VI CONCLUDING OBSERVATIONS

This report has followed the well marked path of its predecessor in terms of form and, to a considerable degree, content. However, the revised Code of Conduct and its companion questionnaire have broadened the area of enquiry and resulted in a more balanced glimpse of company operations in South africa.

Nineteen eighty-six was another difficult year, economically, politically and socially in South Africa. Notwithstanding, the affiliates generally sought to maintain and improve their employment practices performance, as sought by the Code of Conduct. To some, the Code's requirements are an embarrassment or, at best, a nuisance, particularly where the Canadian interest in terms of equity is small. Nevertheless, most have reported conscientiously and the results are evident in this report. What remains is to draw some conclusions from the data presented and to suggest where improvements may be possible in the future.

The main weaknesses for most affiliates remain the areas of Fringe Benefits, Community Development, Encouragement of Black Businesses, Social Justice and, to a lesser extent, Training and Promotion. This is particularly so for the smaller firms which are less well endowed with human, physical and financial resources than their larger counterparts. For three of the reporting affiliates, Wages continue to be a problem which needs to be addressed. Beyond this, the principle of collective bargaining has been accepted by all and, in most cases, instituted. General working conditions have improved. The need for non-discriminatory race relations has been acknowledged and generally put into practice, though much can and should be done. Migrant or contract labour, with one major and two minor exceptions, is no longer an issue, in contrast to a year ago when several affiliates employed substantial numbers of Black contract workers.

Should this suggest that all is well and that the problems of yesteryear have vanished, it must be emphasized that there remains substantial scope for improvement. Even those firms that attained category I have more to do and must not relax. Their position in the top grade is relative and does not absolve them from further effort.

For example, even in the best affiliates the numbers of non-White senior and executive personnel remain discouragingly small. Educational deficiencies and cultural/tribal differences remain obstacles to be overcome. The leading companies are tackling these problems and should be encouraged to continue, as should those that to date have exerted little or no effort in this direction.

A second obvious shortcoming in virtually all affiliates is the paucity of non-White female personnel, except at the lowest levels of employment. With one or two exceptions, the indifference toward correcting this situation is glaring.

While two or three affiliates have lobbied Ministers and other governmental authorities on the need to dismantle apartheid and its manifestations of segregated health, educational, recreational and other facilities,

most of the firms have adopted a passive stance beyond the environs of their own enterprises. Few have extended themselves directly into the areas of Social Justice, Community Development and Encouragment of Black Businesses.

All this suggests that much remains to be done by the affiliates, despite the progress already made. To be fair, White South African businessmen in general seem ready to proceed down the road to the elimination of apartheid at a pace which the South African Government is not yet prepared to contemplate. Their Canadian partners must be prepared to lend them support, in the words of the Code "By positive, constructive and legal means and approaches....to promote the cause of social justice and the peaceful achievement of necessary social and political changes and reforms."

Where the various Codes of Conduct and the disinvestment policies of foreign companies fit into this scene remains a subject of debate, both in Canada and South Africa. Most evidence suggests that the Canadian and other Codes have served a useful purpose in the establishment of equitable employment standards and in ensuring that they are observed on a continuing basis. The South African trade unions are beginning to assume the functions of the Codes but it is generally believed, outside trade union circles, that the unions are not yet in a position to replace them.

Enterprises which have been involved with the Codes for the most part grudgingly concede that they have been useful in the past. However, they believe little more can be expected from them because additional company action would be costly and could threaten the competitiveness of the firms and, ultimately, their viability.

It is clear that the Codes still have a valuable role to play in promoting equality and in maintaining and improving the working conditions of South African employees, especially those of the non-Whites in the lower employment levels. One of the trade unions' complaints is that the Codes were established without seeking their input. This objection is valid and should be addressed if the Codes are to continue to fulfill their potential. There may be room for coordination and cooperation between the trade unions and the authorities behind the Codes to ensure that a common approach leads to the achievement of common objectives.

Disinvestment is even less popular than the Codes, both in Canada and South Africa, except among the short-sighted few who see the acquisition of foreign assets at firesale prices as a net gain for South Africa. More thoughtful citizens, both Black and White, recognize that the loss of capital and technology customarily provided by foreign companies could threaten the viability of patriated firms. Moreover, the new South African managers and owners of erstwhile foreign enterprises, do not always continue the Code-induced benefits and workers suffer. In extreme cases, job losses ensue and, ultimately, no one benefits. The trade unions which formerly urged disinvestment, have now downgraded it as a policy. They suggest that, if it does occur, it should be carried out in consultation with them to ensure the retention of benefits acquired through implementation of Code standards. This is another aspect which potential Canadian disinvestors might look at usefully, along with other relevant considerations.