

The few Canadian companies and their South African partners reporting for the period generally comply with the basic requirements of the Code of Conduct. The one large firm with its subsidiary, and the Embassy, by virtue of size and substantial resources, were able and did devote some resources to programs and practices which exceed this and support the Code's further objectives. The smaller firm, without comparable resources, is, nonetheless working within its means to ensure fair practices and advances in the desired directions. In fairness to the small firms which reported under this voluntary code, and even to those that felt they could not, it's important to note that, had these been corporate citizens of any country other than Canada embracing a similar Code, they would not have been expected to report because of the small work force, or percentage of ownership involved. Given the fact that the South African economy has been in recession for the three years preceding the cut off date of this report and the combination of factors contributing to this -- a shrinking world economy, the effects in particular of international financial sanctions, shortages of external investment capital and technology, low productivity growth, high inflation and interest rates, and stiff competition -- commercial and industrial enterprises had little leeway for more rapid progress. Within these constraints, however, improvements were clearly there, if at a rate that is slower than desirable.

With respect to the average wage of all non-White personnel, the picture is better, with all but one reporting company exceeding SLL and the suggested level of at least 50% above MLL. For the affiliates in the computer and services sector, the average wage for non-Whites at lower levels exceeded the MLL by amounts in the range of 4.9% - 40%. There has been progress in promoting non-White personnel, all reporting companies support and implement the principle of equal pay for equal work.

In some cases, an effort was made to close the gap between White and non-White wages by giving somewhat larger annual increase to non-White, in particular Black, employees. Table VII (next page) although based on limited data, illustrates this point.

Collective bargaining arrangements are not in force in Canadian affiliates, or at the Embassy, but wages are generally adjusted annually. Increases customarily reflect the cost of living and, where relevant, increases in productivity. Qualifications rather than race are universally reported as a basis for staffing of, and remuneration for, positions; in one case, positions are related to a qualitative job evaluation process (the Hay system).

While progress has been made in improving the pay and promotion prospects of non-White personnel, it remains the case that apart from positions in sales and marketing, few of them attain other than the lower and middle levels of management or high-technology positions. For this reason, the average wages paid White workers remain substantially higher.

Table VII

AVERAGE DIFFERENTIAL REPORTED PAY INCREASES 1991 - 1993<sup>10</sup>

	<u>Black Employees</u>	<u>Coloured/Asian Employees</u>	<u>White Employees</u>
1991	19.2%	15.9%	16.5%
1992	10.2%	15%	5.3%
1993	12.3%	(1.3%)	10.5%

5. Training and Promotion

The Code of Conduct suggests, as a preliminary objective *en route* to a fair and balanced racial composition of the work force, the filling of 50% of all supervisory and management positions with non-White employees, within a specified period of time. While some progress has been reported toward this goal, it has been minimal to date and must be considered, in part, a legacy of the bias in the educational system which places non-Whites at a disadvantage. While recently the Government had made as an objective significant new investment in Black educational facilities and objective, there remains a startling differential in educational opportunities, which is likely to prevail for some time.

6. Fringe Benefits

Companies are encouraged by the Code of Conduct to concern themselves with the living conditions of their non-White employees and their families. To this end, they are expected to provide benefits beyond those required by South African legislation, notably with respect to social protection schemes (e.g. health, accident, pensions, unemployment insurance), education for family members, housing, transportation, legal, and recreational needs.

The major entities -- given their substantial resources -- have more scope, and are able to provide more fringe benefits than the smaller ones. Nevertheless, all, both large and small, provide basic benefits and attempt to ameliorate the prevailing legacies of the former system.

<sup>10</sup>Based on limited data.