

Calling Apartheid's Profiteers to Account

Archbishop Njongonkulu Ndungane

There is something very wrong when 20 million South Africans still live in abject poverty, more than 4,6 million South Africans do not have any income at all, and more than 2,7 million families have no shelter while the beneficiaries of apartheid still have their families, their houses, cars, pensions, and jobs, and apartheid's international profiteers continue to make ever-greater profits.

More than \$3 billion a year in profits were transferred out of apartheid South Africa by foreign banks and businesses between 1985 and 1993. All the victims of apartheid identified by the Truth and Reconciliation Commission (TRC) could be compensated as recommended if foreign investors returned only 1.5% of those profits.

But there are many more than the 21000 victims of apartheid violations identified by the TRC. Adequate reparations for apartheid must include massive social programmes for the reconstruction and development of whole communities.

The new South Africa's attempts at doing this are seriously constrained by the legacy of apartheid, including the \$25.6 billion inherited in illegitimate foreign debt which roughly equalled the initial investment required for the Reconstruction and Development Programme that was shelved for lack of sufficient finances.

The question is: who should foot the bill for post-apartheid reconstruction and development? To insist that the new South African government alone should pay is to ask the victims to pay for their own suffering. Businesses and banks that propped up and profited from apartheid are liable too. Their behaviour during the height of apartheid bears testimony to this.

The United Nations (UN) declared apartheid a crime against humanity in 1973. Worldwide, anti-apartheid movements pressed strongly for sanctions against apartheid all through the '80s, especially at the height of repression by the apartheid regime in the second half of that decade.

The UN Commission on Human Rights' 1987 investigation into the responsibility of multinational corporations for the continued existence of apartheid concluded that "by their complicity those transnational corporations must be considered accomplices in the crime of apartheid and must be prosecuted for their responsibility in the continuation of that crime".

Nonetheless, when the apartheid state was bankrupt in 1986 the world's biggest banks from Germany, Switzerland, the United States, the United Kingdom, and France rescued apartheid by favourably extending its loan terms three times – under the leadership of a former president of the Swiss National Bank, Fritz Leutwiler.

The apartheid regime used this lifeline to postpone negotiations and to intensify its repression.

Big businesses built their empires on the backs of apartheid's victims and research shows that South African companies with foreign investments massively reduced repatriation of foreign profits after 1994 compared to the period 1985 to 1990. In addition, big business has been remarkably hard-nosed in rejecting calls to contribute to reparations payments.

Apartheid was built on military repression of the majority of the people of South Africa, banishment, imprisonment, torture and murder of its opponents, an enforced migrant labour system, and forced removals from land and housing, amongst other social evils. This criminal system was wilfully backed up by financial and business investments that generated massive profits.

For example, five years after the UN declared apartheid a crime against humanity and fifteen years after the UN recommended an arms embargo against apartheid, Swiss arms manufacturer Dieter Bührle, a former director of the Swiss Bank Corporation (now UBS), received the highest military honour of the apartheid regime by request of former president PW Botha. So did his colleague Gabriel Lebedinsky, for "their personal intervention which culminated in the export to South Africa of vital munitions of various kinds".

Both, according to the official award citations, "rendered services" that "cover a wide spectrum and have, without any doubt whatever, contributed both directly and indirectly towards thwarting many of the worldwide endeavours to isolate South Africa from international business forums and trade contacts with her natural partners". Their active support "indeed led to other important implications, namely that efforts to boycott the exports of the Republic and to place an embargo upon the provision of strategic and other imports failed".

The victims of apartheid are entitled to reparations, including compensation, for the suffering they endured as a result. Apartheid's profiteers must now pay for the risk they were willing to take by doing business in a criminal state.

Jubilee South Africa has worked tirelessly with international and local partner organisations and lawyers for more than three years for the truth, justice, social development, and real reconciliation.

Apartheid debt cancellation is one form of reparation that will allow greater room for national spending on job creation, housing, health care, education, and the provision of water and electricity to the poor.

The foreign banks and businesses were called upon to publicly discuss the matter but our calls were consistently rejected. The filing of an international legal suit therefore emerged as a last resort to ensure that the issue could be dealt with decisively.

A claim against Swiss and American banks was filed in New York this week. German, British, French, and South African banks and businesses that prefer to ignore apartheid victims' call for justice will be similarly challenged in the months to come.

It would be better to sit down together to discuss and resolve the matter and the doors are still open for this. An international conference involving the corporations, governments, victims groups, lawyers, and campaigners is required to resolve this matter decisively.

Reparations for their profiteering from apartheid while claiming to have been ignorant that the apartheid state was illegitimate or that investment in it reinforced the system ought to be a clear-cut case.

The Most Reverend Njongonkulu Ndungane is the Anglican Archbishop of Cape Town and a patron of Jubilee South Africa. He has strongly called for apartheid debt cancellation and reparations since 1998.

