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NEW STRATEGIES FOR INTERNATIONAL ACTION
AGAINST TRANSNATIONAL CORPORATE COLLABORATION
WITH APARTHEID

by

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The impact of pressures on corporations is harder to gauge because a direct causal relationship between pressures and corporate responses cannot be drawn. It is clear that many corporations take their shareholders' concerns over South Africa seriously... Many (U.S.) companies openly admit that these burdens are disproportionate to the business they do in South Africa... Banks speak of scattered customer campaigns to withdraw funds because of their loans to South Africa... These and the "hassle factor" they represent have played an important role in the sharp decline in American lending to South Africa in recent years.

Lacking a large constituency, most of the anti-apartheid groups are simply unable to strike fear into official hearts. 2

The work of anti-apartheid groups throughout the world is presently at a critical juncture. There is no doubt that the last several years have seen a growth, both quantitatively and qualitatively, in the work of anti-apartheid and solidarity activists everywhere. Throughout the United States and France--two bastions of explicit corporate support and more subtle governmental support for the Pretoria regime--new and substantive groups are mobilizing liberation support efforts. These efforts are growing, in spite of a past in both countries where anti-apartheid work was largely confined to small groups representing narrow social and economic groupings. In France, coalition efforts with significant trade union leadership and participation can now think seriously of mobilizing "100,000 French people against the financing of apartheid." In the United States, in November 1978, a tremendous organizing effort led students throughout the State of California to march and picket more than five hundred branches of the Bank of America--a transnational lending institution which had loaned over 188 million dollars to South African entities.

Transnational corporations and Western capitalist governments continue, however, to play an increasingly critical role in keeping the apartheid
regime afloat. As former Senator Dick Clark (Iowa) rather conservatively summarized in January 1978:

Collectively, U.S. corporations operating in South Africa have made no significant impact on either relaxing apartheid or in establishing company policies which would offer a limited but nevertheless important model of multinational responsibility. Rather, the net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime...

Or as a recent U.N. Economic and Social Council Report pointed out, looking specifically at the role of transnational corporations (TNC's) in South Africa's mining industry:

Since the end of the Second World War, however, South Africa's mining sector has drawn direct investment from TNC's because of its mineral wealth, the favorable governmental policies toward mining companies, and the existence of a large non-unionized and disciplined labour force. *

The same report also demonstrated that, not only do U.S. (as well as other) TNC's like being in South Africa, but they plan to stay for quite some time:

A 1977 United States government survey of capital investment plans by majority-owned affiliates of U.S.-based TNC's in the South African mining industry shows that capital expenditures are expected to be $57 million in 1979--mainly for uranium and copper projects--which would be three times the 1978 total of $20 million.  

Thus our work is cut out for us. But first, let us approach a more vigorous discussion of that work by asking, where have we been? What have we been doing?

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So much of apartheid's appeal for TNC's is based on the availability of cheap labor. It is a point which we in the anti-apartheid movement should expose, explain, and condemn much more. As W.E.B. DuBois pointed out so, so long ago, "In Africa today, the lure to war, the temptation to murder and violence, is greater than formerly in Asia. Africa has more strong, cheap labor, more capable of being hammered into a modern industrial proletariat by brute force." (Introduction to Davidson, Basil. Report on Southern Africa, 1952.)
Space does not permit a full discussion of the historical development of the anti-apartheid movement and/or the solidarity groups for the Southern Africa liberation movements. To attempt such a project for all the various international groups would be a formidable task. Moreover, others have done this critical work far more competently than this author could ever manage.

Still, let us remind ourselves of two aspects of the question: 1) that the roots of the international anti-apartheid movement go back to the early twentieth century; and 2) that there has, and must be, an intimate and dialectical relationship between anti-apartheid work and the struggle being waged by the national liberation forces themselves. It was in 1948, for instance, that the first exposes were made of the role of international capital in shoring up a South African regime shaken by the 1948 miners' strikes. And, in pamphlets issued during that period by Alphaeus Hinton, W.E.B. DuBois, Paul Robeson and the Council on African Affairs, there went out a resounding cry for international action against banks then making loans to the new Nationalist government.

An illustration of the second aspect, the relationship between the struggle inside South Africa and solidarity work outside, is the extent to which the student divestment movement—both in Britain and the United States—has peaked and waned in almost direct proportion to the pace of events inside South Africa. In 1976, 1977 and early 1978—as the Soweto struggle sharpened, as the students' school boycotts, the ensuing trials, arrests and deaths all grew—more and more campuses activated toward the objective of cutting their schools' financial linkages to South Africa (these largely indirect, through investments in South African-related TNC's). What has all of this activity, especially that in the United States, meant? What is its potential for the future? At this juncture, it is imperative that we be both honest and critical, yet comradely. As the renowned and
brilliant revolutionary and theoretician, Amilcar Cabral often said, let us "tell no lies, claim no easy victories." It is true that divestment, or the sale or stock, has become a major anti-apartheid rallying point on a number of campuses. But too often it has been just that. Consistently, there has been a failure to employ divestment as only one of many tactics. On campus after campus, student anti-apartheid groups have not gone beyond the "divest now" struggle to other efforts, such as exposing and publicizing collaborative research--supportive of apartheid--going on at the same campuses. Too often there have not been educational campaigns, explaining the liberation movements, which should necessarily accompany the divestment work. The lack of educational campaigns means, of course, a lack of substantive material support as well. Sadly, U.S. campuses, with the potential to mobilize hundreds of thousands of dollars (given most schools' large activities and entertainment fees) for concrete assistance like blankets, clothing, radios, etc., contribute relatively little to material support. This short-sightedness, often a result, of inexperience, is being corrected on many campuses. However, this short-sightedness is also the product of a political situation in which one's tactic becomes the objective. Instead of divestment work being one of a number of programmatic goals, it (divestment or as in some recent cases, partial divestment or even re-divestment) becomes the entire program.

In my view, shareholder activism shares the same characteristic. By "shareholder activism" I mean the enterprise of promoting, lobbying and voting corporate proxies concerning South Africa, largely through institutional investors (originally churches, but increasingly schools, universities and pensions funds) all of which culminates in either disclosure, non-expansion or withdrawal resolutions at the annual meetings. In the dozen or so years
that shareholder activism has been around, it has succeeded—about this there is no doubt—in publicizing issues which otherwise would have received no attention. But it is now 1979, and the issue of corporate collaboration with apartheid South Africa has gained an enhanced visibility.

Today shareholder activism is a tactic pursued by a minority and necessarily privileged sector of people. Few Americans have either the resources or the time to appear at corporate annual meetings. And more importantly, an inordinate amount of the resources available to anti-apartheid activists is being consumed by solely shareholder activist organizations. Fewer and fewer American churches, proportionately speaking, are supporting the "grass roots" door to door type of work being done by most small-budgeted, small-staffed, anti-apartheid organizations.

These statements should not be construed as a rustication order for shareholder activism. Rather, they are suggestions that shareholder activism now assume a secondary role to the greater task of mass-oriented educational and mobilizational work. Further, that the annual pilgrimages for the shareholder voting—many of which have brought record voting percentages in the last two years—should be coordinated with mass activity. As five or six individuals or institutional investors vote on the inside, five or six hundred should be marching on the outside.

There is an extremely important aspect to what I am saying here. In the United States, Britain, France, Belgium, Switzerland, throughout the West, and in the Caribbean and Latin America as well, there is a vast social and economic formation which is all too often neglected in our work as anti-
apartheid activists. This, in spite of the fact that it is often that very grouping, be it class or racial group (migrant workers in France, blacks in America or West Indians in Britain), that is objectively and materially most oppressed by the very transnational "locomotives" which are the lifeline of the apartheid system.

A singularly grim failure of shareholder activism thus far is that it fails to impact and help mobilize those elements of the population—especially in the U.S.—who are the most capable of putting pressure on the TNC's that are collaborating with South Africa. Years ago, we knew, just as the liberal corporate spokesman, Waldemar Nielsen, of the African American Institute once said, "the issues of Southern Africa, let it be plainly recognized, once the Vietnam agony is finished, are going to be the next foreign policy focus of the moral indignation of youth, the Negoes and the American left." By and large, the information generated for shareholder voter education currently does not sufficiently reach the groupings that could make Nielsen be a more accurate prophet.

A brief illustration may help to elucidate this point even further. In the early spring of 1978, Chicago activists held a meeting with the Motorola Company, a TNC headquartered in nearby Schaumberg, Illinois. At the meeting, when a questioner asked about their activities in South Africa—which included selling radios for South African police vehicles—company executives defended themselves by saying that they weren't selling the South African police their best equipment, only their second-best equipment! They kept their best equipment for the Chicago police department! Chicago
has one of the highest police/civilian kill ratios in the entire United States. Additionally, the ongoing local campaign against police abuse, the memory of the 1968 Democratic convention, and the December 1969 sunrise assassination of Black Panthers Fred Hampton and Mark Clark are all events emblazoned in the memories of black Chicagoans. Thus, a linkage which was objectively present should have been built upon and developed so that the discussion then being held with Motorola would have had an active mass base.

But the failure to develop a mass constituency for anti-apartheid work in western countries (Sweden, Britain and Canada are a few notable exceptions) is not just to be found in the arena of shareholder activism. Rather, it is a criticism that could be equally applied to anti-Krugerrand work, anti-mercenary recruitment, university divestment campaigns, and the bank withdrawal campaigns. Ironically, more and more concrete evidence is emerging which indicates that the broad masses of people are prepared to be mobilized into a more activist stance against the apartheid regime. A recent survey by the Council on Foreign Relations reported that "[f]orty percent of the (U.S.) public favors the United States taking an active stance in opposing apartheid in South Africa." More significantly, however, the interventionist Council, famed for its role in formulating Vietnams all over the world, substantiated what many have been stating for a long time when it said:

In most respects, these elite responses parallel those of the American people as a whole... The greatest divergence between our elite respondents and the American people as a whole comes in the question of how best to deal with South Africa, where the elites appear less willing to adopt stern measures. Demographic analysis of the national Harris poll used in Table XI suggests that this divergence is not fortuitous. In that poll skilled workers and union members were more likely to approve strong measures than white collar workers, executives, and professionals, though these last two groups, like our respondents, were strongest in their expressions of opposition to apartheid in principle. (emphasis added)
Thus, the Council indicates what might happen. "What-might-have-beens", however, do not make history. Change comes, not from potential but from actual mobilization. For too long we in western anti-apartheid movements have relied upon a hypothetical "enraged and organized" constituency rather than the real thing.

There have been of late, substantive successes in international anti-apartheid work. Work in the sports arena, the very existence of student anti-apartheid movements, especially in the U.S., the internationally coordinated bank withdrawals campaign, these are but a few examples. What seems to have most enhanced our effectiveness has been the amount of coordination and timing of actions. The fact that Canadian, U.S., British and other European groups have consistently, over the past three years, coordinated their actions against the world's multinational lending institutions is probably the major reason that there are some victories\(^\text{13}\) to discuss in terms of pressuring banks to stop their credit lifeline to apartheid.

The optimal situation would seem to be when the campaigns of anti-apartheid groups can be coordinated with steps taken by governments. In March of 1978, the Nigerian government ordered all public sector agencies to close their accounts with Barclay's Bank of Nigeria because of the parent Barclay's large portfolio of credit to South Africa. At the same time, the Nigerian Foreign Affairs Commissioner stated that several other companies which had not complied with a stipulation by the Nigerian government that they reduce their business in South Africa, had already been blacklisted by the Nigerian
government. At the same time, at least one other independent African government was actively exploring the transfer of several of its major accounts in New York City from offending banks to non-offending banks. What might have made the international bank campaign more effective would have been if Nigeria had taken its action in line with one of the days of withdrawal that the bank campaign was promoting.

A major direction in which the anti-apartheid movement must move is toward more coordinated international activities. Just as TNC's obtain some of their power from the fact of their being based out of various countries, so too should anti-apartheid forces construct more multinational, coordinated campaigns.

It is true, of course, that the anti-apartheid forces, most particularly the non-governmental organizations, cannot marshall the resources available to the TNC's. But there are certain specific and concrete steps we can take in spite of our limited resources. Some of them are:

1. create or support one magazine which can provide a comprehensive and current updating on the various activities going on in different countries;

2. prepare more work on the TNC's jointly with various targeted national and international constituencies. In other words, when a piece is being done on Ford Motor Company's role in South Africa, let us solicit and jointly compile information that depicts Ford in Britain, Ford in Mexico, Ford in the U.S. as well;

3. organize some tours of anti-apartheid activists from different countries to other countries so as to better appreciate the situation different campaigns are facing;
4. continuing the tradition of international days of withdrawal, organize international fund raising days to support countries like Mozambique and Angola which are so much the target of South African aggression;

5. in view of the important role media coverage plays in organizing campaigns, let us exchange more information on journalists and the media generally (print and electronic), so that different anti-apartheid groups, African governments, and the liberation movements have a better idea of who is who in the international media;

6. organize an international working conference of anti-apartheid groups and solidarity organizations to weigh strategy and tactics questions for the upcoming period of the 1980's.

The period ahead is one which is going to be replete with obfuscations and grey zones. Already, the South Africa Foundation and various corporate allies like the Ford Foundation, are actively promoting the moderate solution candidates, the Muzorewas of South Africa. Lucy Mvubelo, Helen Suzman, Gatsha Buthelezi, Nicholas Wiehahn, Pieter Koornhof, all are now riding lecture circuits and making television appearances in various western capitals. As sectors of the South African ruling class push these activities more and announce more reforms, it is going to be increasingly difficult to mobilize against the South African apartheid system. Still, there are certain vulnerabilities which can be worked on with regard to TNC collaboration with apartheid. First, there is the necessity of TNC's maintaining a good image. They compete in the market place. They must continue to do so. One objective of our work should be to link that public image as extensively as possible with the brutality and violence which is inherent in the apartheid system. Recently, 2400 members
of various U.S. unions and groups supporting the Amalgamated Clothing and Textile Workers Union J.P. Stevens organizing campaign formed a two mile long "human billboard" denouncing the J.P. Stevens textile company. On the surface it seemed just a protest but in fact it was strategically geared to put so much pressure on one corporate executive (from the Seamen's Savings Bank) as to get him to resign. It was thus one of several steps to isolate the J.P. Stevens Company from the financial and corporate community.

A second vulnerable area of apartheid's TNC collaborators is the fact of their domestic practice. All of the TNC's with operations in South Africa also have home bases. In our work, we should constantly tie together their involvement in apartheid with their exploitative patterns at home. We should try, e.g. to relate the South African apartheid system to people's generalized concerns about economic security (pensions), about a nuclear war/catastrophe, about having healthy and safe working conditions. These are several of the concerns which people in western metropoles will be agitated about throughout the 1980's. It is making these connections which is going to lead to greater and greater mass participation. People, be they Scottish or Caribbean, who have not traveled to, lived or worked in Southern Africa, people weighed down with the escalating war they wage daily to live are not going to identify with or work on behalf of Southern African people wholly out of moral empathy. Rather, it is when people perceive it to be in their material interests that they will act. Everyone, as Amilcar Cabral used to emphasize, so much "wants to see their lives move forward," to see better lives for their children.

Recently, a little known commentator, Lindsey Phillips, pointed out, quite accurately, I think:
South Africa is in some ways a test case for the international community: the many factors of race and class, national liberation and foreign capital, justice and socialism, are all playing themselves out in South Africa in their starkest form.

In 1978, a more renowned figure, Zbignew Brezinski, the Carter Administration's National Security Advisor, talking with South African Minister Roelof Botha made a comment somewhat along the same lines when Botha said to him that South Africa needed more time for its reform initiatives. Botha said further that South Africa had a "mission on the African continent...a mission to make the continent great." According to Botha, at this point Brezinski paused, "there was a deadly silence," and then Brezinski said:

You moved us deeply, I would like to agree with every word you said. But I fear you will not have the time for your enterprise. You might be run over by the locomotive of history. (Brezinski hesitated, then added:) The same might happen to us. You and we might be run over by the locomotive of history.

The message is the same in both these comments. South Africa, its future, is in the living rooms of the West. It is an issue which is not going to go away. It is integral to the most basic fibers of the world capitalist system and that system's patterns of social, especially racial, relations.

South Africa will be here and we must do something about it. This perspective is one we should adopt, one we should underscore in our organizing.
Notes


7. It might be quite useful to see some of the Scandinavian student support groups tour the United States campuses describing the excellent support campaigns they have conducted in Sweden, Norway, Denmark and Holland.
8. In the spring of 1979, students at Hampshire College in the State of Massachusetts were faced with a decision by the school's president and board to put new money into another U.S. company investing in South Africa. In response to this, the students waged throughout the spring a re-divestment campaign. They succeeded but at the cost of getting no other work done.

9. On this subject see the mimeographed publication of the Investor Responsibility Research Center, op. cit., particularly its "The 1979 Proxy Season: How Institutions Voted on Shareholder Resolutions and Management Proposals." October, 1979. Note: IRRC founded in 1972 as a not-for-profit organization, but has individual copies of reports for non-subscribers (prepaid orders only) at $150 a copy for profit-making organizations and $50 a copy for non-profit and government organizations.


13. In March, 1978, the citizens of Davis, California passed a special referendum calling upon the City Council to find alternative non-South African investments for the City's $4 million in surplus funds. On the 26th of February, the Board of Governors at Dawson College in Montreal decided to transfer Dawson's $25 million account from the Bank of Montreal--a lender to South Africa--to the Banque Provinciale. See Beker, Pat, The Canadian Campaign to End Bank Loans to South Africa, U.N. Center Against Apartheid, July 1979.


17. Interview with Roelof Botha, Der Spiegel (Germany) August 14, 1978, pp 96-101