivatwork.org/impact/business\\_impact.cfm](http://www.hivatwork.org/impact/business_impact.cfm)

### ***But why do businesses need to respond to HIV/AIDS?***

Do businesses respond to HIV/AIDS because of the welfare of employees living with HIV/AIDS, because of possible legal complications, absenteeism, or because other businesses are doing it?



**Fig 3:** Reasons for Work place interventions.

### ***So what specific interventions can youth entrepreneurs design for their businesses?***

Several different interventions can be employed by businesses both small and large. These could be towards *protecting the workforce and their families* through workplace policy response to HIV/AIDS, HIV education and training for employees, and taking steps to retain and recruit people living with HIV/AIDS. Interventions could also be aimed at *protecting business interests* especially for businesses having direct business interest in HIV/AIDS. Businesses in health care or health policy administration, small NGOs/CSOs working in the area of HIV/AIDS or health related issues, and several other commercial entities may have direct interest in ensuring that they put in place HIV/AIDS interventions in their workplaces. For many business entities, especially small firms such as youth enterprises, a *multi-stakeholder response* may yield far more benefits. Interventions could be aimed at designing a Small and medium sized enterprises' action, or assisting small and medium sized enterprises to develop related business linkages to tackle HIV/AIDS in the Industry and community. Partnerships could further be developed with community actors and

stakeholders to ensure a much more sustainable response.

The figure below illustrates possible interventions by both large enterprises and small youth enterprises in responses to HIV/AIDS (UNAIDS 2000).

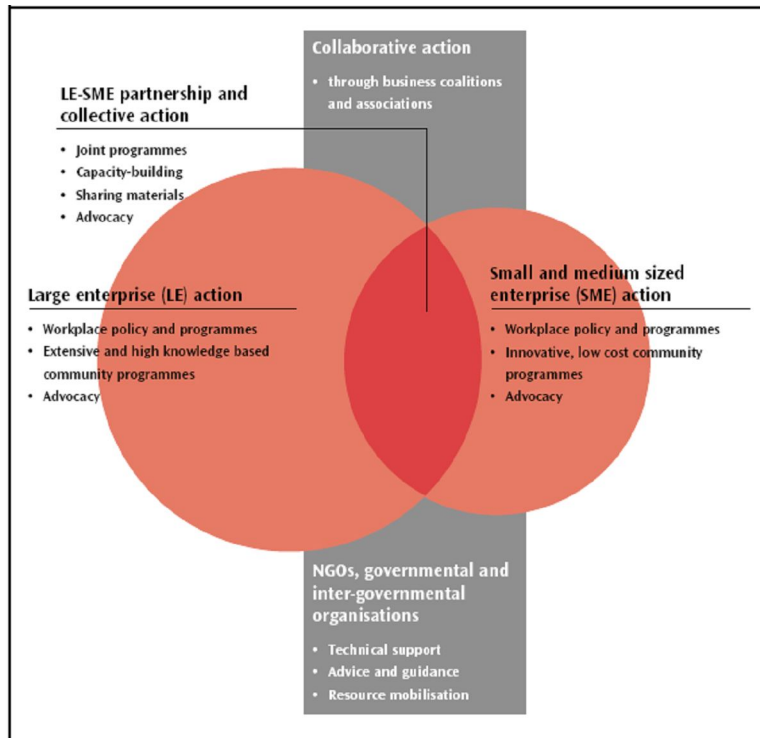


Fig 4: Possible Business Interventions

## A Case of HIV/AIDS Workplace Interventions

*"NamWater, the largest water purification company in Namibia, announced recently that HIV/AIDS is 'crippling' its operations. They report high staff turnover due to AIDS-related deaths, increasing absenteeism, and a general loss of productive hours. The firm plans on examining the impact of the epidemic through a survey, and then designing further policies to mitigate the impact. The company already distributes condoms to their workforce and has trained 60 peer educators." - Angula (2000)*

### Questions:

1. What specific interventions could youth enterprises take in addressing HIV/AIDS in their workplace
2. Is there a business case for a youth enterprise to design responses to HIV/AIDS in the workplace and their communities?

3. *what other workplace interventions particularly of small businesses can you think of? What were lessons learnt?*

### International HIV/AIDS Intervention Programmes

Find out more about interventions by international youth serving agencies such as the Commonwealth, UN, and ILO for discussions in class.

- The Commonwealth and HIV/AIDS – The YAPL Programme
- UN Cares at <http://www.uncares.org>
- ILO HIV/AIDS and Workplace Programme

### Summary

According to UNAIDS, more than 1.3 million people were receiving antiretroviral therapy in low- and middle-income countries by December 2005, up from approximately 400 000 people two years earlier. Perhaps this could be a business case for small businesses to enter into the industry of providing HIV/AIDS related services. However, this discussion paper was aimed at presenting a general picture of HIV/AIDS especially its impact of businesses and discuss possible actions by businesses to mitigate this. Let's keep the discussions going.

### Further resources

Daly K. (2000). *Business Response to HIV/AIDS: Impact and Lessons Learned*. Joint United Nations Programme on HIV/AIDS, Prince of Wales Business Leaders Forum, Global Business Council on HIV & AIDS, <http://www.hrresourcecenter.org/node/927>

GBC (2008). *The State of Business and HIV/AIDS, Tuberculosis and Malaria*. Global Business Coalition, [http://www.gbciimpact.org/itcs\\_node/10/530/report/1213](http://www.gbciimpact.org/itcs_node/10/530/report/1213)

## References

Angula, C. (2000). "NamWater Joins AIDS Fight." *The Namibian*. July 20.

Ching'ambo, L.J., K. Mwanza, D.H. Kalyalya, M.F. Phiri, and S.W. Kunkhau. (1995). *The Socio-Economic Impact of HIV/AIDS on Selected Sectors and Industries in Zambia*. Swedish International Development Agency, World Health Organization, and Ministry of Health of the Republic of Zambia.

Daly K. (2000). *Business Response to HIV/AIDS: Impact and Lessons Learned*. Joint United Nations Programme on HIV/AIDS, Prince of Wales Business Leaders Forum, Global Business Council on HIV & AIDS, <http://www.hrhresourcecenter.org/node/927>

"Education in Africa Threatened by AIDS." (2001). allAfrica.com. 7-27-2001.

Loewenson, R (1999), "Best Practices: Company Actions on HIV/AIDS in Southern Africa", Health & Safety and Environment Programme, Organisation of African Trade Union Unity.

Morris, C., D.R. Burdge, and E.J. Cheevers. (2001). *Economic Impact of HIV Infection on a Cohort of Male Sugar Mill Workers in South Africa from the Perspective of Industry*. Vancouver, Canada, & Durban, South Africa: Univ. of British Columbia and Illovo Sugar.

Nabila, J.S., P. Antwi, K. Yeboah, and S.O. Kwankye. (2001). *A Study of the Economic Impact of HIV/AIDS on Selected Business Organizations in Ghana*. Accra, Ghana: Policy Project.

Roberts, M., B. Rau, and A. Emery. (1996). *Private Sector AIDS Policy: Business Managing HIV/AIDS*. Arlington, VA: Family Health International/AIDSCAP.

USAID Africa Bureau (2002). *How Does HIV/AIDS Affect African Businesses?* Population, Health and Nutrition Information Project, United States Agency for International Development, Washington D.C.

Whiteside, A (1999), "The Economic Impact of AIDS in Africa", Mini Review Article: Canadian Journal of Gastroenterology.



## Appendix:

**WORKPLACE RESPONSE: Tool for managers**

**This tool has been developed as a business-focused guide to workplace responses to HIV/AIDS. Particular emphasis should be put on the diversity of responses and options to be considered, dependent on the business type and size and the economic and socio-cultural context. The following sections set out for managers: the guiding principles to be considered; the planning process; the policy options; and the assistance available.**

**PRINCIPLES**

Guiding principles to be considered in developing a workplace response to HIV/AIDS:

1. Promote non-discriminatory practices, where employees are assessed on merit and ability to perform and are not subject to personal discrimination and abuse. Disciplinary procedures should apply where discrimination occurs.
2. No compulsory testing requirements for recruitment, promotion or career development.
3. Ensure confidentiality of employees' HIV/AIDS status.
4. Treat HIV/AIDS as any other illness in terms of employment and health policies and practices.
5. Ensure employment practices, at a minimum, comply with national and international employment and labour legislation and codes.
6. Offer prevention education to workforce (e.g. peer-education) and make accessible to all workforce.
7. Offer support services in conjunction with education provision.
8. Involve people living with HIV/AIDS in the development and appraisal of HIV/AIDS policies and programmes.
9. Adopt core management principles such as targeting, performance and monitoring with clearly structured input-output models (i.e. impact analysis).
10. Incorporate other health, social and economic issues (e.g. housing provision) for a more strategic and responsive approach.

**PLANNING**

The basic elements of the planning process in responding to HIV/AIDS in the workplace are threefold: identify the factors that influence HIV/AIDS transmission in terms of organisational structure/activities; examine existing workplace practices and policies; establish the real and/or potential impact of HIV/AIDS on the company and its workforce.

**1. Factors that could influence HIV/AIDS transmission**

It is important to clarify identifiable risks within the workforce, requiring an analysis of workforce demographics (e.g. age, sex), where certain risk groups may be recognised and where priorities can be established. Additionally, workplace practices and demands, such as travel requirements (e.g. transport sector) and the existence of migrant workers are known to influence behaviour and thus levels of risk. Caution must be applied when looking at targeting intervention to avoid stigmatisation of any particular grouping.

**2. Existing workplace practices and policies**

The identification and categorisation of existing policies and practices serve to highlight both good and bad practice, specific needs, demands and overall requirements. This is especially important for companies such as multinational corporations where invariably their local operating companies have a broad and differing range of policies and practices. Differences may be a result of cultural or context specific factors, but this does not suggest that action should not be taken at the group level, but rather the need to take these factors into consideration.

**3. Real and/or potential impact**

Identifying the impact and costs on the company is crucial for workforce, managerial and executive commitment to subsequent policies. This is to ensure long-term sustainable economic management of the impact of HIV/AIDS (see business impact section of this publication for a detailed analysis). Table 2 below depicts some of the key potential impacts on productivity and production costs that should be considered in assessing individual companies impacts and actions.

**WORKPLACE RESPONSE: Tool for managers (continued)****POLICY**

The Principles and the impact Table 2 on the previous page highlight some of the available workplace policy options and demands. Primarily, it is essential to identify priorities from the outset.

1. The range of options available and demanded may initially exceed what is logistically and financially feasible. To ensure commitment from senior levels within the company, it may be necessary for a preliminary focus on elements that are directly recognisable as impacts on the company's bottom-line e.g. increasing prevalence of HIV/AIDS amongst the workforce.
2. It is important to aim to create a standard policy and approach for the whole company, making reasonable allowances for local socio-cultural and legislative factors and the involvement of people living with HIV/AIDS. Consideration should be paid to the involvement of experienced and specialised organisations and business coalitions on HIV/AIDS to reduce the scoping period and programme costs (e.g. sharing of materials).

**Education and prevention** is invariably the starting point of workplace policies and programmes. A phased strategy can be identified:

1. **Minimise:** communicate policy, provide user-friendly (e.g. appropriate languages) and culturally appropriate educational materials and activities for the prevention of HIV/AIDS and the creation of a non-discriminatory environment, ensuring confidentiality.
2. **Manage:** besides the standard managerial practices in line with the guiding principles above, it is important to ensure continued internal communication to all stakeholders of the need for a company policy and programmes. This is to ensure continued buy-in to the response to HIV/AIDS.
3. **Monitor:** the dynamic nature of HIV/AIDS in terms of knowledge, impact and recognised practices necessitates regular monitoring and reviews of programmes and medical data.

A more strategic and successful response to HIV/AIDS could include the provision of the other benefits identified in the impact figure above. Further consideration should be paid to engaging in community outreach, providing advocacy, information, education, prevention and care.

**CONTACTS/ASSISTANCE**

(telephone, email, website)

**1. Workplace programme advice and guidance:**● **AIDS Control and Prevention Project;**

+1 703 516 9779

services@fhi.org

<http://www.fhi.org/en/aids/aidscap/aidscap>

● **Centre for Disease Control;**

+1 800 458 5231

hivmail@cdc.gov

<http://www.brta-lrta.org>

● **Confederation of Indian Industry;**

+91 11 4629 9947

cii@co.cii.ernet.in

<http://www.ciionline.org>

● **NAT;**

+44 20 7814 6767, julian.hussey@nat.org.uk

<http://www.nat.org.uk>

● **UNAIDS;**

+41 22 791 3666, [unaids@unaids.org](mailto:unaids@unaids.org)

<http://www.unaids.org>

**2. Workplace programme and policy experience/materials/action:**● **Business Exchange on AIDS and Development;**

+44 20 7404 2027

beadwork@dircon.co.uk

● **European AIDS and Enterprise Network;**

+33 142 65 51 23

clubesfr@aol.com <http://eaen.org>

● **Futures Group International;**

+1 202 775-9680

tfgi-dc@tfgi.com

<http://www.tfgi.com/hivaids.asp>

● **Global Business Council on HIV/AIDS;**

+44 1225 404 964

julian.hussey@gbcaids.com

<http://www.gbcaids.com>

● **National Business Coalitions on HIV/AIDS;**

contact the Global Business Council on

HIV/AIDS.

**3. HIV/AIDS internet information/discussion sites:**● **HIV-impact;** <http://www.edc.org/glg/HIV-impact>● **HIV-net;** <http://www.hivnet.ch>● **International AIDS and Economic Network;**

<http://www.iaen.org>

## Module 4.2: ICTs and Sustainability of Youth Enterprises

A discussion paper by  
**Briam M. Sikute**

*Welcome to the Information and Communication Technology (ICTs) in and Sustainability of Youth Enterprises session. What makes this session exciting is the fact that ICTs have changed the way that we live, communicate, work including and now, the way that we learn. I look forward to sharing and having discussions on how that we can enhance the way that we do business using ICTs.*

### Objectives

The objectives will be to:-

1. Enhance participants understanding of ICTS in Business
2. Introduce participants to Sustainable ICTs for Business

### Introduction

Advances in information communication technology (ICT) have made it possible to work and communicate faster and more efficiently than before. Business enterprises, particularly those with more resources and expertise, have harnessed the opportunities made available through this technology and used them to enhance their business operations and become more profitable.

This session will look at available technologies that can be employed to enhance business operations while keeping the cost of such technologies low. Discussions will focus on introducing participants to 'free and open source' technology options for businesses. We shall call these options 'Sustainable ICTs'.

## Benefits of ICTs

In the area of economic development, ICT can provide access to markets and jobs, and promote competition and efficiency. It cannot feed the poor but can enable wealth creation and cost reduction through applications such as price discovery, marketing assistance (using eBay-like auction exchanges), and finding jobs through online job search tools (such as monster.com).

ICT and e-commerce offer benefits for a wide range of business processes. At firm level, ICT and its applications can make communication within the firm faster and make the management of the firm's resources more efficient. Seamless transfer of information through shared electronic files and networked computers increases the efficiency of business processes such as documentation, data processing and other back-office functions (e.g. organising incoming orders and preparing invoices). Increasingly sophisticated ICT applications such as KMS (Knowledge Management System) and ERP (Enterprise Resource Planning) allow firms to store and use their acquired knowledge and know-how. For example, customer databases with a history of client-specific correspondence help managers and employees to respond more effectively to customers. A company-wide electronic data source aims to disseminate employees' professional experience, for example tips for winning a contract, from which others in the firm can learn (Box 1).

At inter-firm level, the Internet and e-commerce have great potential for reducing transaction costs and increasing the speed and reliability of transactions. They can also reduce inefficiencies resulting from lack of co-ordination between firms in the value chain. Internet-based B2B interaction and real-time communication can reduce information asymmetries between buyers and suppliers and build closer relationships among trading partners (Moodley, 2002). In fact, adopters of e-commerce tend to reduce transaction costs, increase transaction speed and reliability, and extract maximum value from transactions in their value chains (OECD, 2002a).

## Sustainability

Can we build a picture of good ICT sustainability from the theories and lessons learned used in other development sectors?

### Definitions of sustainability

There is considerable debate over the term sustainability. In an ICT expert discussion (Imfundo April 2002), sustainability was defined (for the purpose of the discussion) as: 'Investments which continue to produce a return'. "Return" was defined in its broadest sense (i.e. beyond financial and including educational, social, etc.). In this definition an activity could be sustainable if it produces a return which is not necessarily financial.

Unsustainable systems deplete or run down capital, spending assets as if they were income, and so leaving less for future generations. The approach differentiates between different kinds of sustainability which are useful in relation to ICTs:

- Economic sustainability; achieved when a given level of expenditure can be maintained over time.
- Social sustainability; achieved when social exclusion is minimised and social equity maximised.

*Hypothesis:* - Sustainability of an ICT activity is likely to be strongly influenced by the technology used e.g. operation and repair may be critical to the success of the activity. In other sectors it has been found that some form of standardisation of a technology instrument has helped development ensuring a sufficient use to encourage a market that can supply spares and technology support.

### Total Cost of Ownership (TCO)

Benefits to using ICTs however come at some cost. Technology is an increasingly essential resource. But as budgets tighten, however, business enterprises are coming under pressure to articulate the costs and benefits of existing and planned technology expenditures. Thus, adoption of total cost of ownership (TCO) and return on investment (ROI) tools to measure

the cost and effectiveness of technology initiatives are becoming more common. Gartner, a leading information technology research firm, defines Total Cost of Ownership (TCO) as a comprehensive set of methodologies, models and tools to help organizations better measure and manage their IT investments. Simply stated, TCO evaluates all costs, direct and indirect, incurred throughout the life-cycle of an IT asset, including acquisition and procurement, operations and maintenance, and end-of-life management.

Table 1 shows the model into which cost components are loaded, which are listed along the left side of the table. Each column represents the individual years of a PC's life cycle; the cost for a component appears in the appropriate year. For example, the PC acquisition cost (sample cost of USD 1,150 used) occurs only once, at the beginning of the first year of the PC's life cycle. Other costs, such as software and patch deployment, occur every year.

Table 1. Cash Flow (U.S. Dollars per PC per Year)

<b>Cash Flow Description</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Notebook PC Acquisition Cost	(1,150)	0	0	0	0
Training	(25)	0	0	0	0
PC Engineering (Build)	(28)	0	0	0	0
PC Deployment and Logistics	(21)	0	0	0	0
Software and Patch Deployment	(15)	(20)	(24)	(30)	(38)
Help Desk Support (First Level)	(20)	(24)	(29)	(35)	(42)
Deskside Support (Second Level)	(67)	(89)	(111)	(139)	(173)
Out-of-warranty Repair	0	0	0	(76)	(132)
Additional Upgrades and Peripherals	0	0	0	(70)	(75)
Retrieval and Disposal Costs	(43)	(43)	(43)	(43)	(43)
Disposal Cost Recovery	778	552	392	278	198
<b>TOTAL</b>	<b>USD (590)</b>	<b>USD 377</b>	<b>USD 184</b>	<b>USD (115)</b>	<b>USD (306)</b>

Ongoing costs such as software and patch deployment increase each year that the PC is in service. Retrieval/disposal costs and disposal cost recovery are incurred only in the final year. Out-of-warranty repair costs emerge as the warranty expires, in the fourth year. (Note: Costs used here are only sample data; costs vary with each organization.)



## Case Study – Technology Empowerment Centre, CYP Africa Centre

The Technology Empowerment Centre at the CYP Africa Centre is an Internet and Business centre providing Internet browsing. Others services include printing, photocopying, scanning, software updates, etc.

The Centre recently moved from using commercial/proprietary software to the use of Free and Open Source Software (FOSS). Before this, the Centre would spend a minimal of USD8450 on software including operating system, application and antivirus programs plus recurring annual software license fees.

Since the deployment of Free and Open Source Software solutions huge savings have been made (approximately 100% on software acquisition and maintenance) and implicit savings on hardware as FOSS can do a lot with only a little hardware.

### Other implicit cost savings

**Security** - Installations of open source server software are more secure than a commercial alternative and therefore, there is a lower risk of losing data or productive staff time needed to clean up after a security breach.

**Lower virus vulnerability** - Open source servers that are less vulnerable to virus infections provide cost savings in terms of decreased liability in these areas.

**Upgrade or recurring licensing costs** - With open source software, updates are continually free.

### Conclusion

So you're probably thinking, "If open source software saves people so much money, why isn't everyone using it?" Two words: learning curve. The learning curve that must be followed by a first-time open source software user can be very time consuming and frustrating. For many, especially in public education, this difficulty constitutes a roadblock to the deployment of open source solutions.



## References and Further Reading

Ashley C. and Carney D. (1999) *Sustainable livelihoods: Lessons from early experience*, DFID: London

Engel P.G.H (1995) *The social organization of innovation: a focus on stakeholder interaction*, Royal Tropical Institute: The Netherlands

Moodley, S. (2002), "E-Business in the South African Apparel Sector: a Utopian Vision of Efficiency?" *The Developing Economics*, March, pp. 67-100.

Roling N.G. and Wagemakers M.A.E. (eds) (1998) *Facilitating Sustainable Agriculture*, Cambridge University Press: Cambridge

Thorngate, W. (1995) 'Measuring the effects of information on development' in *Making a difference: measuring the impact of information on development*, Proceedings of a workshop held in Ottawa Canada 10-12 July 1995, Edited by Paul McConnell, IDRC

Velden, M. van der (2002) 'Knowledge facts, knowledge fiction: the role of ICTs in knowledge management for development' *Journal of International development*, Special Issue: Information and communication technologies (ICTs) and development, Editor Richard Heeks, Volume 14, No1 January 2002, Wiley

Zielinski, C. (2001) 'The changing role of information in development', Conference paper, The Institute of Information Scientists (IIS): Information for development forum (IDF) Development and information 2001 seminar, Impact Evaluation of Services and Projects.

<http://www.federalelectronicschallenge.net/resources/docs/costofown.pdf>

[http://download.intel.com/it/pdf/Using\\_TCO\\_to\\_Determine\\_PC\\_Upgrade\\_Cycles.pdf](http://download.intel.com/it/pdf/Using_TCO_to_Determine_PC_Upgrade_Cycles.pdf)

<http://www.ubuntu.com>

<http://www.zimbra.com>

OECD (2002a), "The Impacts of Electronic Commerce on Business: Summary",

DSTI/ICCP/IE(2002)5/FINAL, OECD, Paris.

OECD (2004) ICT, E-BUSINESS AND SMEs, OECD, Paris



*for Further Information, CONTACT:*

**Naomy Lintini**  
ILO – Lusaka Office  
*Email:* lintini@ilo.org  
*Tel:* (260) 211 25 7158

**Victor P. K. Mensah**  
CYP Africa Centre  
*Email:* vmensah@cypafrica.org.zm  
*Tel:* (260) 211 294106