



CENTRE AGAINST

**APARTHEID**

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THE SULLIVAN PRINCIPLES: NO CURE FOR APARTHEID

A public statement

[ Note: This statement, signed and issued by prominent Americans, was released at a hearing organized by the Special Committee against Apartheid on 24 March 1980.

Names and affiliations of the signatories are listed in annex.

The views expressed are those of the authors.)

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Public debate on the issue of whether United States companies should do business in South Africa continues to grow. The Sullivan principles, a voluntary business code of conduct initiated by the Reverend Leon Sullivan, have become an important element in this debate.

Signers of the six Sullivan principles pledge to support a series of workplace reforms in South Africa, including the ending of segregation in locker and dining facilities; the provision of training and advancement opportunities for blacks; and the payment of equal wages for equal work. Signatory companies also agree to try to help improve health and other services for blacks.

The principles were signed originally in early 1977 by 12 major United States firms, among them Ford, Mobil, General Motors, IBM and Union Carbide. Additional companies later added their endorsements, bringing the current total of signers to more than 130.

The principles have developed rapidly into a major defence of United States business activity in South Africa. Signatory companies invoke them to justify their continued presence in that country. Universities cite them in opposing student calls for divestment. Sympathetic officials in Washington, D.C. point to them as an argument against any efforts to pass legislation restricting United States investment.

Signers of the principles say they believe the code will contribute greatly to the general economic welfare of all the people of South Africa. Henry Ford has hailed them as "a better idea." Reverend Sullivan, who is a member of the General Motors board of directors, has referred to them as "a tremendous force for change, and a vital factor in ending apartheid."

We, the undersigned, disagree. We believe the time has come to examine the Sullivan principles critically, and to register our opposition both to those principles and to all other workplace codes of conduct.

We see the Principles not as a result of genuine change in corporate attitudes but as a public relations effort to respond to black demands which the companies recognize as too strong to ignore.

We maintain that the Sullivan principles do not and cannot change the structure of apartheid, a system of legalized racism which reduces Africans to units of labour. Nor do we believe that they can significantly alter black working conditions in the country, particularly when United States companies employ only about one per cent of the total workforce.

Moreover, the Sullivan principles allow a continuing flow to South Africa of money and technology which strengthen the existing unjust system, with its potential for national and international conflict.

We urge that the question of United States economic involvement in South Africa be made an issue of public policy. And we urge that instead of being applauded for endorsing the Sullivan principles, companies be pressed vigorously to end all economic ties to South Africa.

### The Sullivan principles are not an action but a reaction

In 1970, the Polaroid Corporation, faced with employee demands to end ties to South Africa, announced a highly publicized plan very similar to the Sullivan principles and urged other companies to "join us in this programme." The United States corporate community, however, remained silent.

In 1977, by contrast, members of that same community signed the Sullivan principles in large numbers, hailing that as a great step forward. Why was there this sudden interest in reforming a century-old system? What has changed is not the nature of apartheid or the nature of the corporations, but the nature of black resistance to apartheid. Current corporate support for proposed reforms in South Africa comes not in response to the apartheid system but in response to black resistance to apartheid.

The nationwide uprising which began in Soweto in 1976 signalled a new stage in the struggle for freedom in South Africa. For long months thousands of young black men and women risked death, defying police guns, dogs and tear gas to demand an end to apartheid. Many died under torture or in prison.

In large part due to the events which began in Soweto, public indifference regarding the role of United States corporations ended. University students began calling for divestment of stock in companies doing business in South Africa. Many churches, unions, and members of the black community demanded an end to bank loans and corporate investments by United States firms. Called to account, the corporations felt obliged to justify their continued presence in South Africa.

In this context, the Sullivan principles provided precisely what the companies were looking for: a guaranteed public relations success which promised maximum credit for minimum change. The principles sound impressive; they mandate nothing; and there is no way they can be effectively enforced.

Sullivan principles do not and cannot change  
the structure of apartheid

The Sullivan principles confine themselves almost entirely to workplace reforms, raising no fundamental objections to the system of apartheid itself. Corporation executives are responsible to stockholders whose first concern has to be the profitability of operations. Neither in the United States nor in South Africa do corporations exist to reform society. South Africa has been a profitable place for United States companies to operate in. As they point out repeatedly in describing their position there, they are in South Africa as guests of the South African Government. To antagonize the Government is to jeopardize the companies' ability to function.

Yet confrontation is inevitable if true change is to occur. Non-segregation in the workplace - the first of the Sullivan principles - is the least of the objectives of black South Africans. They demand real political power: the right to vote, make laws, shape the economic future of the country. Africans want to be free to live with their families where they choose, and to walk the streets without worrying that policemen will arrest them for infractions of the pass laws. Africans are not struggling and dying to reform apartheid. They want nothing less than the abolition of the system.

The Sullivan principles cannot significantly alter black  
working conditions quite apart from whether they will alter  
apartheid

Corporations in South Africa operate with a controlled labour force. The only time real change in working conditions ever occurs is when workers organize. In South Africa, the Government has made it clear that it has no intention of permitting blacks to acquire any significant rights in this **area**.

For a time, corporations were able to say this was about to change. The Wiehahn Commission, set up by the South African Government to look into labour laws, heard testimony from a number of signers of the Sullivan principles that they favoured an end to all discrimination in those laws. An amplified version of the Sullivan principles endorsed the right of blacks to form trade unions. The companies made much of their "progressive stance."

When the Commission issued its report in 1979, however, it did not appear to have been much moved by the United States companies' statements. In fact, the report made it clear that one of its primary aims was to limit the influence of any "alien" labour codes.

While it recommended that those non-registered African unions which currently exist be permitted - indeed forced - to register, only those who are considered "legal residents" of the country are included in a recent amendment to the Industrial Conciliation Act which enacts some of the recommendations of the Commission.

This means that between one-third and one-half of all African workers, currently classified as migrants, have no legal right to belong to a union. While the amended act explicitly excludes these workers in the text, a little-noticed provision also gives powers to the Minister of Labour to change the definition of who shall be included "as he may deem expedient" (Act 94-1.b). Recently it was reported that the Minister had announced that he would extend the definition of "employee" to include migrants and commuters, an action which he can revoke at any time, solely at his discretion. It is also unclear how inclusive this announcement will actually be.

On the question of keeping some jobs only for whites, so-called job reservation, a practice which the Sullivan principles oppose under a pledge of equal and fair treatment, the Wiehahn Commission again offers little hope of change. While proposing that job reservation be phased out in certain areas, it provides for the continued existence of closed shops, which means that if a white union has organized a given operation, there is no way a black can work there - unless of course he is made a member of the union. And Wiehahn has said there should be no mixing of races in unions except under special circumstances.

When the Government introduced legislation based on the Wiehahn proposals, not only did it endorse these ideas, but it further reduced whatever small changes Wiehahn proposed.

In the absence of an organized black workforce, the Sullivan principles make little if any difference even in areas such as wages, where companies face no legal barriers. Late in 1978, the Financial Mail, a leading South African business periodical, reported that codes like the Sullivan Principles notwithstanding, "the movement toward 'acceptable' minimum wages is snail-like." Between 1974 and 1978, African workers went from being paid an average of \$250 a month less than whites doing the same job to \$280 a month less. The vast majority continue to earn wages which fall below the South African poverty line.

As for advancement, to cite two examples of firms which have signed the Sullivan principles, General Motors in South Africa employs only four blacks in salaried jobs out of a workforce of more than 4,500. IBM has four black managers out of 1,443 employees.

The Sullivan principles allow a continuing flow of aid to South Africa's white régime

The Sullivan principles were invented as part of a plan to defeat demands for divestment by showing that modest changes could be made that would justify corporations' staying in South Africa. But the fact is that many corporations, just by being present in South Africa, give direct strategic assistance to South Africa in its fight to defend itself against those who want to abolish apartheid.

In early 1979 the Fluor Corporation of California announced that it had received a \$2 billion contract to expand an oil-from-coal plant it has been building for the South African Government. This plant is needed because all the major oil-producing countries, most recently joined by Iran, have cut off oil supplies to South Africa, which has no oil of its own. Thanks to Fluor, South Africa is taking an important step toward lessening its dependence on imported oil and thus becoming less vulnerable to world pressure.

General Motors and Ford continue to supply trucks and other vehicles to the police and military, and defend their right to do so.

South African laws require that all foreign companies co-operate with the South African military when required. Contingency plans prepared by GM officials in South Africa indicate that GM's total operation would be taken over by the Defence Department in a time of emergency.

Yet Fluor, GM and Ford are all signers of the Sullivan principles. So, too, is Control Data, whose chairman commented in 1979 that "the little bit of repression that is added by the computer in South Africa is hardly significant" compared with the good the company feels it is doing. So, too, are Mobil and Caltex, which continue to sell petroleum to the South African Government, including the military, and Citibank, whose hundreds of millions of dollars in loans serve to strengthen the South African economy.

While United States investment in South Africa has increased greatly in recent years conditions for South Africa's black majority have worsened: the Sullivan principles will not alter this trend

United States corporate investment in South Africa has nearly tripled in the last 10 years to close to \$2 billion, or one-fifth of all foreign investment, while United States bank loans have grown to well over \$2 billion, or about one-quarter of all South Africa's foreign loans.

The growing United States presence has meant jobs for about 100,000 people - 1 per cent of the workforce. Of this number, about 70,000 are Africans, Asians and Coloureds. For Africans as a whole, however, the main fact of life in recent years has been that conditions have grown steadily worse. Africans have faced new restrictions on where they can live and work, and increased repression in the form of arrests, bannings and detentions.

While 69 Africans were killed at Sharpeville in 1960 as police fired on a peaceful demonstration, 1,000 people are estimated to have been killed following the 1976 outbreak of protests by Soweto students. Whereas Africans once had certain limited rights to live and work in white South Africa, they have now been stripped of their citizenship and told they are citizens of remote bantustans which many of them have never seen.

Many Africans believe that withdrawal, not signing the Sullivan principles or any other code of conduct, is the only appropriate step for foreign investors

No one really knows what the opinion of the majority of South African blacks is toward United States investment and codes of conduct. But it is certainly true that many of the younger black leaders oppose all foreign investment and have called on foreign companies to withdraw.

Among this group was the late Steve Biko, the founder of the Black Consciousness Movement, who died in police custody in 1977. Noting in a statement several months before his death that it was a crime under the Terrorism Act to advocate withdrawal, Biko said, "Heavy investments in the South African economy, bilateral trade with South Africa ... are amongst the sins of which the United States is accused. All these activities relate to whites and their interests and serve to entrench the position of the minority régime."

Some South African church leaders share this view. Bishop Manas Buthelezi said in a discussion of international economic pressure: "There is no doubt that if South Africa suffers, the black people will suffer as well. But we must remember that even when a country goes to war, it does so knowing that some of its citizens are going to die in the process. The same thing applies here. We know that there will be suffering, but we realize that it is by suffering that something better may happen. We don't mind taking the consequences."

Many black political organizations, including the African National Congress and the Pan Africanist Congress, the recognized liberation movements, also have called for withdrawal.

Even the United States Embassy in South Africa appears to have been convinced by early 1977 that blacks do not want codes of conduct, but withdrawal. A confidential memo written at that time by William Bowdler, then United States ambassador to Pretoria, noted that an Embassy officer had visited Port Elizabeth, headquarters of Ford and General Motors, and had held a secret meeting with members of a black workers committee.

According to the memo, the officer found that most of the workers were dissatisfied with their unequal treatment and favored United States withdrawal. It added, "Other community figures employed by motor companies also leaned toward withdrawal. Conceding that the immediate consequence would be loss of the United States market share to foreign and local competitors, the main point, they claimed, was one of morality."

Only the people of South Africa themselves can end apartheid. But there are ways in which the United States can help. We call on American corporations, the American Government, and the American people to act now to end United States trade with South Africa; to halt bank loans to and investment in that country; and to join with the United Nations in urging the withdrawal of all companies with existing operations in South Africa.

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