

between the mostly urbanized supporters of the UDF and COSATU and the generally rural supporters of Inkatha and its leader, Chief Mangosuthu Buthelezi. The latter have basic differences with the ANC and these must be resolved in the negotiating process.

Ironically, the hopes and fears engendered by the release of Nelson Mandela and by the promise of reform, have created great expectations among non-Whites and unleashed unruly forces to the left and right which have raised the level of unrest and violence throughout South Africa. Mr. de Klerk and his Government believe they have demonstrated their reformist intentions sufficiently to attract international support to the extent of easing sanctions and extending badly needed investment capital. The ANC, with its historical legacy of mistrust, continues to urge the international community to maintain sanctions until such time as the legislative and constitutional underpinnings of apartheid have been demolished. To date the international response, apart from Britain's unilateral lifting of its voluntary investment prohibition, has been cautious pending further developments in South Africa.

For White South Africans, their world has been shaken by revolutionary change but for non-White South Africans there has been to date only the promise of reform while the substance of apartheid remains intact. In the resultant situation of expectation, fear, hope and violence, the South African economy seems destined to plod along with little or no growth in sight. In the absence of general international approval, the influx of investment capital, so badly needed for economic expansion and job creation, will remain for the time being beyond reach.

For Canadian and other foreign firms operating in South Africa, the immediate future remains problematical and disinvestment of South African interests will likely continue, albeit at a reduced rate. Most of those enterprises that have held on through difficult times seem likely to continue to do so, encouraged by the promise of reform and hope for relief from sanctions now looming over the horizon. The South African Government is committed to restructuring the economy, with emphasis on curbing inflation, making good skilled labour shortages and raising productivity of labour and capital, within a market economy driven by private initiative. Concomitantly, a quick start has been promised with respect to socio-economic development aimed at making up the arrears in housing, education and training, literacy and basic health needs, all within a framework of economic stability. At the same time, the ANC has continued to speak in socialist terms and, specifically, of the nationalization of industry, to the alarm of White businessmen and the Johannesburg Stock Exchange.

Among the differences between Black and White South Africans, the disagreement over sanctions and disinvestment remains significant. By and large, with the exception of Chief Mangosuthu Buthelezi/Inkatha, Black South Africans favour the maintenance of sanctions and disinvestment until the dismantlement of apartheid is irreversible, while all but a handful of White South Africans believe the time has come to scrap these forms of pressure on the South African Government.

Most Whites opposed such policies from the beginning, believing they reflected unacceptable foreign interference and, in any case, hurt the non-Whites they were meant to help. But, now, even Whites who had accepted them as necessary evils, believe Mr. de Klerk has set in motion the process of dismantling apartheid from which there can be no turning back. A small minority of Whites continue to argue the necessity of maintaining the pressure from sanctions and disinvestment until the legislative and constitutional bases of apartheid have been destroyed.

Even Black support for sanctions and disinvestment must, to some extent, be qualified. While Black anti-apartheid organizations and their spokesmen are strong proponents of such policies, the rank and file are often ambivalent, supporting them in principle while opposing them if they represent a threat to their jobs. Moreover, Black organizations do not speak with one voice since Chief Buthelezi and Inkatha have never favoured sanctions or disinvestment.

As for the effectiveness of sanctions and disinvestment, there are few South Africans of any race who do not believe they have been harmful to the South African economy. Most grant they have played a significant role in persuading the Government to seek a negotiated end to apartheid and a just constitutional basis for governing South Africa in the future.

The balance of opinion in South Africa with respect to Codes of Conduct and their usefulness is less clear. The trade unions continue to believe that, while they may have been useful initially, they are less so now. For the most part they are regarded as redundant, given the growth and strength of trade unions in recent years. The trade unions claim to be able to do everything the Codes are designed to do. Disinterested opinion, however, suggests the Codes are particularly valuable in promoting social programs of value to working families and their communities. Their achievements include desegregation of many workplaces, improvement of wages and general working conditions and useful pressure toward equality, training and advancement for non-White workers. They are also generally credited with obliging indigenous South African enterprises to raise their employment standards.

Where success is less evident is in advancement to senior management and technical levels; in the employment of women who generally remain in the lowest ranks of unskilled labour; and in providing a range of fringe benefits beyond current legal requirements. Further, with a few exceptions, companies have been reluctant to take a stand against apartheid beyond company premises and only a few go beyond being prepared to support Black businesses to actually employing them as suppliers or sub-contractors.

Companies generally find the process of implementing a Code onerous but cooperation in doing so generally has been excellent. Given the sluggish state of the South African economy and competitive market conditions, there is clearly a limit beyond which they are unable to go under present conditions. Most, however, are cautiously optimistic.