Code of Conduct Concerning the Practices of Canadian Companies Operating in South Africa Code d'éthique touchant les conditions d'emploi des sociétés canadiennes opérant en Afrique du Sud

- freedom of association and the right to organize and bargain collectively.
- promotion of social justice and peaceful achievement of economic, political, and social reforms by positive, constructive, and legal means
- support to projects which enhance the quality of life of the non-White communities from which their work force is drawn

These principles and rights apply to all races but have special relevance to Black, Coloured, and Asian employees<sup>2</sup> and to the quality of life which they and their dependents enjoy.

The methodology employed in preparing this report and its organizational pattern remain unchanged from that of 1990-1991. Its basic data have been drawn from the Standard Reporting Questionnaire completed by Canadian companies in collaboration with their South African affiliates and from reports by affiliates of Canadian companies reporting under EC requirements. The American, Australian, and UK Code authorities have again been consulted, as well as the Commonwealth Secretariat in London and the Investor Responsibility Research Centre in Washington, DC. During an unrelated visit to South Africa I took the opportunity to exchange views with the South African-based Administrative manager of the Signatory Companies arrangement, and with other government representatives which have had Code requirements.

In contrast to the previous reports under this program there will be no attempt to encapsulate the rapid political developments that occurred since 1991. There is however, in the text, references to the economy, particularly as it relates to the issue of wages, and that of the linked issue of labour generation. It is important to understand the context in which decisions on wages, employment and investments have been made in the evolving economy of South Africa as it works its way out of a very long period of recession.

It is very satisfying for those who have been concerned with South African issues to contemplate the positive changes that have occurred over the period of this and other similar programs. These changes, which led to the all inclusive election of April 1994, were but a start on a path which South Africa's friends hope and expect will lead to a rising level of enjoyment and satisfaction by all her people. This may not occur without a correlation between the positive political developments and economic growth and diversification.

In preparing this summary report, I am indebted to those I consulted who gave freely of their time and to the Canadian companies that cooperated by responding voluntarily to the questionnaire on employment practices. Code of Conduct Concerning the Practices of Canadian Companies Operating in South Africa

The responsibility for the analysis in, and content of, this report is mine alone despite the substantial help from those mentioned above.

## Robert W. McLaren Code Administrator

Ξ

Code d'éthique touchant les conditions d'emploi des sociétés canadiennes opérant en Afrique du Sud

<sup>&</sup>lt;sup>2</sup>Racial classifications used in this report are based on categories set forth under earlier South African law; The abolition of the Population Registration Act in June 1991 has removed the statutory obligation to maintain racially segregated staff records.