PEOPLE'S SANCTIONS: STATE AND MUNICIPAL ACTION AGAINST APARTHEID

The core strength of the U.S. anti-apartheid movement lies in local and state coalitions which have been built throughout the nation. Their impact can be measured in the $20 billion that has been withdrawn from corporations which invest in South Africa and in the 26 states, 19 counties and 83 cities which have taken action to end economic ties to apartheid.

Among typical examples of such actions:

* New York City pension funds announced in March 1990 that they were selling over $500 million worth of stock because of corporate ties to South Africa as the final part of a five year divestment plan.

* San Francisco refused to grant Combustion Engineering a $300 million contract to build a trash-to-energy plant in 1986 because the firm invested in apartheid.

* New Jersey had divested $4.2 billion from companies that do business in South Africa by August 1989.

* Westchester County, New York withdrew over $40 million in deposits from Citibank in late 1989 when the bank extended the repayment period of its South African loans.

The impact of this movement has been felt in America's corporate boardrooms. It has caused giant multi-nationals like General Motors, Mobil and IBM to end their direct investment in South Africa. Hewlett-Packard, in announcing their decision to leave South Africa, cited the pressure of divestment and the loss of city contracts in the U.S. as a result of selective purchasing legislation. The problem, they said, was measured in the billions.

This grassroots support has also registered in the halls of Congress. A prominent Republican Senator attributed his support for sanctions legislation to the grilling he received at a high school basketball game in his home state. It is a story that has been repeated in many ways in many states.

These powerful grassroots coalitions have been built, brick by brick, over more than ten years; ACOA organized the first conference of the Campaign Against Investment in South Africa in 1981. Since then, concerned legislators, labor and church leaders, Black community organizers, and student activists have combined to mobilize effectively to achieve increasingly powerful sanctions locally and nationally.
Financial Sanctions — Many initial campaigns focused on removing city or state funds from banks with South African loans. By 1985, 14 states and 58 cities had acted against banks which were supporting apartheid, and many banks decided to make no new loans to South Africa. The campaign continues.

Divestment — The divestment movement sought to end investment in U.S. corporations doing business in South Africa. Key efforts were direct at moving the multi-billion dollar state and city employee pension funds to sell their stock in such corporations. This frequently involved a hard fight to pass divestment legislation. The phenomenal success of this movement owes a great deal to the active participation of the public employees themselves, through their unions.

Selective Purchasing — Often when a coalition had achieved divestment they asked "What do we do next?" ACOA helped many of them find the answer in campaigning to discourage their cities and states from purchasing goods and services from corporations which invest in apartheid. Many corporations find this tactic devastating since they may make more profit from selling to a city the size of New York or Los Angeles than from their entire South African operation.

Franchising and Licensing Agreements As corporations began to "leave" South Africa in the 1980's many tried to hide behind franchising and licensing agreements. These firms counted on being able to escape the impact of divestment and selective purchasing since they no longer had any direct investment in South Africa. ACOA joined in a largely successful national effort by the leading anti-apartheid organizations to ensure that they were not successful.

The strength of the U.S. anti-apartheid movement is in the organized power of the people at the grass roots. When they are informed and mobilized, many political and business "leaders" suddenly discover the need for action against apartheid. Conversely if they can be confused or demoralized, these same "leaders" will happily find new rhetoric to justify business as usual with apartheid.