

# Inflation, race, and legislation – the erosion in the real value of monetary compensation for miners’ occupational lung disease in South Africa, 1973–2024

We would like to bring to the attention of a regional audience an open access article that we recently published in the *American Journal of Industrial Medicine*: [Inflation, race, and legislation – The erosion in the real value of monetary compensation for miners’ occupational lung disease in South Africa, 1973–2024](#).<sup>1</sup> This summary, solicited from the authors by the Editor, highlights the key findings and conclusion.

## Summary

For more than a century, South Africa’s mining industry has been linked to high rates of occupational lung disease, particularly silicosis and tuberculosis. Compensation systems were introduced early in the twentieth century to address this burden. However, this new analysis shows that the monetary compensation paid to affected miners has steadily lost its real value over time.

Although formal racial discrimination in compensation ended after apartheid, a combination of inflation, infrequent and inadequate adjustments, failed governance, and a structural flaw in the system has eroded the value of payments. As a result, many miners remain inadequately compensated.

The study traces compensation levels from 1973 to 2024, comparing them against two benchmarks: inflation and miners’ earnings. During the final decades of apartheid, South Africa experienced very high inflation, with prices increasing roughly 15-fold from 1973 to 1995. Compensation levels, however, were adjusted only sporadically – only eight times over the same period.

The consequence was a dramatic fall in real value of compensation amounts – compensation had declined by 81% for white miners and 67% for black miners. By 1995, the racial gap had narrowed, but compensation for white miners was still seven times higher than for black miners. Figures 1, 2, and 3 in the paper provide a stark visual summary of this long-term decline in compensation payouts.

The dismantling of apartheid brought important legislative reform. A 1993 amendment to the Occupational Diseases in Mines and Works Act (ODMWA),<sup>2</sup> implemented in 1995, abolished racially differentiated compensation. Payments were raised to the higher levels previously reserved for white miners, representing a substantial increase for black workers. Yet this progress proved short-lived. By 2024, the real value of both first- and second-degree awards had declined approximately sixfold, leaving them equivalent to only three and six months’ wages, respectively.

A key finding of this study is the role played by the statutory “earnings cap” introduced in the 1993 amendments in driving the marked decline in the proportion of miners’ income covered by compensation. The cap has undermined the central aim of the legislation – to replace a racially differentiated system with one based on actual earnings.

Remarkably, the processes described above appear to have occurred with little public scrutiny or protest.

The trend has been reversed in recent years with relatively frequent increases in the payment schedule. However, the amounts paid remain, in most comparative scenarios, inferior to those under general workers’ compensation law. For example, under the ODMWA, disability is based on a limited two-grade classification with stringent impairment thresholds, and there is no provision for inflation-indexed monthly payments (“pensions”) for serious disability.

It is common cause that statutory payouts under the ODMWA bear no relation to actual loss of earnings, a state of affairs laid bare by this study. While the mining industry benefited through higher profits, and the State through central taxation of those profits, the true costs – beyond compensation – of miner ill-health have effectively been externalised to workers and their communities over decades. Some redress has been achieved outside the statutory system through a series of settled lawsuits for silicosis and tuberculosis, and through direct technical and financial support of the miners’ compensation agencies by the mining industry, via the Minerals Council South Africa.

Current legislative reforms under consideration are the repeal of the current Act; a quasi-independent statutory agency with its own governance board; extension of the levy to cover the costs of administration of the system, including benefit medical examinations and certification of claims; and the introduction of limitation of liability for owners of mines similar to that operating under the general workers’ compensation system.

The last-mentioned will remove miners’ civil law recourse for negligence against employers. Whether the envisaged administrative changes – important as they are – will, in due course, be sufficient to overturn a century of inequity to make up for the loss of this recourse remains to be seen.

## REFERENCES

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2. South Africa. Occupational Diseases in Mines and Works Act, 1973 (Act No. 78 of 1973), as amended [Updated to 1 August 2025, last reviewed for updates: 8 August 2025]. Available from: [https://www.saflii.org/za/legis/consol\\_act/odimawa1973385/](https://www.saflii.org/za/legis/consol_act/odimawa1973385/) (accessed 26 Mar 2026).

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