Anti-Apartheid Organizations Issue Guidelines for Divestment

New York, NY.....IBM, GM, Coca Cola and other U.S. companies that have ended direct investment but continue to do business in South Africa will still be the targets of protest and divestment actions said five national anti-apartheid organizations in a statement issued today. These five organizations have been involved in the struggle for freedom in South Africa and Namibia for many years and have joined forces to issue new guidelines that will enable investors and consumers to judge whether companies are still supporting apartheid.

The organizations issuing the statement are: American Committee on Africa, American Friends Service Committee, Interfaith Center on Corporate Responsibility, TransAfrica and the Washington Office on Africa.

"As a result of both the growing internal resistance to apartheid and the expanding divestment movement in the United States, an increasing number of U.S. companies have moved to end their direct investment in South Africa," notes the statement. "However, we feel that it is essential to distinguish between those corporations for which withdrawal means the termination of all economic ties to South Africa, and those for which withdrawal merely indicates a restructuring of economic relations."

Jennifer Davis, Executive Director of the American Committee on Africa, which coordinated the statement and guidelines, urged intensified action against apartheid. "We hear reports every day about people dying in the streets. The South African police and army have virtually occupied many of the Black townships and have detained more than 8,000 children. Now more than ever we must target those companies that continue to provide much needed technology and products to the South African economy through franchise and license agreements."

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In the statement the five organizations noted that as the result of thousands of local actions across the United States, 19 states, 70 cities and 116 universities, as well as numerous religious bodies, foundations and unions have adopted binding measures mandating divestment or other economic action against companies doing business in South Africa. "We urge those who have already committed themselves to divestment to consider these guidelines as the morally and legally correct interpretation of their present policy. We also encourage the numerous institutions and individuals that are considering divestment to use these criteria as the basis of their policies."

Already many states and cities have responded to the sham withdrawals of companies like IBM, GM and Coca Cola and announced that they will continue to target such companies. Assemblywoman Maxine Waters of California who was central to the framing and passage of the historic $9.5 billion California State pension fund divestment said, "We worked long and hard in California to cut our ties with the racist South African regime. And I'm going to continue to work overtime to ensure that our legislation reflects these guidelines and continues to target any and all U.S. companies that are doing business in or with South Africa."

The statement and guidelines were issued by the American Committee on Africa, a 33 year anti-apartheid organization; the American Friends Service Committee, a Quaker-based organization; the Interfaith Center on Corporate Responsibility, an organization of socially responsible church and religious investors; TransAfrica, the Black American lobby on Africa and the Caribbean; and the Washington Office on Africa, a national southern Africa lobbying group.
Guidelines for Divestment

We support an end to all corporate involvement in or with South Africa and Namibia. A corporation is doing business in or with the Republic of South Africa or Namibia if it, its parent, or its subsidiaries:

1) have direct investments in South Africa or Namibia, or have entered into franchise, licensing or management agreements with or for any entity in those countries; or

2) are financial institutions that have not prohibited new investments, loans, credits or related services, or the renewal of existing financial agreements, including those for the purposes of trade, with any entity in those countries; or

3) have more than 5% of their common stock beneficially owned or controlled by a South African entity.

A company with operations in South Africa or Namibia for the sole purpose of reporting the news shall not be considered doing business in those countries.

American Committee on Africa
American Friends Service Committee
Interfaith Center on Corporate Responsibility
TransAfrica
Washington Office on Africa

January 1987
Statement on U.S. Companies and South Africa

The past two years have seen major developments in the struggle for freedom in South Africa and Namibia. As the strength of popular resistance has grown in South Africa, so has government repression. The South African apartheid regime has detained more than twenty-three thousand people, including more than eight thousand children since June. Internationally, an increasing number of countries have imposed at least some limited sanctions.

In the U.S., the anti-apartheid movement has long recognized the key role played by U.S. corporations in bolstering apartheid. As a result, these companies have become an important target in our campaigns. Nineteen states, 70 cities, and 116 universities as well as numerous religious bodies, foundations and unions have adopted binding measures mandating divestment or other economic action against companies doing business in South Africa. This past October, the U.S. Congress overrode a veto by President Reagan and imposed limited sanctions against South Africa.

As a result of both the growing internal resistance to apartheid and the divestment movement in the United States, an increasing number of U.S. companies have moved to end their direct investment in South Africa. However, we feel that it is essential to distinguish between those corporations for which withdrawal means the termination of all economic ties to South Africa, and those for which withdrawal merely indicates a restructuring of economic relations. We particularly applaud companies such as Eastman Kodak that have severed all economic connections. By contrast, companies like General Motors, IBM, and Coca Cola have announced withdrawals but continue to provide vital economic support to South Africa through ongoing licensing, distribution, marketing, and service agreements.

Such companies have not ended their links to apartheid. We have formulated the enclosed guidelines to clarify what the national anti-apartheid movement means by economic disengagement from South Africa and Namibia. We urge those who have already committed themselves to divestment to consider these guidelines as the morally and legally correct interpretation of their present policy. We also encourage the numerous institutions and individuals that are considering divestment to use these criteria as the basis for their policies.

Through thousands of local actions across the country, the anti-apartheid movement has won many victories in the struggle to isolate South Africa. The implementation of the enclosed criteria will further strengthen our movement and provide strong support to the people of South Africa and Namibia in their struggle to achieve genuine democracy and self-determination.

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