



'Great Expectations':
Expenditure patterns
and assessment of
Asbestos Relief Trust
compensation awards.

June 2007



wits enterprise

Overview and Acknowledgements

Trustees of the Asbestos Relief Trust sought to establish whether and to what extent benefits had accrued to claimants as a result of receiving compensation awards for asbestos related diseases. This study examines expenditure patterns and related matters in order to assess the impact of the Trust over the first three years of its existence.

This research was conducted by Paul Stewart from the School of Social Sciences at the University of the Witwatersrand under the auspices of Wits Enterprise and Ross Jennings, an independent social analyst.

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Executive Summary

This report examines the extent to which those who have received awards from the Asbestos Relief Trust have benefitted from compensation. To the best of our knowledge, no research has been conducted on this issue, most certainly not in South Africa. The research covers the main areas where the beneficiaries of the Trust reside.

Poor socio-economic conditions manifesting illiteracy rates of 50% - topping 80% in one area, unemployment rates of over 30% - reaching 64% in another - and the dependence of half of all claimants on welfare, constitute the broad features of the conditions of life in the ART claimant areas. This suggests an immediate explanation of how those who received compensation from the Asbestos Relief Trust spent and managed to extract some benefit from their awards.

With an average-sized household of seven and an income of R2000 a month, individuals in claimants' families on average survive off less than R300 per person per month - down to R185 in one area. Nearly 20% of claimants said their families suffered food shortages on a daily basis. Not surprisingly therefore, spending on basic needs such as food featured as a main item of household expense and provided immediate short-term relief for many claimants.

A third of claimants indicated the settling of debt as a priority, further suggesting immediate short-term financial relief for these claimants and their families.

Spending on furniture, a bed to sleep on in particular and household appliances, featured among a further third of claimants as a key priority for allocating compensation monies. This clearly contributed to raising living standards over the medium to longer term. Nearly a quarter of claimants had transport as a main item of spending, with small business prospects being cited most often as a reason.

Two-thirds of claimants had housing as a key priority, reflecting both the local housing crisis and suggesting astute decisions made to ensure benefit in the long term from compensation payments. Nearly 20% of claimants prioritised education with equal numbers investing in land or livestock, both items intended to maximise the possibility of establishing sustainable livelihoods in the future.

Claimants on the whole remain desperately poor and feel the money was inadequate. Virtually all claimants had exhausted their once-off lump-sum compensation awards.

Decision-making as to the allocation of compensation monies resided strongly within the family, with 60% of claimants having consulted their immediate family members. Over a third of claimants took decisions alone, having neither sought, nor received any advice as to how to spend compensation awards. Professional and other advice - solicited or provided - was negligible.

Sixty percent of claimants invested no portion of their awards. An average of 12% or R6000 was formally invested per claimant, albeit in fairly short-term banking products. These figures were remarkably consistent across socio-economic and

geographic divides. Perhaps more remarkable is that given illiteracy rates and that claimants were largely previously un-banked, the first experience of formal financial institutions for many was the receipt of their compensation award via the Trust.

While over 80% of claimants still required medical treatment, very few and none in one area had made provision for future medical costs, with two thirds accessing public medical care and a surprising full quarter of claimants - at least temporarily - able to afford private medical attention. Over 40% of claimants either expected more money from the Trust or expressed the view that the compensation was insufficient. Well over half were not satisfied with the compensation process as a whole. Over 90% either agreed or strongly agreed that the Trust should pay them some 'sorry-money' by way of recompense for the suffering caused by asbestos mining.

Yet despite claimants living in often deplorable poverty, suffering massive unemployment and expressing significant degrees of disenchantment with asbestos mining, the compensation process and their continuing uncertainty for the future of their children, claimants were found largely to be astonishingly magnanimous overall. Over 60% rising to 80% of claimants in Kuruman indicated that the Trust had been helpful and welcomed the assistance received. However, 20% of claimants in the most economically depressed area did not agree with this majority assessment.

Seventy percent of claimants expressed the positive effects of compensation on their lives, while roughly a third felt there had been no real effect. Very few claimants - and none in the poorest area - expressed negative sentiments in this regard.

Expectations are high among claimants, generated in part by the necessity of the Trust having to screen and process thousands of claims of potential claimants, with only a relatively small number of people actually receiving awards, the vast majority being found to have a non-compensable asbestos related illness. This is ironically generally greeted with disappointment in contexts of poverty where 'asbestos money' is a last hope for financial relief for thousands of potential, but unsuccessful claimants.

The benefits of compensation to the relatively small number of 1396 claimants - as of October 2006 - is consequently particularly significant in this context. Many claimants are proud of their publicly visible achievements - of having built houses especially. Many believe their social standing in their communities to have increased as a result of the receipt of 'asbestos money.' As compensation awards constitute social recognition of past labours, the receipt of compensation is of immense cultural significance. Compensation was conversely reported to have had some negative effects as a number of claimants tried to hide evidence of their awards from desperately poor, needy and envious neighbours.

1 Introduction

This document is the final research report submitted to the Trustees of the Asbestos Relief Trust fulfilling the requirements as formulated in the research procurement brief.

The central aim of the research was to investigate the '*spending patterns of claimants who have received awards and to assess the benefit, if any, derived from the award as to the claimant, the claimant's family and the claimant's community.*' The research was to be conducted around Kuruman, Burgersfort and Msauli where the majority of claimants reside.

In order to execute the research brief, after this introductory first section, the report is structured as follows:

Section 2 details the context of the research, noting the questions the trustees are currently posing and which provide the rationale for the research project.

Section 3 outlines the scope of the research as stipulated in the procurement brief, with particular reference to the impact of compensation awards on the specified groups of living claimants and claimants' dependants, their families and communities.

The section further describes the research design, method and approach.

Section 4 presents a literature review, the pickings of relevant sources being few, but conceptually rich in one particular instance.

No prior research on the topic of the benefits of compensation was identified.

Section 5 presents the integrated data flowing from the key research instruments administered in the field, the qualitative in-depth interviews and focus groups and the quantitative survey.

This section is divided into the following five key areas, the rationale in each case briefly noted here:

The *first* profiles the claimants' population demographics. This locates the research on spending patterns as a whole.

The *second* area indicates the extent of poverty by noting income and registrations of hunger due to food shortages. The allocation of compensation monies only makes sense when viewed against these poverty indicators.

The *third* area examined is the medical process. The priority of medical care, how it is accessed, paid for and the degree of satisfaction with the medical information provided to claimants are issues examined, the importance of which is self-evident.

The *fourth* area constitutes the heart of the research project, namely the patterns of expenditure by claimants' of their compensation awards and divides into several sections.

Time lags between initial contact with the Trust and receipt of awards was investigated. How claimants survived while awaiting their awards is examined. Information of the proportion of awards invested is presented. Priority items of actual spending assumes a key focus.

Section 6 draws out a few key findings of the research and directly addresses how awards may have benefited claimants, their families and communities.

Section 7 is a brief conclusion with section 8 detailing the references.

2 Context of Research and compensation awards

2.1 Background

The Asbestos Relief Trust was formed in March 2003 as a result of an out-of-court settlement arising from litigation against three mining houses Gencor (Gencor Limited), Gefco (The Griqualand Exploration and Finance Company) and Msauli (Msauli Asbes Beperk). The employing mines settled the claim for damages by former employees suffering from asbestos related diseases without admission of liability.

The Trust immediately began to fulfil its function of assessing claims and granting compensation awards from the total settlement amount of R433 million of which R380 million was paid to the Trust, R35 million to the Department of Mineral and Energy Affairs, R12,5 million to attorneys and R5,5 million paid to other parties. An overview of the initiation of the Trust is documented in the first Chairman's report.

The first act of the Trust was to make a number of urgent awards to those suffering with the most prominent fatal asbestos related disease - mesothelioma.

Prior to further awards being instituted, the final legal matters received attention and the relevant administrative mechanisms for assessing claims was initiated and established within six months. This required setting up medical screening protocols and the verification of employee work records, both complex processes.

2.2 Details of Compensation awards

With systems in place, the Trust began to grant compensation awards, the details of which are noted as follows:

Average Payments for the financial year ending in February 2007.

Total Paid (2006-2007)	514	R 26,524,114.36	Average Payment
ARD 1	456	R 17,781,669.36	R 38,994.89
ARD 2	44	R 3,375,809.00	R 76,722.93
ARD 3	2	R 426,882.00	R 213,441.00
ARD 4	12	R 4,939,754.00	R 411,646.17

Total Number diagnosed & compensated to February 2007:

Total Claims Paid Out	1463	R 97,375,332.13
ARD 1	1135	R 47,127,467.13
ARD 2	235	R 19,990,688.00
ARD 3	15	R 3,057,168.00
ARD 4	78	R 27,200,009.00

As of 28 February 2007 some 10,211 potential claimants had initiated the claims process, 70% of whom worked in or were environmentally exposed to asbestos but will likely not qualify medically.

2.3 Explanation of Awards

How the Trust awards compensation in terms of the Trust Deed is briefly noted below.

2.3.1 How awards are calculated

Below is an extract from the document titled "*Background to the ART*".

Award Calculation

Claimants are compensated for pain and suffering, medical expenses and loss of earnings. Awards are calculated according to:

1. the severity of the illness (ARD1 being the least severe, and ARD4 the most severe);
2. the age of the claimant;
3. the skill level;
4. whether it is a living or deceased claim;
5. whether statutory payments have been made or can be claimed.
6. whether the claimant has a history of occupational exposure at other asbestos mines. The Trust Deed directs that the awards of claimants who have been diagnosed with an ARD 1 or ARD 2 should be apportioned according to how long they worked at each employer. ARD 3 and ARD 4 are not apportioned even if the exposure is minimal or trivial, and the full amount is granted.

2.3.2 Minimum Award Amount of R 5 000

Where a claimant has been diagnosed with an ARD1 or an ARD 2 and has also had exposure to asbestos from non-qualifying sources, the Trust Deed requires the award amount to be apportioned. In occupational claims the apportionment is done on the basis of length of service at qualifying and non-qualifying sources.

Due the fact that some claimants had exposure to asbestos for significantly longer periods at non-qualifying sources, after apportionment the award amount could be small. The Trustees therefore took a decision to make the minimum award amount R5 000.

The above is best and simply illustrated as:

Mr John Dlamini worked at Wandrag asbestos mine (a non-qualifying operation) between 1960 and 1983 and for Gefco (a qualifying operation) between 1984 and 1985. He has been diagnosed with an ARD1. If the nominal award amount, pre-apportionment, is R50 000 and his total exposure to asbestos fibre 25 years, *only two years of which* are at a qualifying source, after apportionment he would be entitled to receive R4 000. However, he would in fact receive R5 000 as the minimum award amount paid by the Trust.

2.4 Social role of ART

In 2006 trustees began to examine the social role of the Trust and its potential obligations to assist claimants beyond the legal requirement to make compensation available to qualifying claimants. The Trustees have developed policy in this regard, and have made some grants already.

While the main task of the Trust was to grant compensation awards to qualifying claimants, a number of questions arose:

'... is there not a corresponding obligation on the ART to assist the claimant in utilising these awards in a prudent manner, in line with the purpose of awards?'

'... if so, what can be done and what is the extent of ART's involvement?'

The current research project was initiated to address these formative questions.

'Could ART participate in government initiatives?'

The Trust is required by its Deed to be in existence until at least 2028. The question of its longer-term purpose consequently faces this first entity of its kind in Southern Africa.

3 Research Project

3.1 Scope of Research

The research objectives and the questions posed under the heading 'Impact of Awards' in the procurement brief's terms of reference for the project are highlighted here.

3.1.1 Research Objectives

"The aim of this project is to conduct research into the spending patterns of claimants who have received compensation from the Asbestos Relief Trust (ART) and to assess the benefit, if any, derived from the award on the following:

1. the individual claimant
2. the claimant's family
3. the claimant's community

The research should encompass the main areas where the majority of claimants reside namely Kuruman, Burgersfort and Msauli."

3.1.2 Impact of Awards

1. On the living claimant

Has the claimant benefited from the award? Pertinent questions in this regard are:

- a. Has the claimant used the monies received towards his/her medical expenses?
- b. If so, was the compensation sufficient for his/her medical expenses?
- c. Has the claimant used the monies received towards improving his/her ability to earn an income where the ARD has prevented him/her from working?
- d. Has the claimant spent the monies on goods and if so which? What percentage of the award has been spent on these items?

- e. Will the manner in which the money was used have long-term or short term benefits for the claimant?

2. Impact of the award on dependent claimants

Is the amount of compensation sufficient to replace the loss of financial support that would have otherwise been provided by the deceased breadwinner?

How have these monies been utilised?

3. Impact of the award on the living claimant's family?

The immediate family of a claimant may carry a burden in respect of the ARD. What burden have they had to carry and has this burden been lessened to any extent by the award: if so, how?

4. Impact of the award on the living claimant's community

Communities may also carry a burden in respect of members suffering from ARD's. What burden have they had to carry and has this burden been lessened to any extent by the award; if so, how?

5. Regional differences

Are there any differences in how award monies have been used across regions i.e. between Kuruman, Burgersfort and Msauli? Why is this?

The scope of the research consequently entailed the identification and analysis of spending patterns of recipients of compensatory awards on the basis of having been diagnosed with a compensable asbestos related disease.

This further requires an assessment of whether such awards have resulted in benefits accruing to the recipient, their families and the immediate communities of Kuruman, Burgersfort and Msauli.

3.2 Research Design, Method and Approach

3.2.1 Research Design

The following research design was proposed, accepted and executed.

3.2.1.1 Phase 1 – Project Management

The establishment of communication, reporting protocols and logistics relating to any further requirements not specifically noted

in the request for proposals; sponsor briefings; establishing liaison and reporting mechanisms, familiarisation of research team with local office support role and sourcing of relevant sources of information as noted in the request for proposals.

Initial formulation of draft interview and in-depth schedules. *Week 1*

3.2.1.2 Phase 2 – Data Gathering

Literature survey

A review of relevant academic/internet/international benchmarking literatures of both institutional and claimants' experiences of awarding and receiving compensation awards due to occupational disease with emphasis on sourcing materials in developing contexts and mining communities in particular. *Weeks 2-6*

Familiarisation/ organisational Site Visits

For the purposes of:

- Making introductions and initial contacts with relevant persons in communities,
- Making logistical arrangements and setting appointments,
- Conducting preliminary informal interviews and engage in building trust and
- To pilot interview schedules for discussion, amendment and sign-off with sponsor. *Weeks 3&4*

9 Focus groups

To provide for group dialogue within a structured research situation targeting community members related to potential future claimants or claimants awaiting medical screening results or receipt of awards. *Weeks 6&7*

93 In-depth interviews

To implement a series of formally structured interview schedules and permitting open-ended questions targeting the following groupings:

- Claimants and families in the three communities. (60)
- Community leaders.
 - (2 Interviews per category in each community – possible bias towards majority area.)
- Ward Councillors (6)
- Traditional leaders – where relevant (6)
- Traditional healers – where relevant (6)
- Local Medical Personnel.
 - Hospital/clinics (6)
 - Pharmacists/Chemists (3)
- Religious/Community leaders (6) *Weeks 6-9*

90 Survey interviews

To generate representative data for statistical analysis of spending patterns of the 1 283 awards made as of June 2006.

The formal survey interview schedule was informed through the site visits, initial informal interviews, tested by means of a pilot 'dry-run' and finalised in discussions incorporating sponsor knowledge and requirements.

The sample was generated on a random basis from records of ART with relevant individual claimants being followed up in the three target communities.

	Total	ARD 1	ARD 2	ARD 3	ARD 4
Sample frame	1283	971	222	14	76
	100%	76%	17%	1%	6%
Sample	90	73	14	1	2
	100%	81%	16%	1%	2%

Table 1: ARD diagnosis of sample compared with overall sample frame

Weeks 6-9

3.2.1.3 Phase 3 – Analysis

Research team members to integrate and analyse findings emerging from the literature reviews and qualitative and quantitative data from the field. *Weeks 10-12*

3.2.1.4 Phase 4 – Formulation and Presentation

Presentation of Final Report and Electronic presentation and sign-off of contract. *Week 13*

3.2.2 Research Method

3.2.2.1 Research Instruments

The key research instruments - the qualitative in-depth interview questionnaire and the quantitative survey questionnaire – were circulated within ART with comments received and changes made prior to administration among interviewees.

The *qualitative in-depth interviews* during the familiarisation phase served to cast a broad and probing series of questions to identify the critically relevant areas for investigation by means of the quantitative surveys. These questions were modified after these initial visits.

The *quantitative survey questionnaire* was accepted with minor revisions.

Focus groups were loosely structured around a number of different themes in the following areas: key items of expenditure, the need for financial advice, the issue of investment, the issue of wastage of money, the priority of housing and education.

The *literature review* scanned the internet and selected academic journal data bases on asbestos and compensation. Literature was sourced on disaster relief after no specific literature on spending patterns of compensation monies was identified. The medical literature proved useful in identifying work done in Sekhukheneland facilitating compensation for asbestos workers.

3.2.2.2 *Integration of data*

In short, data from site visits - formal and informal interviews and focus groups - shaped the formulation of the quantitative research instrument which provided statistical information for the identification and analysis of patterns and as well as then ensuring the 'arbitration' of the data from the qualitative instruments. These instruments provided substantive instantiations by way of accounts of actual people and events, the combination resulting in a fairly integrated overall picture of the target claimant population.

The principle of cross checking was adopted throughout where obvious anomalies occurred. In explaining questions or probing for accurate answers to the quantitative survey, researchers often had to pose a further series of pointed questions, this additional information resulting in a more nuanced overall understanding of how people spent their money and the reasons for spending it in the way they did.

Integrating literature with recently gathered data faces the challenge of conceptual and empirical distance. Finding a key and virtually sole and directly applicable article enabled the collapse of both. The recent and singularly prescient and relevant *When social movements bypass the poor: asbestos pollution, international litigation and Griqua cultural identity* by Linda Waldman (2005) served this purpose and is reviewed below.

Regarding integration overall, informed by the familiarisation phase, in-depth interviews, focus groups and the series of informal discussions with ART staff, the Asbestos Interest Group organisers in Kuruman and a range of people in and around the towns of Kuruman, Burgersfort and Msauli, qualitative findings were largely confirmed by the statistical data, the inevitable surprises notwithstanding.

3.2.3 Approach

Initial briefings and liaison with ART staff and trustees apprised the research team of a range of sensitivities, complex local politics and material challenges the Trust had faced in dispensing with trust funds in contexts of poverty and need.

4 Literature Review

4.1 Background

Virtually all the literature on asbestos and disease in South Africa and internationally can be located in the medical journals and relates directly to the technical medical aspects of asbestos related diseases. In contrast to this fairly extensive body of work, there are but a few references that treat the topic more generally. Two broad-ranging studies were identified: both Jock McCulloch's book (2002) and Marianne Felix's thesis (1997) make for sober reading with both authors providing useful summary articles. (McCulloch 2003, Felix 1991, 1994)

Jock McCulloch's definitive text recounts the shameful history of asbestos mining in South Africa, highlighting the role of the asbestos companies, the state and the physicians in all too often masking the severity of the impact of asbestos poisoning on the people who worked the mines and the broader environment beyond the confines of the asbestos fields.

The earlier unpublished PhD thesis of Marianne Felix examines environmental asbestos and respiratory disease in the villages of Mafefe in the immediate vicinity of this study. This study provides *inter alia* a scientific assessment of the extent of the problem of asbestos poisoning, notes the belated and cynical character of the legislation, the lack of proper enforcement, the burden of disease, the role of community participation and makes a number of recommendations - now a decade old - which have yet to be implemented and to which this report will return.

Felix writes nearly seventy years after the dangers of asbestos had been recognised by the industry and nearly fifty years after "*Dr Chris Wagner of the National Center for Occupational Health in Johannesburg began uncovering the link between mesothelioma and asbestos.*" (McCulloch 2003:233)

McCulloch (2003) provides an outline of the companies, the asbestos production process and its dangers for occupational and environmental

disease. McCulloch provides the explanation why, in South Africa¹ at least, ARD is late in being recognised and acted on: *'the composition of the workforce, the latency period for mesothelioma, and the diseases of poverty, such as tuberculosis which were rife on the (asbestos) fields, and masked the effects of ARD on mine workers and the communities in which they lived.'* (McCulloch 2003:23)

While the danger of contracting disease from asbestos was certainly known from the beginning of the twentieth century and companies such as Cape plc and Gefco were obliged to comply with British industrial law from the 1930s, they did not do so. (Felix 1997:39) It was only in the mid 1950' when miners at Penge in Sekhukhuneland - the Burgersfort region in this study - were identified with asbestosis, that asbestos related diseases were recognised as compensable through the state sponsored compensation system.

Despite official recognition of the carcinogenic effects of asbestos, it is clear that the vast majority of those suffering with asbestos related diseases were never either identified or diagnosed, let alone compensated. Exposure levels remained high throughout the life of the industry. McCulloch shows how for fifty years junior officers from both the Departments of Native Affairs and Health queried a range of matters affecting the living conditions and health of African workers, only to be overridden by senior officials more sympathetic to the arguments of the industry that the benefits of mining asbestos outweighed their costs. It was to be decades later that the *'first major improvements in health standards came only with the emergence of black trade unions in the 1980's, by which time the industry was already in its twilight.'* (McCulloch 2003:232)

The extent of the problem and the matter of compensation remained occluded from public view until not much more than a decade ago when Marianne Felix's work resulted in the first study by way of a random sample in the villages around Mafefe in the Burgersfort area as to exposure to levels of environmental and occupational risk of asbestos related pulmonary disease. The medical community became involved and community participation proved to be vital to identifying and facilitating compensation for affected asbestos workers via the state compensation system. This practical initiative in sourcing compensation for workers results in the first piece of literature which, regarding compensation, draws the general conclusion that *'the sum of money involved is a useful contribution to the poorest families in what may well be one of the poorest areas of the country.'* (Makofane *et al* 1999:11/12) What follows in this research report bears this out. Anecdotal evidence suggests the bulk of the compensation monies was spent on housing and fencing.²

¹ Waterman *et al* (2004) note the same trend elsewhere where " ... it took the Dutch government a very long time to realise the dangers of asbestos and even longer to act upon this knowledge."

² Dr Marianne Felix. (Personal communication)

The National Asbestos Summit (Kisting 1999) is convened in November 1998 and draws attention to a range of aspects relating to compensation and makes a series of recommendations, none of which have been implemented nearly a decade later. This matter is the focus of the recommendations at the end of this report.

The most recent work regarding compensation specifically, flows directly from the work of ART, the authors being the Trust's current medical co-ordinator, Jim te Water Naude and the actuary chiefly responsible for developing the actuarial model used by the Trust, Gary Scott. The abstract of their paper (2006) notes its content: *"The paper describes the asbestos-related disease and related modelling that was used to advise the Trustees of the Asbestos Relief Trust during the first three years of the Trust. The paper also provides a description of asbestos mining activities in South Africa and the background to the establishment of the Asbestos Relief Trust."*

This research report is a logical follow-up of how this modelling exercise resulted in payments to claimants and to what extent claimants benefited from compensation awards. The report does not assess the predictive success of the actuarial projections.

This research project is almost certainly the first to examine the benefits of compensation awards made to sufferers of asbestos related diseases. Despite an extensive search³, no other study was located - either locally or internationally - regarding the effects and benefits of occupational compensation, whether in mining generally or elsewhere, the dispensation of compensation monies presumably assumed to be a private matter and beyond the prying investigation of researchers.

Given this lacuna, the literature review briefly branched out to investigate whether any research had been conducted on how financial windfalls relating to disaster relief or lottery winnings had been spent. While this also drew a blank regarding expenditure patterns and benefits of financial windfalls beyond compensation for occupational diseases, there were a number of indications as how to deal with the aftermath of either man-made or natural disasters which have an indirect bearing on the situation of the claimants insofar as they treat matters of sustainable livelihoods. These pointers were not systematically investigated.

4.2 Compensation for loss of jobs and land

In the 1990s, David Coplan conducted some on-site research in the traditional labour sending area of Lesotho, to which retrenched mine workers had been sent. The overall objective of this research was to understand how retrenched labour migrants were coping and strategising

³ The following data bases listing scholarly journals drew a complete blank on asbestos and compensation: Social Sciences Citation Index and the Arts and Humanities Citation Index.

with regard to their loss of livelihood, and what alternative modes of livelihood they were pursuing. Among the questions asked were those pertaining to the forms and amounts of severance or retrenchment packages that had been paid out, whether by the South African Government (many migrants from SADCC countries possess South African identity documents), employers, or provident funds, and how those funds had been invested.

Among the uses to which payouts had been put were:

1. Religious ritual and ceremonial, including livestock for ritual slaughter and expenses connected with religious feasting, funeral rites, and spiritual protection and offerings for future good fortune.
2. A horse for personal transportation, livestock to be raised for family consumption, or for the sale of meat, wool, mohair, and hides, and oxen for ploughing both one's own fields and those of others in return for payment in cash, kind or service. The danger of stock theft made this option, regrettably, less attractive than it would otherwise have been.
3. School fees and other expenses connected with the education of children.
4. Durable household items, e.g. beds, stoves etc. as well as food and other consumables.
5. Second-hand 'bakkies' - light delivery vehicles - with which to provide transportation services in small communities as a business venture. In several cases funds were not sufficient to purchase good quality vehicles, and initial investments were lost when further funds were not available to repair unserviceable ones. Alternatively a small sedan might be purchased for service as a private taxi in one of the larger towns.
6. Mechanical items such as small petrol-driven grain milling equipment or paraffin or petrol generator fridges, used to start a small business. These items often proved a good investment.
7. Fruit tree saplings and seed and other inputs for vegetable gardening, intended for production for sale. The availability of sufficient water at no charge was a consideration and in rare cases a windmill might be purchased.
- 8) Medicine for the migrant or members of his (or her) family suffering from any one of a range of common serious maladies;
- 9) Expenses connected with moving to an urban centre either in the home country or in South Africa to take up or search for new employment. This option was very popular.

With the perhaps surprising exception of the purchasing of fruit tree saplings and inputs for vegetable gardens (6 & 7 above) - which no claimant mentioned in this research - and costs of moving to an urban area, again which no claimant mentioned, the rest of these items featured in the spending patterns of asbestos claimants.

Later, in the mid-1990s, Coplan was asked to consult on the compensation policy and programme for Basotho who had lost land due to the construction of the Lesotho Highlands Water Project dam at Katse. Those

whose fields and pastures had been or would soon be under water were first offered a standard amount of cash in compensation, provided they would continue to live in the highlands and not move down to the over-crowded capital, Maseru. Other advisors with an interest in promoting gender fairness subsequently complained that the policy of giving compensation to "heads of households" would empower family patriarchs to ignore the needs of wives and children in disposing of the funds. So it was thought that perhaps significant proportions of the compensation might be given in the form of food and implements of household productivity.

Coplan pointed out that land was as much a social as a material factor in production in the Lesotho highlands, and that without it households could neither be economically self-sustaining, nor participate in community life. If villagers were to be given cash in place of lost land, then there was no reason to insist they stay in the highlands. Second, the alternative of providing food and implements was no guarantee of family or gender equity, as the 'patriarchs' in question could as easily monopolise kind as cash. Nevertheless, the Joint Technical Authority of the LHWP had to be given a way forward, not simply told what would not work. Ultimately the programme was able to focus upon the very high value placed upon proper housing in the highlands, especially by married women, and modern houses were built for displaced households. The reality that these new houses were located on upper mountain slopes without productive soil cover and surrounded by the waters of the lake behind the dam of course presented a very serious problem for livelihoods. This was 'solved' by the age-old tradition in Lesotho of the departure of working-age family members, both male and female, to the employment centres of the lowlands and South Africa as labour migrants, while possessions and other people, such as children and their grandparents, looked after the homesteads.

Again, settling on housing as the primary form of compensation was mirrored by how claimants indicated they had spent the bulk of their compensation awards, on housing, building materials and fencing.

4.3 Disaster relief

There is a more extensive literature on disaster relief and the development of alternative livelihood strategies for those who become structurally unemployed, but which was found to be of limited use for immediate present purposes of this research project. What was, however, clear was how susceptible certain poorer social groups in society were to harm, how resilient social groups are in ultimately depending on each other, bound in ties of close social cohesion and how no amount of compensation ever adequately replaces that which is lost. One rare example identified from the disaster relief literature - with a note on spending - will have to suffice for our purposes here.

In 1985 residents of Grassy Narrows and Whitedog reserves in the United States received almost \$17 million in compensation for the killing of their waterway with mercury. A key part of the deal was a \$2-million health fund for the 50 to 60 natives with nervous disorders linked to mercury exposure. Both communities put the settlement offers to a vote. At Grassy Narrows, 92 per cent of residents voted in favour of the deal. At Whitedog, 97 per cent voted to settle. Chief Arnold Pelly of Grassy Narrows told a local newspaper that *"...whatever money we get from the settlement will never be enough to replace what we lost"*.

Regarding spending patterns, in December 1986, Chief Tom Henry of the Whitedog reserve told Canadian Press that his band members spent more than \$900,000 in compensation money one weekend on snowmobiles, Christmas presents, guitars and parties.

It was further reported that despite the 1985 settlement, the Ontario government still has not fully compensated the people for their losses. As of February 2004, they continue to press provincial leaders to resume talks that broke off in 2000.

What is of particular interest is how the local band leader in this instance decried money that was wasted. This sentiment was echoed in one area in this research, the extent to which this occurred, however, being virtually impossible to ascertain for reasons cited elsewhere in this report. In this Canadian instance, snowmobiles constituting transport appear to have represented a significant expenditure for these claimants.

4.4 The Cape plc case

An important discovery was a paper of particular relevance to the current research project, written by the scholar Linda Waldman (2005). Waldman's paper has as its focus the settlement of 10,5 million pounds sterling to 7500 claimants in the Cape plc case and she compares the responses to the legal settlement of claimants and their families in and around Prieska and Griquatown. This paper served as somewhat of a guide to the project.

The question Waldman poses is why what was widely considered to be a victory for a social justice was experienced as a bitter defeat by many claimants. Without delving too deeply into a broad-ranging paper, the short answer is that the experience and responses of claimants needs to be understood in terms of a series of local factors. Waldman outlines four such factors: endemic poverty in the areas around the closed asbestos mines, the history of asbestos payments, people's religious beliefs and an understanding of local ethnic identity. Each factor, the first two especially, deserve some attention here as they go some way to explaining why claimants spend compensation monies in the way they do.

4.4.1 Poverty

Waldman argues that in the case of Griquatown most people survive through their pensions often claimed by family members and that due to extreme poverty, *'people have little control over their own money'* (Waldman 2005:17) Private property is foreign, Waldman argues, an example being that even personal items of clothing are shared. The inability to maintain control over one's own money results in an inability to save or claim repayment for small loans regularly made for all manner of consumable items. In Griquatown, cut off from any significant larger urban centers and characterized by this isolation, individuals remain *'nestled within the extended family'* (Waldman 2005:18) with, however the advantage that *'although people are desperately poor, they will always take care of you.'* (Waldman 2005:18)

The importance of family ties in a context of poverty featured prominently in asbestos claimant communities.

4.4.2 History of asbestos compensation

Where the work of Waldman has a direct influence on developing a greater understanding of the cultural milieu and attitudes towards money relates to the broad periodisation she provides of asbestos mining.

Waldman suggests that from the 1960's through to the 1980's asbestos mining provided reasonably lucrative incomes for communities scattered in the vicinity of the mines. An organiser of the Asbestos Interest Group confirmed this. It was taken for granted that young men would find their first form of employment in the local asbestos mines, many gravitating towards Rustenburg and the platinum mines or the gold mines later in their careers.

With the demise of the industry, the 1990's saw asbestos payments through the MBOD providing financial relief often constituting the only form of income by way of a lump sum, or possibly two such sums for those whose condition deteriorated to second degree in terms of the MBOD criteria.

In her research Waldman only ever came across one person who elected to receive compensation on a monthly basis, strongly suggesting that were this option provided to claimants eligible for an ART award, the majority would prefer the *status quo* of lump sums as proved to be the case from claimants' responses.

The Cape plc case broke with the established form of payments as awarded through the MBOD, resulting in a number of people who had previously received compensation through the MBOD as being 'downgraded' in terms of the severity of their asbestos related disease. Waldman documents a number of examples where this occurred and notes the unhappiness and confusion it created among the Cape plc claimants.

Already during initial site visits to ART regions this phenomenon was mentioned on a number of occasions, claimants at a loss as to how this could occur. This was but one of a plethora of questions, complaints, concerns, confusions and frustrations that confronted researchers in their introductory field visits - as well as throughout the research and constitutes the contested context within and about which compensation payments are awarded and received and of which Waldman speaks.

It is perhaps due to the social tension around what in some areas is the only form of meaningful income that a significant number of people do not inform their families, let alone friends and neighbours of their awards. As one claimant in Burgersfort noted "*Not even my parents know*" (about my compensation)

The critical point is that ART claimants often expected more money by way of a further payout as this was the way in which 'asbestos money' was historically known to be dispensed.

4.4.3 Religious beliefs and ethnic identity

Waldman asserts that where regular employment is scarce and it is impossible to save money '*asbestos payments assume immense cultural importance.*' (Waldman 2005:23) She attempts to derive a clearer understanding of these payments, referred to as *myngelde* - money from the mines - in the areas where she conducted her research, in the often mythical stories and sets of inflated expectations regarding monies not yet received. Waldman is making an argument around how current academic theories regarding social movements and millinarian movements do not adequately explain the interpretations and experiences of a specific community, in this case that of the Griqua centered around Griquatown. In listening to stories and delving for explanations, our research did not come across or uncover any fantastical apocalyptic explanations regarding asbestos monies among claimants.

What, in brief, emerges from this review is that any analysis of expenditure of financial windfalls such as compensation awards needs to be sensitive to conditions of poverty, the lack of control over money in these communities (especially among those who are

both elderly and illiterate) and the way past compensation payments have shaped experience. What is important to note is that *the expectation that further monies would be advanced leads directly to rapid spending of monies received.*

It is in this light that the presentation of data in this report should, it is suggested, be understood.

5 Presentation of data

This section of the report integrates the findings of the two primary fieldwork research methodologies, the quantitative survey and the qualitative interviews, focus groups and informal data gathering.

5.1 Demographic profile

The following demographic profile, broken down to the three main areas under review - Kuruman, Burgersfort and Msauli - provide a framework for beginning to make sense of the broad outlines of the target population of claimants.

Information was gathered on various socio-economic aspects in order that the sample of claimants and their use of the compensation payments could be understood in an appropriate context. However, with only a sample of 90 claimants it is difficult, with any statistical significance, to analyse the findings on the basis of the socio-economic variables. Nevertheless, such an analysis is useful in providing indicative trends. This section, therefore, profiles the claimants on these variables.

5.1.1 Sex and age

As Table 2 shows, the vast majority (88%) of claimants in our sample were male:

Demographic variable	Total sample (%)	Kuruman (%)	Burgersfort (%)	Msauli (%)
<i>Sex</i>				
Male	88	73	93	97
Female	12	27	7	3
<i>Age</i>				
Up to 55	46	33	50	53
56 and older	54	67	50	47

Table 2: Demographics of sample by region

The predominance of male claimants was found across all three geographic areas, with only Kuruman showing any significant proportion (27%) of female claimants. This is particular to ART

claimants and the conclusion cannot be drawn that women do not play an important role in managing rural households in rural Sekukhuneland, other recent research suggesting an evenly balanced spread of male and female dominated households in this area as a whole. (Makofane *et al* 2005)

More than half (54%) of claimants were older than 55, with the oldest claimant being 83. Table 2 shows some regional differences in the age breakdown of claimants across the three areas - the claimants in Kuruman were proportionately older than their counterparts in Burgersfort and Msauli.

5.1.2 Education and employment status

One may expect that the level of education of a claimant may influence their experience of what could be a complicated claim and legal process. In this regard, it was important to deduce the education level of claimants. For this purpose we have calculated the proportion of claimants that were illiterate, where illiteracy is defined as the proportion of claimants aged 15 and older who have not completed Std 5/Grade 7.

Across the whole sample, more than six out of every ten (61%) claimants were illiterate. As Table 3 shows, there were significant regional differences with claimants from Msauli far more likely (80%) to be illiterate. However, the levels of illiteracy in the other two regions were still very high when compared with the general adult population in South Africa, Census 2001 finding the level of illiteracy to be 32%.

Demographic variable	Total sample (%)	Kuruman (%)	Burgersfort (%)	Msauli (%)
Education level				
Illiterate	61	53	50	80
Literate	39	47	50	20
Employment status				
Working fulltime	11	3	23	7
Working PT/casual	21	20	13	30
Unemployed	23	13	27	30
Unavailable	45	64	37	33

Table 3: Education and employment levels by region

Regarding the employment status of the claimants, only a third (32%) of the claimants were involved in any kind of working activity with only one in ten (11%) working in a full-time capacity. One in four claimants (23%) were unemployed, while the remaining 45% could be defined as unavailable to the labour market as they were either pensioners, looking after the home or disabled and unable to work.

Given that over two thirds (68%) of claimants indicated they were either unemployed or were unavailable for employment, it is not surprising that the transcripts of interviews are replete with comments reflective of desperate economic circumstances and expressions of hope invested in compensation from the Trust as the last remaining source of financial relief.

5.2 Poverty indicators

An analysis of spending patterns must necessarily take the general socio-economic situation of any target group of people into consideration. While a detailed picture falls well beyond the scope of this research, the general economic situation in which claimants find themselves can be sketched by examining key poverty indicators which constitute a starting point for examining expenditure patterns prior to the presentation of more specific substantive data and a subsequent explanation of reasons why available finances are allocated in the way they are.

It is important to note that two of three areas - Kuruman and Burgersfort - fall under some of the poorest district municipalities in the country. These municipalities - Kgalagadi and Sekhukhune respectively - are 2 of 13 district municipalities across the country that have been earmarked by the *Integrated Sustainable Rural Development Programme (ISRDP)* for particular attention in the fight against poverty.

It is important to note that claimants in Msauli are considerably poor on the count of income per person per month as indicated in the following section. The following section detailing household income and a measure of food shortages immediately suggest a contextual explanation for the important priority of spending on basic needs - to be illustrated later in this section of the report.

5.2.1 Income

We first asked claimants about a range of activities that may bring any money into the household on a monthly basis.

Activity	Total sample (%)	Kuruman (%)	Burgersfort (%)	Msauli (%)
Government grant	64	60	73	60
Work/employment	29	23	33	30
Business/selling things	21	27	17	20
Savings/investments	14	23	10	10
Money from relatives	10	10	10	10
Compensation payment	7	10	7	3
Employer pension	3	10	0	0

Table 4: Activities that generate money per region

As Table 4 shows, almost two out of every three households across the different areas are particularly dependent on government grants in order to get any cash into the household on a monthly basis. Other activities are less common, reflecting the relatively high levels of poverty in these areas. Just less than a third (29%) of households receive *any* money from the employment of *any* member of that household while only one in five (21%) households are able to make any money by running a small business or selling things.

Based on what activities may have brought any money into the household, we asked claimants to tell us approximately how much money their household had each month (after tax and deductions) to spend on rent, food, bills, etc. As Figure 1 indicates, half (50%) of claimants live in households that survive on less than R1 000 per month.

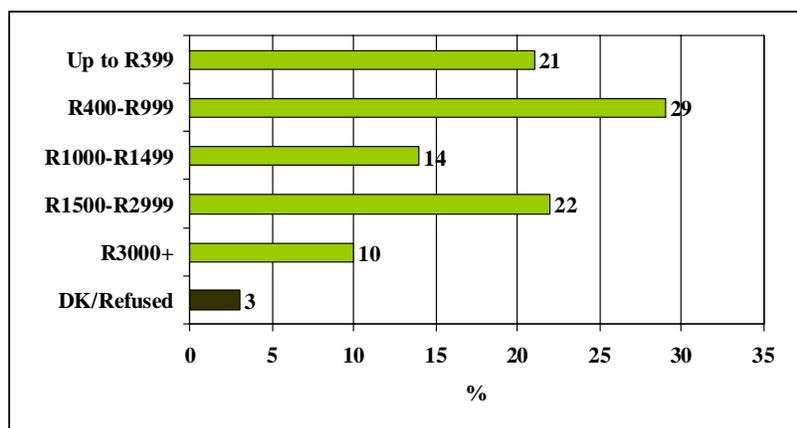


Figure 1: Monthly household income

Excluding those claimants who declined to divulge or were unable to reveal their household income, the average monthly household income for the sample was R2 012. When this is looked at in the context of average household size (which for the total sample was 7.0), we found that *on average* each individual in a claimant's household was surviving on less than R300 per month.

As one would expect, given the differential levels of education and employment across the three areas, there were significant differences across the areas on average household income and so on:

Average	Total sample	Kuruman	Burgersfort	Msauli
Household income pm	R2 012	R2 552	R2 253	R1 241
Household size	7.0	6.5	7.8	6.7
Amount per individual pm	R287	R393	R289	R185

Table 5: Household income and size per region

As Table 5 shows, each individual in a claimant's household in Msauli were living on less than half the amount (only R185) than individuals in Kuruman (R393).

As we saw above, there remains a heavy reliance on state grants/pensions and for many of these large households these grants/pensions are their only regular stable income.

The extent of poverty in the three areas under review comes into stark relief when viewed together with the following section.

5.2.2 Measure of hunger

We asked claimants how often, if ever, people in their household went hungry because of a shortage of food. The findings across the three areas are shown in the following graph.

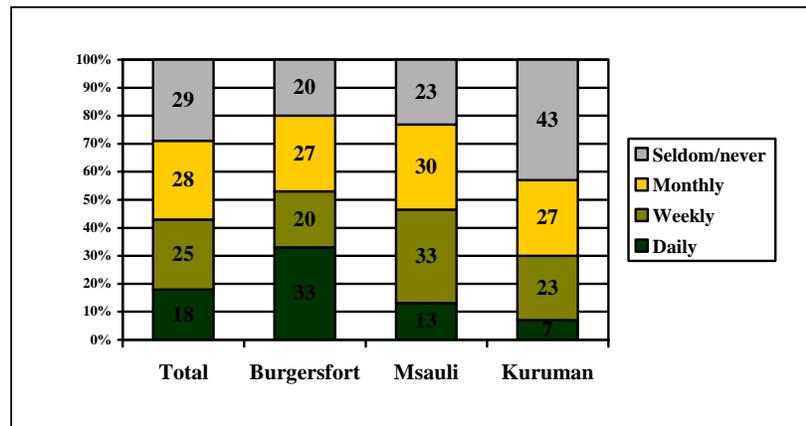


Figure 2: Frequency household go hungry per region

Across the whole sample, only three out of ten (29%) claimants stated that their household members seldom or never went hungry. This proportion was even lower in Burgersfort (20%) and Msauli (23%), again reflecting the higher levels of poverty that seem to pertain in these areas.

At the other end of the scale, almost one in five (18%) claimants stated that members of their household were going hungry on a daily basis, true for a staggering third (33%) of households in Burgersfort. It appears that life in these areas is a constant struggle for most of the claimants, over 70% indicating a shortage of food at least once a month.

In response, for instance, to whether the attitudes of families changed towards claimants, one responded by saying: 'Yes, they were very happy because we were dying of hunger and the money helped a lot at that time.' This particular claimant had indicated

that they go hungry a few times a month. The phrase, '*at that time*' assumes considerable significance, suggesting a benefit of compensation awards being the immediate short-term financial relief to claimants in dire need.

5.2.3 One claimant's story

While there is no such thing as a typical individual, the brief account of one claimant's experience of having received a compensation award echoes on a number of points with what many others had to say. The brief sketch was drawn from an in-depth interview and provides a human dimension to the broad demographic outline and poverty indicators of the claimant community.

Mr Percy Khaliphi (not his real name) looked far older than his sixty-eight years. He had been a lasher, loading asbestos onto the locomotives underground. He had also worked on the gold mines. In all he worked for fifteen years with asbestos, also having been a rock driller operator, drilling the holes into which explosives are stamped to prepare for the blast on both asbestos and gold mines. He was suffering from TB, caused by the asbestos he said.

Mr Khaliphi receives a pension of R800 a month, has two sons and a daughter and four grandchildren. He had not always managed to pay school fees, paying them 'bit by bit' as he put it. He would 'wait' for his pension money. They are still not up to date. He still relies on his pension.

Mr Khaliphi did say he can afford things his neighbours cannot, due to the money he received from the Trust and believes himself to have a higher standing in his community because he received '*money from the asbestos.*' He did not know his ARD status because '*they only told me that I have asbestos disease.*'

With his compensation money Mr Khaliphi paid off a debt of R3000 and built a house for around R27 000 and told us he had money in the bank, but did not know how much. He had bought himself a bed, but could not afford the livestock he had wanted to buy. He certainly had refused to give anybody any of his money, simply saying he did not have any.

The compensation had not helped Percy to enhance his health or life as far as he was concerned, as he still suffers from pains in his chest, shortness of breath and has a continuous headache, although the medicine which he said costs him R600 a month and R110 for transport and which he gets mainly from private doctors, does help him sleep. He does not always manage to get there because of financial constraints he said.

When he was told of the disease he was '*so worried and scared he was going to die soon*', but was very happy as he thought his life was going to improve when he heard about the compensation, but it never did. He did not celebrate when he received his money as he thought it was too little and did not buy anything special for himself. Neither did Mr Khaliphi consider his life to have changed in any way. '*I still live the same life*', he said. He was satisfied with the way he had spent the money as he had built himself a house. He declined the opportunity to have been offered any advice. Being a consistent man, he had no advice for anyone else as to how they should spend their money.

Mr Khaliphi did say nobody explained anything about the amount received or where it came from or whether it was from Gencor or from the gold mines and he did want to know how long he was going to wait to get money from 'the asbestos people' if this was the first payment.

5.3 Medical process

Given the concern to establish whether compensation awards were sufficient to cover medical costs, a range of questions were posed around the process of medical screening - including access to, satisfaction with information provided and how claimants sustained themselves while waiting for their awards.

This section, in addition, briefly notes the complexities surrounding asbestos related diseases which can - not being curable - be treated in the strictly medical sense of the word. Rather, the disease is *managed*, the management thereof being primarily of a palliative nature in the case of those diagnosed as ARD 3 and ARD 4 cases.

5.3.1 The medical process

Briefly, nearly 8000 claimants - across a wide geographical spread in largely rural areas - were screened, from the receipt of the first medical records in September 2003 up until July 2006.

The medical protocol requires a clinical examination, lung function test with clearly readable spirogram chart and high resolution X-ray readings complying with recommended International Labour Office (ILO) classifications.

5.3.2 Medical treatment

The distinction between medical 'treatment' and the 'management' of ARD's was not made in the survey questionnaire, the data below being gleaned from responses to the question: "*Do you still*

need any kind of treatment for your disease?' It should hence be noted that responses inevitably include medical consultations not related to an ARD.

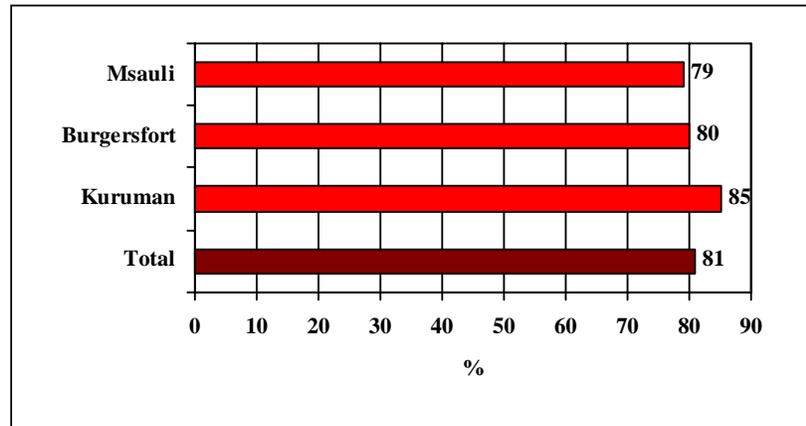


Figure 3: Claimants requiring management of ARD per region

A seemingly high proportion of claimants (81%) still require treatment for their disease and/or related medical complaints. As Figure 3 shows, this proportion was fairly constant across the three different areas.

Patients with ARD's require life-long management of the condition which can present manifestations of deterioration after many and up to forty years or never again. The very large majority of claimants consequently make use of medical services.

Respondents were requested to list which medicines were prescribed when they sought medical attention. Unsurprisingly very few respondents were able to comment meaningfully. Having anticipated this response, fieldworkers were instructed to request claimants to fetch their medicines for interviewers to write down what medicines were being taken.

The following medicines were being given to patients:

Allopathic medicines prescribed were: Vitamin B&D, Panado Tablets, HCTZ - Hydrochlorothiazide, Injections, Voltaren, Brufen, Tegretol, Diphenarill, Lenadol, Methyl salicylate Ointment and over-the counter medications such as *Aloe Extra*. Claimants even noted green tea and 'tea at the church' as presumably assisting them with their disease.

A single respondent noted that they received traditional medical treatments, these being *Lotloko Lwatsile*, *Mokgobakgoba* and *Mona Montsho*, the nature of which were not investigated.

Medicines were reported to be generally available, a significant number of claimants reporting in in-depth interviews, however, that this was not always the case. While not statistically representative, a surprising ten out of thirty claimants in Kuruman indicated that their medicines were not always available, while in Burgersfort and Msauli only three out of thirty reported unavailability of medicines.

5.3.3 Access to medical facilities

For those claimants that stated they still require treatment for their condition, we went on to ask where they accessed this treatment.

The results are as follows.

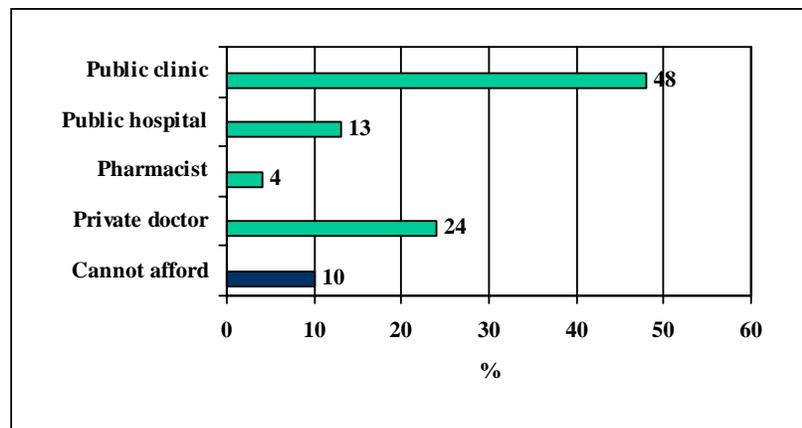


Figure 4: Medical facility accessed

Figure 4 shows that the majority (61%) of claimants that require on-going medical treatment/management of their ARD access this through a public clinic or hospital. This was higher for claimants from Msauli (70%) than those from Kuruman (60%) or Burgersfort (52%).

Interestingly, given the levels of poverty detailed above, more than a quarter (28%) of claimants go to a private doctor or pharmacist for this treatment/management. This proportion was higher in the relatively better off area of Kuruman (39%) than in Burgersfort (28%) or Msauli (17%).

The final point worth noting from Figure 4 is that one in ten (10%) claimants requiring on-going treatment/management stated that they could not afford to go anywhere for this. While no claimants from Kuruman fell into this category, 16% from Burgersfort and 13% from Msauli did.

It is further significant that from the in-depth interviews that not a single claimant or family member indicated they were not able to

obtain medical attention if required. The lack of money, however, prevents 10% of claimants accessing medical care due to not being able to raise transport costs, further suggesting that among this group compensation monies had been completely exhausted.

5.3.4 Method of payment

How or whether claimants pay for their medical consultations speaks powerfully to claimants' allocations of compensation monies to their medical care, given the high percentage claiming to require medical attention.

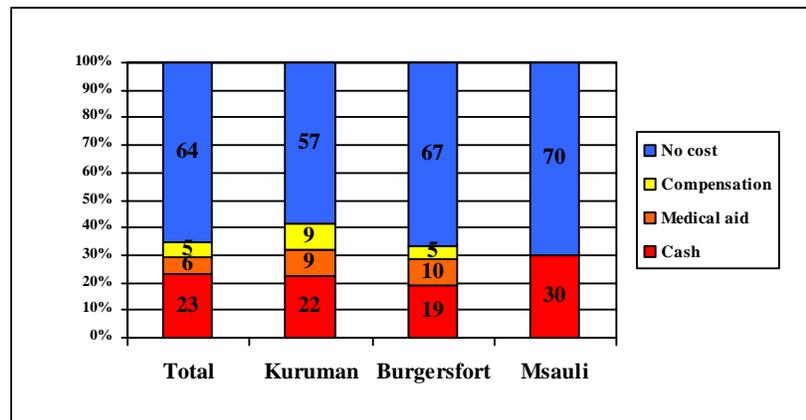


Figure 5: Method of payment for medical care per region

Given that 61% of claimants said they were accessing health care at a public clinic or hospital it is therefore not surprising to see that almost two thirds (64%) of claimants stated that they did not pay for this care.

What Figure 5 also shows is that the proportion of compensation awards spent servicing medical costs is clearly negligible - only 5% of all claimants stating that they used their compensation to pay for their medical care. This figure was slightly higher in Kuruman at 9%.

This confirms indications given in focus groups where - when the question arose in discussion - very few claimants said they had saved monies for future health care costs. Where monies had been kept aside in two instances the amounts were cited as R1000 and R1500 out of around R50000 awarded to these particular claimants.

The figures above further confirm the strong view of qualitative research team members that most claimants had spent the entirety of their compensation monies.

Significantly, large proportions of claimants have continued, it is evident, to rely on public health care services administered at no cost, barring the costs of transport. A number of claimants indicated that they sought medical attention while they still had money, but after having exhausted their funds, were unable to procure 'expensive' medicines.

5.3.5 Medical information provided

We asked respondents how satisfied they were with the medical information that was given to them regarding their health and asbestos-related disease. It should be noted that we did not ask who had provided this information as a change was made in the process. Initially claims handlers informed claimants of the results of their medical examination, while currently the medical practitioner is responsible for briefing the claimant regarding their ARD status.

Figure 6 shows high levels of dissatisfaction across the three areas.

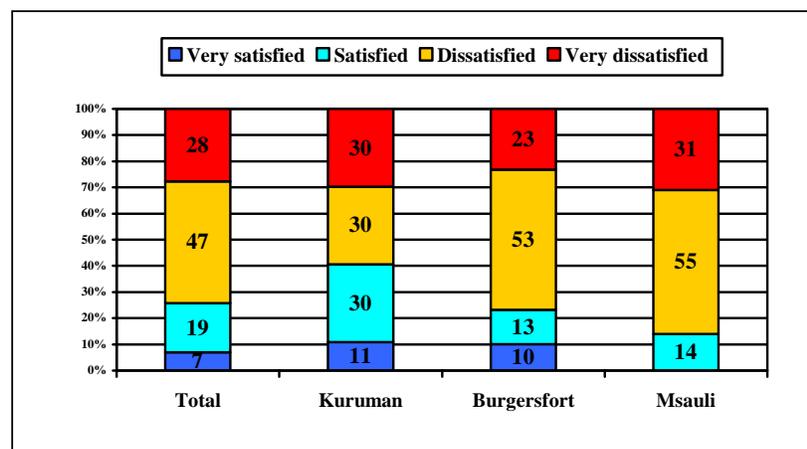


Figure 6: Satisfaction with medical information provided per region

Only a quarter (26%) of claimants were *very* satisfied or satisfied with the medical information that they were given. There were more satisfied claimants in Kuruman (41%) than in Burgersfort (23%) or Msauli (14%). No-one in Msauli registered that they were *very* satisfied.

The large majority of claimants did not know their ARD status, how it had been diagnosed or their prognosis.

Statements of not having been told anything about their status proliferate the interview schedules. This is confirmed by the above figures.

The figures graphically illustrate the litany of complaints and uncertainty researchers faced directly when posing the question as to whether claimants knew their ARD status.

In the Msauli case, for instance, these figures strongly confirm research experience on the ground that little had been explained to claimants upon receipt of their awards or at any stage of the compensation process.

5.4 Patterns of expenditure

The following four graphs indicate the time claimants spent awaiting awards, how they survived in the meantime, the percentage of monies invested and the main items on which compensation had been spent.

5.4.1 Time to receipt of award

While not all elements in the process are within the control of the Asbestos Relief Trust, the Trust aims for the claims-process to take 6 months. To measure this, we asked claimants how long they had to wait from the time they first approached the Trust until they received their compensation payment.

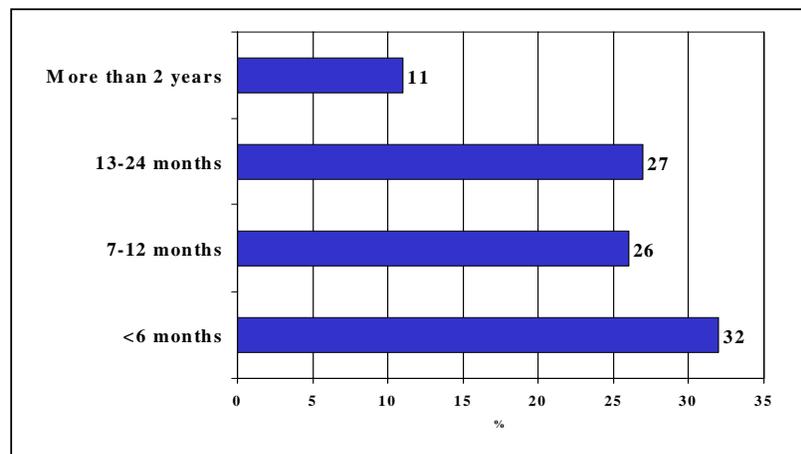


Figure 7: Time between approaching Trust & receiving payment

Figure 7 shows that a third (32%) of all claimants received their awards within 6 months of first approaching the Trust. This is commendable. What is even more positive is the apparent improvement in administrative efficiency over the past years - while only one in five (18%) claimants who approached the Trust in 2003 were paid out in 6 months or less, this improved to one in three (33%) in 2004 and two in five (41%) in 2005.

On the other hand, the two fifths (38%) of claimants that stated their payment took more than one year to be processed is a concern

and may necessitate attention as suggested by local medical personnel. While there may have been some confusion on the part of claimants as to when they had actually approached the Trust for the first time, the fairly large proportion falling into this category cannot all be explained away in this manner.

The first medical report of 2004 notes that a 'good' North American compensation system is able to ensure the payment of compensation within six months of the claim being lodged.

Given the challenge of starting up from scratch and a backlog during 2005 that occurred as a result of an unexpected influx of claims coming into the UCT Lung Unit, that almost a third of claimants received monies within six months overall signals a significant measure of success regarding the work of the Trust and medical team in particular.

Almost 60% of claimants received awards within twelve months over the entire life of the Trust thus far. This represents an achievement in the context of start-up, generally poor social infrastructure and geographical distance in a developing context.

By way of confirmation of this statement, the findings from this survey on spending and benefits compare as follows with the actual time lag, according to the data provided to researchers by the Trust:⁴

	6 months or less (%)	7–12 months (%)	13–24 months (%)	25 months + (%)
ART records	27	36	33	4
Research survey	32	26	27	11

Table 6: Comparing time gap from the survey with ART records

It would appear from Table 6, therefore, that the findings in the survey reported here are not far from the entire picture as reflected by the ART records.

5.4.2 Interim financial support

We saw above the heavy dependence on the government's social security system. We asked claimants where they had got money from to make ends meet while they were waiting for their compensation payment. (The figures in Figure 8 will not add up to 100% as claimants may have had more than one source of support).

⁴ In some instances, more than one payment has been made to a claimant. We have taken the date of the first payment in order to calculate the time between first approaching the Trust and date of payment.

The first point that needs to be made is that 3 claimants from Msauli stated that they had not received any compensation payment at all. This was alarming as it represented one in ten claimants from this area. We immediately took up the case of these three claimants to see if the problem could be more widespread. The three cases turned out to be administrative gremlins.⁵ This points to the care required to administer compensation claims.

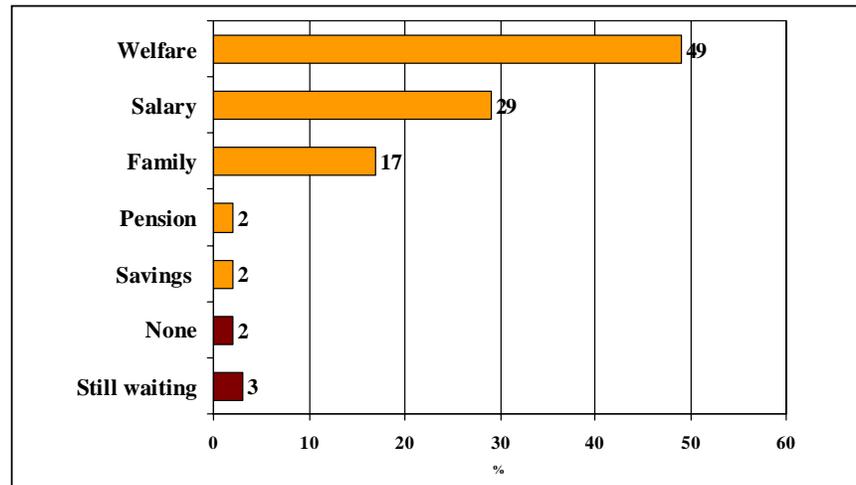


Figure 8: Source of financial support while awaiting payment

Figure 8 again reflects the important role that welfare grants play in the lives of the claimants and their families - almost half (49%) of claimants cited these grants as being a source of financial support while they awaited their payment.

When taken together with figures as presented, the sense gleaned in the interviews begin to suggest that the overall benefit to the poorest of claimants was a relatively short term one. This supposition is borne out by the following graph regarding percentages of compensation payments invested.

5.4.3 Amount received and financial advice received.

We mentioned above that 3 claimants (all from Msauli) claimed not to have received any money at all. From those claimants that divulged what amount they were paid (7% declined to answer or could not remember what they had been paid out), significant differences existed across the three areas - the average payment in Kuruman was highest at R65 081 followed by Msauli at R48 608

⁵ The Trust's administrative records reflect payment to two of these three claimants into the bank accounts that the claimants seemingly provided themselves (nevertheless the Trust is following up in writing with these two claimants). In the case of the third claimant a payment was made into the bank account that he supplied. However it turned out that the bank had allocated this account to another client. The Trust is in the process of assisting the claimant to recover the monies.

while the average in Burgersfort was only R35 024. The reasons behind these differences are not apparent from the survey.

We now turn to the issue of whether claimants received any investment advice or not and from whom. (Once again the percentages in the graph do not add up to 100% as claimants may have received advice from multiple sources).

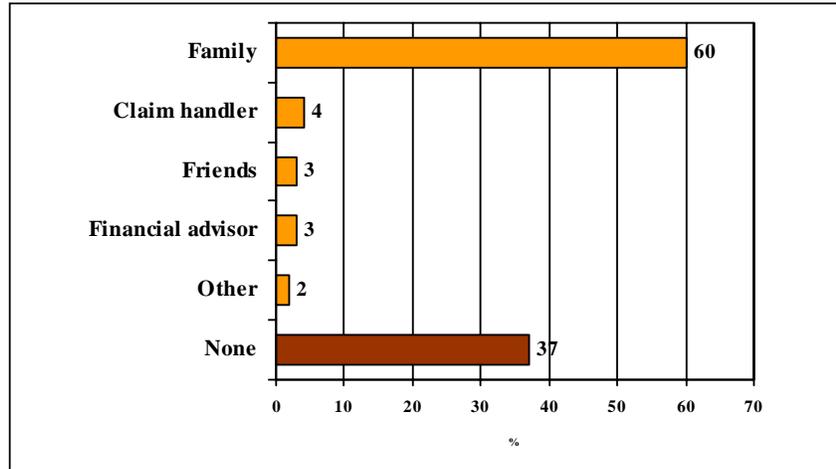


Figure 9: Source of financial advice following payment

As Figure 9 shows, very few claimants received any professional advice on investing the payment - more than a third (37%) received no advice at all. The main source of advice tended to be from one’s family.

5.4.4 Investment

Given the extent of poverty profiled above, it is perhaps surprising that monies were invested at all. Figure 10 provides the relevant detail.

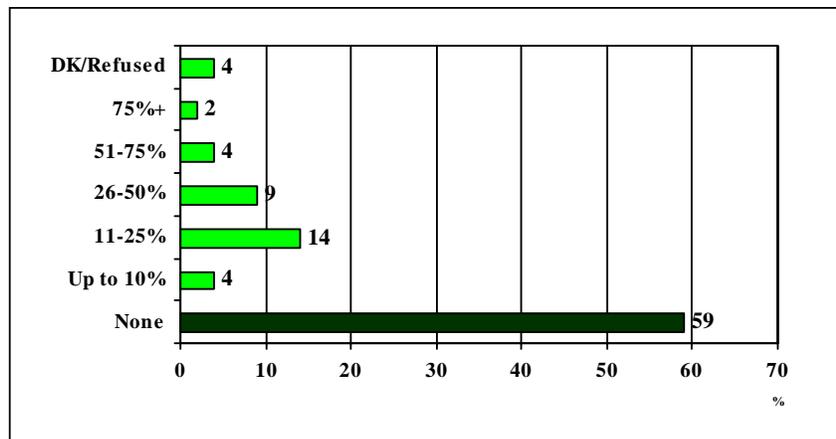


Figure 10: Percentage of payment invested

The priority to satisfy basic needs is illustrated by the three fifths (59%) of claimants who did not invest any part of their compensation.

Nevertheless, a third (33%) of all claimants stated that they had invested some portion of their payment. While this portion varied significantly, the average percentage invested was 12% across all claimants, translating into an average investment of R6 000 per claimant.

Interestingly - against expectations - there were no significant differences in terms of the average percentage invested across the geographic areas or across different household incomes. While the average percentage invested for households with a monthly income over R1 000 was 14%, this figure was similar at 11% for those households with less than R1 000 per month.

Of monies invested, 32 day call accounts featured most prominently in the interviews with claimants and local bank managers, further suggesting that not only were investment levels low, but that investments in formal banking products were short term investments.

For a number of claimants - expressly noted and discussed at a focus group in Heuningvlei in the Kuruman area - claimants were by and large either not familiar with formal banking procedures, distrustful of them and - in rural Heuningvlei at least - preferred to invest in livestock as 'that is interest we understand'.

Despite the investment in livestock being the preferred form of investment, relatively few claimants had managed to do this, the larger proportion of monies going into owner self-built basic housing.

The general inability to allocate a portion of compensation awards in long-term and sustainable investment was unanimously echoed in the Burgersfort area by a focus group session.

A claimant who invested effectively his entire compensation in a contractor-built six roomed house regretted his decision, suggesting he should have invested in shares which would have 'given me something' and out of which he should have built his otherwise solidly built home despite no electricity and running water and on tribal land precluding him from putting it up as equity for a bank loan. He remained unemployed and penniless, not knowing how he was going to pay for school fees for the upcoming year.

It was to the banking sector that research turned to establish how a claimant such as this would benefit from formal savings in financial institutions.

5.4.5 Banking community perspectives

At branch level at the banks in the three areas under review, branch managers were unable to indicate the effects and impact of asbestos compensation monies on their local economies. Most agreed that the roughly R90 million spread over the three areas across three banking institutions would show up on central banking indicators. This was not followed up and requires specialist economic analysis to establish the economic impact on the regions under review.

In Kuruman the number of banking accounts opened had increased and had been identified as a result of the compensation process. 'Asbestos money' would not, however, readily be identified or distinguished from other lump sum payments such as retrenchment packages or tender awards coming in to areas such as Kuruman and Burgersfort, both described as towns experiencing a time of economic boom.

Lump sums, in the experience of these branch managers, were generally quickly spent, whatever their source, with little left over for investment. Monies drawn regularly from automatic teller machines and rapidly exhausted, was a common pattern. Most of these managers, however, tacitly agreed that even in the event of an entire compensation award was invested, given an average award of R60000 at current interest rates, the roughly R480 per month interest accruing - just over half of a monthly government pension - would not sustain a claimant with an average family size of seven people.

Where monies were invested it appears that the traditional 32-day call account tended to be popular. Claimants with 'Mzanzi' accounts - encouraging the 'unbanked' to open accounts - proved to experience problems as compensation awards were invariably higher than the ceiling of R5000 for these accounts.

That 75% of people in Burgersfort remain 'unbanked' and 70% are unemployed in Msauli⁶ - the rough estimates according to a bank manager - compounds the difficulty claimants have with the formal banking institutions. Fraud committed against particularly those who were both elderly and illiterate was noted as a serious concern in two areas. Incidentally, suspicion of taking advantage of elderly illiterate claimants, particularly by family members, was mentioned by a third bank manager in a new area under the Kgalagadi Relief Trust falling outside the scope of this review

The banks were understandably unanimous that they would welcome closer working relationships with the Trust and were prepared to become pro-active in briefing groups of claimants and provide

⁶ According to this research this figure is 63% (taking unemployed and unavailable for employment together) yet is 93% if generally precarious part-time and casual employment is included.

financial assistance and advice prior to claimants receiving compensation monies.

The more active role of the Trust in Burgersfort, one bank manager, thought would go a long way to 'buying back credibility' echoing the sentiment that the Penge mines had caused sickness and which had yet to be sufficiently addressed. There was a question posed as to what the Trust was doing to publicise its financial relief work as this which would alter negative attitudes and perceptions among affected communities.

5.4.6 Attitudes to compensation process

Having looked at how long claimants had to wait for payment, how they survived in the interim and issues related to financial advice and investment, we asked claimants a general question about their feelings toward the process of getting compensation.

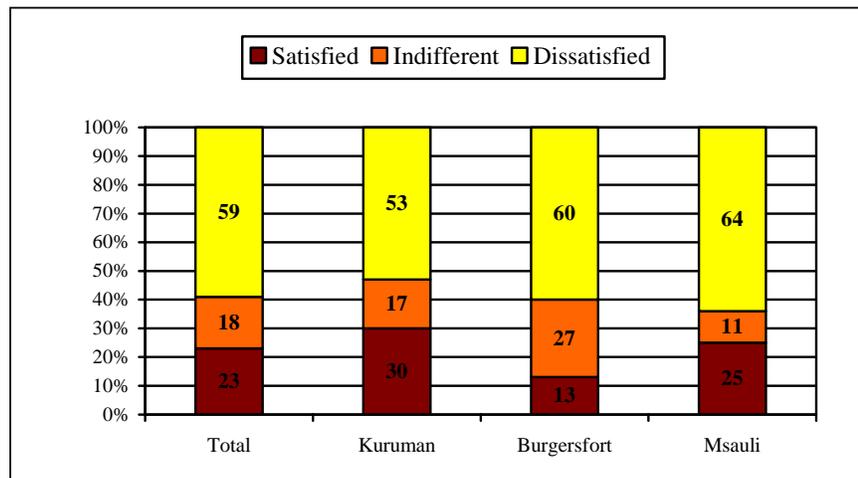


Figure 11: Attitudes to the compensation process per region

As Figure 11 shows, a quarter (23%) of all claimants were satisfied with the general process of getting compensation.

At the other end of the scale, three out of every five (59%) claimants expressed dissatisfaction with the process of getting compensation. Levels of dissatisfaction with the compensation process were again highest in Burgersfort (60%) and Msauli (64%). This needs to be investigated further to ensure that all ART offices and outsourced units are functioning efficiently and effectively.

While the time claimants had waited for their awards to be paid did not influence their opinion of the process, their level of satisfaction with the medical information they were given did have an impact on their opinion. Only a third (36%) of claimants satisfied with the medical information they were given were dissatisfied with the whole process.

while two thirds (66%) of claimants who were unhappy with the medical information they were given were similarly unhappy with the whole process. This suggests that the sharing of medical information with all claimants would result in higher levels of satisfaction with the overall process of getting compensation.

5.4.7 Priority spending

We saw above that the average amount invested was 12% of compensation across all claimants. We also asked claimants about expenditure of monies *not* invested. All but two of the claimants had either spent or invested in one form or another all of the monies received - in the two instances, these claimants had approximately 25% of their compensation left in their bank accounts.

Of the many who indicated they had spent all their money, the matter of having wasted or misspent money was exceptionally difficult to ascertain, let alone measure. People are understandably reluctant to admit to not having spent their compensation awards judiciously. A good number of claimants did, however, explicitly state they had not wasted their money. A focus group in Burgersfort unanimously agreed they should have found ways of saving or investing their compensation more wisely, the issue of purchasing shares arising, despite those concerned clearly not currently possessing the requisite skills to do so.

To explore what claimants had spent their compensation payment on, we asked claimants to list, in order of the amount of money spent, the main things that their money had been spent on. Bearing in mind that claimants were able to cite more than one item, the percentages in Figure 12 do not add up to 100%.

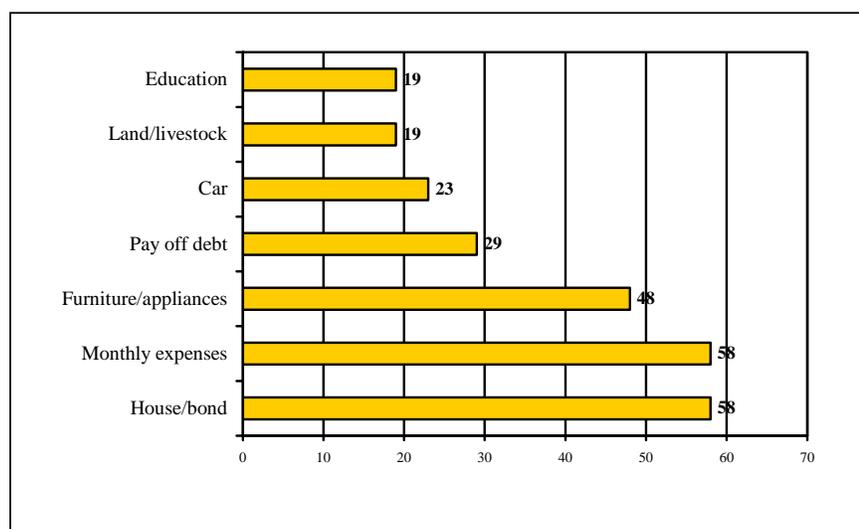


Figure 12: Main items on which awards have been spent

Given the level of poverty that profiled above, it is unsurprising that one of the two main items on which the compensation payments were spent was monthly living expenses (food, etc.).

Spending on basic shelter and monthly expenses begins to suggest the view that the bulk of compensation monies have been allocated to the long term benefit of housing – a key value of claimants – and the short-term immediate relief of the worst effects of dire and long-suffered financial need.

A significant proportion of claimants (48%) spent their payment on medium-term consumables such as furniture and appliances. This spending represents the fundamental need to establish a better quality of life among claimants. A number of claimants who had successfully built homes regretted that they were unable to purchase furniture, inevitably due to the ‘money was too small’.

The spending patterns are, on the whole, fairly positive. We have seen above the high levels of poverty and illiteracy that characterise the sample of claimants across the geographic areas. We also saw how little professional financial advice had been given to claimants when they received their payments. And yet claimants still managed to invest, on average, 12% of monies received. This, however, is a long way from replacing loss of earnings.

Furthermore, looking at the above graph on main items on which money was spent, one sees a healthy balance between shorter-term, more immediate spending (such as furniture/appliances, car, and monthly expenses) and more prudent longer-term investment on items such as housing, paying off debt, land/livestock and the education of one's children.

Regarding how best to allocate compensation monies, a focus group became voluble when the topic turned to what advice they would give to future claimants. An expression of regret by the one claimant who wished he had bought shares so he could ‘continue and get some money’ and that this would be his advice to future claimants was accepted by all. When pressed, the group were unanimous with the idea that a percentage of the compensation should be awarded in the form of shares or sustainable form of capital.

“The compensation money I’ve got worked very much for me. It takes my children to school and is building a house which is going to be finished very soon. I did not have a fence before on my yard and most of my money I used to buy fencing and material for my house.”

5.4.8 Priority spending across the three areas

The bulk of compensation awarded has been seen overall to have been spent on housing. When disaggregated over the three main areas, however, the greater percentage has been spent on basic household expenses, including food. This once more emphasises the relative poverty across the three regions. In Msauli and Burgersfort far more claimants are using the payout to survive as well as settle debt and buy (less-expensive) furniture and appliances. In contrast those claimants in Kuruman were able to use the payout on cars and education for their children.

Main items	Total sample (%)	Kuruman (%)	Burgersfort (%)	Msauli (%)
House/bond	58	63	55	56
Monthly expenses	58	43	59	74
Furniture/appliances	48	37	45	63
Pay off debt	29	17	38	33
Transport: car/donkey cart	23	43	17	7
Land/livestock	19	23	10	22
Education	19	33	14	7

Table 7: Main items on which awards have been spent per region

5.4.8.1 Housing as key priority

In one focus group, five men had spent the bulk of their money on building and had none left. Two men had spent heavily on tertiary education, but none left to continue paying for studies. Two men had bought vehicles, one of whom said *I would have liked to build myself a decent house*, the other saying he would also *have liked to build my children a big house so that when I die I would have at least left them something*.

A woman present, speaking on behalf of her husband, said that most of the money had been spent on building material and that *there is nothing left, not a cent, because building material costs a lot*.

The first distinct impression was that in Burgersfort - as elsewhere - claimants had overspent considerably on housing. Mr Mphai's (not his real name) story is a case in point. While Mr Mphai had by his own admission overspent on building his home which he had not managed to complete, Mr Shai, on the other hand, appears not to have competently managed the building process. He 'wasted' a lot of money on building materials as he bought 'unexpectedly.' It is not clear what the results were from the R45 000 he had spent.

5.4.8.2 Mr Mphai's house

The structure of Mr Mphai's house makes it a very fine house by any standards. From an interview the information Michael Mphai provided reveals that of the money he received from the Trust he spent R55000 of his award of R59520 to complete the actual building of the house he had started some time before. The house could not have been built from scratch in the time available for the simple reason that Michael was diagnosed in June 2006, received his compensation on the 1st of August 2006 and by the time researchers met him on the 11 November of the same year, it had all been spent. And a solidly constructed face-brick, 'Harvey-tiled' house like Mr Mphai built is not built in 10 weeks.

Once property rights are reformed and regularised in townships where Michael's house is located and electricity and running water are provided to Mr Mphai's home, it will be a valuable property. Something of real value would have been left to the children. Having said this, the current system suits a person with an income better than having regularised property rights in place. The house nevertheless remains without electricity or running water - in other words it presently is without a functional bathroom or kitchen - and is without ceilings or paint. There is something anomalous especially to the Western eye about the feel of this home. Mr Mphai feels it too, but maybe differently, the lack of ceilings being the first thing upon he commented on as we entered the well designed and spacious living room. The sense of conflicting emotions between pride and a silent desperation somehow said it all.

While Mr Mphai childrens' school fees are up to date, all of whom hung around shyly, there are no prospects for next year. His wife, much younger than Michael, who silently remained in the background during the brief visit, does not work. He receives no pension, being only 42 years old.

Michael struck a rather quiet and troubled figure as we drove away after having been in his home. Little wonder perhaps as we left nothing tangible behind and the long slow walk up to his home on a hilly incline, requiring an ARD 1 sufferer to catch their breath from time to time, was to be managed again on the morrow.

5.5 Attitudes towards compensation awards

How claimants felt about the awards and the process by which they received is not unconnected to how compensation money was spent.

Explanations to claimants of what financial relief could be anticipated, how it was calculated and when compensation could be expected prepares recipients to an important degree to assist them in planning.

Figure 13 reveals the virtual complete absence of relevant information provided to claimants. Immense dissatisfaction at the lack of information was continually registered in Burgersfort and Msauli in particular and constituted the cause of much uncertainty and confusion among claimants. The graphs illustrating overall attitudes towards the compensation process, the system as a whole and attitudes to the Trust cannot be readily separated from the lack of information with which claimants were provided.

5.5.1 Explanation of awards provided

A payment from the Asbestos Relief Trust is calculated according to the age of the person diagnosed with an asbestos-related disease, their skill level in their previous job and the nature of the disease they have.

How their particular awards have been calculated is meant to be explained to the claimants on payment of those awards and a number of such explanations were witnessed in ART regional offices by researchers. We asked claimants whether anyone from the Trust had ever explained to them the amount of compensation they had received and how it had been calculated.

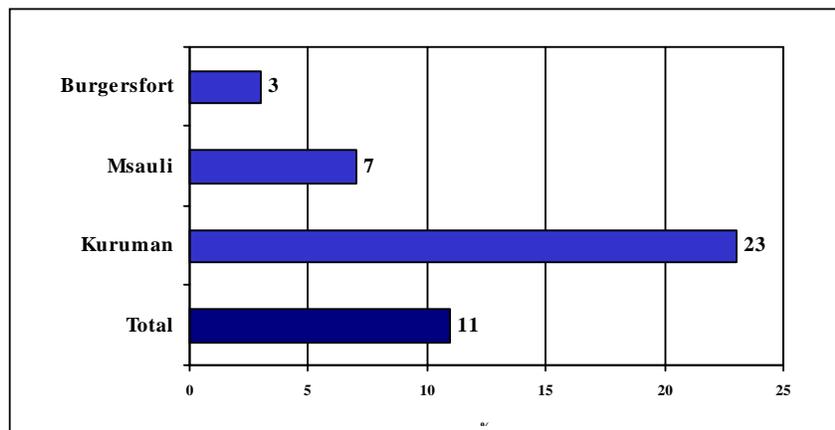


Figure 13: Percentage of claimants that had award amount explained per region

The responses, shown in Figure 13, are of concern as only one in ten (11%) claimants claimed that their compensation payment had been explained to them.

These figures confirm the oft-encountered complaint that claimants were not informed about their claims. Claimants repeatedly noted that deposits were made without explanation, that follow up was

lacking and no further assistance was forthcoming. This resulted in a host of bitter complaints.

The paltry number of claimants who received explanation regarding their monies justifies the considerable complaints encountered. Figures for the areas of Burgersfort and Msauli - where far fewer claimants stated that they had received any explanation - are of even more particular concern than the figures for Kuruman are surprising where the first and largest regional office was established.

Just over 10% of claimants overall indicated that explanations accompanied their compensation awards. The relation between the lack of relevant information regarding awards and the more judicious use of monies is not easily assessed. The entirely intuitive conclusion that where both explanations and advice accompany the receipt of unexpected financial windfalls, spending patterns would tend to veer in a more sustainable direction, nevertheless suggests itself.

We saw above how the sharing of medical information with all claimants would have resulted in higher levels of general satisfaction with the compensation process. This now extends to sharing information about how compensation awards were calculated.

5.5.2 Attitudes to compensation system

To explore attitudes of claimants to the general system of compensation adopted by the Trust, we posed a series of questions around other possible options. The questions were asked in the form of Likert items; that is, a statement was read to claimants, who were given a five-point scale from which to select their answers (ranging from strongly agree to agree, through a neutral mid-point, to disagree and finally strongly disagree). We read out the following statements:

- I would rather have received a monthly pension than a lump sum payment from the Trust
- The current system is fine - it just takes too long to get your payment from the Trust
- The Trust should rather have provided me with life care (such as wheelchairs and people to look after me at home) than given me money
- I have suffered because of this disease - it is important that the Trust pay me some "sorry-money" for that suffering

Figure 14 shows those claimants who agreed or strongly agreed with the statements.

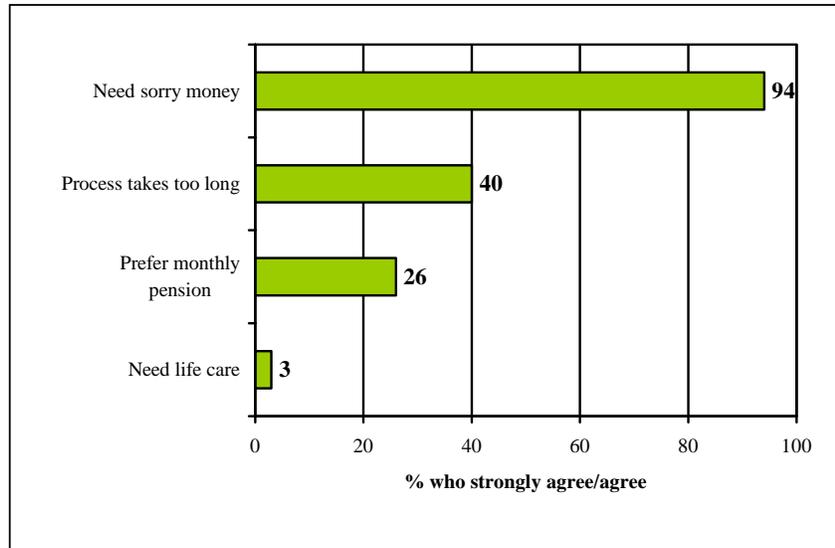


Figure 14: Attitudes to the system of compensation

In general, claimants were happy with the overall approach to compensation that the Trust has adopted. The vast majority (94%) of claimants responded positively to the need for 'sorry money'. The concept of 'sorry money', although pursued with claimants in this instance, extends to the general community. There appears to be a pervading sense that everyone needs access to this 'sorry money'. This may require closer examination.

At the other end of the scale, very few (3%) claimants would have preferred life care to money - not surprising given the levels of poverty and what claimants have been able to spend their payments on.

That only a quarter (26%) of claimants would have preferred a 'monthly pension' is significant - while this may show some support for future development and enhancement of services, it also shows that the vast majority still prefer a lump sum payment.

5.5.3 Claimants opinion of the Trust

Given the whole process that claimants had been through with the Asbestos Relief Trust, we asked them whether they thought the Trust had been helpful or unhelpful during this process.

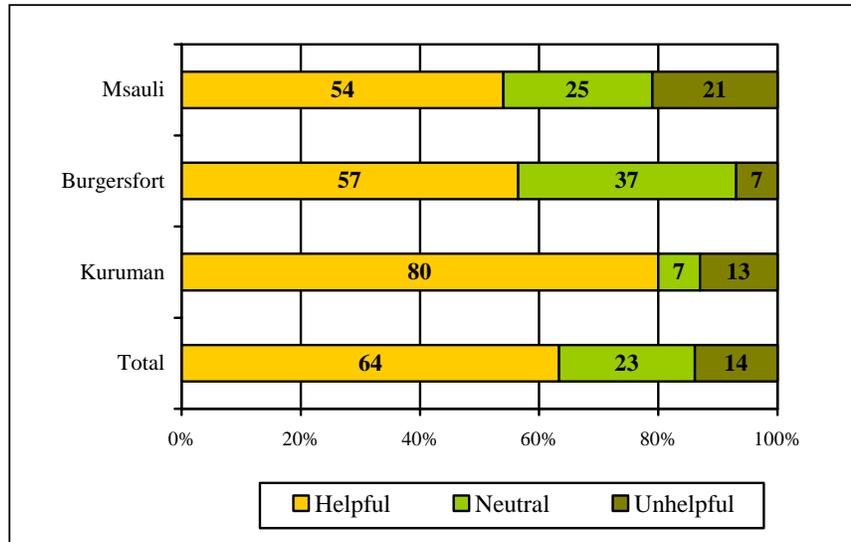


Figure 15: Opinion of Asbestos Relief Trust per region

Overall, the majority (64%) of claimants rated the Trust as helpful, a positive finding. This proportion was far higher among claimants from Kuruman (80%) than their counterparts in Burgersfort (57%) and Msauli (54%).

5.5.4 Overall effect of compensation

One of the final questions in the survey asked claimants about the overall effect that the compensation had had on their lives.

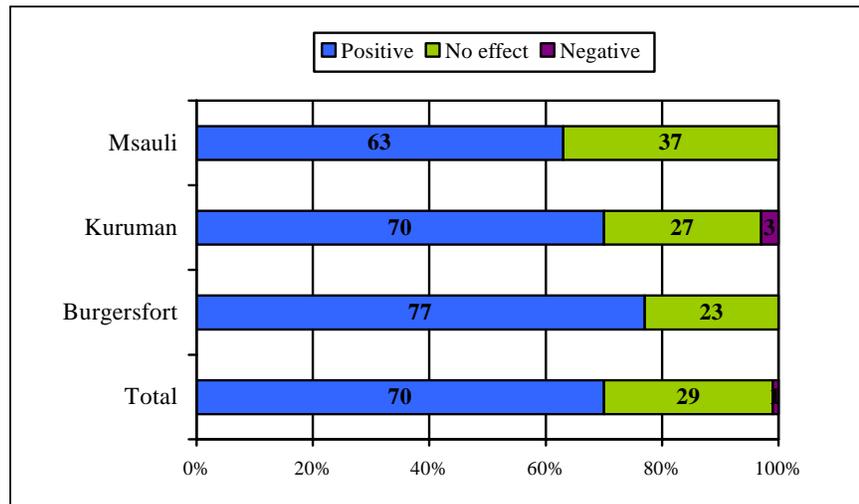


Figure 16: Overall impact of award on one’s life per region

The overall effect of compensation monies was, in the experience of claimants, overwhelmingly positive. Seven out of every ten (70%) claimants cited the positive effect of the compensation they had received.

This is reflected in the following account of a life successfully sustained and a series of comments made by other claimants:

'I was grateful to get the compensation money from the Trust. That money reached me at a time when since 1986 I was unemployed until today when I got it because nobody would employ me as a result of my illness. From that compensation I paid R18000 times two because the children are at tertiary level at Pretoria Technikon and CS Barlow and the remaining money I have got is to pay my traditional lobola. Then I've got no more money.'

5.5.4.1 A Life sustained

Mr Moss - a machine operator for 5 years - provided a case of systematic consistency when viewed from all points of view. Mr Moss spent his money exceptionally wisely despite a double family tragedy. Mr Moss is not employed.

I received a very small amount of money – R5000. I have children that are attending school. I don't have a proper house. I am sick and unemployed. Why is our compensation not equal as we are suffering from one disease? According to the award letter I was supposed to have received R87 300 and R34332 was deducted so it was supposed to be R52968. However I received only R5000 and it is written with a pen that the minimum payment is R5000 with no explanation. (Such anomalies remain.)

He said he received R34000.

Documents show he received R34 087. He could account for every Rand he had spent - as well as an a small additional sum. None was saved in the bank. The only regular income into the household is a child grant of R160 a month.

Mr Moss received his compensation on 1st February 2006; the same year he had to bury two of his children, one in July and the one in October, the month before researchers spoke to him. The R13000 he had to spend on their funerals and buying tombstones for them both absorbed a third of the money he received. In all he spent his money in the following manner, he told a fieldworker.

Funerals and Tombstones:	R13000
Building materials:	R 9000
Livestock:	R 5000
Debt:	R 3000
Land:	R 2000
Loans (to 2 brothers):	R 1800
4 Medical visits:	R 480
School Fees:	R 150
School Expenses:	R 386
Total	R34816

The compensation money I got has worked very much for me. It takes my children to school and I built a house, but it's going to be finished very soon because I did not have a fence before on my yard and most of my money I used to buy fencing material for my house.

Mr Moss considered that his neighbours were envious of him *'because of the little I had I managed to buy and what can give me more'*. In the area where Mr Moss lives the biggest priority a group of claimants from his village said was livestock. As noted, *'We understand the interest that comes from livestock'* said one man at the time. Yet few of his fellow villagers had in fact spent their compensation funds on investing in livestock which sustains life in the area, but had rather spent the bulk of their money on their need for more adequate housing.

Mr Moss, on the contrary, had purchased 8 goats and 4 sheep as *'though I could not manage to build my house, all the materials are there and I will finish it when I sell some of my animals.'* He continued: *'I bought goats and sheep so they can make more and a land for me and my family.'*

I was excited as my children would have a roof to live under, but I was disappointed to learn about the amount I received.

Very few claimants matched this man's financial acumen and practical planning capabilities. This is born out by his response to a question as to how he felt when told about the compensation he would be receiving. *'I was very relieved because I was not working. I planned financially before I received the money, but it did not work out as much. When you don't have money you plan big, but as soon as you receive the money you plan low.'*

Mr Moss would have liked to have received financial advice *'from an educated person who is trust worthy'* because *'I am uneducated, so my level of financial knowledge is poor, that's why I don't have any money left'*. His advice would be for future claimants *'to save money for future use and not to be too excited'*. This man found the medical experience *'strange'* as *'all the things they did to me were new and no one bothered to explain clearly'*. He still did not understand why he *'received less money'* and he did not know what was going to happen to him from this point on. As if to echo these two experiences, Mr Moss was interviewed in the ART offices to where he had traveled from 150 km away, but had no idea as to why he had been called.

While this was certainly not the only case of compensation being spent exceptional wisely, it was not usual or wide-spread. A number of similar accounts were encountered. An exceptionally positive and pro-active woman who had built a house, spent money on her daughter's education and bought a new donkey cart had clearly experienced a significant boost to her life.

A man of obviously more entrepreneurial inclination who had built his house during the course of his career bought 92 goats, thereby

securing his long-term financial future. Finding no need to do so, he had not deposited any savings in formal financial institutions.

Such people were, however, by no means the norm among claimants.

5.5.5 Overall comments

In the final question of the survey claimants were asked whether they would like to say anything about the Asbestos Relief Trust, their payment from the Trust, or what this payment had meant to them. Interviewers probed identifying the single most important issue confronting claimants.

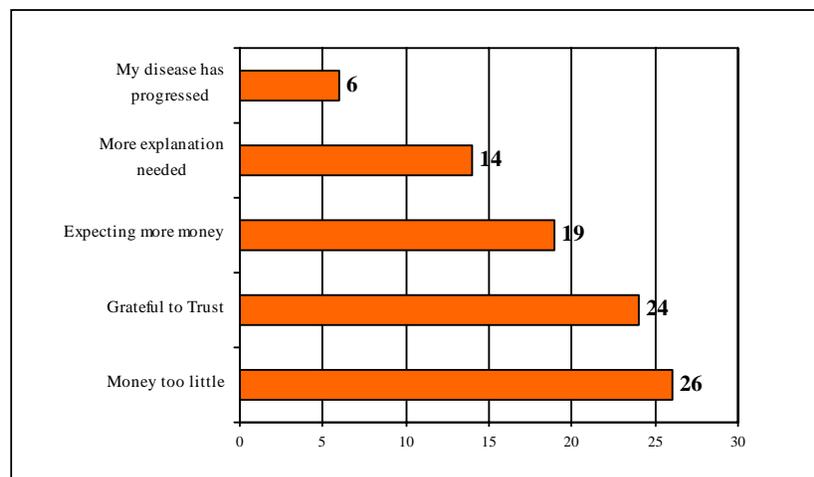


Figure 17: Final comments on the whole process

Around 90% of the comments fell into the categories reflected in Figure 17. The results are instructive. Very few claimants identified a review of the compensation process as a whole as their most important concern. Relatively few identified the need for more adequate explanations as their key priority, despite problems such as delays associated with the compensation process and low levels of claimants indicating that they had received explanations.

More important was the expression of gratitude, with nearly a quarter of claimants noting this as their final comment. Only slightly more than a quarter indicated that the compensation amount was insufficient. When taken together with those expecting more money, two fifths of claimants unsurprisingly had the value of the compensation awards as their most important closing comment.

6 Key findings: Impact of awards

This summary section of the report is able to highlight the most important benefits of compensation awards for the claimant and the claimant's family. For reasons provided, the research is unable to meaningfully report on the impact of compensation awards on the claimant's community.

6.1 *On the individual claimant*

The benefit of compensation awards was very largely shared with the claimant's immediate family, fairly often extending to the extended family by way of loans - none of which had been repaid. The research shows that family remains the source of the strongest social bonds and ties, the clear majority of claimants, as we have seen, consulting only their immediate families regarding their awards.

Compensation provided immediate short-term relief to buy food and longer term benefits with the purchase of necessary household goods and durables. Buying a bed for the first time was important to a good number of claimants, reflecting a transformation in more than just a standard of living, but the quality of the way life is lived.

Furniture featured strongly in what claimants bought. This priority was further reflected in a significant number of statements of regret that after the bulk of money was spent on housing, there was insufficient money left over to buy furniture. Electronic equipment such as television sets and 'Hi-Fi's' were only sporadically noted, indicative of the general levels of poverty and that these items did not feature as priorities in the main.

Compensation provided long term benefits, chiefly by way of housing, building materials and the fencing-off of properties. Fencing is important to keep out neighbouring goats in the majority of claimant homes visited - especially in the Kuruman area - and enables vegetables and small lawns to be grown. A sense of security and sustainability is established thereby.

The importance of money spent on education cannot be under-estimated as of extreme cultural significance serving the long term interest of both the learner or student and the claimant who would invariably expect support from the educated child in old age. Education is thus a key investment and being able to do so a source of real pride. The sentiments expressed in this regard are universal among claimants.

Money spent on transport with the hope of establishing a small business or becoming more self-sufficient was common. In the outlying areas of Kuruman this would inevitably be a donkey cart, a popular and cost-effective means of transport in the Kgalagadi.

There was some evidence in a series of individual cases of livelihoods being genuinely sustained in the long term as a result of compensation awards. Overall, however, compensation does not replace the loss of income.

6.2 On the claimant's family

What was noted above can be repeated in the main regarding the benefits to the claimant's family.

A methodological note is inserted here rather than where it belongs in this report as it addresses the relation between individual claimant and their family and a popular view among some community leaders that claimants kept compensation monies to themselves at the expense of their family.

A number of interviews were conducted with a claimant and his or her family simultaneously. Similarly, where a quantitative survey was being administered, a family member might be answering questions on the in-depth interview questionnaire. The aim was to establish whether claimants were benefiting at the expense of their families. When comparing the data gathered, no significant discrepancies were found between what the claimant and the family member - usually a wife - had said.

This supports the view that claimants and their families are not readily divided and that benefits overall which accrued to the claimant equally benefitted the family. This is not to say there were no anomalies, like the man who said in front of his wife he received R15000, but who, according to records consulted later, had in fact received R146000 with no evidence of this expenditure in the surrounding homestead where he was being interviewed. The research never got to the bottom of this man's story.

It would consequently be amiss not to report other anecdotal evidence emerging almost exclusively from the Msauli community where the rate of illiteracy is shocking, poverty is extreme and general dissatisfaction with the compensation process was overall highest.

Concerns of profligacy, desertion of families, 'buying new wives' or entertaining girlfriends lavishly, was continually expressed as 'ridiculous behaviour' or just 'ridiculous' and 'out of control' by ward councillors. The fairly short term nature of the research project regrettably precluded a verified assessment of these views.

6.3 On the claimant's community

Research conducted a decade ago in Sekhukhuneland draws out the implication that the serious failure of medical and compensation services has meant that the social cost *'has been borne by the community, and the profit reaped by the mining companies.'* (Davies *et al* 2001) The current

research has regrettably been unable to shed significant light on the mechanisms of how this cost is borne, let alone quantify it, despite a number of avenues followed with this concern in mind.

Virtually all the local branch bank managers approached and asked about the likely impact of asbestos compensation award money on their local economies, for instance, indicated they were unable at their institutional level within the bank to meaningfully comment. The research method employed could not ascertain how R90million spread across three areas over three years and across at least three major banking institutions impacted on towns, which while small, were in the instances of Kuruman and Burgersfort described as experiencing economic boom times.

Local branch bank managers were in addition ambiguous as to whether and to what extent such inflows showed up on macro-economic indicators, some saying they would, while others seemed less certain.

One branch manager did indicate that the lump sums were identifiable as mainly 'asbestos money', that these inflows did indeed have an impact on both the bank and the community. This manager was emphatic that this was mostly visible in that it had been mainly spent on housing. Another bank manager in the same town was equally firm that due to the rural and scattered areas 'you don't see the difference.' This bank manager - again confirming findings of the survey and interviews - also cited building materials and schooling as the main impact of asbestos compensation monies. This branch manager was of the view that monies should be invested in infra-structure instead of 'just giving huge sums to individuals'. Money was wasted as far as this bank official was concerned.

It became clear very quickly that businesses approached in the three areas were unable to identify 'asbestos money' and consequently unable to say whether or how monies coming into the local economy from asbestos compensation awards had made any economically identifiable impact. This attempt at establishing any economic impact of awards was consequently discontinued.

Researchers further did not plot the full claimant complement to precisely indicate the main concentrations of residence where claimants represent a critical mass to be able to more carefully define the loosely used concept of 'community' - assuming that community is taken to mean 'sharing the time and space' of fellow compatriots.

Claimants are in the main spread extremely thinly across wide geographic areas. The claimant's 'community' is, strictly speaking, further not necessarily one which is geographically defined, 'community' and 'home' often not being where people permanently reside. Notable exceptions are some of the villages north of Kuruman and the village of Ekulindeni below the old mine of Msauli partly qualifies. The views of councillors of Ward 12 in Ekulindeni in the Municipal office give substance to this assessment, mineworkers, however, being but a section of this particular 'community'.

To complicate matters further, mining communities generally distinguish themselves from other social groups, there being the occupational community at work and the original one at home, a prevalent notion despite wide-scale urbanisation.

Given that claimants clung to family, are geographically spread, generally numerically weak in relation to the surrounding populations as a whole and tended to make individual decisions, no conclusion was reached as to how claimants' communities - outside and beyond the family - benefited from claimants compensation awards. To establish benefit at the level of community, research strategies other than employed in this research project, it became evident, are required. Centralised economic data available from financial institutions from which assessments of the economic impact of the R90million into the three areas could be made, would need to be sourced. This route was not followed in this project.

7 Conclusion

The twin factors of need in contexts of extreme poverty and expectations of receiving further compensation payouts resulted in the vast majority of claimants having exhausted their awards within relatively short periods of time. This was in part due to the expectations generated by the mobilising campaign for increased access to compensation which resulted in the out-of-court settlement which gave rise to the Asbestos Relief Trust.

Claimants generally nevertheless expressed satisfaction with how they had allocated their awards. Seventy percent further expressed gratitude despite their precarious economic situations and uncertainty regarding the immediate future.

While the bulk of monies claimants received by way of compensation awards was allocated to the provision of shelter and housing, in the two smaller and poorer areas of Burgersfort and especially Msauli, the larger proportion was allocated to monthly living expenses, food in particular.

Overall, 12% of the value of awards was invested, albeit in fairly short-term banking products.

Relatively few claimants were able to ensure their long-term financial security. Loss of income is not adequately compensated. Negligible amounts were held over for future medical costs. Half of all claimants continue to survive off welfare. Only one third of claimants are employed.

Compensation provided a measure of immediate short term for claimants in the main. Many were able to ensure an improvement in their standard of living in the medium term, with the long-term benefit of permanent shelter dominating expenditure in the main area of Kuruman where levels of poverty, although fairly extreme, were considerably better than elsewhere.

Despite the fact that a significant number of claimants find themselves living under exceptionally adverse conditions in addition to their asbestos related illnesses, the overriding sense was that those who had received compensation remain extraordinarily magnanimous and grateful for what they received and how the Trust meaningfully assisted them.

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