
INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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ICCR DELEGATION TO SOUTH AFRICA
July 2 - 14, 1991

Delegation Report: Contents

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Background

With talk of lifting of sanctions in the air, reports from South Africa of simultaneous legal reforms and deteriorating conditions and violence on the ground, and questions about when and how U.S. companies should return to South Africa, the Interfaith Center on Corporate Responsibility (ICCR) organized a fact-finding to visit South Africa during the first two weeks of July. The trip also received support from the Africa Office of the National Council of Churches, U.S. Catholic Conference. Its purpose was to assess current conditions and policies affecting economic pressures for change, and to gather our South African partners' recommendations for the timing, parameters and priorities for international business in a non-racial and democratic South Africa.

The delegation was hosted by the South African Council of Churches in Johannesburg, the Archdiocese of Durban in that city, and the Archdiocese of the Province of the Church of Southern Africa in Cape Town. Its costs were defrayed by the religious organizations the delegates represented, with support from other members of ICCR. The eight group members included five Protestants (representing the African Methodist Episcopal Church, the Episcopal Church, the Evangelical Lutheran Church in America, the Presbyterian Church USA, and the United Methodist Church General Board of Pensions), two Roman Catholics (representing the Philadelphia and Tri-State Coalitions for Responsible Investments, as well as the Ursuline Dominican Sisters and the Sisters of St. Joseph), and one Jew. Three members of the group were black and five white. Four were women and four men. (See attached list of delegates)

In 12 days the group managed to meet with more than 100 people representing a broad spectrum of organizations and perspectives in cities, townships and rural areas. The group met with Protestant, Catholic and Jewish organizations, representatives from both the COSATU and NACTU labor coalitions, black and white business leaders, representatives from the ANC, PAC and AZAPO, government officials, members of civic organizations, farmers, squatters, community planners, students, teachers, health and social workers, economists, political prisoners and lawyers.

The timing of the trip was fortuitous. It coincided with both the African National Congress' National Conference (to which the delegation was also invited) and President Bush's lifting of the Comprehensive Anti-Apartheid Act of 1986.

Findings on Sanctions

With the exception of government and white South African business representatives and a few other individuals, the overwhelming response to President Bush's announcement was that lifting sanctions was premature. Those aware of the criteria of the Comprehensive Anti-Apartheid Act (CAAA) stated clearly that these had not been met. Others simply underscored that "nothing had changed" in their lives. A number of people working to end apartheid agreed with the Archdiocese of Durban's Justice and Peace Coordinator, who warned, "If we stop pressures and sanctions now, we run the risk that President De Klerk may also stop the process of change."

Political Prisoners

People across the spectrum were amazed at President Bush's decision that all South African political prisoners had been freed. The delegation was also surprised, having received a press release two weeks prior to the visit detailing the agreement between the South African government and the ANC that more than 980 political prisoners, whose cases were still to be evaluated, remained in South African jails. By reverting to a definition formerly used (and discarded) by Pretoria, President Bush was perceived to have undermined criteria of the current South African agreements.

Several people further noted the irony of President Bush's decision, despite the fact that hundreds of acknowledged political prisoners remain in jail in "homelands" such as Bophuthatswana. Mr. Bush has asked the South African government to appeal to these local governments to release the prisoners. However, the U.S. has never recognized these homelands as independent, and therefore officially considers them part of South Africa.

The group also noted discrepancies between South African press announcements and the situation of political prisoners. After the group's A.M.E. representative read in the papers that a pastor from his church, being held as a political prisoner, had been freed, he visited him several days later--in Pollsmoore Prison.

The rest of the group visited a political prisoner who had been hospitalized after 38 days on hunger strike. The emaciated young man had been detained and held for two months under South African security laws. After escaping, he was redetained in December, 1990. When President De Klerk failed to release all political prisoners in early May, the youth joined others on hunger strike. Though he has been told he will return to prison when doctors consider him out of danger, he has never been charged with any crime.

Emergency Laws

Although the State of Emergency has been repealed in South Africa, experts the group interviewed pointed out that current measures fall short of the CAAA's intention to halt endless detentions without charge or trial. The country's other existing laws authorize 10 day detentions (which some say extend to 15) without charge. At the end of that period, orders can be renewed-- indefinitely.

Repeal of the Group Areas Act, Land Acts and Population Registration Act

President De Klerk's lifting of laws was greeted with initial enthusiasm by the majority of the groups with which ICCR met. By the time the delegation arrived in South Africa, however, they encountered increasing awareness of the issues and realities unaddressed by the repeal of the laws. Many agreed with the analogy of the minister who explained, "when a building is being erected you need the scaffolding. After it is finished you can take away the scaffolding, but it still stands. Apartheid is still in place."

Despite the repeal of the Group Areas Act, for example, the vast majority of people of color in South Africa are unable to afford housing in formerly "white" areas. The overwhelming majority of the country's seven million homeless and "underhoused" will derive no benefit from President De Klerk's action. Further, critical community services, including health care, housing, education, welfare, water supply and public works, remain under the jurisdiction of "own affairs" departments. These racially defined bureaucracies continue to provide or deny basic services along racial lines.

The repeal of the Land Acts is similarly impotent. When the South African government issued its White Paper on Land earlier this year, it publicized the fact that this would terminate the legal basis for the racial allocation of land, which has confined the 27 million member black majority to the poorest 13% of the country's land. (Five million whites occupy the other 87%.) The White Paper made it clear, however, that the government did not intend to restore land to the four million blacks whom it has forcibly removed from their land, or to make other provisions to compensate them or make additional land available.

The results were described to the group by staff of the National Land Committee, a national organization made up of seven regional organizations which has been working since 1985. They reported that groups of squatters occupied rural lands, understanding that they would never regain their old lands, for which they would not be compensated, or be able to purchase additional land, which they would be unable to purchase on the open market.

The result was significant occupations of land in areas like Villiersdorp, which the delegation visited. There, residents described how they had been unable to purchase land. Even when a local farm went on the market, the owner refused to sell it to non-whites. Following the government's White Paper on Land, local black residents organized and moved onto the vacant land which is now the Pineview Squatter Camp. Though the local municipal council now charges them rent for the land, it provides few amenities. One elderly resident explained, "We are uncertain what will happen to us. They push us aside when we ask for things. If they don't supply services, we will have to stop paying rent."

The lifting of the Population Registration Act has also fallen painfully short of the intent of the demand--ending racial classification in South Africa. Since the repeal only affects children born after the effective date of the repeal of the law, the vast majority of people alive in South Africa today remain racially classified. The delegation received numerous reports of ways in which racial classifications continue to determine the quality of people's lives.

Schools, for example, remain racially segregated, and operated by separate racially defined bureaucracies. The only exception is that white schools may call a special meeting. If 90% of the parents are present, and 80% of them approve, children of color can be admitted to the school--so long as they do not become a majority. While some white schools have exercised this option, substantial barriers confront black children seeking admission. These include residency, academic preparation and ability to pay the fees (since the state provides free compulsory education for white children, but not for blacks).

The delegation learned that other factors further undermined black children's access to multi-racial schools. ICCR is investigating several parents' complaints that some U.S. and South African companies which subsidized school fees to send the children of black employees to black schools denied stipends to help defray tuition for the same children at multi-racial schools.

Under such circumstances, few respondents felt that lifting the laws had achieved their stated objectives. They reiterated that life in the townships, rural communities and squatter camps has not changed.

Freedom to Participate in the Political Process

The group noted that President De Klerk's unbanning of a number of individuals, the liberation movements and other "affected organizations" had created a certain space for political activity. They were frequently reminded, however, that black South Africans are still denied the right to vote, which they cannot exercise under the current governmental structure.

But religious, labor, community and political leaders characterized the current wave of violence, unchecked by the South African government, as an equally devastating campaign to undermine political participation. It is particularly aimed at those black and non-racial organizations (such as unions and the ANC) which are likely to sit across the table from the government in any future negotiations for South Africa's future. It is also aimed at community groups, such as civic organizations and squatters, whose increasing organization is perceived as a threat by local white residents.

Labor, community and political organizers in Durban, Johannesburg, Cape Town, and outlying townships and rural areas all described how the spreading violence crippled their efforts to engage in effective efforts to reach out to active and potential members, hold meetings and publicize their positions. The religious community has been overwhelmed with the additional tasks of burying the dead, ministering to the needs of survivors, and launching efforts aimed at community and national reconciliation.

The group observed the effect on local residents when one Sunday morning in Soweto the residents of the local hostel (which had been the source of bloody attacks on township residents weeks earlier) emerged with sticks in hand. People (including the group) vacated the area immediately.

In the Cape Town area, the delegation further experienced the impact of the violence. As the visitors slept peacefully in homes of families in the "African" township of Guguletu, a well known civic leader was murdered. It was the fourth attempt on his life. Meanwhile, in surrounding townships, the violence described as a "taxi war" continued to smoulder. (A number of township residents said they believed a "hidden hand" was fueling the violence.) During the group's stay an Athlone taxi driver was also murdered.

In the homeland of KwaZulu, the delegation visited several of the black rural communities which had been burned to the ground, with a number of people killed. The more fortunate women and children had escaped to nearby communities. Teenagers fled to the bush. The men and some of the women return when they can in order to guard what is left of their razed homes and scorched land. One woman asked her son after the terror subsided why it had happened. He told her it was because they were "ANC." She told the delegation, "I didn't even know we were ANC."

A local priest, like many others, responded when violence erupted in Amamzimtoti and other unplanned small communities called "locations." He noted that the locations became "war zones" where people could not walk the roads after dark. With the community he organized the Toti Crisis and Upliftment Center to deal with the emergencies of burying the dead and feeding uprooted families, and to begin the longer process of rebuilding homes and lives.

The delegation observed that the violence in such areas ended precisely where the dirt roads stopped and the paved roads began. White areas have been unaffected. People agreed that the terror would never be tolerated in white areas, where the South African government would put a halt to it, as it did in 1986 when it responded immediately to black protest with 15,000 arrests.

One interpretation was offered by a top official of the Black Management Forum. He observed that no sooner had the government unbanned the liberation movements than the violence, which had been simmering in Natal, began to spread across the country. "The government has the capacity to stop the violence," he noted. "But it serves their interest. It gives them space."

The president of a union in the Congress of South African Trade Unions (COSATU) observed, "For our peaceful labor marches we need to request a permit. There are security forces with cameras at the front and at the end of the line, and helicopters circling overhead. But 1,000 Inkatha warriors storm through the streets and the police are changing shift."

Other observers went further. Legal and community advocates in Natal described hundreds of affidavits by witnesses of the security forces' participation in ("black-on-black") violence. They explained that threats and death squad activity kept witnesses and advocates from making the information public. A few members of the security police have confessed to participation in the violence.

A number of legal, labor, religious and political representatives stated that the violence was carefully "orchestrated" by government-related forces. They observed that "violence" tends to break out at the time of "peace" initiatives which Pretoria does not control, and at sites of demonstrable support for the ANC (like the public ANC rally in Durban on July 7). The delegation learned that people going to the rally were attacked by men wearing Inkatha tee-shirts. Virtually none of the perpetrators of such violence have been prosecuted, either at the local or national level.

Recent revelations of the De Klerk's contributions to Inkatha and its United Workers' Union of South Africa have given additional credence to the charges of government collusion. Most people interviewed agreed that Pretoria has failed to take the necessary measures to end the violence. They noted that such violence was a severe impediment to participation and progress toward laying firm political and economic foundations for a democratic South Africa.

Agreement to Enter into Good Faith Negotiations

The government's perceived foot-dragging on the release of political prisoners, continuing detentions and political trials and failure to put an end to the violence were perceived as serious obstacles to good faith negotiations.

Another impediment outlined by community, religious and political leaders is the government's ineffective and hazardous procedures for the exiles' to South Africa. While government officials report that 7,000 people have been repatriated, human rights organizations estimate that 40,000 remain in exile.

Cape Town's regional coordinator for the repatriation of exiles reported that only 120 of an estimated 4,000 exiles from the area have returned. In a "colored" township outside of Cape Town, residents of a church social action committee described members of their group who are still in exile and afraid to attempt to return.

Human rights and religious repatriation workers reported that cumbersome and dangerous government procedures discourage people's return and jeopardize their safety. They noted that Pretoria requires people seeking indemnity to spell out offenses committed before and during their exile, for which they could be charged under the laws in force at that time. The Justice Department then publishes all the names of people seeking indemnity and their "crimes" in the government Gazette, before cases are reviewed. Not everyone who applies is granted indemnity.

Repatriation workers described how the security forces use former members of liberation movements, known as "askaris" as informers and enforcers. They observed that some of these agents are dispatched to airports and townships, and report back to security forces as the exiles return. A number of people have been jailed or assassinated after reentering the country.

Participation of the United Nations High Committee on Refugees in repatriation has been blocked to date by Pretoria's refusal to grant general amnesty to returnees. The UNHCR, in turn, has thus far declined to participate in a process which neither guarantees the exiles' safety nor provides a free political climate in which to operate. To date neither the UNHCR nor any other international agency is monitoring South Africa's repatriation process.

Thus Pretoria's failure to establish an effective and safe repatriation process, to free political prisoners and to halt the violence stands firmly in the way of good faith negotiations with truly representative members of the black majority.

Progress Toward Dismantling the System of Apartheid
and Establishing a Non-Racial Democracy

The delegation concluded that though the South African government has taken important steps toward eliminating apartheid and establishing a non-racial democracy, the progress and process will not be secured until power has been transferred to an interim non-racial government which is not rooted in the status quo.

With the exception of government and white business representatives, respondents expressed deep concern that fundamental change will be allowed to occur, so long as power remains in the hands of those who have enforced apartheid for more than four decades.

Rev. Frank Chikane, General Secretary of the South African Council of Churches, explained, "We will consider the process irreversible when a mechanism exists to produce a new constitution, that does not depend on the old apartheid structure for decision making." He noted the decision taken by the SACC at its national conference in June, 1991: "We require irreversibility of change in the process as a prerequisite for lifting sanctions."

These concerns were highlighted by meetings with both government officials and the ANC. South African officials said that if whites reject the new constitution, "we will go back to the drawing board." ANC leaders affirmed that whites' intention to retain veto power over negotiated changes or a new constitution necessitated the establishment of an interim government whose decisions could not be overruled by the legislature, or any other branch of government. Otherwise the process could be reversed at any point.

The delegation's conclusion was most simply articulated by a representative at the SACC's national conference, which addressed the theme: "From Egypt to the Wilderness: The Ecstasy and the Agony." The delegate noted, "We asked, 'have we crossed the Red Sea yet?' The consensus was that we are still in Egypt!"

Policy Implications

Since South Africa has thus far failed to meet even the conditions of the CAAA, economic sanctions should be maintained to help insure the abolition of apartheid and transition to a non-racial democracy. The group concurred that necessary conditions will have been met will when power is transferred to a non-racial interim government which is not part of the apartheid structures.

Sanctions and other economic pressures have a key role to play at both the local and national level. Respondents across the board credited economic (and particular financial) pressures with helping bring Pretoria to enact the reforms to date. They are still needed.

The extra effort required now to eradicate apartheid and to begin to construct a non-racial democracy will bear fruit abroad and in South Africa. Only a genuine transformation will enable South Africa to rebuild its political, social and economic systems on equitable and viable foundations. And time is of the essence.

Rev. Chikane affirmed, "International pressure is necessary to speed the process and keep many more people alive. We will win our liberation, because we are willing to continue to give our lives. The only question is how many more people will have to die."

Economic Justice for a Non-Racial, Democratic South Africa

"What we have done up until now is to begin to democratize political structures. Now we have to democratize the economy."

--Father Smangaliso Mkhathshwa,
Institute for Contextual Theology

The South African economy has been warped by the economic, political and social system of apartheid, and by a pattern of distorted development during the last half a century. It has been structured to meet the needs of the white and wealthy minority, and multinational corporations, resulting in the economic and political disenfranchisement of the black majority. The economic balance sheet displays a lack of productivity and competitiveness, devastation of human and natural resources, and greater inequalities between rich and poor than anywhere else in the world. Setting an agenda for economic justice requires careful review of the problems and formulation of innovative short- and long-term solutions.

Economic Overview

South Africa's economy has been distorted by the development of what resembles a "first world" economy in a country where the more than half of the disenfranchised black majority live in grinding poverty and are illiterate. After World War II South Africa's white decision makers chose to base this "first world" economy upon mining to produce foreign exchange and the manufacture of consumer goods for local use through import substitution. As the economy subsequently failed to launch a tertiary sector of more specialized industries (such as electronics), serious problems in both the basic mining and manufacturing industries.

Mining, especially of gold, has become very inefficient. As a result of cheap black labor, the mining industry has not developed modern techniques. Now labor costs are rising as black labor unions have sought quite justifiable wage increases to bring them closer to parity with white pay scales. On top of increased labor costs, ore grades have fallen. The result is that gold mining must become more capital intensive with fewer but more skilled miners. Black mine unions recognize this problem and are trying to work with the mining companies to address reorganization, lay-offs and industrial inefficiencies in a just manner.

In manufacturing there are two problems. The production of up-scale consumer goods for sale to the predominantly white market is too small to be efficient. Thus in the immediate future, this part of the manufacturing sector must close up shop or become more efficient and seek foreign markets, since blacks do not have the income to support it. Thus there is likely to be further rationalization of this production with greater capital intensity and a demand for more highly skilled workers.

Meanwhile, labor productivity has been undermined by the near denial of education, health care and housing to the more than 75% of the population which is black. "Bantu" education, for example, has left 60% of the black population illiterate, and prepared the majority of the black work force only for menial jobs as domestic or unskilled workers in industries and mines. As a result, though skilled workers are in short supply, there is a clear immediate need to develop more labor intensive industries which can supply at least the local markets and provide jobs and increased spending power for people in the large, undereducated labor pool.

Productivity is further weakened by high levels of economic concentration compounded by non-productive monopolies, oligopolies and conglomerates, and a bloated and duplicative state civil service sector.

While internal markets have been stifled by subsistence economies in communities of color, external markets have been restricted by international pressures. Sanctions have isolated the South African economy and motivated Pretoria to pursue expensive and non-productive defensive policies, including substituting imports and evading and combatting sanctions. Since U.S. and European sanctions were implemented, Pretoria's allocations for covert activities alone swelled by more than 92 percent.

Because of these heavy burdens of inefficient production, an ill-prepared labor force, confined markets and sanctions, Stephen Gelb, a founder of COSATU's Economic Trends group, noted that there does not appear to be much of a "window of opportunity in the South African economy." However, nearly two decades of declining economic performance have forced economists of all persuasions to acknowledge the most basic issues, and call for new paths for economic growth. While there is a high degree of consensus regarding the problems, the proposed solutions differ according to their proponents' priorities and perspectives.

Labor and liberation movement economists concur with counterparts in business and government that the future economy must increase its growth, productivity and competitiveness; prepare and employ larger percentages of the population; expand domestic markets; and control inflation. Advocates differ on how resources should be redistributed and restructured to remedy inequalities and promote productivity, the roles of the state and private sector, and strategies to create jobs and provide social services.

A central concern is that while the economy must expand rapidly to absorb black unemployment and meet social needs, persistently high inflation and the need to borrow internationally during any expansion militate against growth. When the whites' high incomes and blacks' low incomes are averaged, the country's per capita domestic product is lower than Mexico's. Rapid expansion, however, could cause hyper-inflation and an economy resembling Argentina's.

Economists who met with the delegation suggested a two-pronged approach to lay the basic productive foundation for a political economy capable of redressing the problems of poverty and inequality. The strategy entails: (1) Using internal savings, primarily from the corporate sector, to develop inward-directed, labor-intensive projects such as building housing and infrastructure; (2) Developing a more efficient and internationally competitive manufacturing sector.

1. Inward Development and Internal Policies

The demand for "inward development" (the creation of labor intensive employment which does not depend on imports or foreign capital) is fueled by South Africa's vast unemployment, estimated at 40% for the black population. One popular remedy to both joblessness and the housing crisis would be the construction of homes or housing sites. Construction can employ many workers and does not require significant imports.

The government has begun a program to jump start the process by injecting R2 billion through the Independent Development Trust (IDT), which in turn is spending R750 million to service 100,000 housing sites. This number pales in comparison to the housing backlog of 1.2 million units for blacks in urban areas, reported by the Urban Foundation. It totally fails to address needs of South Africa's additional squatters around urban areas (estimated by Markinor researchers to total 3.7 million), who would be unable to afford a home or mortgage if it were made available. Critics argue that further political and economic changes are necessary to unlock sufficient resources to begin to address this problem and others.

a. Government Policies

Government spending is a common way to increase economic activity. However South Africa has little latitude for this. Its national bureaucracy is inflated, inefficient and non-productive, having served to employ white Africaaners migrating to the cities from farms over the last half century. The classic example is the country's 18 educational agencies dealing with different populations according to apartheid definitions: white, coloreds, Africans, homelands, etc. Economist Azar Jamine estimated that cutting the bureaucracy and the military alone could amount to 11% of government spending, or about 3% of the gross domestic product.

Income and value-added taxes on individuals are already fairly high, although some other forms like estate and capital gains taxes could be raised. Corporate tax increases appear most promising, since they are relatively low. The ANC's Draft Resolution on the Economy supports this analysis of the tax burden and solutions.

Privatization of some parastatals could also provide the state with funds and absorb some of the surplus which has inflated the stock exchange. Critics argue that since such moves could also deprive the state of long-term income, the decisions should be considered carefully. When the government first attempted to privatize parastatals, one ANC representative charged Pretoria with giving away the "family silver" without consulting the family.

The liberation movements (and the South African Communist Party) favor a democratic mixed economy, which would maintain some parastatal corporations, such as those providing electricity and transport. Others, such as banking, are not on the ANC's agenda for nationalization.

Nonetheless, both labor and progressive economists agree that the state has a strong role to play in redirecting capital to the most needed and productive sectors of the economy (such as housing, education, health care and infrastructure), including those which create the most jobs and increase the economic power of the country's poor majority.

b. The Private Sector

The economists further advise that the future government must provide incentives for the private sector to reinvest profits along similar lines. Don Nkhwanazi, President of the Black Management Forum observed, "not one foreign company has addressed black economic empowerment as we see it. By that we mean the ownership and control of the productive assets and resources of the country."

In addition to the protection of collective bargaining rights, he and others suggested that steps toward such empowerment might include more effective training and upgrading programs for black workers, equity participation in companies and appointment to their boards of directors, and joint ventures with black businesses. He cautioned, "in a not too distant time, the ANC will say sanctions should be lifted. When corporations come back, they must not reproduce old patterns as if nothing has happened."

The delegation compiled a long list of recommended ways for companies to return to South Africa, when the time comes, which would break with previous practice and reinforce strategies for sustaining and democratizing South Africa's growth. They include reinvesting a greater portion of profits in priority industries; creating jobs and training programs, while insuring adequate wages and working conditions protected by secure labor rights; promoting effective affirmative action from the shop floor to the board room; providing black workers with increasing equity and control; selectively contracting with smaller firms which will maximize return of capital to black communities; and working collaboratively with communities and workers to design and monitor social programs.

Dr. Albert Nolan of the Institute for Contextual Theology stated,

South Africa has been a capitalist paradise. Homelands have had to take responsibility for all social services, while their wage earners work in "another country." Companies have only been responsible for their employees where and when they are at work...We need to redistribute social responsibility.

c. Inflation

Government deficit spending raises the question of how further to increase such expenditures without fueling long-term hyper-inflation. Inflation has been very high throughout the last decade, with consumer prices recently rising on the order of 14 to 17 percent a year. Compounding the problem is the lack of personal savings.

The problem is exacerbated by low real interest rates, just above the inflation rate. This recalls the beginnings of the third world debt crisis in the 1970's, when low interest rates provided a strong incentive to borrow, since debts were predicted to be repayable later with much cheaper currency. There is a danger that South Africa will follow the footsteps of Latin American developing nations which encountered a repayment crisis when real interest rates rose in the 1980's. Thus, while the easiest way to increase economic activity is through greater borrowing, such a policy could easily lead to hyper-inflation with the economy out of control.

d. Savings

The economists who met with the group agreed that savings must be used to help create inward development. Individual savings of the white population have been very low. As their living standard has slowly declined over the last decade, they have been spending to maintain that standard. Thus most savings are either corporate or in retirement funds held by large institutions, which have helped fuel the relatively unproductive rise of the Johannesburg stock market. These savings must now be tapped for development.

Since 68% of African households had monthly incomes of less than R600 (\$200) per month in 1990, their savings are not high. However, group savings clubs called stokvels are used by about one-fourth of all blacks and these clubs of one to two dozen people each in the greater Johannesburg area are estimated to hold between R50 million and R100 million.

Various innovative and non-traditional schemes are now being proposed to harness both sources of savings for housing. One of South Africa's largest savings and loan institutions, the Perm, is

developing a strategy to use group savings as collateral for individual loans, a process not unlike the beginnings of the savings and loan industry in the United States 150 years ago. Pension funds of unions are also being used as collateral for their members' housing loans. However, much more needs to be done to harness the institutional funds.

2. Outward Redevelopment: Manufacturing

Export of primary products, particularly gold and coal, have been the traditional source of foreign currencies to pay for essential imports for manufacturing and private consumption. But these have been decreasing in value and subject to significant fluctuations in price. The result has been the destabilization of the economies of South Africa and most of the developing world over the last two decades.

a. Increasing Competitiveness

Thus the manufacturing sector must become more competitive in order to replace primary product exports as a source of foreign exchange. A major problem following in the wake of sanctions and the country's credit crisis flows from the manufacturing sector's effort to produce consumer goods in South Africa, so that foreign exchange would not be needed to buy them abroad. However, since the white consumer sector has been so small, it has not been efficient to make many goods in the country, and industry has continued to import a high percentage of inputs.

As a result, every time the economy turns up and consumer spending increases, imports exceed exports. This either results in foreign borrowing or in hitting the built-in ceiling on economic growth. Since the debt moratorium in 1985, when all major foreign conventional lending stopped, the South African economy could not expand on average more than 2% per year, less than the growth in population. Expansion was quickly cut off by lack of foreign exchange to provide necessary inputs for South African industry. In the long run this has meant that economic growth has always coincided with borrowing from international financial markets.

b. Expanding while Serving Local Markets

Consequently, the manufacturing sector, which has been protected and focused on a small internal market, must be restructured to produce up-scale products more efficiently for the international market and also to produce goods and services affordable to and useful for the large relatively low-income black population.

With an initial boost from increasing its international competitiveness, the reconstituted manufacturing sector can utilize

the additional foreign exchange to capitalize the production of more intermediary and primary inputs domestically, rather than purchasing them from abroad.

c. Reducing Concentration

Severe concentration is an additional impediment to the competitiveness of South African manufacturing and the efficiency and equity of the economy as a whole. While the economy remains dominated by half a dozen major corporations, concentration has grown with the implementation of exchange controls since 1985. Since then, profits have been reinvested primarily in the Johannesburg Stock Exchange through buyouts of smaller corporations. The result has been inflated share prices on the exchange, and an economy whose efficiency is undermined by the lack of competition.

Competition can be augmented either by government mandated restructuring, or by the insertion of foreign companies into the economy. While the representatives of conglomerates such as Anglo-American argue that such structures produce advantageous economies of scale, union and moderate economists argue that they are inefficient and need to be disaggregated. At the same time they advocate protection for small and medium-size enterprises, and a system of incentives for capital to flow into them.

d. Developing Human Resources

An essential component of any effective plan to restructure and revitalize South Africa's economy is meeting the needs of the vast majority of the population. These basic requirements include education, health care and housing (discussed more fully in the sections below). For the business community such services are critical to supplying an adequately trained, healthy and stable workforce capable of producing for industry and a new society. For the ANC they are basic ingredients of the movement's Bill of Rights for a New South Africa, approved at the ANC's 1991 national congress.

The document begins with a summary of this position:

...whichever government is in office, there will be a constitutional duty progressively to expand the floor of basic human rights in these areas...Governments and Oppositions will come and go, but all will have to ensure the resources are devoted to providing the minimum elements of a decent life for all South Africans.

3. Proposed Solutions

Proposed solutions to these issues vary according to the constituencies and politics of their authors. Business emphasizes the need for international competitiveness and capital intensive

production in a free market atmosphere. It also warns that increased taxes for the public sector services will drive qualified people, productive firms and capital out of the country.

The labor and liberation movements are committed to a democratic mixed economy. The ANC's Draft Resolution on economic policy affirms:

The ANC is committed to the creation of a democratic mixed economy which will foster cooperation between the state, private companies, financial institutions, trade unions and other organizations of civil society. Longer term developmental objectives should have priority over short term sectional interests. Such a system will best function within an environment of democracy and accountability.

A number of economists emphasize the need for inward directed development and labor-intensive production, with government providing more direction or incentives, as the state has done in the newly industrialized countries of Southeast Asia, where per capita production has increased 3000% over the past several decades. They hold that the latter would also promote anti-trust policies to increase competition, and would maintain some state-owned corporations including the electric utilities and transport.

In order to keep the economy going, any future government will undoubtedly do a balancing act between these goals of reducing inflation and augmenting employment, of increasing productivity and raising the standard of living of the majority, which has been the most victimized by apartheid discrimination and exploitation. In the process it will grapple with the dilemma of pursuing objectives which in other cases have produced antithetical policies.

Restructuring Human Services

Recognizing that political reform will be meaningless without substantial economic resources, and considering that community programs are an excellent way to win popular support, the South African government earmarked R2 billion (roughly \$800 million) for social and economic programs directed at South Africa's most impoverished residents. An estimated one-third of this amount was derived from Pretoria's privatization program.

The International Labor Office reported in 1991, however, that "by most estimates this is only a fraction of what is needed to compensate for discrimination and past neglect." It is compounded by the rapid growth of the black population.

Other critics told the delegation that the programs were not only inadequate due to their limited resources. They were doomed to failure by virtue of their roots in the system which continues

to perpetuate the underlying problems. In order fully to address people's fundamental needs, education, health care and housing must be redefined as basic rights, to which the entire population is entitled within the country's economic capacity.

1. Educational Rights

"Educational restructuring requires total societal restructuring."

--Sheila Sisulu, Director of the
SACC Joint Enrichment Project

The crippling legacy of apartheid is nowhere more blatant than in the South African educational system. It has risen to a top priority for community, religious, labor and business leaders, who recognize that the 60% of the country's population which is under the age of 27 is ill prepared to meet their own needs or those of their economy.

In 1955, the white South African government deliberately chose to put into practice a separate and grossly inferior system of education for black South Africans. To this day, education is not compulsory or free for black children. The International Labor Office reports that in 1990 the South African government spent R656 for the education of every black child and R2,882 for that every white child.

Representatives of the Cape Town branch of the National Education Coordinating Committee informed the delegation that the average pupil:teacher ratio of black schools in their area is 60:1. In white schools it is 20:1. They noted that for one township elementary school to open this year, with an enrollment of 1,140, the government is providing six teachers (and not one blackboard).

Lacking adequate services, and pressed by economic survival needs, 23% of the population drops out of school before the second grade. Seventy percent of South Africans are estimated to be functionally illiterate. The ANC estimates that between 60 and 70% of its members cannot read and write.

Recent changes in the law do allow blacks to attend white schools. However, the decision to admit blacks is left to the local level according to the following criteria:

- 90% of the parents in a white school must participate in a vote on the issue of admitting blacks, and
- 80% of those voting must approve the change.

Even those white schools which are fully integrated are bound by law to limit black students to no more than 49% of the school

population. Thus these measures do little to address the massive educational needs of black children who, like the students classified as "Indian" and "colored", remain relegated to an inferior school system.

Sheila Sisulu, who until recently staffed the Education Desk of the South African Council of Churches and now directs the SACC's Joint Enrichment Project, described the campaigns of civic, religious, educational, labor and political organizations. Her project directs efforts to create a "culture of learning" among black students "marginalized" by the educational, economic and political system, including those whose schooling has been disrupted by community disturbances and boycotts. In the community at large the "Back to School" and "Intensive Learning Campaigns" attempt to return youth to the schools that have failed them, and to force the state to meet the demand for "All Schools for All People."

Education advocates within religious, community and labor organizations made it clear to the delegation that incremental efforts alone would fail to reshape the country's education system. It will be necessary to restructure the society. They recommend that education be established as a universal right, assuring democratic access to education for children with free, equal and compulsory education for all up to the age of 16. Education should be further democratized by incorporating the full participation of parents, teachers, students and administrators (as some communities have already pioneered) to shape new curricula and teaching models.

The advocates underscore the need to restructure the education system into one single department, based on the wholistic integration of skill training and academic learning geared to the development of communities and the country as a whole. The reconstituted education system would be responsible for establishing pre-school through university programs, a major adult literacy campaign, extensive worker education (with paid release time to study), massive teacher training--particularly for black instructors--and alternative models of education.

Further, the new department would be responsible for integrating private and public schools into a single system, managed with increasing rationality to meet the population's educational needs. Finally the department would be required to conduct the policy research and ongoing evaluation essential to insure effectiveness and accountability.

Such a system would require enormous economic support to insure adequate and equal schools, educators' salaries and materials, and to develop an integral, efficient delivery system. It would require additional funds equal to a third of the government's budget or 10% of the gross domestic product to bring spending per student to the level of whites.

2. Health Rights

"A history of apartheid, oppression and exploitation has created conditions which affect the health of the majority of our people... The struggle for democratic control over the health service is part of the struggle to give the people of South Africa control over all aspects of their lives."

--ANC Discussion Document for the
1991 National Conference,
"Towards Developing a Health
Policy"

The current crisis in health care, like that in education, stems directly from apartheid structures and policies. The relegation of half the black population to the poorest 13% of the land, and the confinement of the rest to economically and environmentally devastated townships has deprived the majority of black South Africans of decent housing, clean water and effective sanitation. Poverty wages, long hours for work and travel, hazardous working conditions, and deprivation of health care services take a severe toll on the health of South Africa's black communities.

South Africa's Business Day reported on July 10, that whereas South Africa's doctor:patient ratio was 1:1009 nationally, in black homelands it is 1:15,635. The ANC's discussion document on health policy elaborates that black children in South Africa are five to ten times more likely to die before their first birthday than white children. Major killers of black children include malnutrition, diarrhoea, pneumonia and other preventable diseases.

For those who survive, reported the National Council of Trade Unions (NACTU), 41% of rural African children are stunted and 43% underweight, in a country that exports food, and has pioneered heart transplants. State spending for health care is R138 per year for Africans, and R597 for whites.

A rampant though little acknowledged and less treated crisis is AIDS, which is estimated to have doubled in diagnosed frequency during the last year. Fueled by the state's neglect and black community's lack of information, the dread disease is predicted to reach epidemic proportions within the decade. On the ground hospitals and child welfare centers attempt AIDS education. The delegation watched church-goers in Soweto distribute free condoms after Sunday services. But these efforts pale in comparison to the massive national intervention needed to control the disease.

When the delegation visited Soweto's Barangwanath Hospital, they witnessed the best of township health care: 300 to 400 patients a day in the emergency room, wards of 90 patients staffed by two nurses, out-dated equipment, ambulances (like those which service other black areas) with no resuscitative equipment, and no free medical services. Though the health care workers' unions have

been struggling for more than six years to win recognition, they still do not have contracts, and conditions have improved little.

Meanwhile white hospitals in neighboring Johannesburg are closing clinics and wards. Though the hospitals have been legally desegregated, custom and medical clerks (not to mention fees and geographical distances) still keep blacks out of white hospitals.

Health care advocates underscore the need for a single, comprehensive national health service, providing quality non-racial health services which are both preventative and curative. They prioritize the medically neediest--including children, mothers, the elderly, mentally ill, workers exposed to occupational hazards and the unemployed, and squatters. They cite the need to develop those fields most neglected under apartheid, such as occupational health, mental health, women's and children's health, care and rehabilitation of the disabled, and dentistry.

In order to redress the current imbalances, the ANC further recommends that the government make sufficient funds available to ensure that all South Africans have access to free basic health care, and that the private health sector become part of a national health system. In its national conference document on health, the ANC advocates non-racial training programs and personnel policies. It also emphasized the need for a "national medicines policy" to reduce waste, insure access to essential drugs, improve the quality and encourage the local production of pharmaceuticals.

The Congress document on health concludes with the demand to redress the "enormous imbalance of power between health workers and their patients, and between the health service and the communities it serves." This proposal would be based upon a health charter and patients' bill of rights, as well as organizational efforts to insure the participation of consumers and communities in establishing and monitoring health care practices and policies.

3. Housing Rights

"Housing is a process. It needs to be a public-private-community partnership."

--Dennis Creighton, General Manager,
Housing Division, Perm

Housing is broadly acknowledged to be an imperative need for black South Africans. Civic organizations, labor and liberation movements affirm that it is also a right. Since the legal construction of apartheid, millions of blacks have been victims of government "forced removal" policy, which has robbed them of their land, patrimony, and often their only way of making a living. Half of black South Africans have been relegated to 13% of the country's most barren land, where they eke out a subsistence living.

Archbishop Huddleston was one who opposed the 1976 expulsion of an entire thriving multi-racial community of Sophiatown. All the buildings were razed, except for one Anglican and one Moravian church, and one mosque. Today in the area, which like the others was to be reserved for whites, not one structure has been built.

Essentially no new homes have been provided since 1985, adding to the huge housing backlog. The repeal of the influx control laws has permitted black workers to bring their families from the homelands into areas where they work, and has also encouraged the migration of unemployed job-seekers.

Consequently informal settlements of shacks with poor or non-existent water and sewage facilities have sprung up, usually on the edges of townships. An even greater number of shacks have been constructed as outbuildings in areas of formal housing. According to a recent survey, informal dwellers account for two-thirds of the African population in Durban. They constitute half that of greater Johannesburg, where 9% of structures occupied by the black dwellers are in free standing squatter areas, and 51% are less obvious backyard shacks and outbuildings. With the urban areas' squatter population pegged at 3.7 million, the Council for Scientific and Industrial Research conservatively estimates that six million new housing units will be needed by the year 2000.

Though housing is viewed as an important focus for inward industrialization, due to its internal financing and capacity to create jobs for unskilled blacks, vast additional sums will be required to make a dent in the housing shortage. Current private and foundation programs include the Urban Foundation's joint venture with the Association of Mortgage lenders and the short-term insurance industry to mobilize R1 billion of loans ranging from R12,500 to R35,000 for "starter" and conventional housing. The Foundation further advocates a uniform state subsidy for all housing, like the R7,500 per site provided by the government-funded IDT to supply sites with basic services.

At present, a number of private initiatives are poised awaiting the dispersal by the IDT of R750 million to develop 100,000 sites with basic services. These serviced sites would be designed for families earning less than \$1000 (roughly \$280) a month, allowing them to construct their own informal homes according to their means, and could employ 125,000 people in a year.

Such subsidized projects are critical, since pure market solutions fail to address needs of the majority of black South Africans, who are not considered by housing suppliers to be in the market. An estimated 60% of the black community has incomes which are only sufficient for informal housing under current conditions, and another 25% can only afford "starter" homes of R15,000 to R35,000. The black community has tackled the "affordability" problem itself by collecting savings for housing in building

societies and retirement funds. However, until now only the best-off 15% of the black community has had incomes which could mobilize such conventional housing funds.

Other approaches include pilot projects, such as the community development in Etwatwa, west of Johannesburg, proposed by the local civic organization, with support from the Perm (the savings and loan division of Nedcor), in collaboration with community consultants from PlanAct. The project is based on a combination of conventional loans and joint savings to back up group housing loans, which would generate peer pressure for repayment. This approach is consistent with the group savings collected in South Africa "stokvels" for some time.

Like income structures, other aspects of apartheid have exacerbated housing problems. For example, state policy has defined the townships as self-sufficient, though they are essentially bedroom communities, with no commerce or industry to support their infrastructure. The result is that, while township rents are relatively low, the costs of services such as water, sewage, refuse removal and rain water drainage are high--and some services are non-existent. A number of civics, Planact and the Urban Foundation urge the incorporation of the townships into the larger regional governments, using the overall tax base to support infrastructure and thereby equalize services and rates.

The housing crisis is unlikely to be solved without revamping the land policies which have stripped blacks of their productive properties, and forced them to work in distant mines, industries and cities--often hours away from their families. A variety of strategies have been proposed to alleviate the desperate overcrowding in areas of both formal and informal black housing, to reduce the acute urban/rural imbalances in income and services (including transportation), and restore or compensate former occupants for lands that have been taken, or make other land available.

The government White Paper on Land failed to provide a viable approach the problem, since it simply made land available to all South African citizens on the open market. Worse, the government is now seeking to change the tenure of state lands to individual ownership. This would not only discourage communal tenure, which would be more affordable to blacks. It would increase the risk that under economic pressure, those blacks who did acquire land would be forced to sell it to wealthier whites and agrobusinesses.

The National Land Committee, a consortium of nine land organizations, recommends a wholistic approach to the problem. This includes the establishment of a land claims court to resolve land disputes. It further calls for a comprehensive plan for sustainable rural development based on diversity of tenure, with community consultation, training for men and women, infrastructure, social services, transportation and finance subsidies, channeled

through community level intermediaries. These housing and land issues can only be effectively addressed through new state structures and policies, collaboration with local communities, and significant private sector support.

Environmental Rights

"Damage done to the environment is an injustice."

--Archbishop Denis Hurley

The devastation of South Africa's environment is a direct result of apartheid policies over the decades. Religious, corporate and liberation movement representatives informed the delegation that environmental issues are an integral component of the policies and practices which will best serve the people of South Africa in the future.

"We are part of the world's waste land," noted economist Timothy Dladla. He and others underscored the fact that the government effectively fails to curb corporate pollution and toxic dumping. Moreover, the apartheid system has created its own structural causes of ongoing environmental degradation.

For example, although the energy South Africa produces is among the cheapest in the world, it is only available to one-third of the population. Consequently, the other two-thirds of the people--relegated to townships and impoverished homelands--are obliged to rely on more expensive and less efficient fuels like wood to cook and heat their homes in winter. In many areas this has resulted in devastating deforestation and pollution.

In the middle of Soweto, the chimneys of a power station stand tall above the township, with overhead lines reaching far to supply electricity to Johannesburg. But not to Soweto. Instead, a heavy smog of smoke from coal, paraffin and wood hangs over the township, contributing substantially to the respiratory diseases treated at the township's Barangwanath Hospital.

Jo-Ann Yawatch of the National Land Committee clarified that white farming is also "unsustainable," as it relies heavily upon mono-cropping and dangerous pesticides, herbicides and other chemicals. She observed, "products not used anywhere else in the world are used here as a matter of course."

The delegation found strong support across the board for protection of the environment in a coherent way. The ANC states in its Bill of Rights, for example, that "the environment, including the land, the waters and the sky, are the common heritage of the people of South Africa and of all humanity." It further affirms the universal "right to a healthy and ecologically balanced

environment" and maintains that every individual and the State shall defend, conserve, protect and improve the environment.

A number of labor organizations are also beginning to take strong stands on the environment. Individual unions such as the Chemical Workers Industrial Union have challenged industrial pollution and toxic dumping. They and others have called for a national framework to address the environment in documents like the resolution of the International Chemical and Energy Federation of Workers, which affirms:

Information and control are the twin pillars upon which rests the democratic operation of society. Such demands imply and include the assertion of common ownership over the natural environment, rights which have been violated in the past by industry without discussion or consultation.

Their recommendations for environmental protection in the new South Africa range from a strong state role in controlling industrial pollution and toxic dumping to electrifying the townships, improving public transportation to reduce cars, and guaranteeing equal access of all to land, so that the impoverished majority will not be relegated to areas and conditions where survival is only possible at the expense of the environment.

Women's Rights

In the repressive society of today's South Africa, women experience chronic patriarchy and extreme violence. The causes are systemic. Cultural, economic, political, educational and religious factors contribute to the complexity of women's subjugation.

The problems of oppression, rape, sexual abuse, exploitation in the home, sexism in the workplace, exclusion from leadership roles, inequality within the law, maternity rights and sex stereotypes cut across class and race divisions. They are, however, most severe for black women.

The delegation met with a number of groups addressing the plight of women in South Africa, including women's groups within churches, the ANC Women's League, civic organizations' women's groups, the Black Sash, and women's sections of trade unions. The CWIU passed a resolution at its most recent conference that all new jobs should be evenly divided between men and women.

Twenty-two organizations raise the gender aspect of human rights in the interracial Womens' Alliance. The work of the Alliance focuses on an educational campaign, consciousness raising, grassroots organizing and advice centers which provide paralegal services. These groups also work to assure that the new constitution will be non-sexist as well as non-racial and democratic.

The ANC's proposed Bill of Rights, for example, refers to the principle of "equal rights between men and women" throughout the document, rather than tacking on a clause at the end. It seeks to establish women's constitutional right "not to be abused or assaulted or treated as inferior, whether in the home, at work or in public places." It also focuses on non-discrimination against single-parent families, children born out of wedlock, gays and lesbians.

Labor Rights

COSATU wants a democratically planned economy. The constitution should provide that:

- The state can intervene in the economy so that it serves all the people.
 - Trade unions participate in economic planning.
- The constitution should enable the people to fight for:
- Collective ownership.
 - Worker control in the factories, mines and shops.
 - Full employment.
 - Living benefits for all unemployed people.
 - Fair distribution of wealth and land.

--Constitutional Campaign Conference
document, Congress of South African
Trade Unions, March, 1991

The union leaders and members who met with the delegation, as well as their community supporters, underscored that South African workers have won their victories and built their movement despite formidable opposition. Despite the government's legalization of black unions and the pledge of Sullivan Code signatories to uphold labor rights, South African unions continue to encounter stiff corporate opposition relatively unrestricted by the country's weakly implemented labor laws. These laws do not support union participation and power, omitting key provisions like the right to strike.

Worse, union harassment has included the unprosecuted blowing up of the headquarters of the Council of South African Trade Unions (COSATU) two years ago. Recent efforts to undermine the unions continue with government cooperation.

The delegation interviewed South African trade unionists on trial for allegedly "kidnapping" a police intruder at their headquarters when they called a press conference to expose what they believed were orders to find a worker in the building to be seized or killed. (The government has argued the man was searching the building for a member of the South African Communist Party.)

In parts of Natal and elsewhere, violence has been specifically directed at anti-apartheid labor leaders. Members of the

CWIU Executive Committee described the increasing government-supported violence. They observed that "formal repression is being replaced with informal repression." These attacks have increased members' fears and made it more difficult for unions to function on a day to day basis. They have also diverted unions' institutional efforts and energies, and undermined their ability to organize and advance their national programs. NACTU representatives concurred that "the state is the principal source of the violence."

The union leaders emphasized that their organizations have a key role to play in protecting the basic rights of their members, such as those defined in COSATU's Workers' Charter, including the right to organize and the right to strike. The unions hope that these rights will be enshrined in a new constitution. They also maintain that labor's contribution will be key to effective economic planning--from the shop floor to national level. Some unions, such as the National Union of Mineworkers, have been involved in talks with employer organizations to reshape their industries, which have called for concessions on both sides.

Workplace struggles continue to focus on a "living wage"--particularly with national inflation hovering at 15%; job creation; benefits encompassing demands to eliminate racial and gender discrimination, improve wages, including pay for domestic and farm workers, protect workers' rights to select the plans (such as Provident Funds) of their choice; and insure health and safety.

The National Union of Mineworkers points out that one worker dies and 18 are seriously injured for every ton of gold mined, amounting to approximately 600 deaths a year. In these and other areas in which national standards are lax, collective bargaining becomes the principal forum to redress basic grievances.

The unions are the first to recognize that their plants may be uncompetitive and their sectors deformed, and to seek to strengthen their production and contribution to the national economy. In some cases, like the textile industry in Natal, the unions have played a leading role in convening small employers to address industry issues. Across the country, however, their efforts are hampered, not only by opposition from management, but also by legislation like the secrecy laws, which strictly control access to information in the oil and other strategic industries.

The CWIU urged companies like CALTEX and BP to break secrecy laws by sharing information with the union, so the CWIU can help shape more thorough analyses and better industrial solutions.

At the national level, the unions are providing substantial research and leadership on questions of restructuring the South African economy after apartheid. COSATU's Economic Trends Group, for example, has been working for several years on proposals to increase the equity and efficiency of the South African economy.

A number of unions have passed resolutions calling for the development of codes for corporate conduct in the future. The CWIU has used its research and contract language establishing "fair disinvestment" criteria as the starting point for developing fair reinvestment standards for the future. At its congress the last weekend in June, the National Union of Metalworkers of South Africa (NUMSA) called for such a code to be jointly developed with COSATU. Such standards would support centralized bargaining, national and industry training programs and would comply with minimum labor standards and nationally negotiated wage levels.

Earlier this year the South African Clothing and Textile Workers Union resolved to explore ways of pressing governments and employers to link any relaxation of sanctions to the imposition of "socially acceptable standards for trade and investment," including a strong worker rights component. This spring, at its 7th Biennial Congress, the National Union of Mineworkers resolved to explore the development of an investment code to compel firms in key sectors to sectors to pay a living wage, provide housing and training opportunities, and "promote the participation of workers and unions in economic decision making at all levels."

The unions' future recommendations for a code for corporate conduct in post-apartheid South Africa will be based on information gathered from shop-floor struggles to macro-economic analysis. The final product will inform not only labor but also the liberation and democratic movements and their allies.

The Role of the Faith Communities

"What is the function of the church at this time? To be looking ahead and participating in a national social reconstruction program--in which democracy and justice will become a reality."

--Father Smangaliso Mkhathshwa

When asked where he saw hope in South Africa, Roman Catholic Archbishop Dennis Hurley answered, "in the spirit of the people." He continued, "It is our duty to be optimistic and contribute to the climate of hope." The delegation was told by almost all religious leaders with whom it met, that in today's South Africa, this contribution is both spiritual and material. Dr. Wolfram Kistner observed, "people must see something that gives them hope." Beyond supporting present survival, South Africa's religious community sees its role as promoting the creation of a more just society.

Ideological Foundations

"We can provide the ideological foundation for the new South Africa," affirmed South Africa's Chief Rabbi Harris. Religious

leaders agreed that preparing for the new society would necessitate dismantling racist thinking and practices, both within religious institutions and the society as a whole. Dr. Kistner likened the apartheid ideology to a suspended concrete slab. "When it is wet you need pillars to sustain it. When dry, it can stand forever."

Reconciliation

In campaigning to abolish apartheid, religious leaders recognize that a fundamental task is halting the campaign of terror and violence waged against anti-apartheid activists and defenseless black communities. Rev. Frank Chikane declared,

"Apartheid is irreformable because it is evil. It is not for us to compromise with apartheid. The only thing to do with apartheid is to destroy it utterly. Until we do that there can be no peace."

Religious workers on the ground have struggled to perform overwhelming pastoral duties ranging from burying the dead to attempting community reconciliation to working with families to rebuild their shattered homes and lives. Gary Munson, a Roman Catholic priest in Natal, organized Amamzimtoti's Crisis Center to receive and care for people whose houses and fields were burned to the ground, with no attempts by the police to halt the assaults or punish the attackers. Now he is helping the families return home. When asked by a dubious white parishioner what his efforts had to do with the Gospel, he replied, "I've been preaching the Gospel for 30 years. Now I'm demonstrating it!"

Dr. Albert Nolan explained, "Violence is the form apartheid takes at this moment." At the national level, the faith communities have cooperated closely to address the carnage. At the end of June, leaders of the South African Council of Churches, Southern African Catholic Bishops' Conference and other religious bodies convened a peace summit. Participants included religious leaders, the Nationalist Party, the ANC, PAC, AZAPO, INKATHA, COSATU and UWUSA. It followed on the heels of a state-sponsored conference which was boycotted by the religious community and the ANC because it was not planned in a democratic and inclusive fashion, and was perceived to have been designed as a propaganda vehicle for the South African government and Inkatha.

The peace summit reviewed a number of issues, including codes of conduct for political organizations and the security forces, and enforcement mechanisms such as a statutory standing commission and peace secretariats at national, regional and community levels. Religious leaders cautioned, however, that agreements at the national level often fall far short of local implementation.

The faith communities have also worked closely together to facilitate repatriation. The churches have played a leading role in organizing the National Co-ordinating Committee for the Repatriation of South African Exiles, set up to address emergency needs of returnees and policies affecting the repatriation process.

Evolving Political Prophecy

The faith community's role in the struggle against apartheid has changed after the unbanning of the political organizations in February, 1990, when those organizations were once again able to speak openly on their own behalf. Nonetheless religious organizations have continued their campaign for social justice, seeking to counter premature accounts of the death of apartheid.

Archbishop Trevor Huddleston described this effort in his address at St. George's Cathedral in Cape Town on July 9, stating:

"We need now to get out of Egypt--even if only into the desert on the way to the promised land. Today apartheid is still here. As Christians and followers of other world religions which claim we are created in the image of God, there can be no other expression of our hope than to be certain the world community is not deceived or duped into thinking that apartheid is dead and buried. We have to commit ourselves that it is the power of the people that will end apartheid when a new government is in place, when every person can vote and find a place in a non-racist, non-sexist and democratic land."

The following day, when President Bush announced the lifting of U.S. federal sanctions against South Africa, the South African Council of Churches countered in a press release:

"We very much regret the decision by the United States to lift sanctions against South Africa as we feel that this action is premature. The international community has been able to make a significant contribution to the struggle of the oppressed in South Africa through economic sanctions. Unfortunately that struggle is not yet over and we fear that the premature lifting of sanctions will mean that one of the major incentives, motivating the South African government to change, will be lost..."

Reiterating the SACC's definition of "irreversible change" adopted in 1990, the release continued,

"We feel sanctions against the South African government should only be relaxed when a mechanism has been set up to allow the maximum participation of all South Africans in the negotiations towards drawing up a new constitution and formulating legislation to replace the apartheid legislation."

Reconstruction: The Justice Agenda

As the labor, community and liberation movements grapple with the goals and groundrules for constructing South Africa's future economy, the religious community too is beginning to carve out an emerging prophetic role--the quest for economic justice. In so doing it is well prepared by virtue of its deep roots in the communities hardest hit by the exploitative South African economy.

In their Rustenberg Declaration of November, 1990, the South African denominations officially requested churches and organizations to address the followign concerns "as a matter of urgency":

- The need to work towards a new economic order in which the needs of the poor can be adequately addressed.
- Provision of work for the unemployed.
- Provision of adequate homes and essential services for the poor.
- The need to work towards parity in standards of living between black and white people.
- The need to eradicate poverty and hunger.
- Affirmative action to enable transfer of some of the economic power presently in white hands.
- Affirmative action in relation to women's rights.
- Consideration of major health issues, e.g. AIDS.

Both before and after Rustenburg, with few pronouncements, the Protestant, Catholic and Jewish communities have quietly gone about their community projects such as training teachers and supplementing health care in impoverished areas. Dr. Nolan observed, "what pastors do is also a theological statement."

Some congregations, like the Catholic church in Amamzimtoti, are using religious structures to educate people about social and political issues. The church's programs to celebrate Rerum Novarum includes programs on "Negotiations," "The Situation of Workers," "Youth and the New South Africa," "Education for All," "Negotiating a Just Peace," "Free Movement of People," and "Toward Development."

Faith communities are beginning to formulate their goals for a just economy. Not surprisingly, these reflect the struggles and aspirations of their members for a more equitable distribution of the country's resources, services and opportunities including land, education, housing and jobs. A number of religious leaders are also seeking alternative paths to economic development and justice.

Rev. Chikane affirmed, "We have a bigger task to reconstruct and remedy the damage apartheid has caused." He noted that in rebuilding the society, religious and other groups must confront the question of "creating wealth not at the expense of others." He proposed that vehicles need to be developed to insure that future investment is "on the side of the victims, not the racists."

In establishing economic priorities and parameters, the South African faith community is likely to look for leadership to its labor, community and political partners. However, religious leaders indicate that their organizations have a necessary role to play in setting goals, and critiquing the policies and practices shaped to achieve them. This might include placing issues such as environmental protection and women's rights on the national agenda.

While religious advocates have identified closely with the liberation movements in the struggle to end apartheid, many now see value in maintaining a certain degree of independence during reconstruction. They caution that if the liberation movements become part of a future government, they may need to make compromises in keeping with the political realities of running the country. The religious communities, on the other hand, not unlike the labor movement, without national administrative responsibilities, may be freer to articulate social and economic issues from their own faith perspectives.

In this prophetic role many religious leaders recognize that they will need to work together on an increasingly interfaith basis. Since the major religious institutions are not without their own internal contradictions of color and class, their leaders may find strength in working together to achieve their prophetic goals. Rabbi Harris stated, "We have a common denominator of cherished teachings. Now, more than ever before, there is a feeling that we have to work together."

Father Mkhathshwa put the justice agenda in historical context:

We need to support communities and programs that advocate and train people for both political and economic democracy. What we have done up until now is to democratize political structures. Now we have to democratize the economy.

It is an agenda which is likely to be hammered out deliberately, even painfully. As it is shaped it can lay the foundation for a growing and dynamic partnership between South Africa's religious organizations and international faith communities. It will be a partnership born of faith and tested by practice, from which not only South Africa but the rest of the world has to benefit.

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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DELEGATION TO SOUTH AFRICA (July 2 - 14, 1991)

Delegation Members

Vidette K. Bullock

Vidette Bullock is the Director of Corporate Relations and Social Concerns for the General Board of Pensions of the United Methodist Church. In this capacity she oversees the monitoring of corporations to insure adherence to the General Board's socially responsible investment policy. She is responsible for voting proxies, filing shareholder resolutions and communicating with corporate management on issues of social concern. She also serves as the chairperson of the General Board's Multicultural Management Committee which addresses issues of racism and cultural diversity. The committee assists the organization in implementing its commitment to equal employment opportunity. She has done graduate studies at the University of Nebraska Medical Center.

Sr. Mary Elizabeth Clark, SSJ

Sister Mary Elizabeth Clark, SSJ is a Sister of St. Joseph of Chestnut Hill, Pennsylvania. For the past three years she has been President of the Philadelphia Area Coalition for Responsible Investments, a regional division of the Interfaith Center on Corporate Responsibility. She is also the Social Justice Coordinator for the Congregation of the Sisters of St. Joseph, Chestnut Hill, and Chairperson of the Commission for Justice.

Sr. Clark was an elementary school teacher in the Catholic schools for eighteen years before working with the parish social concerns committees in the Newark Archdiocese for seven years. She has a M.A. in Religious Studies and an Educational Specialist degree.

Edgar G. Crane. Ph.D.

Edgar G. Crane is the Director of Corporate Social Responsibility for the Evangelical Lutheran Church in America. He is responsible for developing social investment policies and shareholder actions on a wide range of issues, including South Africa, infant formula, community economic development, energy and the environment, labor practices, and peace, justice and creation. (over)

Mr. Crane is a former city mayor, local school board member, legislative staff member, director of a national legislative organization, president of an economic development consulting firm, and professor of public affairs. He has a M.A. in political science, and a Ph.D. in public administration and public finance.

Sister Barbara Glendon, OSU

Sr. Barbara Glendon is the Executive Director of the TRI-STATE Coalition for Responsible Investment. The Coalition consists of 35 Roman Catholic religious orders and dioceses in New York, New Jersey and Connecticut. In 1985 Sr. Glendon wrote Corporate Responsibility: Case Studies and Empowerment Strategies, documenting the role of U.S. church shareholders in challenging corporate business with South Africa. Sr. Glendon has a Masters Degree from Columbia University with a concentration in Political Economy and International Affairs.

Previously, Sr. Glendon was a classroom teacher for 11 years. She is a member of the Ursuline Sisters of the Roman Union, an international Catholic order of women working in various parts of Southern Africa, including the Republic of South Africa.

Donna Katzin, Ph.D.

Donna Katzin is Director of South Africa Programs for the Inter-faith Center on Corporate Responsibility, a coalition of 250 U.S. religious organizations working for two decades to promote corporate responsibility. She has organized educational activities and prepared research on U.S. companies and banks for the religious community, local and federal governments and the United Nations.

Previously, as a social worker, Ms. Katzin developed and planned human services in the fields of education, child care, health care and housing. She has also coordinated social services and campaigns for the United Auto Workers. She has an M.S. in Social Work and a Ph.D. in Human Services Education and Development.

Rev. Frederick Harrison, Ph.D.

Rev. Harrison is the General Secretary of the Department of Mission of the African Methodist Episcopal Church in the U.S. In that capacity he has established essential resources for the extension of mission service both internationally and at home. He has assisted development projects in Botswana, Haiti, Mozambique, South Africa and Zambia, and organized relief efforts in other African countries, including Ethiopia. Rev. Harrison has also supported social and educational programs in low-income and African-American communities in the United States. (more)

Rev. Harrison has completed his doctorate, and serves on the boards of numerous ecumenical and international agencies. These include Coordination in Development, Interfaith Hunger Appeal, and the Harlem Chapter of the American Red Cross.

John E. Lind, Ph.D.

John E. Lind is the Executive Director of CANICCOR, an interchurch agency based in California, which provides both basic research and coordination for churches internationally on banking issues. Mr. Lind has served as a consultant on banking relations with South Africa to religious organizations, and has provided testimony and resources for the U.S. Congress and the United Nations Commission on Transnational Corporations. He has also developed methods for evaluating community reinvestment efforts in low-income neighborhoods in the U.S. His writings include The Debt Crisis and Credit Risk in Countries with Human Rights Abuses, South Africa's Debt at the Time of Crisis, South Africa's Gold and Diamond Trade, Financing South Africa's Foreign Trade.

Trained as a chemical engineer and physical chemist, Mr. Lind received his Ph.D. from Yale University. He subsequently taught at Cornell and Stanford Universities.

Canon Frederick B. Williams, D.Min.

The Rev. Canon Frederick B. Williams has been Rector of the Episcopal Church of the Intercession in New York City since 1972. Canon Williams has served as President of the Council of Churches in Manhattan, Treasurer of the N.Y. City Black United Fund, member of the Community Planning Board and Secretary and President of the Standing Committee of the Diocese of New York. He served nine years as an elected member of the General Board of Examining Chaplains of the Episcopal Church. He is an honorary Canon of Botswana, Treasurer of the Conference on Afro-Anglicanism, Commissary in the U.S.A. of the Archbishop of Central Africa and of the Bishop of Jamaica, West Indies. He is past National President of the Union of Black Episcopalians and the Martin Luther King, Jr., Fellows, Inc. He chairs the New York-Johannesburg Companion-Diocese committee, is Vice President of Harlem Churches for Community Improvement, Inc., and a member of the Black Leadership Commission on AIDS.

Canon Williams holds a Doctorate of Ministry in Theology, and is adjunct professor at the New York Institute of Theology and the Union Graduate School.