

HIV Prevalence Rates and Economic Performance

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A dramatic difference between rich and poor nations is illustrated by data on the adult HIV prevalence rate [*Report on the Global HIV/AIDS Epidemic 2002*].

When 2001 GDP per capita (*GDP/N*) for a cross-section of 117 countries is regressed against the reciprocal of *HIV* (the number of adults living with HIV/AIDS at the end of 2001 divided by the 2001 adult population, 15 – 49 years of age) and three dummy variables defined for countries in (i) Africa and the Middle East, (ii) South and Southeast Asia, and (iii) Eastern Europe and Central Asia, all four coefficients are significant at better than the .001 level. *GDP/N* decreases as *HIV* increases.

The average 1990-2001 *GDP/N* annual growth rate [www.undp.org] of 26 countries with *HIV* above 4 percent was – 0.30 percent per year. For all other countries in the sample (with *HIV* 4 percent or lower), the average annual growth rate in *GDP/N* was 1.84 percent (*p*-value on difference = .0015). When 44 countries in Africa and the Middle East were similarly divided, countries with *HIV* 4 percent or lower grew on average 2.5 percent per year faster than countries with *HIV* above 4 percent (2.29 percent *v.* – 0.21 percent, *p* = .034).