

# **HIV/AIDS IN THE WORKPLACE:**

## 2004 Corporate Survey Report For Mexico

AIDS Responsibility Project | Stigma Reduction Program

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for Mexico

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# Foreword



The United States of America has made the global fight against HIV/AIDS a major foreign policy priority. Americans continue to show leadership on this crucial issue wherever they live and work around the world. The President's Emergency Plan for AIDS Relief, focusing on the most affected countries of the world, is a prime example of U.S. commitment and leadership on this issue.

Business has a vital role to play in addressing HIV/AIDS. In part, this is because businesses, particularly those with operations in the hardest-hit countries, recognize the profound impact of the epidemic on their workforce. But, just as importantly, many firms - including those in countries where HIV/AIDS has not yet strongly taken hold - recognize the challenge posed by HIV/AIDS and have moved to the fore as global citizens and leaders by developing HIV/AIDS workplace policies and programs and addressing the stigma of HIV/AIDS within their corporate cultures.

The ARP Stigma Reduction Program and the 2004 Corporate Survey, focusing on stigma and discrimination in the workplace, is an important part of these efforts. As one part of a broad partnership between the U.S. and Mexico in combating the HIV/AIDS epidemic, those in the business community to take a leadership role in making vital contributions are to be commended and encouraged to continue developing new and innovative responses to the threat that HIV/AIDS poses to the global community.

**ABNER MASON**

Executive Director  
AIDS Responsibility Project



**As globalization continues to bring the economies of the world closer together, new threats to growth and development continue to emerge. These threats move quickly across borders and challenge every nation regardless of culture, language or tradition.**

**One of the most serious threats in today's world is the HIV/AIDS epidemic. Not only is HIV/AIDS a grave public health threat, having killed over 20 million people worldwide, but it is a growing economic threat that industries and corporations are increasingly recognizing and confronting.**

In many African nations, the explosive spread of AIDS has decimated workforces, inflicting deep structural damage to economies and society at large. Although the spread of AIDS has been far less devastating (to date) in Latin America, the region is vulnerable to its effects on future economic performance and growth. After decades of successful reforms, democratization and opening markets, Latin America is moving towards greater integration into the global economy. As it does so, its industries and companies, whose success will be determined by accelerated productivity and retention of the best talent in the labor force, will need to factor HIV/AIDS into economic planning decisions.

One of the greatest impediments to developing effective strategies to combat the epidemic is HIV-related stigma, and the discrimination that results. Stigma and discrimination prevail in communities, within families, in the media, among health care providers, and in the workplace. It is a concrete wall that stands in the way of effectively fighting the spread of HIV and its impact. Stigma causes fear and secrecy, and is a significant barrier to prevention and treatment efforts.

People avoid testing for fear of their results being disclosed. Ignorance of one's HIV status may lead to high-risk behavior that would otherwise be avoided, and helps the virus spread more easily. Fear of discussing HIV/AIDS in a stigmatized environment inhibits public education efforts, allowing ignorance to trump prevention. People living with HIV/AIDS are less likely to seek out effective medical treatment for fear of the consequences of disclosing their status to a Human Resources department or benefits provider.

Prevention and care strategies cannot succeed as long as stigma impedes broad-scale HIV testing, education and access to treatment. Reducing stigma, therefore, is a vital element in any strategy to confront the HIV/AIDS threat, and for emerging economies in today's world, it is an absolute economic necessity.

## HIV: A Growing Economic Threat

Initiatives for reducing stigma and discrimination in the workplace are critical for the wellbeing of employees, companies, and society. They create an environment of trust and loyalty, improve employee health and productivity, enhance the image of the corporation, and ultimately, contribute to national efforts to effectively prevent and treat HIV/AIDS. And in a rapidly globalizing economy such as Mexico, where talent, skills, and productivity will be critical to being competitive, reducing stigma is an essential element of corporate and economic success.

For these reasons, the AIDS Responsibility Project (ARP) launched the Stigma Reduction Program as an effort to research the state of HIV-related stigma in the global economy, study best practices and policies that show promise in addressing workplace stigma, and build partnerships with companies, allied organizations and governmental agencies to work on reducing HIV stigma on a broad scale in each target country. The core element of ARP's effort is the vital role that public-private partnerships will play in the movement to reduce stigma in these vulnerable regions.

**Mexico is the first target country for ARP's Stigma Reduction Program, and it is where ARP developed its initial program model. ARP surveyed 20 leading U.S. employers in Mexico on their HIV/AIDS workplace policies and practices, and initiated in-depth meetings and interviews with top Human Resources and personnel staff among the participating companies. This report includes the findings and conclusions from this research, providing a snapshot of the state of HIV/AIDS in the workplace among U.S. companies in Mexico.**

As a U.S.-based nongovernmental organization, supported by U.S. government funding, ARP found it appropriate to focus on U.S. companies operating in Mexico for this report. However,



the report serves as an introduction of the program to the wider business community of Mexico, and it is the beginning of a long-term commitment by ARP and its partners to working with all sectors of the Mexican economy to address HIV/AIDS.

Throughout the research stage, ARP and its partner organizations, such as the POLICY Project and the American Chamber of Commerce of Mexico, have begun forging broader coalitions among corporations, government agencies and non-governmental organizations in Mexico to play our part in supporting new and existing HIV/AIDS stigma reduction efforts. The results of these follow-on efforts will be reflected in subsequent reports.

It is the hope of all those involved in the ARP Stigma Reduction Program that continued progress will be made in combating HIV/AIDS-related stigma in Mexico, and that a growing number of companies in Mexico will recognize that better workplace policies and practices on HIV/AIDS are not only good for society, but also essential for business success.

# HIV/AIDS and the Mexican Economy

**Mexico is the largest economy in Latin America, and the ninth largest in the world. With a workforce of 41.5 million people, almost 60% of labor is concentrated in the service sector, with just under a quarter of the workforce in industrial manufacturing.**

These trends follow Mexico's entry into the North American Free Trade Agreement in 1994, and a free trade agreement with the European Union in 2001. More than 90% of trade with Mexico is now under free trade agreements, and in 2004 Mexico had the largest per-capita income in Latin America. According to the World Bank's Mexico Country Brief, "Mexico is firmly established as a middle-income country" with "investment grade in the financial markets [and] sound microeconomic management."

At the same time, Mexico is third in the Americas behind the United States and Brazil in the number of cases reported to the World Health Organization. According to reports issued by Mexico's Centro Nacional para la Prevencion y Control VIH/SIDA/ITS (CENSIDA), an estimated 160,000 people are living with HIV in the country, or three out of every 1,000 citizens. While

infection rates appear to have stabilized in recent years, there was a long period of exponential increases in HIV infections since the first reported case in 1983.

A wide range of studies in various regions of the world has shown that economic changes in times of either growth or recession, with resulting migratory shifts in populations, can result in serious and unforeseen swings in HIV infection rates in countries after periods of relative statistical calm. With its geographic location as an economic migration transit point between Latin America and the United States, and its standing as a leading economy in a region poised for greater economic integration, Mexico is uniquely vulnerable to the HIV/AIDS threat in the coming decades.

HIV-related stigma is a pervasive problem in Mexican society. During a January 2004 Congressional delegation visit to Mexico organized by the AIDS Responsibility Project, the evidence of HIV stigma was overwhelming. Every HIV-positive Mexican individual who met with the delegation reported being fired from a job due to their HIV status, and there was widespread agreement among many representatives of government, business and civil society organizations that stigma is among the most pressing and immediate problems facing Mexico in its national AIDS response.

The Mexican government is stepping up its national AIDS strategy, and is moving in tandem with global efforts to confront the epidemic. CENSIDA's Program of Action for 2001-2006 was tailored to reflect the goals and objectives adopted at the United Nations General Assembly Special Session on HIV/AIDS (UNGASS) in 2001. The government is enhancing its monitoring of HIV/AIDS across Mexico, enhancing its outreach to highly vulnerable populations, launching public education and targeted prevention campaigns, and strengthening ties with nongovernmental organizations on the front lines of services for people with HIV/AIDS.

CENSIDA has also succeeded in spreading efforts out among state programs throughout Mexico (part of an overall decentralization of efforts by the Secretariat of Health) and

increasing access to HIV testing for highly vulnerable populations by expanding the number of laboratories. The federal government in Mexico pledged that by 2006, antiretroviral treatment will be provided free of charge to any Mexican citizen who needs them, but announced universal access was achieved in 2003, ahead of schedule.

With these elements in place, the role of the private sector becomes more crucial. Mexico is a large country, with a rapidly improving infrastructure. Mobility of goods and services, as well as mobility of labor, is increasing in all sectors not only inside the country but with Mexico's leading trading partners abroad. Rapid economic changes, both in specific regions of the country and throughout Mexico as a whole, have been a feature of the Mexican economy for some time. All of these factors point to a heightened vulnerability.

Experience in disparate regions of the world – from the United States to Europe to Sub-Saharan Africa – has shown that without adequate planning by companies and industries and the development of workplace policies that stand as effective bulwarks against HIV/AIDS, government efforts alone cannot blunt the economic impact of HIV/AIDS.

The first decade of the AIDS epidemic in the United States is a cautionary example of the role the private sector must play in a national AIDS strategy. During the initial years of the U.S. epidemic, the federal government dedicated immediate resources to AIDS research, and local and state governments in highly-affected regions created assistance programs as fast as they could for those who were poor and impacted. But the private sector largely excluded people with AIDS from typical workplace benefits and protections, which eventually created a damaging financial crisis within an otherwise growing and vibrant economy.

Private sector exclusion put growing numbers of people with HIV/AIDS from all sectors of the U.S. economy into a patchwork of local and community public assistance programs that were not prepared for the intake. Hospitals went bankrupt, local governments were overextended and thousands of people who were once

productive contributors to the U.S. economy would die on the margins of society. Eventually, an emergency assistance package was provided in 1990 from the federal government to help local and state authorities who were breaking under the financial pressure, and some of the best talent in the economy was lost.

When the private sector stepped up and began to comprehensively address HIV/AIDS as an economic threat it could no longer ignore, the trends reversed in the United States. Government and the private sector began to join forces, and a combination of innovative workplace policies and new legal protections were designed to reduce stigma and discrimination. As a result, the U.S. workplace was prepared to more fully address HIV/AIDS throughout the economic expansion of the 1990's.

Indeed, from the foundation of the U.S. public-private partnerships built in the early 1990's, this alliance of government and the private sector played a significant role in the rapid introduction of antiretroviral treatments in 1996 and in the widespread access to them which has reduced the AIDS death rate in the U.S. by over 70%.

Today, this government-corporate alliance is a driving force behind President Bush's Emergency Plan for HIV/AIDS Relief (PEPFAR), in which \$15 billion in U.S. government aid will flow into a wide range of programs in Africa and other crisis regions around the world to prevention and treatment programs, in tandem with billions of dollars from corporate foundations supporting on-the-ground efforts, as well as large model workplace programs among several major multinational corporations with employees in the affected regions.

Confronting HIV/AIDS-related stigma has always been an important human rights issue for all parts of society to address. But the clear economic consequences of stigma over the long term demonstrate that it is in the vital interest of Mexican business to address this problem.

The Mexican private sector is now poised to play a dramatic and vital role in ensuring Mexico's economic future at a time when HIV/AIDS remains an insidious global pandemic without any respect for borders.

# 2004 Corporate Survey Findings

Employee Policies

Applicant Policies

Confidentiality  
Policies

HIV Education  
Programs

Philanthropy and  
Community  
Involvement

The following U.S. companies in Mexico participated in the survey:

3M Servicios Mexico  
Banco Nacional de Mexico, S.A.  
Cadbury Adams Mexico, S. de R.L. de C.V.  
Eli Lilly de Mexico, S.A. de C.V.  
Fedex Express  
Ford Motor Company  
GE International de Mexico, S. de R.L. de C.V.  
General Motors de Mexico, S. de R.L. de C.V.  
IBM de Mexico, S.A.  
Intel Tecnologia de Mexico  
Productos Kraft, S. de R.L. de C.V.  
Merck Sharp & Dohme, S. de R.L. de C.V. [Mexico]  
Pepsico de Mexico, S.A. de C.V.  
Pfizer S.A. de C.V.  
PricewaterhouseCoopers, S.C.  
Compañia Procter & Gamble de Mexico  
Schering-Plough, S.A. de C.V.  
Tyco Electronics de Mexico, S.A.  
Wal-Mart de Mexico SA  
Xerox Mexicana, S.A. de C.V.

## METHODOLOGY

The 2004 ARP Corporate Survey in Mexico was conducted between June and August 2004 through written questionnaires completed by 20 participating companies. In addition, research interviews were conducted with Human Resources and Corporate Communications staff of 18 of the 20 participating companies.

The sample was made up of 20 of the top U.S.-based companies operating in Mexico, based upon the number of people employed in Mexico by each company. According to workforce figures reported by the companies themselves, the 20 respondents represent a total sample workforce of about 300,000 workers.

Surveys were conducted under the agreement that all questionnaire data would be collated and no individual questionnaires would be released. Eleven respondents cleared some case-study information during research interviews, or submitted additional information from corporate publications on workplace policies for public inclusion and attribution in this report. The questionnaire is included as an appendix to this report.



## VALUING TALENT: Fedex Express

“We believe in equal opportunity policies because we value talent,” said Sergio Barragan, the Human Resources director for **Fedex Express** in Mexico. “This is a worldwide policy for our company, and it must apply to everyone, whether they are HIV-positive or in the ninth month of pregnancy, or it cannot give us the results we want.”

Federal Express, the courier delivery company based in Memphis, Tennessee, maintains one equal employment opportunity (EEO) policy worldwide for all its divisions, according to Barragan. Fedex’s U.S. operations are bound by the federal Americans with Disabilities Act of 1990, which prohibits specific discrimination against HIV-positive individuals, including the kind of medical screening of applicants which some Mexican companies practice. Fedex applies its global standard in all its divisions around the world, Barragan said, even though not required to.

The offices of the Mexico division, Fedex Express, have posters lining their walls and hallways reminding employees of their global corporate philosophy: “People – Service – Profit”.

“People come first,” Barragan says. “You must invest in the people you employ so that they are highly motivated to provide the best service possible. Only then can the company realize the highest profit, which it must reinvest in benefits. It is a cycle that must be kept.”

The walls also display posters boasting of the company’s designation by the Great Place to Work Institute as the #1 Best Place to Work in all of Mexico in 2004 among companies with over 500 employees, and #2 Best Place to Work overall.

“In general, if you are hiring a person, it is because that person satisfies a need your business has,” Barragan said. “You’re going for the best talent, and for the person who is ready to begin working on the day you hire them. For instance, if I had the choice between two candidates for a position, and one was qualified to immediately manage a site while the other would require five or ten months of new training, why would I allow HIV to determine my choice? I would want the better candidate to start working tomorrow, and I would want him to have whatever he needs, if it’s good health care or good pay, so he can meet the requirement my company has today.”

Barragan reported that Fedex Express has had HIV-positive employees, that their job security and medical confidentiality was protected by company policy, and that they were given 100% medical coverage for their condition. The only medical exams for applicants, he said, were related to occupational requirements for persons carrying heavy packages in the field.

# Employee Policies

**All 20 participating companies reported that if an employee disclosed his or her HIV-positive status, none of them would terminate their employment on that basis.**

**Of the companies surveyed, 70% reported having stand-alone policies addressing life-threatening illnesses or disabilities in the workplace.** Among those companies reporting such policies, half of them reported that such policies specifically addressed HIV/AIDS in the workplace, and nearly all of those reported providing specific training to managers on their HIV/AIDS workplace policies.

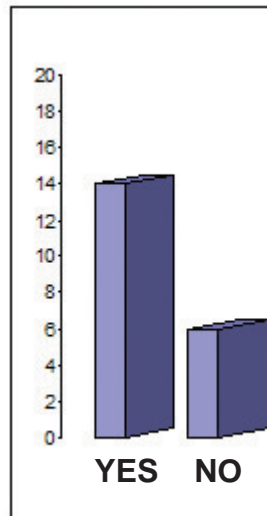
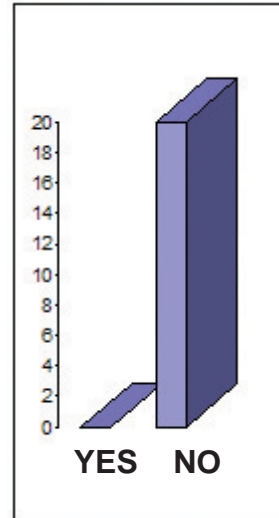
All of the companies which participated in research interviews and reported life-threatening illness/disability policies without specific mention of HIV/AIDS, however, stated that their policies were inclusive of all diseases and therein did not exclude HIV/AIDS.

Human resource (HR) professionals generally reported during interviews that, in their opinion, disease-specific policies were atypical in Mexico. Meanwhile, every one of the 7 companies with HIV/AIDS specific workplace policies reported that these were in sync with their companies' global personnel policies and corporate values, which were set by their headquarters in the United States.

Research interviews also revealed that the U.S.-based companies surveyed became established in Mexico through a variety of means, and those means often had a direct impact on how its HIV/AIDS workplace policies were set up in Mexico.

Some Mexico operations were established directly by the U.S. parent company, and often these companies adopted policies consistent with a global set of workplace policies. Others became established through the acquisition of a Mexican company, or through a merger. In some of these cases, the existing workplace policies of the former Mexican company were largely maintained, and none of those policies

**“If an employee discloses an HIV-positive status, would your company terminate that employee on that basis?”**



**“Does your company have any stand-alone policy or policies addressing life-threatening illnesses or disabilities in the workplace?”**

were HIV/AIDS specific. Others brought U.S. workplace policies into the Mexican acquisition and “converted” those companies to the employment traditions of the parent in some form, in some cases sweeping away medical screening policies which would discriminate against people with HIV/AIDS and adding full medical coverage for HIV treatment.



## RECRUITING TALENT: Banamex, 3M and Merck Sharpe & Dohme

The headquarters of **Banco Nacional de Mexico (Banamex)** are ultra-modern in architecture and design, and a visitor will notice a young staff filling its hallways and lobbies; but Banamex is one of the oldest companies in Mexico. The company is part of Citigroup of the United States since 2001, and its policies reflect the increasing competition for talent among the top companies in Mexico.

Banamex does not use any medical screening for applicants, except in order to maintain a drug-free workplace. According to Luis H. Novelo, subdirector for Human Resources, Banamex negotiated with the Social Security health system to ensure maximum medical coverage through a medical service provided by the company to all employees.

Employees at Banamex are given 100% medical coverage for HIV/AIDS regardless of whether it is a pre-existing condition or is acquired during employment, and are given enforceable confidentiality guarantees for their medical condition.

The Mexico division of **3M**, like Fedex Express, operates as “an American company in Mexico” according to German Suarez Gonzalez, director of Human Resources, and invests heavily in the recruitment and retention of the best talent. “Our policies work because talented people want to work for us,” he said.

3M has maintained a global policy set by its U.S. parent for all its divisions for 15 years, he reported, and routinely brings in auditors from the U.S. to ensure that they are following those employment policies correctly. The company maintains a specific policy prohibiting discrimination on the basis of HIV status in its Mexico division, and conducts HIV/AIDS education and prevention programs for its employees and their families.

As one of the world's leading manufacturers of antiretroviral drugs, **Merck Sharpe & Dohme** (the Mexican division of Merck) has a unique perspective on HIV workplace issues, and as a top pharmaceutical company it also must pursue the best talent in the field against tough competitors.

MSD has HIV-specific non-discrimination policies and HIV/AIDS education programs, including prevention programs that target employees who are both HIV-positive and HIV-negative. Merck is set to implement a global HIV workplace policy on December 1, 2004, which is World AIDS Day.

# Applicant Policies

Through initial research involving interviews with experts in our partner organizations, the American Chamber of Commerce of Mexico and the POLICY Project, as well as from research interviews with participating companies, ARP found that medical screening of applicants is a long-standing practice in the Mexican workplace. It is not without controversy, however.

There has been public debate about the use of medical screening to exclude pregnant women from employment in Mexico, and campaigns against the practice have been launched to end it as an acceptable policy. The issue of pregnancy screening in Mexico is an interesting window on similar practices involving HIV/AIDS. The use of various means of medical screening, such as through questionnaires, blood tests, medical exams or a combination of all three, was examined in the survey.

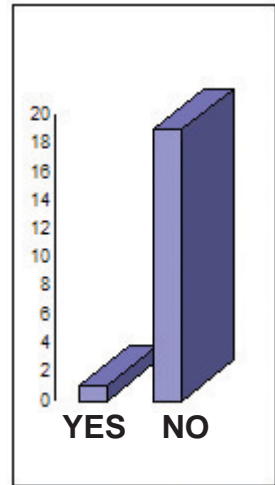
Among the respondents, 55% reported the practice of screening applicants for medical purposes. Only two of those companies, however, reported that they screen applicants for HIV

One of those two companies reported that it would decline to hire applicants who tested HIV-positive in the medical screening, while the other stated that the HIV screening was in order to ensure the applicant was aware of his or her HIV status, and that the results would not be considered in the hiring process, and that if hired, the employee would receive medical benefits and the confidentiality of the results would be protected.

Only one company which conducts no medical screening stated it would decline to hire applicants who self-disclosed an HIV-positive status prior to employment.

In total, 6 of the 11 companies which claim to practice some form of medical screening in the application process reported in research

**“If a job applicant discloses an HIV-positive status, will your company decline to hire the applicant on that basis?”**



interviews that they did so purely to ensure that applicants were physically able to carry out their work, as these companies hired applicants for jobs with certain physical requirements, such as delivery or transportation of goods, long periods on their feet, or for manufacturing tasks.

Five of the companies stated in interviews that some forms of medical exams are needed on a routine basis for applicants and employees because of occupational safety concerns in their research laboratories, not for employment-related purposes.

The survey responses suggest that medical screening of HIV for the purposes of excluding HIV-positive applicants is largely rejected by nearly all the participating companies as a matter of policy. Research interviews in Mexico, however, suggest that beyond the surveyed companies, HIV screening is used by employers to exclude HIV-positive individuals from employment.



## **CORPORATE VALUES: Pepsico and Eli Lilly**

Many of the companies surveyed described their HIV workplace policies as a reflection of their corporate values.

**Pepsico de Mexico** maintains a set of global policies says Sergio Martinez, director of Human Resources for Mexico, for which company is proud. With a non-discrimination policy that includes HIV, and employee education and prevention programs that include HIV/AIDS, Pepsico has developed a comprehensive response to HIV stigma in their workplace. “We believe we have the best medical insurance and the best workplace policies in Mexico,” Martinez said. “We’re proud to treat our people well.”

Often the treatment of people with life-threatening illnesses goes beyond a matter of corporate values and is part of the company’s entire mission. “It is imbedded in our values that we should not discriminate for any reason or over any illnesses,” said Guillermo Montes Avila, director of Human Resources for **Eli Lilly de Mexico**. “Our job here is to help sick people and to save lives, so it is integral to our values that we protect people with HIV, not discriminate against them.”

# Confidentiality Policies

**Among the respondents, 90% reported a workplace policy which protects the confidentiality of employees or job applicants who disclose being HIV-positive. All but one of those companies have strong enforcement procedures in place to safeguard that confidentiality.**

This is a good beginning for building stigma-reduction strategies, as confidentiality constitutes an important basis of building trust between employee and management over HIV status.

The survey questionnaire did not request to know how many HIV-positive persons were currently or previously employed. However, research interviewers routinely asked HR officials in interviews to share whatever incidental knowledge they had of the total number of HIV-positive persons who have ever been employed. Among them, none reported ever having more than 4 employees who were HIV-positive, and some claimed not to know of any.

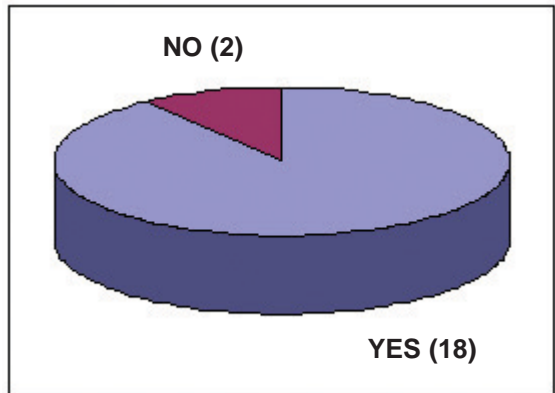
Given that the 20 respondents represent a sample workforce of about 300,000 workers, this does not seem to match the statistics for HIV in Mexico.

Extrapolating from the estimated total number of HIV infections in Mexico (3 in 1,000), the actual total number of HIV-positive persons currently employed by the respondent companies is probably in the hundreds, perhaps even as high as 900.

It is likely that none of the companies were aware of the actual number of HIV-positive employees, given the pervasive HIV-related stigma that the respondents agree exists in the Mexican workplace, which leads people to hide their status.

Confidentiality constitutes an important basis of building trust between employee and management over HIV status.

**“If a job applicant or employee discloses an HIV-positive status, does your company have a policy of keeping that information confidential?”**

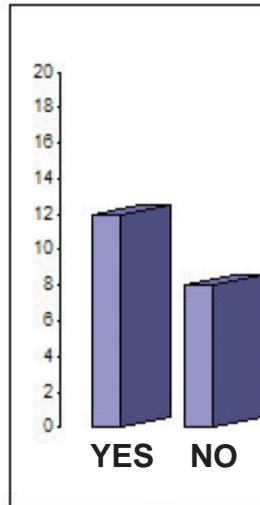


# HIV Education Programs

Sixty percent of the companies surveyed stated that they offer some kind of HIV/AIDS education to employees, and more than half of those programs deal with HIV -related occupational health and safety issues. Therefore, a majority of the companies add an educational element to their HIV/AIDS workplace policies, while just over a third take an active role in concretely addressing the facts of HIV/AIDS in a workplace setting to their employees.

Dispelling myths about HIV/AIDS through education plays an important role in stigma reduction. Giving this effort a workplace context, such as teaching employees that working with an HIV-positive person in a normal office setting poses no health threat, goes even further.

Eighty percent of the respondents reported offering health-related educational materials, classes or activities for employee families. Slightly more than half of those include HIV/AIDS in those programs. Bringing the family into the educational process not only helps in broadening the impact of stigma reduction, it supplements prevention strategies aimed at the general population.



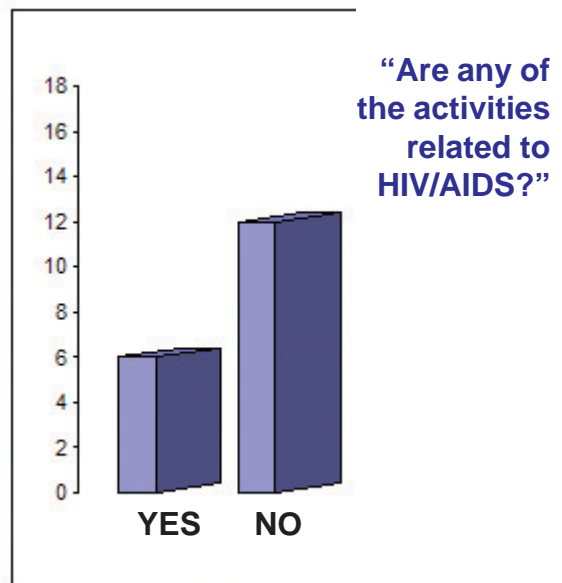
**“Does your company offer any HIV/AIDS education to employees?”**

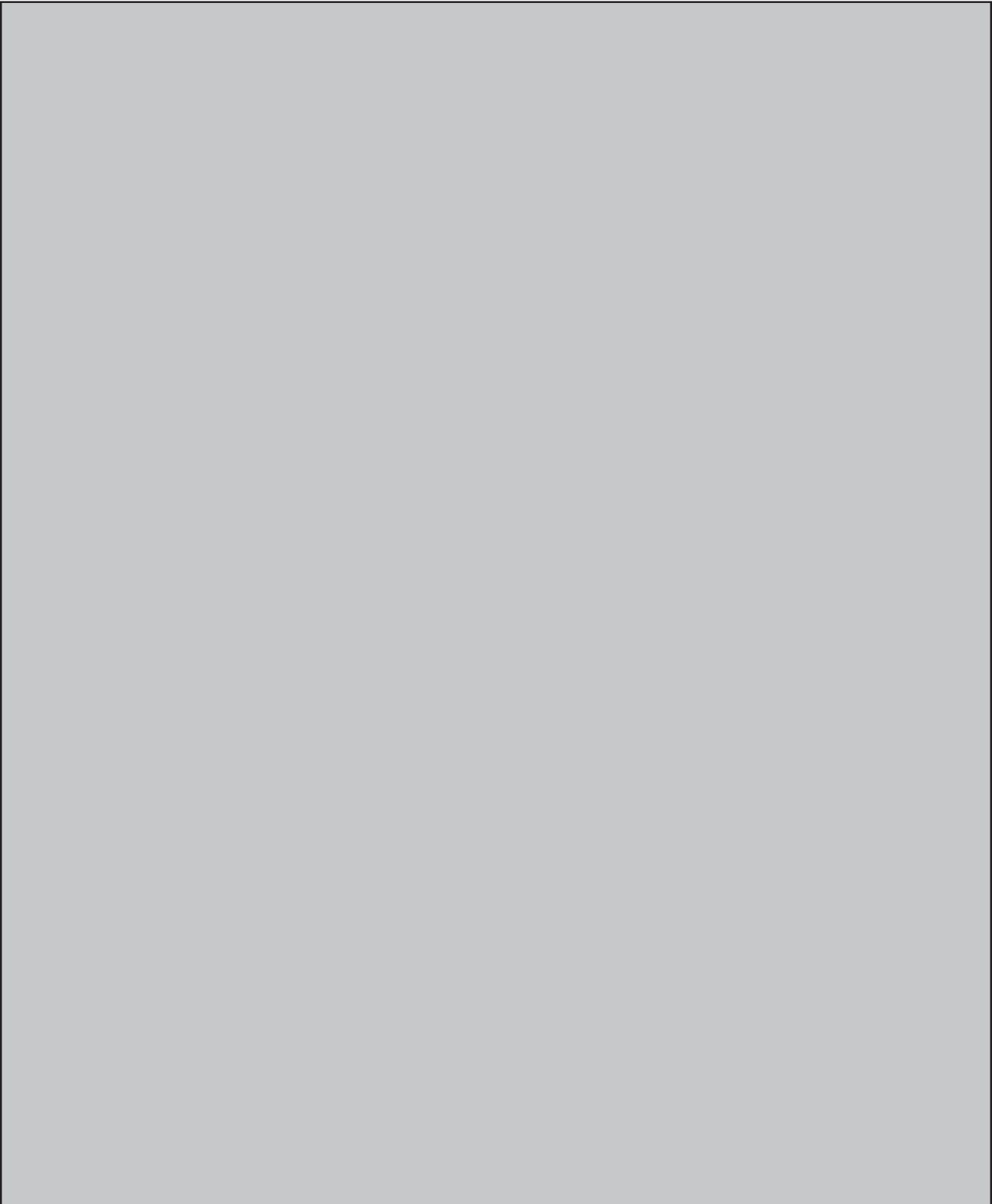
Dispelling myths about HIV/AIDS through education plays an important role in stigma reduction.

# Philanthropy and Community Involvement

Corporate financial support for HIV/AIDS efforts in the community adds to a positive workplace environment. Such programs which encourage individual employee participation, with HIV/AIDS philanthropy included, foster greater discussion and openness in a positive context within the workplace.

**Among the surveyed companies, 90% of them reported offering, participating in or encouraging philanthropic activities such as charitable grants, donations, volunteerism and fundraising. Among those companies, exactly one-third said they included HIV/AIDS in these activities.**





# Stigma Reduction is Good for Business

In research interviews with HR directors and managers during the 2004 Corporate Survey, many shared frank assessments of some of the cultural attitudes that inform the issue of HIV/AIDS in the workplace. Every company official interviewed in the survey agreed that HIV - related stigma is present throughout all parts of Mexican society, and while things are improving, there is still a long way to go in the typical Mexican workplace.

Many reported that corporations in Mexico, as a general principle, may wonder what role they would play at all in addressing HIV/AIDS, believing it to be a private matter best kept out of the office altogether. Some respondents gave the opinion that many businesses in Mexico view medical screening as a means to exclude HIV/AIDS from their companies entirely, and that this was their assessment of a cost-effective response. Others reported that there had never been HIV/AIDS in their companies and probably never would be, and it therefore was not a serious concern.

However, HIV/AIDS is most dangerous in such an environment. Large companies which sidestep HIV/AIDS as a workplace issue in today's era of economic globalization are not managing risk effectively; they are, in fact, endangering their long-term productivity and profitability. The larger their workforce, the greater the self-induced risk.

With all the factors making up Mexico's economic picture today, it makes good business sense for companies to develop voluntary HIV/AIDS workplace policies and programs which reduce stigma, prevent infections and illness in their workforce, value the best talent, protect confidentiality and maintain access to effective medical treatment.

## ■ **Gaining the Competitive Advantage in Talent**

Globalization and greater economic integration across borders will greatly increase the competition among companies for the best talent. Companies will need to continuously innovate to remain on top in such an environment. Talent will flow to the best workplaces, where pay, benefits and work environment determine the winners. Mexico's two largest trading partners – the United States and Canada – have business cultures and legal frameworks in which HIV/AIDS is substantially addressed in the workplace, and public anti-stigma campaigns are widespread.

For Mexican companies looking to gain from open markets and free trade, reducing HIV-related stigma and implementing effective workplace policies are a key consideration. As rapid economic changes in Mexico occur, those who have done so will have a clear competitive advantage regardless of HIV infection rates overall. Those who maintain exclusionary policies are merely creating an unnecessary disadvantage for themselves.

## ■ **Higher Productivity**

Exclusionary screening of HIV-positive individuals at the application stage is sometimes referred to as a "risk management" tool. In fact, such practices merely drive the actual prevalence of HIV into hiding in a company's workforce, and render effective risk management impossible.

The 2004 Corporate Survey found that even among 20 of the top U.S. employers in Mexico, HR departments are presumably aware of only

a small fraction of the likely number of HIV-positive employees currently working for them.

Employees who either hide their status, or are unaware of it, are more likely to not receive medical treatment when it is most effective. Therefore, those employees will grow sick, incur enormous medical expense and most likely die. This is not only a human tragedy, but a costly blow to the company which has invested in the recruitment, training, productivity and retention of those employees.

One benefits manager reported in an interview that no medical insurance claims for HIV treatment were ever made at his company, but several employees reported being HIV-positive on their life insurance policies. His opinion was that these employees either sought medical treatment through government assistance, or didn't seek treatment at all, and that confidentiality between the life insurance carrier and the employees prevented the company from offering assistance to those employees.

Unless a company is fully aware of the HIV prevalence among its employees, effective management of risk and maximization of productivity is not possible.

All of the surveyed companies reported that no employee who disclosed an HIV-positive status would be terminated, and the vast majority reported enforceable confidentiality policies. This is a good beginning. Going a step further in reducing stigma is necessary to assess the true HIV/AIDS picture in the workforce, and once that is achieved, companies will be better able to ensure that their investment in talent will yield the productivity they seek.

### ■ Long-Term Cost Reduction and Profitability

While the 2004 Corporate Survey questionnaire did not explore employee medical insurance among the surveyed companies, the issue was raised in every HR department interview. A trend was evident among most of the companies. Nearly all of them covered HIV/AIDS treatments in some fashion or another, even though the federal government offers assistance to Mexican citizens with HIV/AIDS. But most of

those benefit plans used exclusion periods ranging from six months to two years for HIV/AIDS and/or major illnesses.

In all cases, the cost of AIDS coverage was cited as the reason for exclusion periods or other limits on benefits. One company which uses medical screening of applicants and declines to hire HIV-positive individuals cited medical insurance costs as the reason.

Companies have claimed the same basis for limiting or excluding employee benefits in a wide range of countries at various stages of the global epidemic, including the United States. However, all the best evidence shows that early, effective medical intervention can make HIV a manageable disease for most people, and vastly reduces long-term medical costs for HIV-positive employees.

Therefore, a combination of increased voluntary testing, full disclosure to HR staff with confidentiality protection for the employee, and full medical coverage at the time of an HIV-positive test result would translate into lower overall costs for both the company and the medical insurer. This has been the basis for companies in countries such as the U.S., Brazil and South Africa to negotiate lower insurance premiums in exchange for effective workplace policies and programs. In some cases, insurance providers have even mandated and paid for some of the education, voluntary testing and prevention programs themselves.

Moving towards making this a standard business practice in Mexico will enhance profitability for employers and for insurance providers – it is a win-win proposition.

Indeed, until stigma is reduced or eliminated at a company's workplace, none of these economic benefits can be realized. Therefore, it is in every Mexican company's interest to confront HIV-related stigma directly.

# The Challenge Ahead

The 2004 Corporate Survey data demonstrates that some of the leading companies in Mexico are building a solid foundation for reducing AIDS-related stigma in the Mexican workplace. Given the increasing efforts by the Mexican government, and the growing dialogue and collaboration between government and nongovernmental organizations, the private sector is poised to play a decisive role in this important shift towards practices that are good for the Mexican people, and good for the Mexican economy.

American companies and organizations have an important role to play in Mexico as well, since the collective experiences of what has succeeded in the United States are a valuable contribution to the effort to reduce stigma related to AIDS in Mexico. Most of the surveyed companies in this report described the eradication of stigma as a matter of social values, not just an economic consideration. There is strong common ground between Americans and Mexicans on this belief, and it is the basis for an ongoing partnership.

The AIDS Responsibility Project will continue to promote corporate leadership in the AIDS stigma reduction effort, and work with its partners to offer all companies in Mexico the opportunity to explore new and innovative ways to improve HIV workplace policies, increase HIV education and prevention efforts for employees, strengthen confidence between employees and management on HIV status disclosure, and to encourage greater philanthropic and community involvement activities around AIDS.

Mexico is a leader in the world economy, as well as a model for Latin America, and progress here in the global effort to end AIDS-related stigma will have ramifications far beyond its borders.



# 2004 Corporate Survey Questionnaire

	YES	NO	n/a
1. Does your company have any stand-alone policy or policies addressing life-threatening illnesses or disabilities in the workplace?	14	6	
2. Does your company have any stand-alone policy or policies specifically addressing HIV/AIDS in the workplace?	7	13	
2a. Do your worksites train managers on HIV/AIDS-specific policies?	5	2	13
3. Does your company offer health-related educational materials, classes, or activities for employees' families?	16	4	
3a. Do they address HIV/AIDS?	9	7	4
4. Does your company offer any HIV/AIDS education to employees?	12	8	
4a. Does this HIV/AIDS education address occupational health and safety issues?	7	5	8
5. Does your company offer, participate in or encourage philanthropic activities, such as charitable grants or donations, volunteerism, fundraising drives or similar?	18	2	
5a. Are any of the activities related to HIV/AIDS?	6	12	2

# APPENDIX

## 2004 Corporate Survey Questionnaire



	YES	NO	n/a
6. Does your company screen employment applicants for medical purposes?	11	9	
6a. Do you screen for HIV/AIDS?	2	9	9
7. If a job applicant discloses an HIV-positive status, will your company decline to hire the applicant on that basis?	2	18	
8. If an employee discloses an HIV-positive status, would your company terminate that employee on that basis?	0	20	
9. If a job applicant or employee discloses an HIV-positive status, does your company have a policy of keeping that information confidential?	18	2	
9a. Does your company have systems in place for reporting violations of this confidentiality policy?	17	1	2

## NOTES ON SOURCE MATERIAL

In addition to the data included in this report from the 2004 ARP Corporate Survey, and interviews with the officials of participating companies in the survey, reference data included in this report was obtained directly from the White House Office of National AIDS Policy (U.S.), the U.S. Department of Health and Human Services, the Centro Nacional para la Prevencion y Control VIH/SIDA/ITS (CENSIDA) in Mexico, and from the following published sources:

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