

reform, and subsequently political repression by the state of opposition forces. While statistical evidence shows that MNCs in Chile had no direct culpability and responsibility for human rights violations and actually contributed to the success of economic prosperity, the mere fact that MNCs conducted business interests in Chile bolstered and legitimated a repressive regime resulting in an indirect effect on the socioeconomic rights of the citizens.

Although the theory is a generalization, the role of MNCs in Chile draws parallels with apartheid in South Africa. Multinational banks lending to South Africa have been accused of helping the apartheid government remain indifferent to international and domestic human rights pressures by providing moral legitimacy to a repressive regime, and permitting the government to attain economic and strategic self-sufficiency.¹¹ NGOs have alleged that international credit provided the margin of funds needed by the South African government to finance its military buildup, stockpiling of oil, and its major infrastructure projects in strategic economic sectors such as transportation, communication and steel production. Banks indifference to international and internal human rights pressures created a perception of stability at the price of oppression, which further encouraged multinational involvement. As well foreign military sales to South Africa has been objected to by human rights organizations, who claim export sales of aircraft and arms can be used as counterinsurgency surveillance against black nationalist forces opposing the white government. The cases of Polaroid and IBM demonstrate how the export of technical, electronic, and data equipment can serve as tools for the government. In the situation of Polaroid, it was discovered that a Johannesburg distributor had violated the prohibition of the sale of goods to the apartheid government facilitating their repressive activities. Human rights organizations alleged IBM sales to South Africa indicated the use of technology to facilitate the government's system of compulsory identification documents for social control of the blacks, and other products were used in inimical ways to individuals and society.

In many countries rich in natural resources such as oil and diamonds, multinationals "often cozy up to whichever regime is in power, however nasty, in order to protect their investments."¹² By engaging in profit-making activities with repressive regimes, multinationals have the potential of protracting conflict especially when resources are at the core of the crisis, impede peaceful resolution and humanitarian efforts, and provide the necessary investments for governments to prolong a conflict inflicting human rights violations. With economics becoming a motivating factor for conflict, the nature of business and capital places MNCs in a situation where they cannot be impartial, neutral or independent of the parties or politics to the conflict. Diamond mining industries in Sierra Leone have been accused of fueling the war by providing military supplies or acting as a go-between with mercenaries to obtain access to diamond resources.¹³ To maintain control of diamond concessions within a certain radius, companies have been linked with governments and mercenaries who use security tactics resulting in human rights atrocities. In the context of increasing threats to natural resource industries operating in conflict areas, companies legitimately require security for personnel and property, but need to ensure that

¹¹ Gladwin and Walter, Multinationals Under Fire, pg. 168.

¹² "The World's view of multinationals," Economist, January 29, 2000, pg. 21.

¹³ "Diamonds are a guerilla's best friend," Globe and Mail, January 13, 2000.