

**DURBAN'S BURIAL SOCIETIES AND FUNERAL
HOMES: COPING WITH THE INCREASED MORTALITY DUE
TO HIV/AIDS.**

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Submitted in partial fulfillment of the requirements to the degree of Masters of Development Studies in the School of Development Studies at the University of KwaZulu-Natal, Durban.

DECLARATION

This dissertation represents original work by the author and has not been submitted in any other form to another university. When work of others has been used, it has been acknowledged and referenced in the text accordingly.

Research was conducted in the School of Development Studies at the University of KwaZulu-Natal, Durban. The research was conducted between November, 2005 and May, 2006 under the supervision of Professor Vishnu Padayachee.

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Signed,

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Date

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Table of Contents

List of Tables.....	vi
List of Figures	vi
Abstract	vii
Abbreviation.....	viii
 Chapter 1: Introduction	 1
1.1: Research Questions	3
1.2: Thesis Structure.....	3
Chapter 2: Literature Review	6
2.1: Burial Societies	7
2.2: Funeral Homes	8
2.3: HIV/AIDS	9
Chapter 3: Methodology.....	11
3.1: Legal and Illegal Funeral Home Interviews.....	13
3.1.1: Legal Funeral Homes	14
3.1.2: Illegal Funeral Homes	14
3.2: Burial Societies	15
3.3: Limitations	17
Chapter 4: HIV/AIDS.....	20
4.1: A Global Concern.....	20
4.2: South Africa and KwaZulu-Natal	21
4.3: HIV/AIDS and Poverty	26
4.4: Conclusion.....	31
Chapter 5: Modern Day Funeral Rites	33
5.1: Modern Day Funerals.....	34
5.2: A Lack of Cemetery Space: To recycle or cremate?.....	37
5.3: 'After Tears' Party and Other Rituals	40
5.4: Conclusion.....	40
Chapter 6: Formal Insurers.....	42
6.1: Long and Short Term Insurance.....	43
6.2: Formal Insurance Burial Schemes.....	44
6.3: The Insurance Industry's Response to HIV/AIDS	46
6.4: Conclusion.....	47
Chapter 7: Funeral Homes and Burial Schemes.....	48
7.1: Formal vs. 'Fly-by-nights'	49
7.2: Funeral Homes and Burial Schemes	52
7.3: Funerals Offered by Funeral Homes	53
7.4: HIV/AIDS and the Future of the Industry.....	59
7.4.1: Denial and Stigma	60
7.4.2: Meeting the Demand Caused by HIV/AIDS.....	61
7.5: Conclusion.....	63
Chapter 8: Burial Societies.....	65
8.1: BURIAL SOCIETY AS A BUSINESS	66
8.2: Burial Society Services	69
8.3: A BURIAL SOCIETY FUNERAL.....	70

8.4:	FUNERAL TRADITIONS AND CREMATION	74
8.5:	Burial Societies and HIV/AIDS	75
8.6:	Conclusion.....	76
Chapter 9:	Conclusion.....	79
9.1:	HIV/AIDS and the Modern Day Funeral	79
9.1.1:	HIV and AIDS.....	80
9.1.2:	The Burial Rites in the Context of HIV/AIDS-related deaths	80
9.2:	Funeral Homes	81
9.3:	Burial Societies	82
9.4:	Recommendations	83
9.5:	Further Research	84

List of Tables

Table 3.1: List of Interview Respondents	12
Table 4.1: Countries with HIV Prevalence above 20% and Life Table.....	21
Table 4.2: HIV Prevalence Survey Estimates by Province in 2002 and 2005	23
Table 4.3: Extrapolation of HIV Prevalence Amongst Antenatal Clinic Attendees to the General Population, South Africa (2002-2004)	23
Table 4.4: Racial Composition of KwaZulu-Natal and eThekweni Municipality (2001)	27
Table 4.5: Composition of Household Income (%)	30
Table 6.1: Formal Insurers Funeral Scheme Average Monthly Payment for Policy Holder and Beneficiaries.....	45
Table 7.1: Funeral Home Burial Scheme Monthly Payment for Policy Holder and Beneficiaries.....	53
Table 7.2: Funeral Home Funeral Prices.....	54
Table 7.3: Coffin and Casket Prices.....	55
Table 8.1: Burial Society Monthly Payment for Policy Holder and Beneficiaries	70
Table 8.2: Funeral Services Provided by Burial Society	71

List of Figures

Figure 4.1: HIV/AIDS Prevalence Rate of South African Antenatal Clinic Attendees (1990- 2004).....	22
Figure 4.2: Numbers of New HIV Positive Infections (1990-2010).....	24
Figure 4.3: Distribution of South Africa Deaths by Age and Year of Death (1997-2002).....	25
Figure 4.4: Distribution of South African Male Deaths by Age and Year of Death (1997- 2002).....	25
Figure 4.5: Distribution of South African Female Deaths by Age and Year of Death (1997- 2002).....	26
Figure 3.6: Distribution of HIV/AIDS Affected and Non-Affected Households by Income Quintiles	31
Figure 4.1: Funeral Insurance Penetration by LSM and Number of Deaths.....	43
Figure 5.1: The Costs of a Funeral in Order of Magnitude.....	58

ABSTRACT

Given the increasing number of deaths associated with the HIV/AIDS epidemic in South Africa, funerals have become a heavy financial burden on lower-income families, each costing the equivalent of several months' income or more. Three main choices are available to families to assist with the payment of funerals: burial societies, burial schemes provided by funeral homes, and formal insurers. This thesis will seek to discover how burial societies and funeral homes offering burial schemes are coping with the increased mortality.

Initial thoughts about the industry would equate the increasing deaths and subsequent funerals with an increase in business and profits. However, that might not be the case. This study conducted personal interviews with the managers of burial societies, funeral homes, and others within the funeral industry to ascertain a better understanding of the issues and problems. Families invest in a burial society to provide assistance with a funeral because they trust the burial society to deliver their services when needed. This study has shown that burial societies are hindered by a lack of managerial skills and are hesitant to change their business structure (such as increasing fees or limiting beneficiaries) to offset the increase in money spent on funerals, which is rapidly outpacing their income. Funeral homes offer burial schemes in addition to their funeral services to attract and maintain business. These burial schemes are better managed than their burial society counterparts, but an increase in competition, especially from illegal establishments, is drawing away an increasing amount of customers and profits.

LIST OF ABBREVIATIONS

ASSA	Actuarial Society of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ANC	Antenatal Clinic
ARVs	Antiretrovirals
CBD	Central Business District
HEARD	Health Economics and AIDS Research Division
HIV	Human Immuno-Deficiency Virus
IES	Income and Expenditure Survey
KIDS	KwaZulu-Natal Income Dynamics Study
KZN	KwaZulu-Natal
LSM	Life Standard Measures
NGO	non-governmental organization
TB	Tuberculosis
UNAIDS	United Nations HIV/AIDS program

Chapter 1: Introduction

The funeral industry is a highly complex industry involving a multitude of players; from funeral homes, insurers, and burial societies to mortuaries and cemeteries. Interactions between these players can be both dependent on and in conflict with each other.

Funerals have become a heavy financial burden on lower-income families, costing the equivalent of several months' income or more. Additionally, the expected increase in deaths due to HIV/AIDS in the next two decades will only exacerbate the situation. To assist in alleviating this burden, poorer families are offered three main choices to assist with the funerals: burial societies, burial schemes provided by funeral homes, and formal insurers. Burial societies offer a communal solution where families invest in a neighborhood savings scheme and in the event of a death the burial society assists the family in not only paying out money to the member but arranging and financing the funeral. Funeral homes not only offer the products and services for a funeral, but seek to increase their customer base by offering an affordable burial scheme to assist families with the financial burden of a funeral. Formal insurance providers offer a cash payout, security of deposits and services.

This paper will seek to discover how burial societies and funeral homes offering burial schemes are coping with increased mortality caused by HIV/AIDS. Are burial societies and funeral homes continuing to conduct business as usual? Or are they forward-thinking and preparing for the potential demand placed on their services? Is there a lack of managerial and accounting skills within burial societies that are not altering their business practices (such as increasing fees or limiting beneficiaries) to compensate for the rapid draining of funds caused by the increasing claims on their services? How are funeral homes faring against the fierce competition of illegal funeral operators which are drawing away customers and profits?

As the number of deaths increases due to HIV/AIDS, it is expected that burial societies and funeral homes will be forced to adapt to stay in business. For burial societies the question of change is equally social and economic. For funeral homes, the change is more economic, but there are social aspects that must be considered.

Burial societies are an interesting combination of non-formal insurer and social-history keeper. They are located across all of South Africa and are entrenched within the poorer African communities with some having been in existence for decades. For some families, burial societies are the only means available to ensure that their family members are afforded a proper burial. For others they are a culturally important institution that has maintained burial traditions established years ago.

Ironically, burial societies may be in danger because of their importance. As the number of deaths rise due to HIV/AIDS, it can be expected that there will be an increase in the number of claims made on the burial societies. Additionally, as the number of deaths increases, it seems likely that more and more people will want to join a burial society bringing in additional monthly income but also increasing the number of funeral claims.

To stay solvent, burial societies may have to increase the monthly dues, cut back on benefits, increase the waiting period, or even reduce the number of beneficiaries. However, making such changes may be difficult because this course of action goes against the very nature of the burial society because its basic mandate is to assist the community in times of need in an affordable manner.

Funeral homes do not have as many social conundrums as burial societies, but the economic challenges are just as great. Funeral homes are in an advantageous position because their services are always in need. However, because of that demand, the funeral industry has seen a large influx of legal and illegal funeral homes opening for business. These new funeral homes are rapidly cutting into established funeral homes' business by offering lower costs on products and services. For some of the newer funeral homes, they are reducing costs by lowering their profit margins. For others, they are able to lower costs by undertaking suspicious practices and offering inferior products.

Complicating matters is the increased mortality caused by the high prevalence of HIV/AIDS. HIV/AIDS is not just a disease specific to KwaZulu-Natal and South Africa; it is an epidemic with global social and economic concerns. The United Nations body dealing with the

epidemic, UNAIDS (2004), estimates place the total number of people living with HIV in the world at approximately 39.4 million. Of those, almost 65 percent (25.4 million) live in sub-Saharan Africa, which makes it the worst affected region in the world. It is comprised of just over 10 percent of the world's population, but is home to more than 60 percent of all persons living with HIV and AIDS.

1.1: Research Questions

The first key question is whether or not the current structure of burial societies and funeral homes can be maintained in the wake of the increase in deaths due to HIV/AIDS. That is, can burial societies and funeral homes continue to exist if they do not alter their current business practices as the number and cost of funerals exceeds their monetary revenue?

Secondly, if they are unable to survive with their current business practices, then what must they change? With regard to funeral homes, for example, how will they adapt to continued increase in competition and lack of cemetery space? In the case of burial societies, are their financial holdings and collection measures adequate against the potential increased use of their services?

1.2: Thesis Structure

This study will assess the relationship between operators in the funeral industry: burial societies, funeral homes and (to a lesser extent) formal insurers, and HIV/AIDS.

The second chapter will provide a literature review that will provide background for this study. Chapter Three will define the methodology used to conduct the personal interviews and gather additional information. Chapter Four will look at the current state of HIV and AIDS in South Africa. South Africa has one of the highest HIV/AIDS rates in the world and the social and economic implications of the epidemic can be felt in every aspect of society.

Chapter Five will provide background information on the modern-day funeral given by the Zulus of KwaZulu-Natal. Of notable interest is the current trend of high priced funerals

brought about by a confluence of tradition and societal pressures. Some funerals are costing families more than the sum of several months of salary. This chapter will also look at the current debate surrounding the lack of cemetery space in KwaZulu-Natal and the option of cremation.

Chapter Six will look at the formal insurance industry in brief. Formal insurers have a better ability to handle and cope with HIV/AIDS through better resources and information. This chapter will show how lower-income families tend to not use these but more informal services.

Chapter Seven looks at the funeral home as an insurer. Funeral homes offer burial schemes to families as a way to supplement their existing savings and provide a more comprehensive funeral package. A burial scheme is an insurance-style fixed payment plan which allows the family to pay in advance for a funeral. In the case of legally registered funeral homes, the burial scheme is more than likely to be underwritten by a registered insurer and the family has an option of selecting a cash payout or using in-kind services of the funeral home at a reduced rate.

Illegal funeral homes have entered the arena seeking profits from the increased mortality. These illegal funeral homes do not underwrite their burial schemes and usually prefer to offer in-kind services rather than a cash payout. Also at issue is the safety and soundness of the illegal funeral homes. There is little legal recourse for families who invest in a burial scheme of an illegal funeral home that does not deliver their services or has vanished.

Chapter Eight focuses on the burial society. These institutions have, in some shape or form, been in existence for decades and have greatly assisted lower income families in providing an apposite and respectful burial for a loved one. Burial societies are usually established by, governed by, and draw their membership within a community. Similar to a burial scheme provided by a funeral home or insurance company, a member pays a monthly premium and in the event of a death of the member or a beneficiary, services are rendered. Burial societies are commonplace in the lower income communities such as townships where barriers to entry

(such as lack of a formal job or a bank account) prohibit the families from acquiring formal funeral insurance. Given the highly mobile nature of South African society many families have members who leave the rural homelands and migrate to urban locations in search of employment. Burial societies have enabled families to bring home a deceased family member for burial in the customary and traditional way.

In years past the number of funerals conducted each year was minimal and the burial society's collected funds more than covered the costs. Currently, the increase in deaths has led many burial societies to deplete their cash reserves and, for some, even close down due to lack of funds. A most important issue to be looked at is will burial societies continue to serve their members with operations running status quo or must they address the current demands and alter their business practices increase monthly premiums or decrease number of beneficiaries) to remain solvent.

Chapter 2: Literature Review

Information regarding the role of funeral homes and burial societies within the context of HIV and AIDS is scarce. Limited research has been published where the main focus has been on either burial societies and (to a much lesser degree) funeral homes offering burial schemes and their role in society as informal savings mechanisms. However, such research has proved to be valuable in its own right and as the foundation for future research.

Studies have looked into the role that burial societies play, but only recently have these studies begun to investigate the social and economic effects that HIV/AIDS is having on them. For example, studies have investigated the dependency that lower-income families have on burial societies because of the somewhat inaccessibility to acquire formal insurance.

There is a fair amount of research on funeral homes and its role amongst lower-income families, but not specifically concerning the burial schemes they offer. The research used in this study compares the different types of funeral schemes offered (profit and not-for-profit) and how each of them conducts their business in the market place. For example, studies look to see if the formal insurers and funeral homes are adequately meeting the demands of the lower-income families.

Finally, the impact of HIV/AIDS is a topic that has been thoroughly researched. Specific studies have been collected for this study which have examined how the increased mortality caused by HIV/AIDS is affecting the lower-income family. Recent studies have examined the economic implications of paying for funerals of immediate family members and also contributing additional money to distant relatives in need of financial assistance towards their funerals.

2.1: Burial Societies

Thomson and Posel (2001) have conducted one of the few studies to explore burial societies and the inherent risk they and their members take during this current trend of increasing deaths caused by HIV/AIDS. A brief history of burial societies places their origins in the late nineteenth and early twentieth century South African rural communities whose families needed to collect funds to transport a family member (most likely an urban migrant) back to his/her home for a proper burial (Thomson and Posel, 2001: 2-4). Thomson and Posel (2001) give insight into the risks taken by burial society members. For the members, the risks of joining include the financial outlay required to join a burial society and, in some cases, how many burial societies to join to cover the high costs of the funeral (Thomson and Posel, 2001: 14-16 and 23). The risks taken by the burial society operators are just as numerous. Major concerns include members who join only when they find out they are sick, mismanagement of the funds gathered or abuse of those funds (including theft), fraudulent claims by members. For most societies, there is no legal recourse if something did go wrong (Thomson and Posel, 2001: 26 – 29, 52).

Roth (2003) looked at informal funeral operators (such as burial societies) and their products to offer suggestions on what the formal insurance industry and even the government can learn from them. The relevance of local knowledge and variety when creating products for the lower income families is seen as being a large factor to the success of informal funeral operators. For example, in areas where education and literacy are low, keeping the transaction process simple and in the local language allows the client to feel more at ease (Roth, 2003: 25). Additionally, in areas with high unemployment and of a temporary nature, informal funeral operators often allow the clients more flexibility when making payments (such as longer grace periods) (Roth, 2003: 26).

The issue of trust among burial society members was also examined. The major reason burial societies are able to exist is due to trust amongst community members, and the distrust community members may have towards the more formal institutions. Thomson and Posel (2001: 32) cite the Apartheid government as being a culprit to this feeling. Additionally, people searching for a burial society to join conduct a fair amount of inspection before

choosing to join and several factors determine their choice. For instance, it was noted that several women did not join a particular burial society because they had heard of instances of cheating while other individuals started their own burial society because of the lack of trust towards the existing societies (Thomson and Posel, 2001: 32).

2.2: Funeral Homes

Research concerning insurance and lower-income families is abundant but the role of funeral homes offering burial schemes is not. Roth (2003) looks at the informal insurance schemes and the impact of funerals on families in South Africa. Funerals have become a major expense for the South African poor with some funerals costing up to 15 times the average monthly income. To compensate for this expense, families have turned to not only formal insurers, but to informal schemes as well.

Roth (2003) differentiates between two types of informal insurance products; for-profit and not-for-profit. Those that are for-profit (typically run by funeral homes) use their insurance as a means to sell their somewhat expensive funeral products to low income households. The not-for-profit organizations are usually rotating savings clubs, credit associations, or burial societies and are run by people who live in the same neighborhood which they serve (Roth, 2003: 21-23).

Bester *et al* (2004) also looked at formal and informal insurance products geared towards poorer households. A 'risk mitigation' framework is used that considers all of the risks that a poor household might incur (such as a higher chance of unemployment or the inability to withstand the economic shock of the loss of the breadwinner) and the options that are available to allay those risks.

A key point made by Bester *et al* (2004: 2-3) is that the risk mitigation strategies of the formal insurers are not always suitable to the poorer households as they can be very different from the "western" models currently employed. The traditional nuclear family of a father, mother, and children has been altered through such factors as HIV/AIDS, violence, and

migration. Currently, it is not uncommon for a distant relative or grandparent to be the breadwinner.

As the shape of the family changes because of the many risks they now face, so must their outlook on mitigating those risks. Bester *et al* (2004: 4-5) note there are options available to managing the risks. Those options include: risk lowering or avoidance which requires a change of behavior or circumstances such as improving nutrition or diversifying income, the ability of a family to save money (though this usually is tied into an increase in income), emergency loans which in the absence of savings or insurance can help a family ride out an unexpected economic shock (provided the loan does not place the household in an unserviceable debt position), and insurance (formal or informal), which covers a greater number of similar households lessening the costs involved for the individual.

2.3: HIV/AIDS

As previously noted, it is the affect of the increased mortality due to HIV/AIDS that was the foundation for this study. Thomson and Posel (2001) also look at burial societies within the context of HIV/AIDS and recognize that the increased mortality will negatively affect the financial strength of a burial society if discussion and action is not taken by the burial society operators. Thomson and Posel (2001; 15-16) state that most of their burial society informants had not discussed HIV/AIDS due to a culture of denial and ignorance. The lack of discussion is seen as having potential dire consequences to the burial society because by not setting premiums accordingly or creating the proper amount of reserves, they would not be able to handle the increase in funerals and funeral costs and will fail (Thomson and Posel, 2001: 52).

Roth does not go into such depths of HIV/AIDS coverage as Thomson and Posel, but does offer recommendations that the government and various NGOs and donor organizations can do to help informal funeral operators remain solvent. Such recommendations include the creation of a favorable legal framework and simplifying current legislation that could encourage informal operators to register to confer benefits to the insurer and clients as well as allow NGOs and other donors to provide assistance and training (Roth, 2003: 27).

The affects of HIV/AIDS was also carefully looked at by Bester *et al* (2004). Three main risks faced by affected households include: a loss of income due to the inability to work during the advanced stages of AIDS combined with the incurred medical expanses, the cost of a funeral, and the continued loss of income following the death of a breadwinner (Bester *et al*, 2004: 52). To help offset these risks, Bester *et al* (2004: 57) advocate, among other suggestions, formal insurers should develop products that enable AIDS victims to obtain effective treatment.

An additional element to this study is the negative economic effect funerals are having on the lower-income families within the City of Durban and elsewhere in South Africa. The *Financial Diaries* (2004) sought to quantify the everyday financial decisions of the poor by following more than 180 families for a year in urban, peri-urban, and rural areas in South Africa. Among other discoveries, the *Financial Diaries* (2004:2-3) found that in the urban area, approximately three-quarters of the households contributed to a funeral at least once within a 28 month period. The peri-urban area saw similar results within the same time period. The rural area saw an extraordinary 90 percent of households contributing to a funeral.

Further, the average contribution was lowest in the rural region (R40 per contribution) compared to R360 in the peri-urban region and R500 in the urban area (*Financial Diaries*, 2004:4). Overall, the study found that funding for a funeral was provided by several different sources which were to pay for the many expenses connected with the funeral (*Financial Diaries*, 2004: 1).

Chapter 3: Methodology

This study includes two groups: funeral homes offering burial schemes and burial societies. Each division offered its own unique obstacles and method of data collection.

A triangulated qualitative approach was determined to be the best method for this study. Denzin (cited in Babbie and Mouton, 2002: 275) defines triangulation as "...combining methods and investigators in the same study, observers can partially overcome the deficiencies that flow from one investigator or method." Specifically, it was determined that collecting data via personal interview from funeral homes (both legal and illegal) and burial societies would be the primary source of information. A semi-structured interview (Appendices C and D) was used as guide to help the questioning and allow flexibility for additional questions to be inserted as needed. Additional information was gathered by interviewing other individuals such as a burial society member and City of Durban cemetery official to provide additional and corroborating information.

Personal interviews would be the best method of gathering information that was both current and relevant. The information gathered from the interviews included a large quantity of anecdotal evidence which is not usually obtained from the more quantitative studies. The relationship between existing quantitative and qualitative data proved to be helpful in such instances where anecdotal claims could be verified. For example, one interviewee (Bongi) did not mention that HIV/AIDS was affecting the members of her burial society but she did mention that most frequently deceased were women in their twenties and early thirties. Using quantitative, demographic data on the impact of HIV/AIDS, it could be deduced that HIV/AIDS was probably contributory factor among those dying.

Information collected from the formal insurers was captured from their respective internet sites: no personal communication was undertaken. Additionally, quantitative data were collected from secondary sources, including several published studies on burial societies and funeral home schemes.

Personal interviews with key informants took place between December 2005 and May 2006. A total of 16 interviews were conducted; six funeral homes (legal and illegal), eight burial society officers, one burial society member, and one City of Durban cemetery official.

An attempt was made to record the interviews. All of the burial societies and illegal funeral home interviewees did not wish to be taped. The mention of a recording made several burial society interviewees very uncomfortable and felt that their anonymity would be compromised by being recorded. The illegal funeral homes chose not to be recorded because interviewees felt that any recording could possibly be used against them by the authorities. The legal funeral homes assented to being taped but often asked for the recorder to be stopped and their comments is made 'off the record.' In sum, the vast majority of information collected was hand-written and therefore subject to possible errors in transcription and recollection.

As all information from the key informants is confidential, interviewees were assigned a pseudonym to protect their identity. Names were used instead of randomly assigned letters or numbers given the intimate nature of the subject. A breakdown of the interviewees is located in Table 3.1.

Table 3.1: List of Interview Respondents

Respondents	Number of Interviewees	Name Assigned
Legal Funeral Home w/ insured burial scheme	3	Santosh, John, Darius
Legal Funeral Home w/ non-insured burial scheme	1	Molife
Illegal Funeral Home w/ non-insured burial scheme	2	Thabo, Tsele
Burial Society Officer	8	Mpume, Thandi, Bongsi, S'bu, Steven, Ellen, Themba, Mandisa, Patricia,
Burial Society Member	1	Landela
eThekweni Cemetery Official	1	Nonhlahla

3.1: *Legal and Illegal Funeral Home Interviews*

Through personal interviews gathered and additional literature reviewed (such as Roth, 2003 and Majova, 2005) it became apparent that there were three distinct funeral home operators that this study would involve: registered funeral homes that offered burial schemes underwritten by an insurance broker, registered funeral homes that offered burial schemes not underwritten by an insurance broker, and illegal funeral operators which offered similar services as a funeral home but were not registered or legal.

The number of illegal funeral home operators, given their nature, is nearly impossible to establish, and compiling a comprehensive list and interviewing a select sample, proved to be beyond the scope of this study. Likewise, locating and traveling to all of the registered funeral homes within Durban was not a realistic option. Other methods had to be found. At the very beginning of this study, an informal discussion with a funeral home operator noted that the area surrounding the Gale Street and Umbilo Road intersection of Durban to be an area highly populated with legal funeral homes and illegal funeral operators. Therefore the area was chosen for a multiple-case study as it proved to be the most likely place to obtain a suitable amount of information on legal and illegal funeral homes within the confines and restrictions of this study (such as time, travel, and cost).

Yin (2003) states that using a multiple-case design provides more compelling evidence than a single-case design as well as eliminates the unusual or rare case. For this study, the Gale Street and Umbilo Road intersection provided a satisfactory location to collect data from similar institutions in the same environment. By interviewing funeral homes in the same area, data such as prices and the type of people using their services would be comparable.

Information collected from both the legal and illegal funeral homes was then entered into a spreadsheet with an attempt to quantify it. For instance, as each funeral home offered a burial scheme, the monthly payments were analyzed to find out not only the average payment but which institutions offered the lowest or highest payment and why.

3.1.1: Legal Funeral Homes

Determining the number of registered funeral homes involved a process of triangulation between several different sources. Majova (2005) states that there are approximately 150 registered funeral homes in the whole of KwaZulu-Natal. One of the interviewees, S'bu, stated there are about 40 registered funeral homes in Durban and of those 40 there are a very small number of registered funeral homes that offered illegal burial schemes – between five and ten.

Within the case study location, there were eight legal, registered funeral homes. It is difficult to obtain exactly which legal funeral homes offered insured burial schemes and which did not as those institutions that did not insure their schemes mostly chose to remain silent.

Four complete interviews with legal funeral homes were conducted, with each interview lasting a minimum of one hour. Of the four interviews, three were legal funeral homes that offered burial schemes that were underwritten by an insurance company. The fourth interview was of a legally registered funeral home that offered a burial scheme that was not underwritten and therefore technically illegal. It was decided that since there was a total of eight legal funeral homes within the case study area, four interviews (50 percent of the population) was an acceptable number and no further interviews was needed.

The legally registered funeral homes interviewed were eager to talk about the state of their industry and the problems they face. All four funeral homes were given a letter explaining the project and its confidentiality requirements, with my contact details as well as those of my supervisor in case any questions arose afterwards.

3.1.2: Illegal Funeral Homes

Majova (2005) states that the total number of illegal funeral operators in the Durban metropolitan area as being between 180 and 250. Bongi, an illegal funeral operator, could not state how many others there were because many open and close very quickly and, obviously, prefer to remain out of the eye of Durban city officials. However, within the case study area,

there is one specific building that is home to approximately 10-20 illegal funeral operators, with several more in the immediate vicinity¹. These operators are mostly illegal; operating from one or two room offices. They offer burial schemes as well as funeral products such as caskets, wreaths, hearses, and other funeral accoutrements. There is no display of these products and the customer must take the word of the operator that they will deliver the promised services.

As it often was not possible to contact these institutions in advance by phone or fax to set up an interview, the only method remaining was to contact the institution by entering their premises. Unfortunately, this method often took the illegal funeral home operators by surprise, placing them in a defensive posture and generally not allowing the interview. A first attempt to obtain an interview with illegal providers proved fruitful as one operator was willing to talk. That interviewee then introduced me to another illegal funeral operator who, because of the introduction, was willing to be interviewed as well

A second attempt was made to interview the operators within the building. Unfortunately, a negative experience occurred during one interview where I was publicly accused of being an American spy. This led to unwillingness by other illegal funeral homes to be interviewed (see Appendix A for a detailed description). It was decided that because of the potentially dangerous situation and inherent level of distrust no further interviews would be conducted and that two interviews already completed would have to suffice.

3.2: *Burial Societies*

As burial societies are, mostly, informal organizations, acquiring a complete list of their locations proved to be as difficult as creating a list of illegal funeral operators. However, whereas illegal funeral home operators could be located within the commercial business district and a case study could be defined, burial societies are located within the communities and usually do not have a formal establishment and did not advertise their presence. This lack of any sort of comprehensive list or confidence in the knowledge of exactly how many burial societies are located within Durban meant that a proper percentage or random sample

¹ Majova (2005) stated that there are roughly 30 illegal funeral operators on the whole of Gale Street.

could not be obtained. Therefore, the use of non-probability and “snowball” sampling would be employed.

Babbie and Mouton (2003) state that non-probability sampling is used when a study cannot choose the kinds of probability samples used in large-scale social surveys and there is heavy reliance on the limited availability of subjects. Additionally, the use of “snowball” sampling was used to assist in the interviewing process. “Snowball” sampling is used when members of a specific population are difficult to locate and so one member of the population is interviewed then asked to introduce another member of the population and so forth (Babbie and Mouton, 2003).

Through the assistance of several acquaintances, two interviews were procured with officials (secretary and vice-president) of burial societies in December of 2005. The interviewees both lived in Cato Manor (a township within Durban). An interview was also conducted with a member of a burial society (who was not part of the managerial team) to obtain an additional perspective of the burial society. Apart from those three interviews, acquiring additional interviews proved to be very difficult because, as a white, non-South African, knowledge and access to the communities where the burial societies were located was limited. It was not possible to simply enter a lower income community or township and ask someone on the street.

Assistance from someone who lived in such a community or township would be needed to get additional interviews. To that end, the assistance of the Health Economics HIV/AIDS Research Division (HEARD) was used. HEARD is a unit within the University of KwaZulu-Natal and has staff members who were knowledgeable about communities in which this product wished to conduct research. A research assistant who grew up in Umlazi (a township located within eThekweni Municipality) was employed. The research assistant was able to use his knowledge of the people and area of Umlazi to track down members of burial societies. Three additional interviews were obtained. As the interviewees did not speak much English, the research assistant interpreted the questions and answers from English to Zulu and vice-versa. An additional interview was obtained several months after the initial

round as one interviewee passed on the contact information to a woman who was a newly appointed treasurer of three separate burial societies. In all, ten interviews were conducted; one who was a member of a burial society and nine who were part of the managerial team (i.e. secretary or treasurer).

Similar to the data collected from the funeral homes, information gathered from the burial societies was entered into a spreadsheet with the intention of quantifying the data. Specific data such as monthly payment, length of waiting period, and number of beneficiaries was analyzed to discover similarities and differences.

3.3: *Limitations*

There were several limitations to collecting data from the legal and illegal funeral homes and burial societies. In general, the use of a case study and a dependency on “snowball” sampling limited the number of potential interviews that could have occurred. It is understood that funeral homes outside of the case study area may have different results and opinions than those within the case study. As well, other burial societies may have different experiences to those who were interviewed. All in all, those institutions and persons interviewed for this study represent a limited view of the industry as a whole and should be judged accordingly.

The funeral business is a thriving industry and the funeral homes are very busy and a constraint on the interviews was the availability of time by the funeral homes to be interviewed. On more than several occasions, arranged interviews were cancelled due to time constraints by the interviewee. On two other occasions, an interview was terminated within the first 10-15 minutes as the interviewee was called away out for business and was never able to return.

Researcher bias also may have influenced data collected. The author of this thesis is a non-South African and (though a substantial amount of information was reviewed to prepare for this study), was hindered by the partial knowledge of the context and culture in which these burial societies and funeral homes operated. The results of this study are subject to scrutiny

by additional research that provides differing or alternative results and conclusions (Yin, 2003).

This study focuses mainly on Zulus and their burial traditions and funeral habits as they are the most populous people within the City of Durban. The original intent was not to study only Zulus but all persons using funeral homes and burial societies. As the study progressed, it became apparent that the smaller funeral homes and the majority of the illegal funeral homes and burial societies were being used predominantly by lower-income Zulus. Similar studies conducted in different locations with different tribes, cultures, and burial traditions may bring about different results.

Research was conducted to obtain information on how funeral homes and burial societies are dealing with the increased mortality caused by HIV/AIDS. This study did not wish to interview persons with HIV or AIDS or those closely affected such as immediate family members. However, since it is possible that those interviewed have been affected directly in one way or another, questions about HIV and AIDS were not directly asked. Only if an interviewee broached the subject did the interviewer ask additional questions. Additionally, factors such as stigma, denial, and distrust are all present in today's society and may have affected the answers given.

The language barrier also could be considered a detriment to this study. Three of the burial society interviews were conducted with the help of an interpreter. Errors often occur in translations. Additionally, the other interviews were conducted in English, but for many interviewees (especially the burial societies) English was not their native language.

There were several comments and responses by the legal funeral homes that were very surprising. It is possible that the interviewees used this study as a platform to state their objection to the illegal funeral homes and either inflated their comments or stretched the truth. Additionally, answers by the illegal funeral homes must be met with caution as there must be some hesitancy in answering truthfully. The same logic must be applied to the burial

societies as the potential level of distrust and caution may affect the answers (even though an introductory letter in English and isiZulu was presented at the beginning of each interview).

Chapter 4: HIV/AIDS

HIV/AIDS is a rampantly spreading and debilitating disease. With no known cure, the affliction of HIV/AIDS has led to an increase in mortality especially in South Africa. This increase has placed a great strain on the living as they not only lose family members but also those responsible for earning income and providing for the family. Sub-Saharan Africa has the highest HIV/AIDS incidence rate in the world, and South Africa is one of the most affected countries. For business, in particular the funeral industry, this increase in mortality has caused great concern. The funeral industry must face this epidemic. For the bereaved, the increase in mortality means that more people, usually the poor, must make financial outlays for burials and funerals for which they are ill equipped to afford. Many of those affected by the HIV/AIDS epidemic are poor; indeed HIV/AIDS and poverty walk hand in hand. This chapter will chronicle current HIV/AIDS statistics from the world and then, in greater detail, South Africa and KwaZulu-Natal. Additionally, the relationship between HIV/AIDS and poverty will be explored to better grasp the economic implications of this disease.

4.1: *A Global Concern*

In 2004, there were 39.4 million people living with HIV world-wide, 3.1 million people became newly infected, and 2.3 million died because of AIDS (UNAIDS 2004). Sub-Saharan Africa is the worst affected region in the world with just under 65 percent of all HIV infected individuals (25.4 million) and a prevalence rate of 7.4 percent (UNAIDS 2004).

Furthering the point, nine sub-Saharan countries (Botswana, Central African Republic, Lesotho, Malawi, Mozambique, Rwanda, Swaziland, Zambia, and Zimbabwe) have seen their life expectancy at birth drop below 40 years. In 1990, Zimbabwe's life expectancy at birth was 52 years. Thirteen years later, in 2003, life expectancy had dropped to 34 years (UNAIDS, 2004:25). Additionally, world-wide in 2004 there were about 14,000 new HIV infections per day of which approximately 2,000 were in children under the age of 15 years and almost all of the remaining 12,000 daily infections were in people between the ages of 15

to 49. More than 95 percent of the infections were in people of lower to middle income countries. Approximately 8,600 persons died each day of AIDS in 2004, of which almost 1,400 were children under the age of 15 years (UNAIDS, 2004).

Mortality tables also show the dire impact of HIV/AIDS on sub-Saharan Africa. Table 4.1 displays the probability of dying for males and females between the ages of 15 and 45 of the countries with HIV prevalence above 20 percent. All seven countries have a probability of dying of greater than 50 percent. For males, South Africa was the lowest with a 56.7 percent chance and Zambia had the highest probability with 72.4 percent. Regarding females, again South Africa had the lowest probability with 50.1 percent and Zambia had the highest probability with a 74.8 percent chance of dying.

Table 4.1: Countries with HIV Prevalence above 20% and Life Table

	HIV Prevalence	45q15 Males	45q15 Females
South Africa	20.1%	0.56718	0.50155
Zambia	21.5%	0.72465	0.74851
Namibia	22.5%	0.69471	0.66118
Lesotho	31.0%	0.66717	0.62959
Swaziland	33.4%	0.62740	0.58663
Zimbabwe	33.7%	0.64985	0.61216
Botswana	38.8%	0.70287	0.66915

Source: HIV Prevalence from UNAIDS (2002) and 45q15 from (Lopez *et al*, 2002)

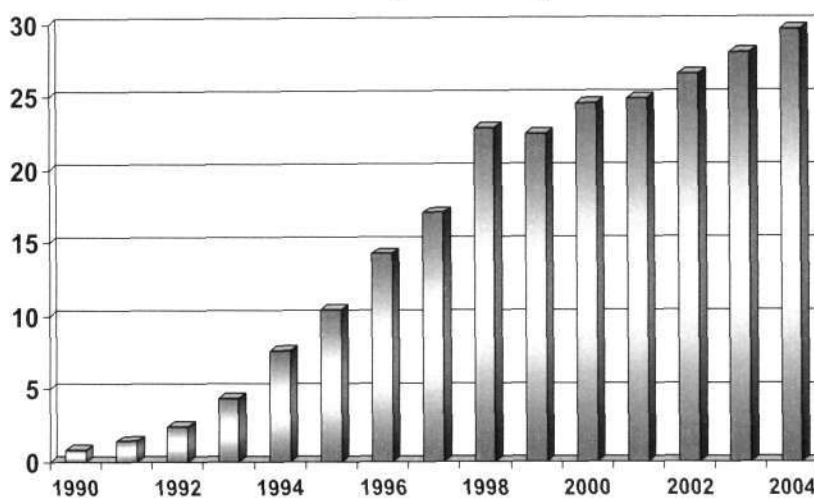
Women are enduring the brunt of new infections in Sub-Saharan Africa. Recent statistics show that for the population of people aged 15 to 24, for every 10 men newly infected, there are 36 newly infected females. Overall, there are approximately 13 infected women for every 10 men (UNAIDS, 2004).

4.2: South Africa and KwaZulu-Natal

South Africa has the highest number of HIV positive persons in the world with just over 5 million (Dorrington *et al*, 2004:3). Of the 5 million, 66 percent (3.3 million) are women (SA

Dept. of Health, 2005:13). Figure 4.1 details the HIV/AIDS prevalence rates in South African antenatal clinic² attendees from 1990 to 2004. In 2004, the prevalence rate was at an all time high of 29.5 percent (SA Dept. of Health, 2004:7). The first ten years (1990-2000) saw a dramatic rise in prevalence from almost naught (0.8 percent) to 24.5 percent. From 2000 to 2004, the prevalence rate has begun to level but it still increased by more than one percent per year.

Figure 4.1: HIV/AIDS Prevalence Rate of South African Antenatal Clinic Attendees (1990-2004)



Source: SA Dept. of Health, 2005:7.

Repercussions of the increase in HIV/AIDS prevalence can be seen in the South African mortality rate. In 2002, the life expectancy from birth of all South African males was 49.9 years and 55.0 years from females. In 2004 the numbers dropped to 48.5 years for males (a 2.8 percent decrease) and 52.7 for females (a 4.2 percent decrease) (Dorrington *et al*, 2004:3).

Shisana *et al* (2005) provides data on the overall HIV prevalence nationally and by province in South Africa as of 2005. The overall HIV prevalence of South Africa in 2005 was 10.8 percent, with a 95 percent confidence interval of 9.9-11.6 (Shisana *et al*, 2005: 34). Table

² According to the Health Economic HIV/AIDS Research Division (HEARD), the use of antenatal clinic (ANC) HIV prevalence rates is commonly used as a reflection on the whole adult population.
<http://www.ukzn.ac.za/heard/index.htm>

4.2 displays the HIV prevalence by province for 2002 and 2005. KwaZulu-Natal saw the percent of HIV prevalence rise from 11.7 percent in 2002 to 16.5 percent in 2005.

Table 4.2: HIV Prevalence Survey Estimates by Province in 2002 and 2005

Province	2002 Number	2002 HIV +	2002 95% CI	2005 Number	2005 HIV +	2005 95% CI
KwaZulu-Natal	1579	11.7	8.2 – 15.2	2729	16.5	14.0 – 19.3
Mpumalanga	550	14.1	9.7 – 18.5	1224	15.2	12.4 – 18.5
Free State	540	14.9	9.5 – 20.3	1066	12.6	9.5 – 16.7
North West	626	10.3	6.8 – 13.8	1056	10.9	8.4 – 14.0
Gauteng	1272	14.7	11.3 – 18.1	2430	10.8	8.9 – 12.9
Eastern Cape	1221	6.6	4.5 – 8.7	2428	8.9	7.0 – 11.4
Limpopo	679	9.8	5.9 – 13.7	1570	8.0	6.0 – 7.2
Northern Cape	694	8.4	5.0 – 11.7	1144	5.4	4.0 – 7.2
Western Cape	1267	10.7	6.4 – 15.0	2204	1.9	1.2 – 3.0

Source: Shisana *et al* (2005:44)

The National HIV and Syphilis Sero-Prevalence Survey of Women Attending Public Antenatal Clinics in South Africa (SA DoH, 2005) extrapolated the HIV positive prevalence to the general population (2002, 2003, and 2004). Table 4.3 reveals the increasing actual numbers of females, males and children. It is interesting to note that while females had the highest overall HIV numbers; males saw the greatest percent increase with 21.7 percent. Babies were second and females were third with 15 percent and 11.8 respectively.

Table 4.3: Extrapolation of HIV Prevalence Amongst Antenatal Clinic Attendees to the General Population, South Africa (2002-2004)

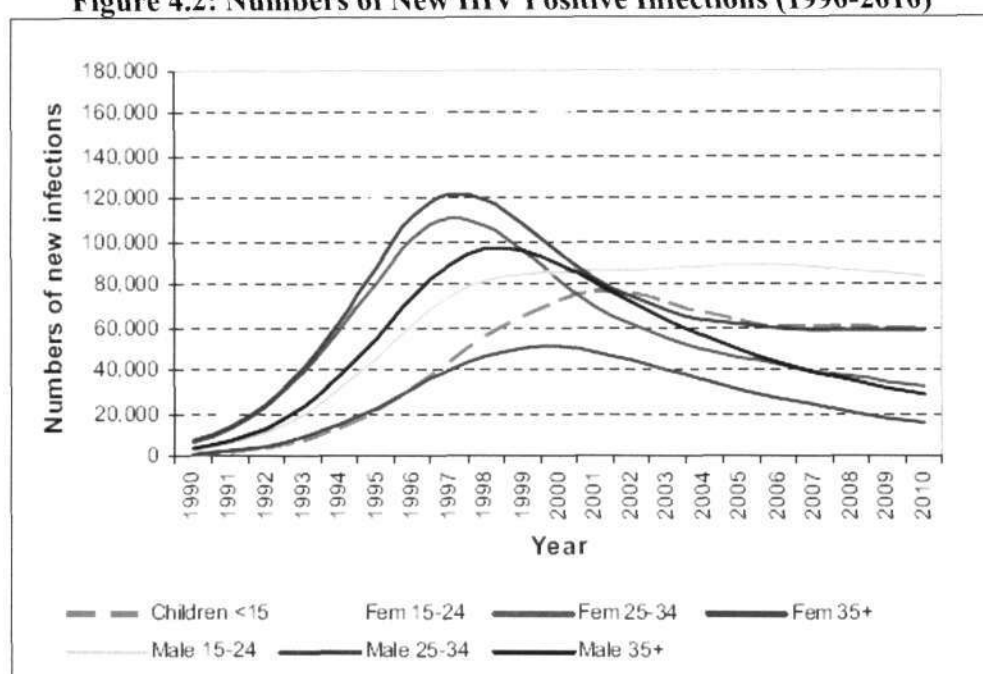
Gender	Age Grouping	# of HIV+ in 2002	# of HIV+ in 2003	# of HIV+ in 2004	% Change from 2002 - 2004
Female	15 – 49 years	2.95 million	3.1 million	3.3 million	11.9
Male	15 – 49 years	2.3 million	2.4 million	2.8 million	21.7
Babies		91,271	96,228	104,963	15.0
Total		5.3 million	5.6 million	6.29 million	18.7

Source: South African Dept. of Health (2005).

Figure 4.2 displays the numbers of new infections with an estimate to 2010. This estimation has been deduced by the Actuarial Society of South Africa (ASSA) which has created an interactive HIV/AIDS model. Notice the extremely high number of new infections among

women aged 15 to 24 and how consistently it remains at such a high level compared to all other age groups. Most groups experienced a severe increase from the early 1990s to around 1997 (this could also be due to improved monitoring and data collection) and then a significant drop through to 2003-04. Males aged 15 to 24 are the only age group that has not experienced a noticeable decrease over that same time frame. They peaked at the same time as the other age groups but then remained constant.

Figure 4.2: Numbers of New HIV Positive Infections (1990-2010)



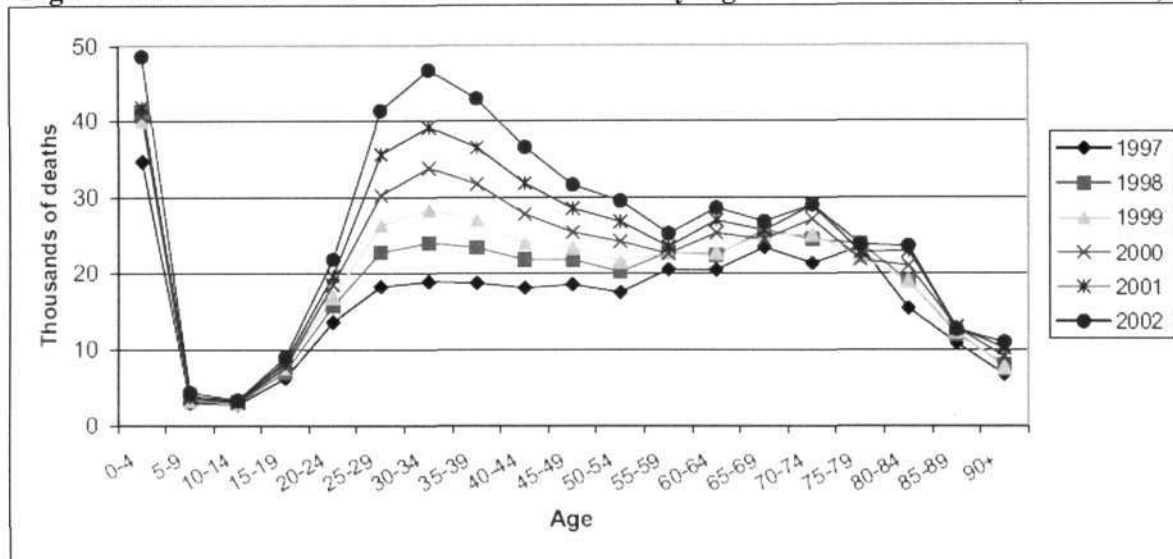
Source: Dorrington *et al*, 2004:13))

Looking even deeper into KwaZulu-Natal, the HIV positive rates by district reveal very disheartening statistics. The KwaZulu-Natal Department of Health's Annual Report (2002/3) showed that all of the 11 KZN municipalities had an HIV positive prevalence rate of more than 20 percent. Five of the 11 municipalities had HIV prevalence of 40 percent or more while three other municipalities (including eThekweni, which is home to the City of Durban) were between 37 and 39 percent.

Mortality within South Africa offers just as compelling statistics as those on a global scale. Figures 4.3 to 4.5 show the distribution of deaths within South Africa by age and year of

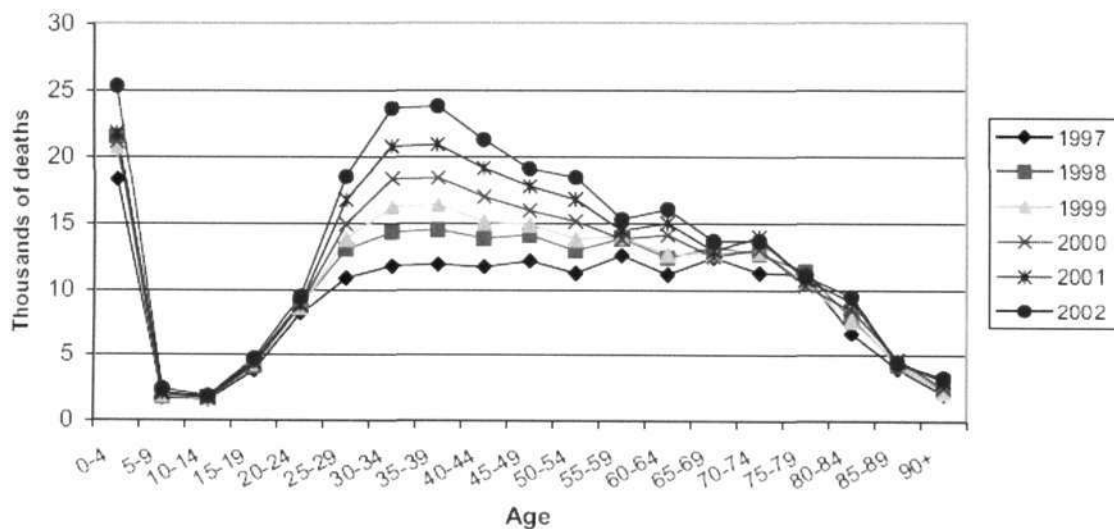
death. In all three figures, the number of deaths between the ages of 15 and 45 has dramatically risen to more than double in 2002 to the number of deaths recorded in 1997.

Figure 4.3: Distribution of South Africa Deaths by Age and Year of Death (1997-2002)



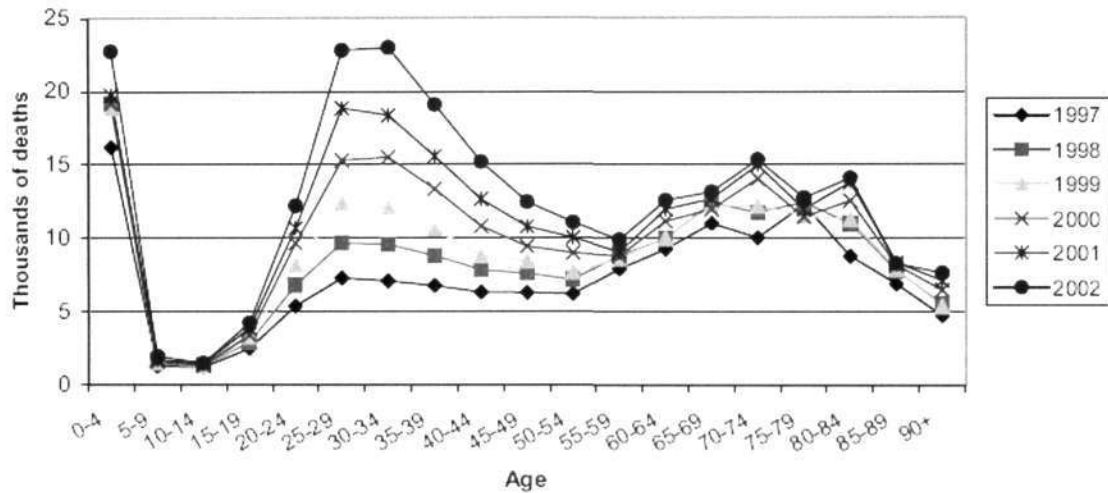
Source: Statistics South Africa (SSAc), 2005: 11.

Figure 4.4: Distribution of South African Male Deaths by Age and Year of Death (1997-2002)



Source: Statistics South Africa (SSAc), 2005: 13.

Figure 4.5: Distribution of South African Female Deaths by Age and Year of Death (1997-2002)



Source: Statistics South Africa (SSAc), (2005):15.

4.3: HIV/AIDS and Poverty

It is prudent to explore the effects that HIV/AIDS is having on households. The earlier sections in this chapter focused on the scope of the HIV/AIDS epidemic world-wide down to within the eThekweni Municipality. This section focuses on the economic implications of HIV/AIDS with a closer inspection of the impact HIV/AIDS has on economically vulnerable households and poverty levels.

The 2001 South African Census estimated that there were 2.09 million households and 9.43 million persons in KwaZulu-Natal (SSA, 2001). The Income and Expenditure Survey (IES) estimates that there are just fewer than 3 million persons living in eThekweni Municipality of KwaZulu-Natal (SSAc). Table 4.4 breaks down the racial composition of the families both in KwaZulu-Natal and eThekweni Municipality.

Table 4.4: Racial Composition of KwaZulu-Natal and eThekweni Municipality (2001)

	KZN Population	KZN Population share	eThekweni Population	eThekweni Population share
African	8,002,409	84.9%	1,760,335	60.1%
Coloured	141,888	1.5%	139,716	4.8%
Asian/Indian	798,274	8.5%	667,777	22.8%
White	483,448	5.1%	358,822	12.3%
Total	9,426,019	100.0%	2,926,650	100.0%

Source: SSA, 2001.

Additionally, the Income and Expenditure Survey of 2001 (SSAb, 2001) estimated that in 2000, KwaZulu-Natal's per capita monthly income was R10824 compared to the national average of R12411. However, this monthly income is tempered when looking at the inequalities of the regions. Pauw (2005) places the Gini coefficient³, an indicator of inequality levels, for South Africa in 2000 at 0.70 and KwaZulu-Natal at 0.71. In comparison, only Brazil has higher rates of inequality (or something like that).

The KwaZulu-Natal Income Dynamics Survey (May *et al*, 2005) recorded the mean total monthly income for black Africans in 2004. According to the KIDS study, the mean total monthly income for black Africans in less populated regions (0-250 people/km²) was R2939 and the total monthly income for black Africans living in densely populated regions (751-12000/ km²) was R3792 (May *et al*, 2005).

Additionally, morbidity, mortality, life expectancy, and population growth also have negative impact due to HIV/AIDS. HIV/AIDS has led to direct economic hardship for the family, community, and even the country. HIV/AIDS primarily affects those who are of working age. Therefore, it stands to reason that if the working population is hit hardest by HIV/AIDS, there will be a strong ripple effect felt by others in the family and community (Drimie, 2002).

³ The Gini coefficient represents the average ratio between the proportion of total income actually earned by a specific household and the proportion of income the household would have earned had the income been distributed equally. G=0 denotes total equality and G=1 total inequality (Paukert, 1973 cited in Booysen *et al*, 2004:142).

Balyamujura *et al* (2000:8, cited in Drimie, 2002:7) looked at how poverty directly increases the spread of HIV/AIDS and found that deep structural poverty arose from such things as gender imbalance, land ownership inequality, ethnic and geographical isolation, and a lack of access to services. Additionally, developmental poverty can be created by unregulated socio-economic and demographic changes such as rapid population growth, environmental degradation, rural-urban migration, community dislocation, slums and marginal architect.

The above scenarios decrease the resourcefulness of an individual, family, or community to handle the impact of HIV/AIDS. In turn, families are more vulnerable to the various shocks that may lead them into or push them deeper into poverty (Drimie, 2002).

ING Barings (cited in Drimie, 2002: 11) have brought forth “key impact channels” that tie the demographic effects of HIV/AIDS with the South African economy. The impact channels include: a lower labor force, lower labor productivity through absenteeism and illness, cost pressures for companies through benefit payments, lower labor income as employees bear some of the AIDS related costs, and higher government expenditure on health services.

When HIV prevalence rates rise above more than 20 percent, a country’s GDP can be lowered by as much as two percent a year (UNAIDS, 2000 cited in Beresford, 2001:22). Beresford also cites two studies estimating that HIV/AIDS will reduce South Africa’s GDP by 0.3-0.4 percent per year and that by 2010, total GDP loss would be 17 percent, equating to a hole of \$22 billion (ING Barings and unknown, 1999, cited in Beresford, 2001:22).

Additionally, HIV/AIDS has a direct affect on poverty through the decrease in life expectancy and population growth. Fourie and Schonteich (2001) state that by 2010, life expectancy in South Africa will be 48.0 years compared to 68.2 without HIV/AIDS and the population growth will be 0.4 percent compared to 1.4 percent without HIV/AIDS.

Fourie and Schonteich (2001:32) state:

[HIV/AIDS] changes family composition and the way communities operate, affecting food security and destabilizing traditional support schemes. By eroding the knowledge base of society and weakening production sectors, it destroys social capital. By inhibiting public and private sector development and cutting across all sectors of society, it weakens national institutions. By eventually impairing economic growth, the epidemic has an impact on investment, trade and national security, leading to still more widespread and extreme poverty.

Essentially, the increase in HIV/AIDS leads to a vicious cycle of increasing poverty, something that South Africa, as a developing country, can ill afford.

But what does this mean on the ground? Booysen *et al* (2004) conducted a pilot study concerning the socio-economic impact of HIV/AIDS in the communities of Welkom and Qwaqwa in the Free State. Welkom is an urban location while Qwaqwa is a rural community. The study is relevant because both the Free State and KwaZulu-Natal have high HIV prevalence rates. Table 3.11 showed the estimated percentage of HIV positive (in 2004) for KwaZulu-Natal to be 40.7 percent, while the Free State was 29.5 percent. Additionally, (as shown in figure 3.3) the overall HIV prevalence rate for the Free State was 14.9 percent compared to 11.7 in KwaZulu-Natal. Booysen *et al* (2004: 2) compared families that were affected by HIV/AIDS (meaning one person in immediate family was known to be HIV positive or known to have died from AIDS within the past six months) and non-affected families.

Looking at basic financial data, Booysen *et al* (2004: 77) found that the real adult equivalent per capita income for affected households was R437 compared to R682 for non-affected households. This phenomenon is not unique to South Africa. A study in Zambia revealed that households that have suffered the loss of a parent experienced a decrease in disposable income by more than 80 percent (Nampanya-Serpell, 2000). In Thailand, the death of an adult resulted in the total income to drop by 71 percent and per capita income to drop by 68 percent

(Kongsin *et al*, 2000, quoted in Parker *et al*, 2000:44). And in the Ivory Coast, affected households income was reported to be half of the population average (Bechu, 1998, quoted in Desmond *et al*, 2000).

Table 4.5 shows the comparative composition of household income between affected and non-affected households. While employment income had the highest percentage for both affected and non-affected families, affected families displayed a much higher percentage of non-employment income when compared to non-affected families (38.7 percent and 29.3 percent respectively).

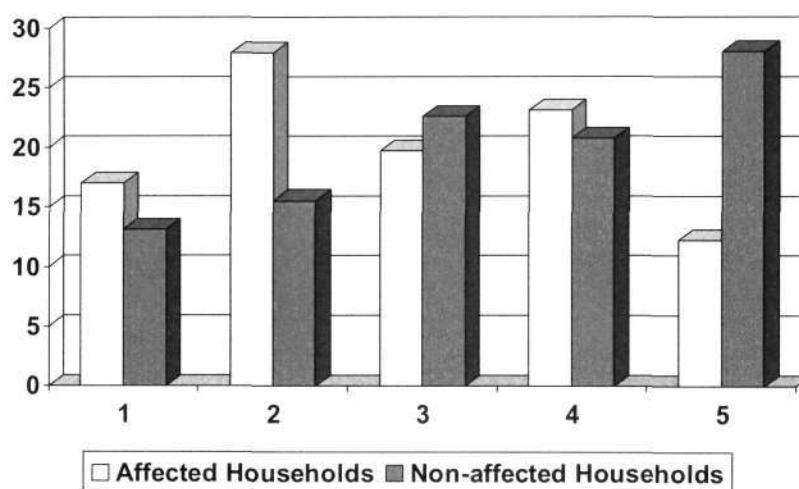
Table 4.5: Composition of Household Income (%)

	Affected Households	Non-affected Households	Total for All Households
Employment	50.1	58.0	54.2
Non-employment	38.7	29.3	33.8
Remittances	11.2	12.7	12.9

Source: Booysen *et al*, 2004:78.

Figure 4.6 shows the distribution of households by income quintiles (Booyesen *et al*, 2004: 77). From this, it is easier to see just how impoverished the affected families are compared to non-affected households. It is worthy to note the differences especially between the bottom two and upper two quintiles. A little less than half of affected households reside in the lower two quintiles compared to only 28.6 percent of non-affected families. Conversely, 48.8 percent of non-affected households reside in the top two quintiles compared to 28.6 percent of affected households.

Figure 4.6: Distribution of HIV/AIDS Affected and Non-Affected Households by Income Quintiles



Source: Booysen *et al*, 2004: 77.

Given that the HIV/AIDS incidence and death rates are increasing, that this has a direct effect on household poverty, how are families coping? Booysen *et al* (2004:83) also looked at household savings, the use of savings, and financial responses to help cope with debt. Real household savings per month for affected households was 52 percent less than for that of non-affected households (R145 compared to R304 respectively). Booysen *et al* (2004: 94) also noted that affected families used their savings for funerals more than non-affected families. Specifically, when affected households used their savings, 50 percent of the time the money was used for funeral expenses compared with only 21 percent for non-affected families.

4.4: Conclusion

HIV/AIDS is a disease that has been remarkable because of the way it affects so many aspects of life. It not only cripples the individual but the family, community and nation. The economic effects felt reach far beyond the bread winner and can keep a family mired in poverty and reduce a country's economic growth.

Within South Africa, KwaZulu-Natal is one of the worst infected regions. Statistics that within KwaZulu-Natal more than 40 percent of women surveyed at an antenatal clinic were

HIV positive. Furthering that point, the overall population of HIV positive persons in KwaZulu-Natal is almost 12 percent.

Structural poverty and developmental poverty worsen the effects of the HIV/AIDS epidemic. Almost 9 million people living in KwaZulu-Natal, only about 2.3 million are employed (Pauw, 2005:17).

As a result, affected families stand little chance of staying at their current economic levels let alone improve their financial situation. The following chapters will look to see the effect of HIV/AIDS on burial societies and funeral homes offering burial schemes.

Chapter 5: Modern Day Funeral Rites

Culture dictates how we celebrate the major events in the course of a human lifetime. Births, marriages and deaths are all marked with a set of carefully observed rituals and traditions. Traditions must be adhered to. For some South African families, funerals are large and expensive affairs where guests expect to be fed, and the casket must be of high quality. Yet these current funeral practices and expectations are increasingly at odds with the realities of modern day South Africa that is stricken with HIV/AIDS.

African cultures offer a profound respect for the deceased (Phillip, 2003). The recently deceased are honored with a lavish ceremony with many people attending to pay their respects. The body of the deceased is often laid to rest within an ornate coffin. Funerals have become as socially important as a wedding and just as expensive. For many, the expenses greatly exceed income and a funeral can thrust a family into poverty. Social demands and traditions expect the family to put forth an expensive funeral for the deceased even though they cannot afford them (Phillip, 2003). Considering that each family is facing multiple funerals, the situation becomes even more upsetting and dire. Many families are able handle the economic shock of a funeral, but if they have to pay for more than one and donate money for the funerals of relatives, friends, and co-workers, they could potentially be falling further into economic hardship.

This study focuses on Zulu burial traditions as Zulus, by default, were the target population of this study. White and Indian people, given religious and economic differences, do not in general use the services interviewed.

Looking at the demographics of KwaZulu-Natal, black Africans are the most populous (group) and the most affected by HIV and AIDS (SA Dept. of Health, 2005). It is easy to view the problem that is at hand; the largest population also has the highest HIV infection rate and does not allow a body to be cremated. In a geographical location where cemetery space is limited and the number of deaths is increasing, the problem is critical.

This chapter will look more closely at the role of traditions and religions within the context of funerals. Obviously, they are an important part of history and the identity of a people, but what happens when culture and religion come in conflict with the practical realities of HIV/AIDS, increasing poverty, and limited burial space?

5.1: *Modern Day Funerals*

I don't really know where everyone gets the money," "We get many families in here that want big price coffins and funerals that they cannot afford. If you can't afford to pay 100 Rand [a month for a burial scheme], how do you pay a funeral that costs six to eight thousand Rand? These people want a big funeral to show off to their friends and family. But they are just as poor and know they can't afford it but they expect it anyway.

- Santosh (an undertaker at a Durban Funeral Home)

Santosh was commenting on the current trend of high priced black African funerals. Santosh went on to state that he does not really know where the tradition came from. As far as he knows, traditional burials (mainly Zulu) were simple and inexpensive prior to the change in government. It is only recently (within the past 20 years) that the average black African funeral has become longer, more elaborate, and more expensive.

Therein rests a serious problem with today's African funerals. The tradition of a large and elaborate funeral is a relatively new phenomenon that, if not altered, can have a large negative economic impact on the surviving family members. Using an example of a family in Port Elizabeth, Philip (2003) showcased this problem. The son had budgeted R4,000 for his mother's funeral. By the time the funeral was over, he had spent more than R16,000. Much of the expense was due to family pressures and traditions that mandated an expensive funeral.

Mandisa Nkopane, financial administrator of the Eastern Cape Council of Churches (cited in Philip, 2003) stated that funerals are becoming like weddings where guests expect food, the hiring of tents and stoves, and even portable toilets. This sentiment was echoed by the Southern African Catholic Bishops' Conference which stated that the widespread South African tradition of providing meals for extended family members and friends and paying for

their transport to the place of burial can put families into a burden of debt that they spend years trying to pay off (Dachs, 2004).

The actual cost of a burial varies greatly depending on location, insurance, and personal wealth. Steinberg *et al* (2002) conducted a survey in various parts of South Africa and found the average cost of a funeral was R5153 with one family spending R40000. Roth (2003) found the cost of a funeral to be R6285 and the Financial Diaries (2004) was R8737.

Personal interviews for this study have shown a wide price range for funerals within Durban. Funerals can cost as little as R1200 and as much as R80000. Six interviewees gave the average 'modest' funeral price as being between R5000 and R10000.⁴ Four of the funeral homes interviewed looked, during the interview, at recent funeral receipts and offered an average cost for a funeral, which was R8500.

The costs of today's funerals have increased due to the many extras that the family believes are required. Funerals have become a social gathering and a party. Often a family wants to show to the neighbors and community that they are not poor so they buy a large tent and an ample amount of food to accommodate many people (Landela). Landela also stated that she does not know the origin of extravagant funerals. She stated that her family has always told her that when a family member passes away, they are to be respected and sent 'home' properly. "How does a R10000 coffin make a bigger difference than a R3000 one?" said Landela. "My family says that I do not understand traditions anymore because I am university educated. They think that because I am learning I am going to forget my past. I tell them that my ancestors did not need a R20000 funeral but they don't listen to me. All of these funerals will make us even more poor (*sic*)."

Sondele is a director in a small Durban funeral home. He has been to many funerals recently both for his clients and his family and is at odds because as a businessman he enjoys earning money but as a father he thinks the prices are too high.

⁴ This cost does not include the price of a tombstone or the burial plot fee to the eThekweni Municipality which can add additional thousands of Rands to the overall cost.

"I understand that a family would want to bury their loved one in a nice coffin; that is *Ubuntu*⁵, but the funerals now are not right -- too expensive. I wear two hats – a businessman and a family man. As a businessman, I want to sell the expensive coffins to make money. But as a family man, I think prices are too high. I want my family to be buried with very nice things so they can be respected. I want to have a nice funeral for me too but I do not want my children to have to borrow money."

-- *Sondele*

Roth (2003: 13) provides five explanations for the large expenditures: 1) a belief that the dead become spirit ancestors that exert influence over the lives of the living, 2) it is important to have a meeting of close relatives after the funeral, 3) by hosting an elaborate funeral, it demonstrates the dignity of the household, 4) there is a general belief that the mourners were attentive to costs of the coffins and would gossip, and finally 5) funerals are a rotating social event where mourners would be able to put on their 'Sunday best' and meet friends and distant relatives.

The *Financial Diaries* sought to quantify the everyday financial decisions of the poor by following more than 180 families for a year in urban, peri-urban, and rural areas in South Africa. Among other discoveries, the *Financial Diaries* found telling information regarding funerals and the ability of families to cope with this economic shock. It was found that in the urban area, 75 percent of the households contributed to a funeral at least once within a 28 month period. The peri-urban area saw similar results with 76 percent contributing to a funeral in the same time period. The rural area saw an extraordinary 90 percent of households contributing to a funeral (*Financial Diaries*, 2004).

As expected, the average contribution was lowest in the rural region (R40 per contribution) compared to R360 in the peri-urban region and highest in the urban area at R500 (*Financial Diaries*, 2004). Funerals occurred in the rural areas four times as frequently as in the urban areas. However, due to higher employment and rates, urban families were expected to contribute much higher.

⁵ *Ubuntu* is a Zulu word that has a general meaning of "closeness and family-bond within the community" (as defined by S'bu). Louw (1999:2) describes Ubuntu as a basic respect and compassion for all others or "a person is a person through other persons."

5.2: A Lack of Cemetery Space: To recycle or cremate?

Attwood (2005) found that almost 600 people are dying in the City of Durban each week and is predicted to continue to increase in years to come. 20 of the 22 public cemeteries are filled to capacity and the other two rapidly approaching that limit (Attwood, 2005). Thus, it is easy to see the problem faced by the City of Durban and the funeral industry...where do they bury the dead?

To help stem the tide of future burials with no available land, there are two realistic options to choose from: recycled graves and cremation. The National Cemeteries and Crematoria Conference was held in Durban in 2004 with the intention of looking at alternatives to burial. The two main options to come out of the conference were of no surprise; recycling graves and cremation (Attwood, 2005). The problem lies in convincing the public to choose one of these alternatives. eThekweni Municipality has been promoting both to its citizens but there are stigmas attached to them. Cultural taboos result in people having mixed feelings about burying their loved one in a pre-existing burial plot, and this option is not a popular one. Cremation is the other option, but lacks the support of many groups because their culture and or religion forbid the burning of a body. In 2005, there were only approximately 1500 cremations conducted, roughly one-fifth of the total number of burials (Nonhlahla).

The City of Durban currently recycles graves in most of their cemeteries. Legislation allows the legal recycling of graves after a ten year period. If a grave is opened up after ten years and the bones are found to not have disintegrated completely, they are re-interred at a lower level which allows space for the newer body to be laid to rest (Attwood, 2005). Only cemeteries considered to have historical importance are secure and will not be recycled (Attwood, 2005). However, if a family does not wish to have another body using their existing grave, they can renew the lease on their grave for an additional ten years (Wines, 2004).

For families that have been in the area for several generations or more, the dismay of recycling graves is tempered by using the grave of a family member (Apps, 2005). Santosh,

when asked reactions of families to recycling graves, stated that families are nervous about it because they think it will upset the spirits of both the new and old dead. Wines (2004) reported that the newly buried speak to their families in their dreams and complain. In one example, for instance, one family reported dreams of a recently buried family member complaining that the original occupant of the burial site has pushed him so close to the surface that he can feel the rain.

Recycling graves is not a permanent solution as many of the municipal cemeteries were originally set aside for black Africans during the apartheid regime. These cemeteries are located in poor soil and are unsuited for burials, especially recycling (Wines, 2004). Mr. Ngcobo, the Head of Durban's Municipal Department of Parks and Cemeteries was interviewed by Wines (2004). Mr. Ngcobo stated that most families agree to use a recycled grave because of financial hardship. The cost of a recycled grave is about R320, whereas the cost of a new grave at one of the two remaining open cemeteries is about R1800 (Wines, 2004).

Though many of the cemeteries have been officially closed, it has been suggested that there is always room for one more body. "If the price is right there are always out of the way corners that can be used, shrubs that can be removed, and walkways that can be converted into plots," stated Santosh. "It's a matter of how much you have and how badly you want that person buried in that particular cemetery."

When the subject was brought up as a hypothetical situation, two other interviewees stated that it could possibly be done. Although declining to discuss prices, they felt that it would have to cost above R10000.

The other viable, and more permanent, option is cremation. Cremation is acceptable to some religions and cultures and unacceptable to others. For instance, Christian and Hindu faiths allow the body to be cremated, but Zulu, Islam, and Judaism do not (Attwood, 2005). The black African belief is that the soul of the body continues on after death and cremation will burn the body and soul (which would then not be able to take its place with the other

ancestors (Bobpape, 2001, cited in Baur, 2002). Baur (2002: 67) also stated the following African values towards cremation:

1. Families would be unable to attend the funeral and pay their last respects.
2. The tradition of living in a community with their dead will be broken.
3. The spirit will bring unhappiness to the community and family.
4. The spirit will also die.
5. God will condemn the spirit to hell.

There is a general understanding by the youths that at some point, black Africans are going to have to realize that cremation is the best solution to the problem of lack of cemetery space. For example, Nonhlahla believes that currently the problem will not be solved for at least a generation or two because the elders do not wish to be cremated. She went on to state HIV/AIDS has affected this problem in an interesting way – because many young people are dying of HIV/AIDS, their parents are burying their children. Therefore, the parents are requesting a burial and refusing cremation.

The Municipality, though not forcing cremation, has sought to encourage cremation (Attwood, 2005). One way is through a cemetery plot burial scheme. The scheme seeks to cover the full cost of the burial site or cremation for a principal member and six beneficiaries (Nonhlahla). The burial scheme covers the cost of the burial plot or cremation fee. All eThekweni residents are eligible and the monthly fee is only R10.

The scheme, which started towards the end of 2004, had more than 11000 members by the end of October 2005 (Nonhlahla). As people sign up for the burial scheme, the burial scheme workers discuss cremation with them. They talk about cultural expectations, financial obligations and stigma as well as the positive aspects of cremation such as the cost (Nonhlahla). However, it seems that the cemetery plot burial scheme is only having a marginal affect towards increasing the number of cremations. Nonhlahla stated that for the past ten years, there have been approximately 26275 cremations, or about 2628 per year.

5.3: 'After Tears' Party and Other Rituals

Another recent trend in the modern day funeral is the 'after tears' party' The 'after tears' party is a recent phenomenon mostly involving the younger generations who forsake burial traditions and party into the night with alcohol.

S'bu is a manager of a burial society. Within the past ten years she has seen a large increase in "after-tears" parties where funeral guests drink alcoholic beverages after the deceased has been buried. "I don't like this after-tears party," said S'bu. "This is not Zulu and God does not like this." S'bu went on to state that she feels many young people show up at the funeral just for the alcohol. The younger people do not care for the person who was buried and there is no respect or *ubuntu*.

Carton (2003) noted that those attending the 'after-tears' party often disregarded burial traditions such as wearing long clothing, clipping their hair extensions, and neglecting their boyfriends or girlfriends. Additionally, the 'after-tears' party is viewed by conservative families as being the work of bad youths and women who spread the ruinous *umnyama*, a synonym both for AIDS and poison inflicted through bewitchment (Carton, 2003: 206).

As unpopular as the 'after-tears' party may be to some, it is becoming more and more popular. Thomson and Posel (2001) state that even though the 'after-tears' party may be irritating or offensive to some, there is evidence that an entire industry is being developed to support it.

5.4: Conclusion

The modern day funeral is a complex ritual involving tribal and religious traditions. Within KwaZulu-Natal, Zulu burial customs have blended with Christian beliefs and now leave many families with difficult choices.

Additionally, the cost of a funeral is an economic shock that few families can handle without external help. Today's funerals have become a high-priced affair involving luxurious caskets

or coffins, limousines and buses for the guests, accommodation, food, and (in some instances) alcoholic beverages for an 'after tears' party. The excessively high cost of a funeral is being justified by many as the need to send off the deceased with the respect and honor that they deserve. For many families, the funeral has replaced the wedding as *the* social event to attend. Families use the funeral as a meeting place to re-connect with families members who have moved away and, for those less economically fortunate, it is a way to get a proper meal.

Families are now using a variety of methods to help pay for these funerals. Burial societies, funeral homes offering burial schemes are the most popular ways of offsetting the cost with formal insurance being a lesser used option.

The rise in the number of deaths (mainly due to HIV/AIDS) has led municipal cemeteries to fill up at a faster rate than expected. As a result families have to bury their loved ones in used graves and on top of other bodies (preferably the body of a deceased family member). It is the Zulu's deep respect and connection with the dead that compels them to bury their dead in the ground and not look at other options, such as cremation, which can alleviate the burial space problem.

Chapter 6: Formal Insurers

The role of formal life insurers will not be discussed at length, but it is advantageous to at least compare their funeral schemes to that of funeral homes and burial societies because there is some lower-income people who use these services and they are an alternative to burial societies and funeral homes offering burial schemes. It is also prudent to place our focus on the lower half of the population, using Living Standard Measures (LSM)⁶ as that is where burial societies and funeral homes offering burial schemes place the majority of their business. This chapter will evaluate some of the larger insured funeral schemes in South Africa. Specifically, a comparison will be made of their services and premiums and accessibility to their services by lower income people.

The data for this chapter was collected through the institutions web sites only from December 2005 to March of 2006. The institutions looked at were First National Bank, Standard Bank, Absa, Ithala Bank, Old Mutual, Sanlam, Avbob, and PostBank⁷. When the institutions offered more than one funeral scheme, the least expensive option (lowest monthly premium) was chosen.

Finally, a matrix of the costs and services of the formal insurers will be produced to allow comparison.

⁶ Living Standard Measures (LSM) were developed by the South African Advertising Research Foundation (SAARF) as a means of segmenting the population. LSM groups people according to a variety of variables such as hot running water, traditional hut, dishwasher, etc. See www.saarf.co.za for a more detailed explanation.

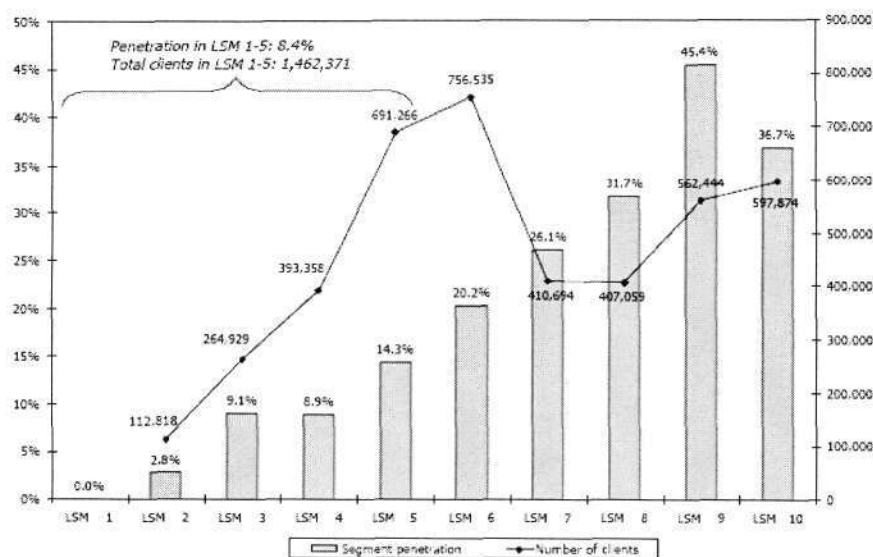
⁷ There are other service providers that were not chosen for this study. The author's intention is to only provide a simple quantitative analysis of the formal funeral assistance providers; FNB, Standard Bank, Absa were chosen because of their high visibility within the banking sector; Ithala Bank was chosen because of its pro-poor mandate; Sanlam and Old Mutual were chosen because of its profile within the insurance industry; Avbob is a nation-wide insurance company that also offers funeral services, and PostBank was chosen because of its unique status of working within the confines of the SA Post Office.

6.1: Long and Short Term Insurance

Long and short term insurance regulatory legislation was overhauled in the late 1990s. These new regulations have since guided the insurance industry with regards to assistance policies (funeral policies) and other insurance products. The Long Term Insurance Act (No. 52 of 1998) and the Short Term Insurance Act (No. 53 of 1998) seek to regulate insurers and their practices (Bester *et al*, 2004). The Acts pertain to formal life insurance by regulating insurance entities depending on the length of their products. In general, a long-term policy can be described as a policy that an individual or company takes out that, if premiums and other requirements are met, is guaranteed for an extended period of time including the duration of the policy holder's life. Short term insurance is a policy that is usually based on a person's assets (such as crops or an automobile) but can include health or accident insurance (which may overlap with the long term insurance act) (Bester *et al*, 2004).

In Figure 6.1, Melzer and Smith (Finscope, 2003, cited in 2004:15) present LSM segment penetration and total number of deaths. It is interesting to see the large discrepancy between number of deaths and segment penetration in LSM 1-5. It is not until LSM 7 that the segment penetration exceeds the number of deaths.

Figure 6.1: Funeral Insurance Penetration by LSM and Number of Deaths



Source: Finscope, 2003 cited in Melzer and Smith, 2004:15.

Melzer and Smith (2004: 19) also point out that there are a substantial number of potential clients within the LSM 1-5 market. Approximately one in five people in the LSM 4 market (1.2 million persons) have a funeral policy compared to a little more than two percent of the peoples in LSMs 1-3.

While there is clearly a need for insurance, lower income people are not accessing formal funeral insurance schemes. Barriers to access exist, blocking lower-income families from purchasing insurance. Several reasons have been given for such barriers. They include:

- Insurance providers are not represented in the poorer communities because they find it difficult to collect premiums in an efficient manner (especially if the policy holders do not own a bank account (Bester *et al*, 2004: 123).
- Products are designed by staff that has little actual knowledge of the lower-income market. As such, the products offered do not meet the needs (Bester *et al*, 2004: 90).
- Only 30 percent of adults aged 16 and above trust life insurance companies to provide good policies when purchasing long term insurance (Melzer, 2006: 2).
- Misperceptions on managing the risks caused by the spread of HIV/AIDS may have delayed market entry (Melzer, 2006: 2).

Additionally, it can be conjectured that because of barriers to access (among other reasons) funeral homes and burial societies have found their niche in the funeral business and thus taken away potential market share (John).

6.2: Formal Insurance Burial Schemes

Insurance companies have been offering funeral coverage for many years. Similar to burial societies and funeral homes, they offer a service when a member or beneficiary passes away. Formal insurers only offer a monetary payout and guarantee their services unlike the informal services of a burial society and some funeral homes.

The formal insurers offer variable monetary payouts depending on factors such as age and relationship to the member. Table 6.1 represents the formal insurer's funeral schemes offered on their websites.

Table 6.1: Formal Insurers Funeral Scheme Average Monthly Payment for Policy Holder and Beneficiaries

	Monthly Payment	Payouts per beneficiary					
		Policy Holder	Spouse	Child 1 (14-21)	Child 2 (6-13)	Child 3 (0-5)	Stillborn
Mean	R37	R5750	R5750	R4500	R2625	R1719	R964
Minimum	R28	R4000	R4000	R2000	R1500	R1250	R500
Maximum	R52	R10000	R10000	R6000	R4000	R2500	R1500
Number	8	8	8	8	8	8	7

Source: FNB, Standard Bank, Absa, Ithala Bank, Sanlam, Old Mutual, Avbob, and PostBank.

The mean monthly payment was R37 with the highest monthly payment at R52 and the lowest at R28 (a 46 percent difference). Several institutions varied their age limits. For instance one institution placed the age limit of the oldest child as years 14 through 24. Another institution included a stillborn death within children aged 0-5. To help better quantify the data, the most common age brackets were used with the other ages placed in accordingly. All formal insurance schemes used three child age groups and seven of the eight cited stillborn as a separate classification.

Payouts varied considerably depending on the scheme and the age of the beneficiaries (for children). However, payouts for the policy holder and spouse were the same. As expected, payouts decreased for child beneficiaries as the children age.

Several other observations regarding the formal insurers' burial schemes were made. Five of the eight required a six month waiting period before receiving benefits; one institution required a three month waiting period. Four of the eight required the policy holder to have a bank account; one did not require an account at all. Three of the eight declared that all claims would be settled within 48 hours. One institution placed the maximum number of wives at two and the number of children at six. Two institutions placed the maximum number of stillbirths per policy at two. None of the eight institutions mentioned HIV or AIDS in the main pages of their websites. All of the eight institution's websites were in English with no isiZulu or other language option available.

6.3: *The Insurance Industry's Response to HIV/AIDS*

The proliferation of HIV/AIDS within South Africa has led to difficult times for the insurance industry. During the early 1990s, many insurance companies began to withhold payment to the benefactors if it could be proven that the insured died of HIV/AIDS or an AIDS-related illness and did not state such illness to the insurance company. Advocacy groups countered this assertion by claiming that many people did not know their HIV status when they took out the policy and that they were not properly informed by the insurance brokers regarding the exclusion clauses in the policies (TAC, 2003).

Insurance companies eventually yielded to the public pressure and began to eliminate HIV/AIDS as exclusion to their insurance policies. In a response to the aggressive protests by the Financial Sector Coalition Campaign, of which TAC, Black Sash, and the AIDS Consortium are members, AVBOB stopped including the AIDS exclusion in their policies as of October 2001 and waived the right to execute this clause in older policies (TAC, 2003).

Furthermore, in 2004, the Life Officers Association (LOA) and its members agreed to stop including the AIDS exclusion clause in assurance policies. What this meant for the industry is that HIV/AIDS testing would become more prevalent and pricing would then be based on such risk (Bridge, 2004). Additionally, insurers have protected themselves from HIV-related costs by offering a standard policy only to HIV-negative people and require additional testing to retain coverage. For persons who are HIV-positive, available insurance plans are very expensive and contain many restrictions (Itano, 2003).

Another variable in the pricing equation is access to treatment; as more and more people get access to antiretroviral drugs, their lifespan increases. Insurers in South Africa are beginning to include treatment in their policies and the treatment is seen by some to be a cost-effective option (Itano, 2003). However, for treatment to be cost-effective, it must be widespread enough to cover the lifespan of the insured to cover the costs of treatment. Until such time that treatment is available to the majority of people, insurance premiums will rise to cover the risk. By 2010, the costs for insurance are expected to be triple that of prices in 2000 (Itano,

2003). In that time, businesses that offer group insurance plans are facing the brunt of the price increase. To offset this burden, employers are opting out of benefits, moving from defined benefits to defined contribution plans, and even raiding the pension plans (Itano, 2003).

6.4: Conclusion

Formal funeral insurers do not have the market penetration into the lower income families as do funeral homes that offer burial schemes or burial societies. As Figure 5.1 showed, market penetration does not equal the number of deaths until almost the seventh LSM percentile. Even so, formal insurers do offer competitive rates and options.

The most positive aspect of obtaining an insurance policy from a formal insurer is the guarantee backing the policy. Unlike unregistered funeral homes and burial societies, selecting a policy with a formal insurer offers the policy holder the peace of mind of knowing that the policy will always be there to payout the proceeds. Formal insurers are regulated and constantly make updated calculations that consider what events such as the increase in mortality due to HIV/AIDS would due to their business. On the other hand, there is a considerable risk that illegal funeral homes and burial societies will not be able to remain solvent in light of the increase in deaths caused by HIV/AIDS. If those institutions fail, there is almost no recourse in reclaiming the money invested.

Chapter 7: Funeral Homes and Burial Schemes

Funeral homes are the hub of the funeral industry in South Africa. They have a presence in all areas, cater to all market types, and work with all other players in the funeral industry from insurance giants to communal burial societies. All types of people come to a funeral home in their time of need. At the funeral home, one can choose from a wide variety of coffins that cost as little as R1000 or as much as R80000. They can also choose flowers, tombstones, crosses, tents, and luxury hearses if they so desire. Funeral homes burial schemes are also an additional option for lower income families to use to save money for deaths.

These burial schemes are similar to formal insurers in that they offer a secure way to save money specifically for a death of a loved one by accepting monthly premiums. Where they differ from formal insurers is that funeral homes' burial schemes usually offer a cash payout as well as in-kind services. For instance, a burial scheme member will be given a list of options, such as a limited choice of coffins or variety of types of flowers, and then the funeral home will arrange the funeral.

The area surrounding the Gale Street and Umbilo Road intersection is host to a high proportion of funeral homes. These funeral homes run the gamut from large, formally registered companies to small, illegal 'fly-by-night' offices that seeks to make a profit in the wake of the increase in deaths.

These 'fly-by-nights' compete with the legal funeral homes by offering similar products at cheaper prices. The caveat with these institutions is that they are not registered companies and the consumer must face the risk that the company will close up and disappear with the money or not deliver their services as intended. On the other hand, these institutions, if their intentions are honest, offer services to a host of people who may not be able to afford formal funeral home prices. Additionally, these 'fly-by-nights' can be more culturally sensitive and responsive to non-traditional family structures (such as families where the parents are not present) and do not obtain a stable monthly income.

This chapter will look at both formally registered and illegal funeral homes and compare the services these institutions offer. As expected, registered funeral homes are wary of these ‘fly-by-night’ funeral homes and see them as an unfair competitor. But do these illegal institutions offer a genuine service to the community by accessing a market mainly untouched by the formal funeral homes?

7.1: Formal vs. ‘Fly-by-nights’

A total of six funeral homes were interviewed for this study. Four of the six were registered businesses and two were illegally operated ‘fly-by-night’ organizations. Interviews with the legal funeral homes (Molife, Santosh, John and Sondele) shared strong animosity towards the illegal funeral homes (Thabo and Tsele) because of their illegal nature and competition.

According to Santosh, the number of funeral homes has increased in the past five or six years⁸. Most of the newer funeral homes are not registered and illegal. Santosh further states that because of the ‘fly-by-nights’ his company has seen a drop in the number of funerals conducted per month. Molife and John supported Santosh’s statement that there has been an increase in the number of funeral homes (mostly illegal).

“Funerals and deaths are always going to happen so there will always be a business,” stated Sondele. He believes that AIDS and youth violence will lead to more operators in the industry because these potential entrepreneurs know people are willing to spend a lot of money on funerals.

The anecdotal evidence presented by the Molife, Santosh, John and Sondele suggests that the increase in ‘fly-by-night’ funeral homes has substantially cut into their business and profits. One registered funeral home (Sondele) thought that the ‘fly-by-nights’ took away approximately 30 to 40 funerals a month. Other interviews (Santosh and John) felt that it was fair to say that the ‘fly-by-nights’ affected business negatively by at least 10 percent.

⁸ The average number of years the four registered funeral homes interviewed have been in existence is just under 18 years. The average number of years the two ‘fly-by-nights’ have been in existence is 2.5 years (4 years and 1 year).

On the other hand, the ‘fly-by-night’ funeral homes felt that their presence was warranted and needed in the community. The manager of a illegal funeral home (Thabo) felt that the established funeral homes price their coffins and funerals too high for most families, especially those that live in the townships. He went on to state that there was a hole in the industry that dealt with the poorer families and he wanted to conduct his business there.

Tsele stated the same idea – the current funeral homes did not want to work with the township families. If a family comes into their office and does not have insurance they do not want to conduct business with them. Tsele also stated that there is a lack of trust towards the poorer families and a belief that they will not be able to pay for the funeral they choose.

The topic of not-reaching the poorer families was broached with the registered funeral homes. Santosh stated that almost all of his clients are black African and not wealthy. The families have money to spend because they have a burial society, family members from which they can borrow money, and some have additional insurance [such as Old Mutual or other assurance provider].

Sondele also disputed the claim that the registered funeral homes do not accept the business of low-income families. “No, that is not correct,” stated Sondele. “We advertise in all neighborhood newspapers and cater to every family’s needs. I would say that more than 50 percent of clients are poor and the most live in the townships.”

John stated that real funeral home have standards and certifications that ensure a certain level of competency and the ‘fly-by-nights’ are “ruining the reputation of the whole funeral industry because of their shady practices.” A recent forum that combined the Department of Home Affairs in Durban, undertakers, medical professionals, and police cited such shady practices as the improper acquisition and storage of bodies, bribing of municipal officials and hospitals, and setting up fraudulent burial schemes (Goldstone, 2005).

Several operators had no official premises and worked from the street, had no vehicle, gave out false information to potential clients, and targeted the poorer families by offering cheap funeral packages (Goldstone, 2005). It has been estimated that there are approximately 180

to 250 illegal funeral parlors in the greater Durban area⁹ compared to 150 registered funeral homes in the whole of KwaZulu-Natal (Majova, 2005).

The forum also stated that the illegal funeral homes would stake out the hospitals and government mortuaries looking to get potential clients (Goldstone, 2005). This practice was confirmed by Sondele. He went on to say that they were “ambulance chasers” who would even try to convince the family to change their existing business to them.

Molife and Santosh have had clients attempt to switch their business to these ‘fly-by-nights.’ In most cases, the families have already paid into the funeral home’s burial scheme and do not wish to refund the money. In other cases, it has been reported that the illegal funeral homes would pay registered funeral parlors to use their cold storage for bodies, official certificate (which must be presented to the mortuary for the body to be released), and even office space (Majova, 2005). It was even suggested that mortuary officials were being bribed to release the bodies to the illegal funeral homes without having met all the requirements set forth by the Department of Health (Goldstone, 2005).

A funeral home accused of working with the illegal institutions insisted that he was just an entrepreneur who assisted black African undertakers who wished to get into the business by practicing affirmative action (Majova, 2005). The funeral home operator proceeded to say that he could not remember when the last time a Department of Health inspector came to his establishment (Majova, 2005).

“Bottom line is that there are more funerals that we know what to do with,” stated Santosh. “The industry is not expanding fast enough legally so ‘fly-by-nights’ are swooping in and taking away our business. AIDS and violence is killing people faster than we can handle it.”

The use of illegal funeral homes fills the void left by the registered funeral homes in other ways, stated Thabo. He felt that many of the deceased originally came from the rural areas

⁹ Goldstone (2005) estimates that approximately 30 (roughly 15 percent) of the illegal funeral parlors are located on Gale Street, which is the location of the funeral home case study.

and the families wanted to bring the body back home. The registered funeral homes wanted to charge the families an exorbitant fee to collect the body from the morgue and then transport it to the rural areas. Thabo went on to state that the registered funeral homes were not sympathetic towards the families and only wanted to make a profit. Because of this, families would gladly turn to the illegal operators who offered low prices.

7.2: Funeral Homes and Burial Schemes

Many funeral homes offer burial schemes that are similar to burial societies and formal insurers. If the funeral home is registered and offers a burial scheme, it is legally required to insure that scheme with an underwriter. However, some of the smaller funeral homes chose not to insure their burial schemes (Darius). ‘Fly-by-nights’ and smaller, registered, funeral homes may not have any financial backing for their burial schemes.

Prices for the burial schemes were all competitive and their services were similar to that of the formal insurance providers. The data presented in Table 7.1 combines different types of burial schemes offered by the funeral homes. In one instance, the funeral home stated that for a monthly premium they would conduct a pre-set funeral in which the customer was told which type of coffin would be used, the types of flowers available, and other services offered. In three of the remaining five cases, the money that was set to be dispersed was actually to be used within that specific funeral home.

Legally, funeral homes are not allowed to offer only in-kind services for their burial schemes: they are supposed to offer cash payment as well (Santosh). Sondele explained that if the policy holder chose to spend their money at their funeral home, discounted prices would be made available so they would be able to get more for their funeral (such as a better coffin). One funeral home stated that they never had a customer take the cash payment because they could not get the same funeral for the amount paid to them (Molife).

Table 7.1 displays the cash payouts of the burial schemes offered by funeral homes. One of the six (Tsele – a ‘fly-by-night’) had a burial scheme but did not offer a cash payout at all. A customer would pay a monthly premium for a pre-arranged funeral only. Because of this,

Tsele's monthly payment was included but the cash payouts were only derived from the remaining five funeral homes.

Table 7.1: Funeral Home Burial Scheme Monthly Payment for Policy Holder and Beneficiaries

	Monthly Payment	Beneficiaries					
		Policy Holder	Spouse	Child 1 (14-21)	Child 2 (6-13)	Child 3 (0-5)	Stillborn
Mean	R36	R5600	R5600	R3800	R2100	R1050	R1000
Minimum	R10	R1000	R1000	R1000	R1000	R750	R750
Maximum	R60	R10000	R10000	R5000	R3000	R1250	R1250
Number	6	5	5	5	5	5	5

The mean monthly payment was R36. The highest monthly payment was R60 and the lowest was R10. When comparing the burial schemes of funeral homes to formal insurers, the information collected for this study suggests that funeral homes are very competitive. Specifically, formal insurers had a mean monthly payment of R37.

Funeral homes were also similar to formal insurers in that they adjusted their payments according to age of the deceased. The mean payout for the policy holder and spouse were R5600 (just slightly less than the R5750 payout from formal insurers). As expected, the funeral home with the lowest monthly payment (R10) paid out the lowest amount towards the policy holder (R1000) and the highest monthly payment (R60) offered the highest cash payout (R10000). The funeral home that offered the lowest monthly premium and cash payout was one of the 'fly-by-night' funeral homes and the highest monthly payment and cash payout was a large registered funeral home.

7.3: Funerals Offered by Funeral Homes

As mentioned in Chapter 5, the cost of a funeral in South Africa can vary widely. Funeral prices ranged from R3750 without formal insurance and R6400 with formal insurance (Roth, 2003) to more than R8700 (Financial Diaries, 2004).

The interviews conducted for this study also found a wide variety in funeral prices. Sondele explained that a funeral depends on how much money a family¹⁰ has, if they have insurance or belong to a burial scheme, how much money they can borrow, how much pressure their society places on them, and whether or not the deceased is to be buried in eThekweni or in the rural areas. Thus, Sondele was comfortable splitting the costs of funerals into two categories; the *haves* and the *have nots*. The *haves* can spend as much as they want and will usually spend between R10000 and R15000 and the *have nots* will spend between R3000 and R8000.

Of the six funeral homes interviewed, one stated that the funeral varied greatly and was not comfortable stating an average (John). Another funeral home (Tsele) did not want to disclose their prices. Therefore data on funeral prices only came from four funeral homes. Of the four who responded, prices for a funeral varied greatly. Thabo stated that he could provide a very minimal funeral, which included only a coffin, cross, wreath, and juice for R1500 and could also provide an elaborate funeral for R80000. Table 7.2 displays the lowest and highest priced funerals the funeral home could provide as well as the average amount for a funeral chosen by the customer.

Table 7.2: Funeral Home Funeral Prices

	Lowest Cost Funeral Provided	Highest Cost Funeral Provided	Average Funeral Cost chosen by Customer
Santosh	R1500	R80000	R8000
Thabo	R2850	R32000	R8000
Molife	R3000	R49000	R6000
Sondele	R10000	R25000	R12000
Avg. Costs	R4338	R46500	R8500

¹⁰ Sondele was asked if his opinion on funeral prices were for all people or only Zulus. He stated that his opinion of funeral prices were for Zulus and other black African people only.

Several observations lead from the information provided in Table 7.2. The first observation is the wide discrepancy in costs of a funeral. Molife stated that the people who spend the lowest amount on a funeral are members of a burial society because they have negotiated a pre-arranged funeral.

A second observation revolves around the items purchased for the funeral. This study did not seek to price all of the items available for a funeral but did inquire about the cost of caskets and coffins. A casket is a rectangular box and is usually the cheaper option compared to a coffin which has a more expansive shape.

Caskets and coffins come in a variety of types of materials and are priced accordingly. For instance, pressboard is one of the cheaper types of wood products used to make caskets and is typically the cheapest casket available (Santosh). As the prices rise, the quality of wood increases (such as mahogany or oak) and usually at the top of the price list is imported metal coffins (Santosh). Table 7.3 reveals the lowest and highest priced coffins and caskets for the four funeral homes.

Table 7.3: Coffin and Casket Prices

	Lowest Cost Coffin/Casket	Highest Cost Coffin/Casket
Tsele	R480	R16000
Thabo	R499	R12000
Molife	R750	R50000
Sondele	R950	R4000
Avg. Cost	R670	R20500

Molife stated that a large amount of the profit from a funeral is derived from the price of the casket/coffin. A funeral home may only make a few hundred rand on a lower priced casket, but can make many thousands of Rands on the more expensive coffins.

All of the funeral homes interviewed stated that even if a family has purchased a burial scheme that offers a pre-set funeral, they will attempt to upgrade many of the items to increase the cost. Thabo stated that when a family originally joins a burial scheme with their

funeral home, they are content with the funeral price as set by the funeral home. But when someone dies, the family feels pressure to upgrade the funeral and make it more elaborate. “When they first join, they are watching their coins,” said Santosh. “Once someone dies, they feel they must buy a coffin and not take the casket which is given.”

Part of the interview with the funeral homes revolved around the composition of a funeral. What services were standard throughout the industry and what items or services was not part of the standard funeral package. Items or services that were included in all funeral home burial scheme packages included:

- A casket
- Wreath or cross
- Tent and chairs
- Cold storage for body
- Completion of death certificate
- Storage of body
- Removal of body from mortuary

Items that were not standard but were available upon request included:

- Catering
- Lowering mechanism to place coffin/casket into the ground
- Monument
- Portable toilets
- Bus
- Cow or goat for slaughtering
- Tombstone.

Roth (2003:11) investigated the costs of various items in a funeral. The cheaper items included program and tent hire which were both listed as under R100 to the purchase of a cross and flowers which ranged from R200 to R400 and then ended with the highest priced items such as cemetery costs and a sheep or cow which cost between R800 and R1000 to the coffin and funeral parlor costs which were between R1400 and R1600

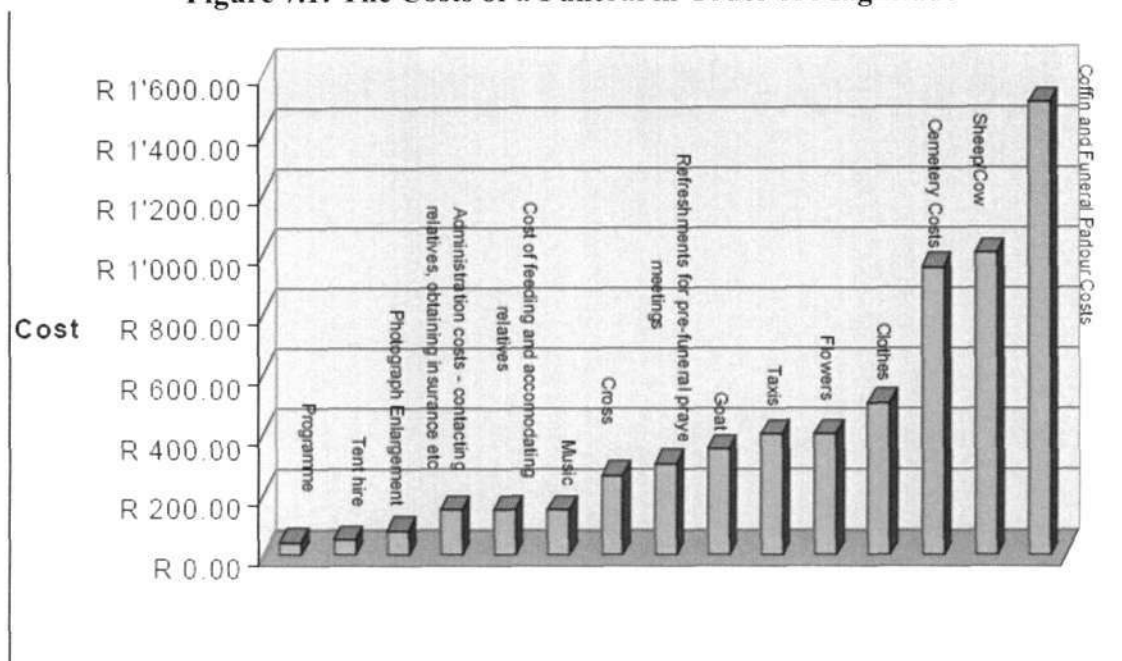
It is the extras, along with the expense of upgrading the coffin or casket, which places the average cost of a funeral at such a high level. Specifically, the mean cash payout offered by the funeral homes for the policy holder was R5600 (Table 7.1). The discrepancy between the

burial schemes payouts (average of the funeral homes and formal insurers) and the average cost of a funeral chosen by the customer was approximately R2800.

The family's ability to pay for this discrepancy is an issue that has been the focus of investigation by other researchers. First and foremost, if a family has no other additional means of insurance and must pay for the expenses outright, it is a considerable sum. As mentioned earlier, the average monthly income for a family living in a heavily populated area such as Durban is R3792. Therefore, the economic shock of a family in this scenario would have to use almost 75 percent of their income for the month to pay the additional R2800 costs. The *Financial Diaries* (2004) studied the economic impact of a funeral on families. It found that many families needed assistance from a variety of sources to pay for a funeral. For instance, a case study of one family showed funds to pay for a funeral came from a burial society, remittances from several relatives, loans from relatives' burial societies, and money left from the deceased.

As noted in Table 7.2, the average cost of a funeral chosen by the family for this study was R8500. Roth (2003) places the costs of a funeral at R6285. Roth's study was conducted in the Eastern Cape, one of the poorest provinces in South Africa (Roth, 2003); therefore prices can be expected to be higher in an urban location such as Durban. However, the information provided in Figure 7.1 is a fair indication of the magnitude of prices per item and can be used as a rough guide for a Durban funeral.

Figure 7.1: The Costs of a Funeral in Order of Magnitude



Source: Roth, 2003:11.

One item mentioned in Roth's display is cemetery costs, the cost to purchase a cemetery plot. As mentioned previously in Chapter 5, the lack of land for cemeteries has led the Municipality to 'recycle' graves. None of the funeral homes burial schemes examined for this study paid for the R1350 municipal cemetery plot fee (eThekwini, 2006). Tsele stated that the fee is not included because some families want to transport and bury the body in the rural area where the family lives and would not need this extra expense.

An expense that was not included in Roth's study was a tombstone. Tombstones were not included in any of the burial schemes offered by the funeral homes interviewed. One funeral home (Tsele) included a small granite grave marker in their burial scheme, while the others offered wooden crosses (Molife and John).

Tsele stated that it is custom to wait one year before purchasing a tombstone for the grave. The reason, he believed, was two-fold; to let the family grieve a proper amount of time and (more practically) to allow the family to save money for the expense. Santosh also concurred with Tsele concerning the waiting period of one year to purchase a tombstone.

The cost of a tombstone varies greatly depending on the type of stone purchased (granite and marble are two of the most common). Santosh stated that the head of the tombstone is most expensive because each letter engraved is priced individually. The cost to polish the tombstone is an added expense as well and some families choose to only polish the area surrounding the name (Santosh). The decision-making process for a tombstone is similar to the process for choosing a casket or a coffin: much of the decision depends on the wealth of the family and societal pressures (Tsele). It is not unheard of for a family to spend up to R35000 on a tombstone but most settle for one much cheaper, usually less than R10000 (Molife and Thabo). Sondele stated his funeral home offers a small engraved and polished tombstone for R6000 which many families find appealing. The families state their interest in the tombstone but fewer and fewer are coming back to place an order for one. "A year goes by and there is another funeral," said Sondele. "They don't have the money for a tombstone anymore."

7.4: HIV/AIDS and the Future of the Industry

All of the funeral homes interviewed were forthright and eager to talk about the affect HIV/AIDS is having on the industry. In fact, all funeral homes brought up the subject early on in the interview process and seemed genuinely concerned about this topic. All funeral homes believed that the number of deaths would continue to increase over the next couple of years. Only one of the funeral homes, Sondele, knew any recent statistics regarding percentages of deaths caused by HIV/AIDS, but all understood that it affected women more than men and affected the youths more than the elderly. Molife stated that AIDS and youth violence are the two most common causes of death seen in his funeral home. He went on further to say that those dying of youth violence are mostly men and those dying of AIDS are mostly women. When asked which of the two he saw more frequently, he did not hesitate and stated that he saw many more women dying than men.

7.4.1: Denial and Stigma

The general consensus from the funeral homes was that the families of the deceased did not so much deny the fact that their family member died of AIDS as much as they just preferred to not talk about it. Santosh stated that if the deceased was a young woman and the mother was making the funeral arrangements, she would simply say that it took her daughter a long time to die. “How many diseases can take a year to finally kill you now,” stated Santosh. “If it took a year to kill a young woman, it has to be AIDS.”

Other funeral homes (John, Sondele, and Thabo) stated that there are familiar ‘other’ causes of death instead of HIV/AIDS such as tuberculosis or pneumonia. John stated that he believes that the amount of AIDS-related deaths is underreported in Durban because the city does not want people to know how bad the epidemic is affecting people. John mentioned that when many families ask for a death certificate to show to their burial society, they received the first page only. The second page shows the actual cause of death. Therefore the families never truly know what their family member died of and this keeps families in denial or ignorance.

Stigma is still a strong concern in the Durban area, especially if the family is very religious and has strong ties to the church and community. Sondele found that if a person lived in Durban to earn money while his family lived in a rural area, the families care less about the cause of death. The family does not ask many questions and just wants the body transported back to the family’s home for burial as quickly as possible.

If the family lives in the area then it becomes more complicated. If the person who dies is the son of a high standing member of the church, it is difficult for the church member to explain to his fellow church goers that his son engaged in ‘immoral’ behavior, causing him to contract HIV and die of AIDS. The community will look down at the parents for not bringing up his child in a proper Christian manner. Therefore, it is easier to say the son died of TB (Sondele).

7.4.2: Meeting the Demand Caused by HIV/AIDS

A major concern is whether the services currently provided by these funeral homes are adequate to meet the growing demand caused by HIV/AIDS and whether or not they have a business plan to make the necessary changes. The registered, formal funeral homes and the 'fly-by-nights' have different approaches to this problem. The registered funeral homes that have their burial schemes insured see their business in long term sagacity. They understand that the affects of HIV/AIDS will bring them more business but that the people most affected by HIV/AIDS are the lower income families (Molife).

Sondele stated that funeral homes are in the business to make a profit, but they do not want to make the prices so high the families cannot afford them. Funeral homes are now working with the families and offering more products and choices.

In an "off the record" comment, one of the funeral homes mentioned that funerals for poor black African families are a difficult balancing act. The funeral homes want to keep the prices high to earn a profit but low enough to ensure that the family will come back to them if another funeral occurs. He went on to state that because of AIDS, one almost has to think of the whole family as potential clients and price accordingly. If a family with many children and other relatives has three deaths in ten years, a funeral home can lower prices per individual item which will make the family happy, making up for the loss of money in quantity if the family does all their business with that same funeral home.

The two 'fly-by-nights' also agreed with the concept of offering families choices. In fact, the 'fly-by-nights' seemed to be more sympathetic and aware of the need for an affordable funeral by the families. "The big funeral homes start at around R10000 for a funeral" stated Thabo. "Families can't afford that. That's why we are here...to help the poor families with a dignified burial."

When asked directly about what HIV/AIDS will do to their business within the next five years, the opinions varied. Thabo believed that his burial scheme will continue to grow and

make money. He understood that HIV/AIDS will bring about more deaths and potentially more clients. Therefore, he reasoned, more clients mean more money. Thabo was then asked to think about how much he pays out per funeral and how much money he makes per month or year. He was asked if there was a point where there were too many funerals and he would start to lose money. Thabo stated that he could double the amount of funerals he provided and still make money. However, Thabo admitted that he never gave much thought to what would happen if the amount of funerals reached the limit where he would start to lose money; he was making money now and did not know what the future would bring.

Sondele stated that raising the monthly fee was a good option, but a funeral home needed to be careful and not raise it too much so families cannot afford it and move to another scheme. Reducing the number of beneficiaries was also a good idea to Sondele, "because if everyone is dying there are not many beneficiaries left." Tsele also believed that he would continue to make money because of the increase in deaths because of HIV/AIDS. He stated that that is one of the reasons why he entered in this business in the first place. When asked if there was a threshold deaths that he could handle, Tsele didn't think there was a point where there were more funerals than he could handle, though he had never really given it much thought.

The registered funeral homes differed greatly from the 'fly-by-nights' in this capacity. Having insurance underwriters, they are constantly getting the latest information and mortality statistics. They then make business decisions on what pricing structure to use and what are the options and items to be offered. Every month sales are tracked and compared to previous months and forecasted to future months (John).

John felt that there is a point where they could not handle the amount of funerals in demand, but that his funeral home is constantly looking at data and feels they would not be caught by surprise and run out of burial scheme funds.

The use of formal insurance underwriters allows the funeral homes' burial schemes to be guaranteed and priced accordingly. Santosh felt that the public needs to be better educated about the dangers of going to a 'fly-by-night' because they have no form of guarantee.

Santosh stated that the 'fly-by-nights' could raise their premiums without notice, change the composition of the funeral, or even just close up shop and disappear without a trace leaving the family without a way to get their money back or the funeral for which they paid.

7.5: Conclusion

There is little written information regarding burial schemes offered by funeral homes. Legally, a funeral home is obligated to have an insurance underwriter backing their burial scheme, but this is not always the case. Additionally, the funeral home itself may not be a registered and legal entity. This is a major issue currently being discussed in the funeral industry.

The registered funeral homes claim that the 'fly-by-night' funeral homes are stealing away a noticeable amount of business. In addition to the obvious illegal nature, 'fly-by-nights' are also practicing unscrupulous and dangerous methods of business that could end up hurting the clients and the industry itself.

On the other hand, the 'fly-by-nights' believe that they have entered the business because there is a demand for low priced funerals that is not being met by the larger institutions. They believe that they are legitimate business practitioners who are better able to meet the growing demands of the poor black African family. Majova (2005) states that there are between 180 and 250 illegal funeral homes in the Durban metro area (compared to 150 registered funeral homes in all of KwaZulu-Natal). If so, then there certainly is a demand not being met in the formal sector and the 'fly-by-nights' are conducting a valuable service to the community.

With regard to the burial schemes, both the legal and illegal funeral homes offered comparable services. The monthly premiums and options were very similar to each other. The main difference between the burial schemes was that the legal funeral homes offered the client a cash payout as well as the use of their funeral products. The 'fly-by-nights' did not offer the cash payout, only a pre-set funeral.

Whether choosing the cash payout or the funeral services provided, inevitably, the family ended up paying much more for a funeral. Once a death has actually occurred, the family usually chose a better coffin or casket, as well as other options that raised the price of the funeral considerably. Much of the reason for the increase in funeral prices has to do with societal and traditional pressures placed on the family to hold a dignified funeral as well as the high cost to transport the body to a rural area if the family wishes to bury the loved one there.

HIV/AIDS is a direct concern for all those involved. The number of deaths that have occurred, and will occur, because of AIDS and AIDS-related illnesses has caused the number of operating funeral homes to swell. Funeral homes see the increase in deaths as a guaranteed way to make money. The difference between the legal funeral homes and the 'fly-by-nights' is that the legal funeral homes are more prepared for the increase. The legal funeral homes have created a business plan (along with their insurance underwriters) that charts the increase in deaths and makes changes in their inventory and staff accordingly.

Most 'fly-by-nights', however, seem to only see the increase in deaths as an increase in profits. No concrete plan seems to have been formulated by them and they seem to think they can make the proper adjustments as needed on an almost monthly basis. The trouble is that, being unregulated and uninsured entities, if the business became too much for them to handle they can just close up shop and disappear. Yet, for those that have entered the industry with more honorable intentions, there is enough of a demand to ensure their survival if they can adequately manage their business.

Chapter 8: Burial Societies

“[Burial societies] are community based, member governed, not for profit voluntary associations whose primary role is to offer emotional and physical support to members in time of bereavement and to pay a cash benefit to members or their families to provide for the funeral expenses,” (Bester *et al* 2004: x).

There are no definitive statistics on the total number of burial societies, their membership, or their annual income within South Africa. Thomson and Posel (2001:59) state that there may be more than three million members, with several million more dependents who are designated beneficiaries of burial society members; annual contributions are estimated at being between R1 billion and R2 billion. Bester *et al* (2004: 16) place the number of burial societies in South Africa between 80000 to 100000 with a membership of around 6.2 million and contributions to approximately R4.5 billion. Although the numbers may not agree, what is certain is that burial societies are entrenched within the poorer communities and are a common financial institution used by a great many people to help pay for the cost of a funeral.

Burial societies surfaced almost two centuries ago in the rural African communities as a way to deal with the social and economic stress placed on the family due to migration and urbanization and provide a funeral that was culturally and traditionally observed (Thomson and Posel, 2001: 3). Women, who comprise the majority of the burial society members, face numerous obstacles such as child-rearing without the assistance of the father and lack of work in the rural area. Men use membership in burial societies as a means of economic, social, and cultural support while away from their homes (Thomson and Posel, 2001: 3).

Burial society interviewees indicated the number of family members dying is growing and families no longer can afford to pay for a proper funeral (Mpume, Ellen, Mandisa, and Landela). Grandparents have to bury not only their children but their grandchildren as well. Their pension is not enough to live off of and provide for a funeral (Princess). Burial societies offer flexible payments – it is understood if a member cannot pay the dues for a month or two (Princess and Landela). Burial societies keep funeral traditions and customs

alive (Landela). Membership often includes the whole family of a common surname (Steven).

8.1: BURIAL SOCIETY AS A BUSINESS

The burial society officers interviewed were located in either a lower-income neighborhood or township. These burial societies have been in existence of an average 17.1 years. The youngest burial society was 2 years old and the oldest was 37 (established in 1969). Membership in the burial societies can vary from very small to very large. The largest burial society had a membership of just over 1200 and the lowest was 23¹¹. The average number of members in a burial society was 507. Landela (a member of a burial society) placed the membership total of her burial society about 700, but could not be more accurate. Meetings are usually informal, and are held in a church or community hall while others were held in member's house, depending on the size of the membership and attendance (Mpume, Thandi, Steven, and Ellen).

All nine of the burial societies had some type of written constitution governing their actions. This formalized the burial societies by establishing the governing body (i.e. president, vice president, treasurer) and how long they could hold office, the amount of the monthly payment, the rules for new membership (such as a waiting period), and the penalties for delinquent payments.

At the meetings, the financial soundness of the burial society was usually the first item for discussion. The treasurer was tasked with presenting a statement of total income and expenditure for the past month as well as an itemized list of delinquent accounts (Mpume, Thandi, Themba, and Patricia). As burial societies target poorer people, delinquent accounts are a difficult situation for the burial societies (Mpume). On one hand, burial societies exist because they are more flexible and understanding than the formal insurers. It is usually

¹¹ That burial society (Patricia) was created from a previous burial society that had closed because of lack of funds and many members lost their money. For the past two years, the burial society has been wary of such a disaster and has been very cautious to let in new members – preferring to keep membership low.

acceptable if a member misses a monthly payment or two. On the other hand, the number of funerals a burial society is paying for is increasing and the funds are desperately needed.

Mpume, Bongi, and Themba all allowed delinquent accounts up to three months at which point the member is then contacted and asked for payment. One burial society (Bongi) asks for all of the money in arrears to be paid in full before they are let back into the burial society while another (Themba) allowed the member to simply restart paying and pay the delinquent balance as they could.

Interestingly, six of the nine burial societies used the services of a bank. Members were expected to deposit the monthly payment into the bank account directly. The burial society's treasurer then would acquire a monthly statement and easily find out who was delinquent. Mpume stated that using a bank is very helpful because the bank provides the member with a receipt and the society with a monthly statement. The three burial societies that do not employ the services of a bank use a passbook system where the member carries a book that is stamped by the treasurer when they make a payment at the monthly meeting.

The majority of burial societies did not have a specific date regarding a payment and allowed the member to make the payment at any time during that month. As long as the payment was received before the monthly meeting, it was considered valid (Thandi Mandisa, and Landela). Themba stated that she and the treasurer go to the bank the Friday before their monthly meeting (which is on a Sunday) and collect a listing of all deposits and withdrawals. If a member's money has not been deposited by then, they are considered delinquent.

None of the burial societies employed the services of an insurance underwriter. Princess stated that they were not comfortable using an insurance underwriter because that might entail a lot of paperwork. Princess also stated that she had a general feeling of distrust towards the insurance companies and was worried that they might force the burial societies to change the way they conduct their business.

Eight of the nine burial societies were accepting new members at the time of their interviews. All eight of the burial societies that were accepting new members required a R50 initial fee. Ellen stated that the R50 initial fee was used to keep money in the bank and also show the burial society that the new member has the ability to pay the monthly fee. "If the person cannot pay the initial fee, how do we know they will pay every month?" stated Ellen.

Three of the eight burial societies also required a six month waiting period while the remaining five required a three month waiting period. The decision to have a three or six month waiting period was used to prevent people from joining who are critically ill. Princess stated that her burial society chose to have a six month waiting period because they were fearful of new members joining only when they found out that they or a family member was sick. Bongi stated that women usually join the burial society early in their life to take care of their families. If a man wants to join, they are very suspicious and think he has found out he has AIDS and will die soon.

Landela, a member of a burial society, confirmed this and stated that she knows of people who wait until the last moment to go to the hospital if they are sick because they if they go earlier, they will be told to buy medicine which they cannot afford. If they go to the hospital and find out they are sick, they then want to join a burial society instead of buying medicines.

The lone burial society (Patricia) closed its doors to new members for reasons similar to the ones mentioned above. Patricia's burial society is an offshoot of a burial society that closed down two years ago because of lack of funds. The previous burial society did not have a waiting period or a limitation on the number of beneficiaries. As a result, the number of funerals performed each month far surpassed the monthly intake. Eventually, the burial society had run out of funds in reserve and was forced to shut down. The closure left many families without the money they had invested in the burial society or the funeral for which they had paid. Patricia, the Vice President of the new burial society, stated that when the old burial society closed, her family lost about seven years of monthly payments (they had never needed the societies services). When she and others decided to start a new society, they decided to allow only people the founders trusted.

Only two burial societies had limits on the number of beneficiaries allowed. Patricia allowed a maximum of eight people and Bongi allowed ten. Mpume, Thandi, S'bu, Ellen, and Themba all allowed for husband, wife and all children under the age of 21 (Mpume allowed children up to the age of 24 if enrolled in school). Steven and Mandisa had no limits as long as the beneficiaries all had the same surname. Steven stated that because the only limitation was similar surname, they honestly did not know how for many beneficiaries they were responsible.

Because of the burial societies location within the community, if someone dies there is a high chance the society officials know the deceased or member's family intimately. The best chance of fraud is when a member claims a death from a relative who is out of town because the burial society officers do not know the deceased and it may take a long time for a copy of the death certificate to be given to the officers (Steven). Often the funeral occurs without the burial society ever getting a death certificate so they can never be sure if the deceased was a legitimate beneficiary. Steven stated that the chance of fraud depends on the size of the burial society. Smaller societies rarely have this type of fraud where the larger ones (more than a couple of hundred members) have fraud regularly.

8.2: *Burial Society Services*

Burial societies offer cash payouts upon the death of a member beneficiary. Of the nine burial society officers interviewed, seven offered a cash payout along with funeral services and two offered only funeral service with no cash payout. The monthly payment of Table 8.1 contains data from all nine burial societies with the cash payouts derived from the seven.

Table 8.1: Burial Society Monthly Payment for Policy Holder and Beneficiaries

	Monthly Payment	Policy Holder	Spouse	Child 1 (14-21)	Child 2 (6-13)	Child 3 (0-5)
Mean	R32	R2500	R2500	R2411	R2357	R2357
Minimum	R12	R1600	R1600	R1600	R1600	R1600
Maximum	R60	R3500	R3500	R3500	R3500	R3500
Number	9	7	7	7	7	7

The mean monthly payment was R32. The highest monthly payment was R60 and the lowest was R12. Compared to funeral homes and formal insurers, burial societies, the monthly premium for burial societies was the lowest but not by much. Formal insurers had the highest average monthly premium at R37 and funeral homes averaged R36 (a nine and six percent difference respectively).

The monthly premiums of the burial societies that only offered a funeral service were higher than those that offered a cash payout as well as a service. The two burial societies that only offered a funeral service had monthly payments of R20 and R50, with a mean payment of R35. The mean monthly payment of the seven burial societies that offered cash payment was R32.

The most striking difference between burial societies and the burial schemes of funeral homes or formal insurers is the cash payout. Whereas the formal insurers and funeral homes average cash payout for the policy holder were either at or above R5600, the burial society's mean cash payout for the policy holder was only R2500.

8.3: A BURIAL SOCIETY FUNERAL

When there is a death, members follow a certain set of procedures. The member of the burial society notifies one of the burial society officers of the death. That official then notifies the other officers who each have a separate task. The treasurer looks at the account to make sure that the member is in good standing and is not in arrears, as well as withdraws money if needed. Another officer notifies the funeral home and grants permission for them to go to the

mortuary and collect the body and prepare it for a funeral. In some cases, a notice is prepared and distributed to local churches or other organizations. An official will also go to the local church with the family to set up a funeral date and then escort them to the funeral home to choose which services they want such as type of coffin or flowers (Mpume, S'bu, Steven, Mandisa, and Ellen).

Of the nine burial societies, five use a funeral home for funeral services in addition to distributing a cash payment, two offered only a funeral service from a funeral home, while two only offered their members cash. Burial societies that offer a funeral negotiate with funeral homes for a reduced price in return for their business. Each burial society offered a different package of services to their customers. Table 8.2 displays the funeral services provided by each burial society.

Table 8.2: Funeral Services Provided by Burial Society

Services	Burial Societies								
	Mpume	Thandi	Bongi	Themba	Mandisa	Ellen	Patricia	S'bu	Steven
Cash Only	--	--	--	--	--	X	X	--	--
Services Only	--	--	--	--	--	--	--	X	X
Cash and Services	X	X	X	X	X	--	--	--	--
Coffin	X	X	X	X	X	--	--	X	X
Hearse	--	X	X	X	--	--	--	X	X
Cross	X	X	X	X	X	--	--	X	X
Flowers	X	X	X	X	X	--	--	X	X
Bus	--	X	X		--	--	--	X	--
Preparation of Corpse	X	X	X	X	X	--	--	--	X
Mortuary Fees	X	X	X	X	X	--	--	X	X
Tent and Chairs	X	X	X	--	X	--	--	--	--
Lowering Machine	X	--	--	--	X	--	--	--	X
Catering	X	--	--	--	--	--	--		
Cash to Family ¹²	R1600	R3500	R2500	R1600	R2000	R3300	R3000	--	--

¹² Cash payout is for member or spouse.

All burial societies offered a coffin, cross, flowers, preparation of the corpse (i.e. embalming, make-up, and styling), and mortuary fees. Five of the seven offered a hearse while four offered tents and chairs and three offered a bus (or other transportation for funeral attendees), a lowering machine, and only one offered catering. It is interesting to note that of the burial society offering catering also was tied offered the lowest cash payout.

The cash payout offered by burial societies along with funeral services is meant to be spent on either other services or to upgrade existing services. For example, Bongi stated that the cost of catering was getting too expensive for the burial society. Family demands on catering were becoming more elaborate; two or three courses plus dessert and alcohol were common place. Instead of spending too much money or refusing to provide alcohol, the burial society decided to give money to the family and let them budget for food. The cash payouts in addition to the funeral services allow the families to upgrade the casket, purchase a tombstone, or even pay for the cemetery plot if they wish (Themba). Families who live in rural areas can use the money to transport the body back home for burial (Thandi).

Except for the two offering only cash payments, the remaining seven burial societies employed the services of a funeral home. Themba's burial society offers their members a cash payout of R1600 to use as they see fit. Additionally, they pay the funeral home R1725 for their services. Themba stated that her burial society has used the services of one funeral home as long as she has been a member (going on 13 years) and believes that the total funeral cost is below the cost of a funeral for someone who does not belong to a burial society.

Princess also believes that a person can get a cheaper funeral as a burial society member than if they were to pay for one without any help. However, the caveat is for the burial society member to not pay for additional products or services. "Funeral homes always push for more and more," stated Princess. "They are salesmen, what do you expect."

S'bu's burial society offers only a funeral service. Unfortunately, at the time of the interview, the treasurer was not available thus it was not known how much the funeral home was paid or how much the cost of a funeral was. However, S'bu stated that the services were

approximately R4000. The family is given a choice of two caskets and all of the other products and services are set. However, the caskets offered are usually pine or not very ornate and the family decides to pay the difference and upgrade to a better looking casket or coffin. S'bu stated that the each family usually spends an additional R2000-R4000 for a casket.

It is these upgrades that increase the overall price of the funeral. As noted in Table 7.3, the lowest price of a funeral as determined by the funeral homes was R1500 and the average of lowest priced funerals is R4338. These costs stated by the funeral homes are very much in line with the assertions of Themba (R1725 for a funeral) and S'bu (approximately R4000). With regard to legal or illegal funeral homes, none of the burial societies seemed to care as long as the funeral was delivered as expected for the price negotiated. Bongi stated that they never bothered to check, but assumed the funeral home they worked with was legal and registered. None of the burial societies admitted to knowing of and using the services of an illegal funeral home.

Mpume, the only burial society that provides catering, stated that the catering is a community affair. The burial society has a storage room where they purchase dry goods in bulk. In the event of a funeral, the burial society uses the dry goods previously purchased and then spends additional money on fresh vegetables, fruits, and meats. Burial society members then meet and prepare the food themselves, eliminating the need to employ a caterer.

As stated earlier in this chapter, the average length of existence of the burial societies interviewed was just over 17 years with the newest being two years old and the oldest being 37. Therefore it seems likely that a burial society would not continue to use a funeral home if it has disreputable intentions. Bongi stated that the 'fly-by-nights' probably preyed on an individual or family who does not belong to a burial society, does not have any type of insurance, or is from out of town.

8.4: FUNERAL TRADITIONS AND CREMATION

The topic of an 'after tears' party was mentioned to several of the burial society interviewees. Landela, a member of a burial society and youngest person interviewed at age 19, stated that the 'after tears' party exists because it was a way for all persons to gather in a less formal way and remember the deceased. Landela went on to say that even though there was alcohol, young people did not attend the 'after tears' party just to drink and become unruly.

Steven has seen a rise in 'after tears' parties and believes that the majority are harmless while a few are disrespectful. Ellen is more adamant that they should not take place. "Drinking and having a party does not respect the dead," stated Ellen. Other interviewees (Thandi, Bonggi, and Themba) stated that their burial societies do not condone such a party and would never include alcohol in their services provided. However, they went on to say that if the family wished to use the money given them for an 'after tears' party, it is up to them.

Each burial society was asked if there were other traditions or customs that they observed such as 'collecting the soul' or 'widow cleansing.' None of the burial societies practiced any such rituals but all have heard of them being done.

The topic of cremation was also broached. Five of the nine burial societies interviewed were against cremation (Mpume, S'bu, Steven, Themba and Mandisa) while four were ambivalent (Thandi, Bonggi, Ellen, and Patricia). Those who were decidedly against cremation stated it was completely against Zulu tradition to burn a body. The belief is that once a person passes away, they are buried so that they can be reunited with others who have also died. Mpume and Mandisa stated that tradition is very strong in their community and it is just not something that is done. Ellen understood the need for cremation but did not think members of her burial society would choose cremation any time soon. Currently, burial societies have accepted that those who pass away will be buried in a 'recycled grave.' The best hope is to be buried on top of another family member (Patricia).

It is often the living who does not wish to change their beliefs and accept cremation. For example, recently a husband of one of the interviewees/burial society members passed away and had made it known that he wanted to be cremated and have his ashes spread in the farm which he worked. The grandparents and wife did not condone cremation and buried the husband. Further, with so many young people dying and the parents or grandparents preparing the funeral, there is little chance cremation will occur (Ellen).

Landela understands that the lack of cemetery space means families and communities must accept cremation until more space is available. For many young Africans, traditions are not a steadfast truth, and might be altered. They see that tradition must be blended with current practicality: “I would rather be burned than have my body laid on top of someone that I do not know,” stated Landela.

8.5: *Burial Societies and HIV/AIDS*

Seven of the nine burial societies interviewed mentioned HIV/AIDS when asked what some of the problems faced by burial societies were and were willing to discuss it further. However, when asked if HIV/AIDS was a specific problem for their burial society, only four stated yes. The other burial societies stated that not many members had died of AIDS. Mpume stated it was not a problem because it was not “in most of the people” that belonged to the burial society.

All of the burial societies that were willing to talk about HIV/AIDS stated that they have seen a gradual rise in the number of deaths from years past and that there has not been a large increase in new members to cause the increase in deaths. It could be deduced that there was an amount of denial on the part of those burial societies that stated HIV/AIDS was not a problem. However, four burial societies confirmed that those who are dying most frequently are women in their early twenties to late thirties (Steven, Ellen, Themba, and Patrica). This correlates positively with the statistics mentioned in Chapter Four that adults above the age of 25, Africans, and females have the highest HIV positive prevalence.

The effect that HIV/AIDS has on the business of the burial society was also discussed. Patricia stated that the number of deaths has increased over the past several years in her burial society and that most of the deaths have been women. She went on to state that she has brought this up at her burial society meeting and asked what should be done because she is fearful that the burial society will not be able to pay for all of the funerals and run out of money.

Patricia stated that she had belonged to another burial society that had closed down because they had many funerals in two or three months and used all of their money. When another death occurred, the burial society asked the members to contribute an additional R20 to help that family provide a funeral (in addition to paying their R50 monthly dues). When another death occurred the following week, that family demanded R20 from all of the members as well. Members started to refuse other members saying they could not afford to give any more money. Within two months of the burial society running out of funds it had closed down.

S'bu also mentioned that stigma played an important role when discussing a death within the burial society. The burial society has been in existence for more than 15 years and consists of people from the same community who also attend the same church. News of a death in the community spreads rapidly and almost everyone knew the deceased. Because of this, explained Ellen, everyone also knows how and why the person died. Unfortunately, if a person died of HIV/AIDS, then the community will usually suspect that the deceased lived some sort of illicit life and though they will mourn the death, the community will look down on the family for not bringing up a proper child. A family might then tell the community that the deceased has tuberculosis, pneumonia, or a chest infection if the person worked in a mine. "We all know that it was AIDS that killed him," stated Thandi. "But you can't accuse the family of AIDS if they say TB."

8.6: Conclusion

Burial societies have evolved into a somewhat competent business to ensure their solvency and growth. However, it is yet to be seen if the burial societies have enough measures to handle the increase in mortality. The burial societies interviewed have been successful

enough to have been in existence for an average of 17 years and have more than 500 members. Their actions are governed by a constitution with monthly meetings held to keep the members and officials current on all issues. Additionally, financial penalties are used to help ensure members do not become delinquent in their payments and a three to six month waiting period for new members is an appropriate method of risk aversion to guard against unscrupulous persons.

Burial societies are also very competitive when compared to competitors such as formal insurers and funeral homes offering burial insurance. The average monthly fee for a burial society was R32 compared to R35 for funeral homes and R36 for formal insurers. While the cash payout is substantially lower by the burial societies, the vast majority combined the cash payout with funeral services which bring up the total value of return for the members payments.

Where burial societies have a competitive edge is in their community location and local knowledge. Most funeral homes and formal insurers are located within the Central Business District (CBD) of Durban and thus people must commute to get to them (and spend time and money). Burial societies have the luxury of locating their business in the area of their members. Business transactions are conducted in the local language by persons known and familiar to the members.

Additionally, burial societies understanding of their clientele usually allow the members to make the monthly payment at any time of the month as long as it is before the next monthly meeting. This allows families, who may or may not have a regular income, to pay for their membership when they can without incurring a late fee.

The number of beneficiaries allowed per member places the burial society at the most risk. Some burial societies have placed a limit on the number of beneficiaries while others mandate that only the father, mother, and children are eligible. These restrictions are somewhat manageable compared to the burial societies that allow anyone with the same surname to be a beneficiary.

The number of beneficiaries and records of those beneficiaries are presenting problems for burial societies. Records of beneficiaries are not updated regularly causing the burial society to take the word of the member that the person who has passed away was a family member, especially if the deceased was from out of town. However, limiting the number of beneficiaries is a way for burial societies to cope with the increased number of deaths. Bongi stated that her burial society reduced their number of beneficiaries down to ten (from anyone with the same surname) about two years ago. This change has seen the number of funerals reduced and has allowed the burial society to always keep money in the bank. Princess, whose burial society offers a funeral to all beneficiaries with the member's surname, agreed that limiting the number of beneficiaries would be the best option. The problem, stated Princess, is that her burial society is very large and the members would not be happy if they were to place a limit. "How do you tell a family to choose who can get a funeral and who can not?" stated Princess.

All burial society interviews were either part of or knew of a burial society that has recently closed down because of a lack of funds. Many, however, have not taken many precautions to prevent this from happening to their funeral. Themba stated that her burial society could not increase their monthly fee because it would lead members leaving. Others felt the same way and that increasing the joining fee was also not an option (Mpume, Bongi, and Themba).

Burial societies have been able to survive for many years because the number of deaths has not led them to make harsh decisions or spend much money. HIV/AIDS is causing this to change. The increase in death is placing the family and burial society in economic hardship. Immediate and decisive changes must be made by the burial societies to remain solvent and help their members who have invested their money with them.

Chapter 9: Conclusion

This study sought to better understand the socio-economic conditions which affected burial societies and funeral homes offering burial societies. Specifically, the intention was to discover what the affects of the increase in mortality caused by HIV/AIDS is having on their businesses.

Would the current structure of burial societies and funeral homes allow them to remain solvent if they do not alter their current business practices as the number of funerals exceeds their monetary intake? And if they are unable to exist with their current business practices, then what must they change? With regard to funeral homes, how will they adapt to continued increase in competition and lack of cemetery space? For burial societies, are their holdings and collection measures adequate against the potential run on their services?

9.1: HIV/AIDS and the Modern Day Funeral

In the beginning of this thesis, two key questions were presented which formed the basis of the research. The first question pertained to the ability of burial societies and funeral homes offering burial schemes to exist if they did not alter their current business practices in the wake of increased mortality caused, in most part, to HIV/AIDS. The second question was if they were not able to exist without change, what do they need to do to adapt to the changing condition and to continue to provide services for people who are unable to pay for funerals without some for of assistance? For burial societies, the questions pertained to their business structure: if more people are dying and there are more funerals, how do they keep from going bankrupt? Funeral homes have a different set of problems in that they have a better sense financial planning but a massive influx of illegal funeral homes has cut into their profits and customer base

9.1.1: HIV and AIDS

To address those key questions, this thesis first sought to present the cause of the increase in deaths, which is HIV/AIDS. HIV/AIDS affects not only the individual but the family, community and nation. The economic effects felt reach far beyond the breadwinner and can keep a family mired in poverty. Additionally, social stigma and denial of its rampant spread have hindered any coherent measures to address the problem. As a result, a nation such as South Africa and a province such as KwaZulu-Natal have endured a massive rise in the total number of HIV and Aids related deaths.

Within South Africa, HIV/AIDS has greatly affected the life span of the population. The chance of dying between the ages of 15 and 45 for males is almost 57 percent and 50 percent for females. KwaZulu-Natal is one of the worst infected regions in South Africa with more than 40 percent of women surveyed at an antenatal clinic were HIV positive and an overall HIV positive population of almost 12 percent (Shisana *et al*, 2005:44).

Going hand in hand with HIV incidence is poverty. Balyamujura *et al* (2000:8, cited in Drimie, 2002:7) stated that poverty assists the spread of HIV/AIDS. This is a germane statement considering that almost 50 percent of the South African population and 54 percent of KwaZulu-Natal live below the poverty line (R5057 per annum) and 28 percent of South Africans and 32 percent of KwaZulu-Natal live in 'ultra poverty' (R2717 per annum) (IES 2000 cited in Pauw, 2005:8).

9.1.2: The Burial Rites in the Context of HIV/AIDS-related deaths

Within South Africa and KwaZulu-Natal, traditional burial customs have blended with Christian beliefs to form a unique burial tradition that is currently under attack. The increase in mortality has led municipal cemeteries to fill up at a faster rate than expected. As a result families have been forced to bury their loved ones in 'recycled graves' rather than use other options such as cremation.

Additionally, the cost of a funeral has become a heavy financial burden that few lower-income families can handle without help. Today's funerals include high-priced coffins or caskets, limousines and buses, and (in some cases) alcoholic beverages for an 'after tears' party. Some families view the high cost of a funeral as being justified because the family needs to send off the deceased with the respect and honor. For many families, the funeral has replaced the wedding as *the* social event to attend. Families use the funeral as a meeting place to re-connect with the families members who have moved away and, for those less economically fortunate, it is a way to get a proper meal (S'bu).

9.2: Funeral Homes

Funeral homes are facing a different set of problems: competition from illegal or 'fly-by-night' funeral homes that have rapidly spread and usurped a considerable amount of business away from the legal funeral homes. The legal funeral homes state that the 'fly-by-nights' are not only unfairly taking away customers by offering services at lower prices, but practicing unscrupulous and dangerous methods of business that could end up hurting the clients and the industry itself. The 'fly-by-nights' countered that accusation with a belief that they have entered the market because there is a demand for low priced funerals that is not being met by the larger funeral homes. The legal and illegal funeral homes offered comparable services and prices. For instance, monthly premiums for their burial schemes were very similar as was the products offered. However, the legal funeral homes claim that the risk to the families choosing the 'fly-by-nights' is their illegal nature and that there is no guarantee that their services will be honored.

As the number of AIDS and AIDS-related deaths increases, the number of funeral operators will continue to swell. Those wishing to enter the market view the increase in deaths as a sure-fire way to make money. 'Fly-by-nights' view the increase in deaths as an increase in profits. No concrete plan seems to have been formulated, and funeral homes think they can make the proper adjustments as needed on an almost monthly basis. The trouble for those doing business with the 'fly-by-nights' is that, being unregulated and uninsured entities, if the business became too much for them to handle they can just close up shop and disappear.

9.3: *Burial Societies*

Burial societies have evolved into competent businesses to ensure their solvency and growth. However, it is yet to be seen if the burial societies have enough measures to handle the increase in mortality caused by HIV/AIDS. They are governed by a constitution and take corrective measures to remain solvent such as assess financial penalties for delinquency.

Burial societies have a competitive edge over funeral homes and formal insurers because of their community location, local knowledge, and flexibility. Whereas most funeral homes and formal insurers are located within the urban centers, burial societies have the luxury of locating their business in the area of their members. Business transactions are conducted in the local language by persons known and familiar to the members. In addition, burial societies understanding of their clientele usually allow the members to make the monthly payment at any time of the month as long as it is before the next monthly meeting. This allows families, who may or may not have a regular income, to pay for their membership when they can without incurring a late fee.

However, some of the business practices place the burial societies at risk. While some burial societies have placed a numerical limit on the number of beneficiaries (i.e. six or eight beneficiaries), others mandate that only the father, mother, and children (no limit) are eligible while others' allow any person to be a beneficiary as long as they are related and have the same surname. Furthermore, some burial societies offer very low monthly fees and therefore can only afford a few number of funerals per month.

These two examples highlight a glaring weakness in the burial societies. Without changing their business practices, the increase in deaths and funerals claimed by members will surely drain any savings a burial society may have and possibly cause it to fail. All of the burial societies interviewed knew of other burial societies that have closed down due to lack of funds caused by the increase in deaths. Without any substantial changes, it seem that the majority of burial societies are in danger of financial ruin.

9.4: Recommendations

The expected increase in deaths due to HIV/AIDS is and will continue to place a great strain on the formal and informal insurance industry. At the current pace, it is easy to envision the future: cemeteries will not have enough 'recycled' graves to support all of the funerals, lower-income families will be pushed further into debt due to the high prices of a funeral, and the funeral homes will continue to lose customers to illegal funeral homes. It is not a question of *if* changes should occur, but *what* changes must occur to help alleviate the pressures on the funeral industry.

The most obvious solution for many of the problems is cremation. Cremation would not only reduce the demand on the City of Durban to acquire more cemetery land, but it would reduce the price of the funeral which would help the financial stress of the families and cause a lack of incentive for illegal funeral homes to stay in business. However, this is not a solution that will occur anytime within the near future. The respect that the black Africans have for their dead is very strong and it would be very difficult (if even possible at all) for them to want to change their customs and traditions and accept cremation.

With cremation not a possibility, other options must be thought of to help. With respect to the lack of land, it would benefit the City of Durban to try to incorporate cemetery space into the planning of soon to be constructed residential areas. Additionally, it would be worth investigating the enactment of legislation that requires private cemeteries to make available a certain percentage of their land available to lower-income families at a reduced price.

For burial societies, their strength is in their communal nature but their weakness is in their managerial abilities. It would be beneficial for the government and even the formal funeral industry (i.e. funeral homes that do business with burial societies) to conduct annual or semi-annual actuarial and managerial training with burial society managers. Their training would emphasize that the government and funeral industry are there to help but not there to infringe on their autonomous nature.

Finally, the legal funeral industry must combat the rise of ‘fly-by-nights.’ The presence of the illegal funeral homes potentially places both the industry and the consumer at great risk. Regular policing of the industry by the government and the funeral industry itself should look to not only eliminate the ‘fly-by-nights’ but also the legal funeral homes that are conducting business with them. It would also be prudent for the legal funeral homes to consider the strengths of the ‘fly-by-nights.’ Some of the illegal funeral homes are in an advantageous position because they cater to the lower-income market such as hiring isiZulu speakers and printing brochures in isiZulu.

9.5: Further Research

The results of this study have answered some questions and brought about others. The relationship between HIV/AIDS and the funeral industry is dynamic and continuously changing. It is fair to say that the current amount of research done on this sector is limited and in need of further exploration.

The first area of research suggested would be to investigate just how much funerals further the cycle of poverty. Panel studies such as the *Financial Diaries* have shown how the lower-income families experience great financial hardship because of funerals. It would be interesting to investigate just how much a lower-income family is affected by the funerals by conducting a panel study of families who have had to pay (either fully or partially) for a funeral. It would be useful to see where they acquired the money from to pay for the funeral, i.e. did they skip a payment on a bill, or do without luxury or necessary items?

If they place their money into a burial society or funeral home offering a burial scheme, and these schemes should fail, the family would be ill-equipped to survive without additional hardships. Not only do they not receive the funding they were expecting for the funeral, but they would have lost the savings that they invested in the burial society or funeral home. All the while, the family is still required to pay for a funeral.

A second suggestion would be to more closely examine the funeral home industry. Legal and illegal funeral homes are fiercely competing against one another to win the funerals of the

lower-income families and burial societies. The potential outcome for those families and burial societies that choose a 'fly-by-night' and then not have their services rendered could be catastrophic. However little information exists concerning this illegal funeral homes and their practices to determine the scope of the problem. It would be interesting to have more in-depth research conducted on this topic. Specifically, it would be enlightening to have more illegal funeral homes interviewed to understand their intentions (if possible) as well as interview individuals, families, and burial societies who have used their services and find out their attitudes towards them.

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APPENDIX A: ILLEGAL FUNERAL HOME EXPERIENCE

During one attempt to talk to an illegal funeral operator inside a building known to house many illegal funeral home operators, I introduced myself to the receptionist and talked about my research. She picked up the phone and mentioned to someone about my intentions. A man came out from a door behind the receptionist and started to ask me questions about the nature of my research. He stated that he did not have time to answer any of my questions upon which I attempted to secure an interview at a later date.

At this point, the man began to accuse me of working for the government. "An American does not ask these questions. What does a spy for George Bush have to do with funerals?" At this point, I was taken back but attempted to assure the gentleman that this was not the case by showing him my student identification card and letter of purpose that contained contact information of the school and my supervisor. Undeterred the man stated (in increasing volume) that that information could easily be forged and declared that he was doing nothing illegal. I told the man that I believed him. The gentleman asked me to leave his office immediately. As I left and was walking down the stairs he again stated (quite loudly) that he was a legitimate business man and was doing nothing illegal. As I was walking down from the third floor, many other people looked out of their offices to see the commotion. I viewed that the commotion as having a negative effect on my ability to garner interviews within the building because I went back several weeks later to talk with other burial schemes and several offices remembered the incident and refused an interview with me.

APPENDIX B: FUNERAL HOME QUESTIONNAIRE

FUNERAL HOME QUESTIONNAIRE

1. Name of Funeral Home: _____
2. Name of Interviewee: _____
3. Location: _____
4. Phone: _____
5. What is your position at the Funeral Home?: _____

6. How many years has the funeral home been in existence? _____
7. What services do you offer?
☐ Funerals ☐ Wreaths ☐ Burial Schemes ☐ Caskets / Coffins
☐ Monuments ☐ Cremations ☐ Tents ☐ Tombstones
☐ Other: _____
8. If you offer caskets/coffins:
 - a. Do you import them? ☐ Yes ☐ No
 - b. If yes, from where: _____
 - c. If no, where do you get them: _____
9. Why types of coffins do you offer?
☐ Fiberboard ☐ Pressboard ☐ Superboard ☐ Wooden ☐ Metal
10. What is your lowest and highest priced coffin?
Lowest price: _____ Highest price: _____
11. What are your most popular type and price of coffin?
Type: _____ Price: _____
12. How many caskets/coffins do you sell each month? _____
13. Do you offer a burial scheme? ☐ Yes ☐ No
14. If yes, what type of burial scheme do you offer?
☐ Cash payout ☐ In-kind services ☐ Other: _____

15. Do you work with burial societies? ☐ Yes ☐ No

16. What services do you offer to them: _____

17. How many funerals a month do you perform? _____
18. During the past year, have you seen an increase in funerals? ☐ Yes ☐ No
19. If yes, what is the increase each month? _____
20. Have you seen an increase in 'fly-by-night' funeral homes? ☐ Yes ☐ No
- 21 If yes, how has that increase affected your business? _____

22. How has your funeral home been able to cope with the lack of cemetery plots?

23. What do you think you will do in the next 5 years if new cemeteries are not opened?

24. How have your clients reacted to 'recycled graves?' _____

25. What percentage of families chooses cremation? _____
26. Do you think the African community will start to accept a cremation if there continues to be a lack of cemetery space? _____

APPENDIX C: BURIAL SOCIETY QUESTIONNAIRE

Key Informant Interview: Burial Society

Date :

Venue :

Time :

Name of Interviewee :

1. Why do people choose to join a burial society?
2. What is your position in this burial society?
3. Does the society have other officers (for example treasurer, and secretary)?
4. Do you have a constitution?
5. When and how did this burial society come into being?
6. How many members do you have in this burial society?
7. How much do members pay per month?
8. Have you kept the same rates in the past year?
9. How many dependents is each member allowed?
10. Is there a waiting period before they join or can use their services?
11. Does a new member have to pay an initial fee? If yes, how much?
12. How are records kept?
13. How often does the burial society meet?
14. How many burials do you assist with per month?
15. How much does it cost for a funeral?
16. Is it the same for a child's funeral?
17. What is the age of those dying?
18. Are you seeing more men or women dying?
19. Has the number of burials increased or decreased in the past several years? If yes, why?

20. How many funerals can the burial society handle in a year? How many burials can you pay for in a year?
21. What would happen if there were many funerals in a year and all of the money was used?
22. Have you had to increase monthly dues, decrease the number of beneficiaries, or change the benefits within the past several years? If yes, what was changed and why?
23. What services does the society provide if a member loses a loved one?
24. Describe the "After Tears" party?
25. Are there any people you do not allow to join this burial society?
26. When are new members allowed to join? For example, once a year or once a month?
27. Are there many members who do not pay their dues or are late paying their dues?
28. What happens if a member does not pay the monthly dues?
29. Have you ever had a problem with theft or loss of money?
30. What are the standard types of problems with running a burial society? Have the problems changed in recent years?
31. Do you place your money in a bank or other savings institution?
32. Do you have members in your burial society who also have funeral policies such as Old Mutual or from the Post Office?
33. Do you work with funeral parlors to get cheaper costs on funerals?
34. If yes, what services do the funeral parlors offer?
35. It is my understanding that cremation is not practiced in your community. Has this changed? What about the younger generation?
36. How do you feel about the "recycling" a grave (placing a family member on top of another family member in an existing plot)?
37. Are there specific traditions that your members have (such as slaughtering a cow)?