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APARTHEID IS
ECONOMIC

by Deanne Romano

Apartheid, South Africa's powerful industrial system of white minority privilege, is under siege. Each day brings the South Africa regime closer to a showdown with the black majority. Unable to contain the growing militancy of 80% of its population and condemned by world opinion, the racist regime is nevertheless stubbornly defiant. Its military might remains the most powerful on the African continent and is regularly used to invade neighboring black states. Its police measures are more brutal than ever, including the use of rifles and tanks against unarmed children. Thousands of black South Africans are political prisoners and locked in South African jails without charges. One out of every two political prisoners is a black trade unionist.

The central pillar supporting apartheid is economic. The South African economy is characterized by increasing monopolization and large foreign investments. For instance, one company, the Anglo-American Corporation, holds 50% of all shares listed on the Johannesburg Stock Exchange. Foreign investments account for 20% of all investment. Perhaps more important is their strategic significance. Foreign investments control some of the most vital sectors of the economy, including 33% of the motor vehicles market, 44% of the petroleum products market, and 70% of the computer market. The crucial point is that international companies are susceptible to international pressures that local companies are not. Sanctions therefore provide a powerful weapon against apartheid.

Corporations take advantage of South Africa's system of apartheid by paying black workers lower wages, often with vir-

tually no benefits, job rights, or health and safety protections. Because apartheid guarantees cheap labor, corporations have invested in South Africa instead of in American jobs. During the past two and a half decades U.S. corporations have increased their South Africa investments by ten times. These corporations now import manufactured and agricultural products from South Africa to the U.S. Fifty times more steel is imported from South Africa today than in 1975. Companies also undercut American workers by exporting goods produced under apartheid to potential U.S. customers in Europe, Asia, and other parts of the world. For example, coal sales to potential U.S. customers are ten times higher now than in 1975.

The Black Labor Movement in South Africa

South Africa's economy depends critically upon the availability of cheap labor. The policies under apartheid are spherically designed to control the working force and keep wages very low. For example, the mining industry depends mainly on migrant labor, where workers are contracted to live and work in "white" areas for up to a year. They are forced to live away from their families in very poor conditions. When they are ill or injured, they are returned to their home areas with little or no health care.

Powerful Black labor movements have emerged in opposition to their extremely oppressed conditions. As a result of increasing labor unrest, unions received official recognition in 1979 with the passage of the Weihahn Reforms. They have enjoyed constant growth ever since. Currently, unionized workers represent about 20% of the workforce. With continued growth, African trade unions will become an increasing challenge to the repressive regime.

Labor unions, working mainly through grassroots efforts, are in the forefront of major demonstrations in the community. The strength and militancy of the labor movement was demonstrated in the Mineworkers Strike in 1987, the longest and costliest strike in the history of the movement.

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South Africa Unions Favor Sanctions

The majority of labor leaders are in favor of a complete economic embargo against South Africa. Nomonde Ngubo, founder of the National Union of Mineworkers in South Africa, called for a Shell Boycott at a recent meeting at the University of California. She said that "sanctions provide the only non-violent alternative to putting an end to apartheid. Sanctions increase the cost of apartheid by putting pressures on both potential investors and the South African government Eliminating petty apartheid laws, as done in 1984, aim only to change the world's perception of apartheid, not end it."

Many U.S. companies, despite their vital contribution to the apartheid economy, insist that they represent a progressive force for change in South Africa. They support this claim by adopting employment codes, such as those introduced by the Sullivan Principals. The companies hope in this way to promote a better image for U.S. corporations on the home front, and divert attention from the divestment movement.

Employment codes, however, have had only a minimal effect on the lives of black workers in South Africa. Working conditions have only slightly improved and cover only a small fraction of the black workforce in the companies which have adopted these codes. Critics concur that employment codes are in fact counterproductive because they disguise the true nature of corporate involvement in South Africa. Whether corporations adopt the employment codes or not, their practices continue to bolster apartheid.

South Africa Depends On Foreign Oil

South Africa's most important import is fuel, since it has no domestic supply of its own. Because Royal/Dutch Shell (Shell Oil's parent company) is the number one supplier of fuel as well as a major foreign investor, the company has received wide pressure. Among the list of organizations applying pressure on Royal/Dutch Shell include the National Union of Mineworkers (the largest Black union in South Africa), United Mineworkers of America, the AFL-CIO, National Organization of Women (NOW), and the National Council of Churches. These organizations and others have targeted products of Royal/Dutch's American subsidiary, Shell Oil, Co., for a national boycott.

Royal/Dutch Shell Investment in South Africa

In violation of the international oil embargo, Royal/Dutch Shell continues to supply fuel to the South African military majority. In addition to supplying oil, Royal/Dutch Shell has agreed to train and equip private, plant-based militias. Royal/Dutch Shell pays its white employees to serve in the South African military. Like all other foreign corporations operating in South Africa, Royal/Dutch Shell pays taxes which further supports the police and military.

Royal/Dutch Shell pumps capital into South Africa that the

white minority desperately needs to prop up the crisis-ridden South African economy. Royal/Dutch Shell operates and owns 50% interest in the country's largest refinery and oil pipeline. It jointly owns the off-coast buoy at Durban where the vast majority of South Africa's oil is discharged as well as the major coal export terminal. Furthermore, Royal/Dutch Shell has more than 850 gasoline stations, extensive operations in the chemical industry, forestry tracts, and lead, zinc and coal mines.

Shell's Labor Disputes

Royal/Dutch Shell's management practices in South Africa fail to reflect their claim of improved working and living conditions. The company was cited in 1980 for paying its employees sub-poverty wages at its Reitspruit mine. After the mine workers organized, management fired 86 workers and called in armed guards with tear gas and rubber bullets to break the strike. During the 1987 strike, Royal/Dutch Shell again called in security police and then fired 14 union mine workers, who were all detained by the South African police.

It is the same story at other sites. Royal/Dutch Shell has never hesitated to use apartheid's repressive laws to gain higher profits. It uses the so-called fair employment codes as cover for its continued oil trade with Pretoria and continued exploitation of black workers. Nancy Elnore, Regional Director of the Shell Boycott, points to the shallowness of the codes by stating,

"Even if Shell complied with every code ever written, the issue of the company's strategic support of apartheid would remain. Even a 'good' employer must operate within the context of the repressive apartheid system. And this particular employer provides essential resources to the South African military and police who enforce that system. No one would praise a company that sells deadly gas to a concentration camp just because it treats its employees well."

Defueling Apartheid

The feelings of the majority of black South African workers is perhaps best expressed by South African Archbishop Desmond Tutu, winner of the Nobel Peace Prize: "Foreign companies in South Africa should stop kidding themselves by saying they are for our benefit. That's baloney. Whether they like it or not, they are buttressing an evil system." The greatest blow Americans can strike against apartheid is by aiding the international campaign for corporate divestment and selective purchasing. That campaign is gaining tremendous force. Later, Archbishop Tutu added:

"We applaud the actions by the U.S. religious community and others in support of full sanctions and complete corporate withdrawal from the land of apartheid. Such lobbying, investor initiatives, and

consumer actions, like the Shell Boycott, are sending a clear message to the Congress and those corporations with continuing ties to South Africa. Such economic pressures may be the international community's last available instrument to help bring Pretoria to its senses and justice to our land—without which there can be no genuine lasting peace.” (May 3, 1988)

To protect huge profits made under the apartheid system, corporations provide South Africa with essential capital, technology, computers and oil. If companies like Royal/Dutch Shell did not supply petroleum products, the South African military police could not enforce the slave labor system and the apartheid economy would collapse.

What is Being Done

Currently, four cities have designated themselves as “Shell-Free” zones; that is, the cities have agreed not to purchase any Shell products. This policy is designed to have an immediate

impact upon the company. As a response to actions like these, a special meeting will be held in the Netherlands in May by the stockholders of Royal/Dutch Shell to address the issue of sanctions.

Elnore reports that the Shell Boycott Committee has endorsed several ways to become involved with the struggle against apartheid. In addition to putting pressure on legislators to support national legislation against apartheid, many organizations have been active in organizing movements against Shell and other companies in South Africa. These organizations have led educational campaigns, picketed Shell stations, and organized boycott committees. A bill has been introduced by Representative Bob Weiss (W.Va.) which would prohibit Shell Oil Co. from obtaining leases in Congress for federal oil, coal, and gas as long as any Royal/Dutch Shell subsidiary continues to do business in South Africa. Passage of this bill will require tremendous pressure from various organized groups such as labor unions and churches.

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