

# *Information*

COOPERATION-DEVELOPMENT

THE EUROPEAN COMMUNITY AND SOUTHERN AFRICA

166/77 E

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The Nine coordinate their views on Southern Africa.

*The Member States of the European Community, as the largest trading partners of South Africa, undoubtedly have a major role to play in bringing about change in the Republic. Although South Africa has developed a degree of self sufficiency in a number of areas, it is still heavily dependent on the Western countries for its economic survival. South Africa needs to trade and so is vulnerable to pressure from its major trading partners. This fact is clearly in the minds of the Nine Member States of the European Community whose attention has over the past few years been focused on ways of helping solve the problems in Southern Africa.*

*International pressure on the Republic of South Africa is building up. The first World Conference for Action Against Apartheid was held in August 1977 in Lagos, to specifically deal with ways of bringing to an end the apartheid system. This Conference, organised by the United Nations was attended by 102 governments and 18 non governmental organisations. Mr Simonet, the Belgian foreign minister and current president of the EEC Council of Ministers spoke on behalf of the Nine Member States of the Community when he said at that meeting that " apartheid is an insult to the dignity of man. In contradiction with the principles of the Universal Declaration of Human Rights and the Charter of the United Nations, it constitutes a form of institutionalised racism and deprives the majority of the inhabitants of the full exercise of civil and political rights". The Nine, he said, " condemn and reject the concept of separate communities by different races and deplore the refusal of the South African Government to embark on the road to a really non racial society in which the whole population have equal rights."*

*In September 1977, Mr Simonet reiterated Community positions on Southern Africa at the UN General Assembly and on October 12 said, " On this day of solidarity with the political prisoners in South Africa, the Nine reaffirm that the liberation of political detainees is, in their view, essential for the building up of a more just and peaceful society. The Governments of the Nine countries of the European Community once again adjure the authorities of South Africa to abandon coercion which can only foster hatred and stir up violence, as the tragic events in that country prove. I recall the tragic fate of Mr Steven Biko, partisan of non violence who recently died in a South African prison."*

*From February 1976 onwards, the foreign ministers of the Nine have given a great deal of thought to Southern Africa and have coordinated their views on many issues, such as the independence of Zimbabwe and Namibia and the non recognition of the Bantustans. The EEC has made it clear that on independence both Namibia and Zimbabwe would be welcome to apply for membership of the ACP/EEC Convention of Lomé.*

Particularly with regard to Namibia, the Nine stated in their message to the UN Secretary General on Namibia Day in August 1976 that, " negotiations should take place with representatives of all political groups in that territory, including the SWAPO, in order to pave the way for Namibia's independence in the near future."

In September 1976, Mr Van der Stoep, the Dutch foreign minister, at that time president of the EEC Council of Ministers, made a statement before the United Nations General Assembly in which he reaffirmed a declaration agreed earlier that year by the Nine. Mr Van der Stoep said " we condemn South Africa's policy of apartheid and we advocate the right to self determination and independence of the peoples of Zimbabwe and Namibia. We respect the independence of all African States and their right to define their national policies in complete sovereignty and without foreign interference."... "Our Governments do not intend to recognize the Transkei on the occasion of its purported independence. False solutions to the problems of apartheid in the Republic of South Africa, such as the establishment of homelands and bantustans as presently pursued by the South African Government, promote rather than diminish racial discrimination. The popular upheaval and resistance to apartheid should have convinced the South African Government that apartheid has no future and constitutes an insupportable violation of human dignity. South Africa is a multi-racial society in which all people irrespective of their race or colour should have the right to live peacefully together on the basis of equality. Apartheid is in flagrant contradiction with this fundamental right and should be eliminated. As long as it is practised, it will be resisted by those whose basic human rights are denied. The Nine are unequivocal in their firm belief that justice and freedom for all people should prevail in South Africa."

Code of conduct for EEC firms in South Africa.

On 20 September 1977, the foreign ministers of the European Community adopted a code of conduct for EEC firms in South Africa. This document is certainly more comprehensive than either the British 1974 Code of Practise or the 1977 Charter drawn up by eleven American multinationals.

It takes a substantial step forward by stating that " should black African employees decide that their representative body should be in the form of a trade union, the company should accept this decision." The code points out that " trade unions for black Africans are not illegal and companies are free to recognize them and to negotiate and conclude agreements with them."

On the question of pay, the code states that companies have a special responsibility " pay based on the absolute minimum necessary for a family to survive cannot be considered as being sufficient." The code also advocates that companies give the African employees fringe benefits such as pension schemes, unemployment benefit, medical insurance and so forth.

*The EEC code calls upon firms to do everything possible to abolish the practise of segregation in canteens, work places etc. In addition it points out the need to provide training facilities for African employees which would not only help their advancement in the firm, but would also reduce the company's dependence on immigrant white labour.*

*Finally firms will be required to publish every year reports on how they are implementing the code and provide detailed information on the number of Africans employed in the company. These reports will then be reviewed by the governments of the Nine. (For text of code of conduct see annex).*

*The EEC has also asked the member states of the OECD to support the code. In the meantime the EEC is looking into the possibility of adopting other measures to increase pressure on South Africa to abolish apartheid.*

Pressure can be applied through the framework of the ACP/EEC Convention of Lomé.

There are three levels of responsibility for possible action by the EEC to bring about change in Southern Africa - Member State, Community and international. While many areas of activity still clearly remain within the competence of the Member States of the European Community, the EEC as such can provide and does provide a great deal of assistance to Southern African States.

Under the Lomé Convention, the European Community has direct links with a number of countries in the Southern African region, and can through this agreement do a great deal to alleviate the difficulties in that area.

Apart from direct assistance through the provisions of the Lomé Convention, a great deal of pressure can also be applied through the institutional framework of the agreement.

In June 1977, the ACP/EEC Consultative Assembly, the institution of the Lomé agreement where European Parliamentarians meet with representatives of 52 African, Caribbean and Pacific States, adopted a resolution on Southern Africa. The resolution stressed that the "economic situation of the member countries of the Convention of Lomé engaged in Southern Africa in the joint struggle of the African peoples for independence and against racialism, is part of a political crisis in which the EEC must concern itself, necessitating the use of special measures within the framework of the Convention; welcomes in this connection, the use made of the provisions of the Convention relating to exceptional aid and recognizes that in view of the worsening of the crisis further and more urgent help will be needed."

Mr Claude Cheysson, the European Commissioner responsible for development spoke to the Consultative Assembly on June 6 and thanked them for having adopted this paragraph which he said " will facilitate the action of the Commission." Mr Cheysson said " the events in Southern Africa involve economic difficulties and suffering which must lead us to increase the means that we put at the disposal of the governments and the populations." On the decision of the United Nations " the Nine have expressed through the appropriate channels their complete commitment. The occupation in Namibia must cease. Freely controlled elections must take place in Namibia so that an elected parliament can provide solutions which suit the Namibian people. The law of the majority must be respected. I have said with very great firmness in the name of the Community .... that Europe will never accept that racism should be the basis of a system of government, that Europe will not accept that the law of the majority is ignored. We have lost tens of millions of lives because these principles were brought to the ground. Can we now accept the same in Southern Africa?"

The benefits offered to Southern African States under the provisions of the ACP/EEC Convention of Lomé .

The European Community is already providing considerable assistance to the countries of Southern Africa through the provisions of the ACP/EEC Convention of Lomé . Botswana, Lesotho, Malawi, Swaziland, Tanzania, Zaire and Zambia are all members of this agreement. Under the Lomé Convention these ACP States enjoy significant commercial and financial benefits.

In the trade field the Southern African ACP States have free and unrestricted access to the European markets for nearly all their exports. For products covered by the EEC's common agricultural policy, special arrangements have been worked out so that these countries have better terms of access than other third countries. Botswana and Swaziland are able to export their beef to the Community under special preferential arrangements, involving duty free access and a 90% reduction in the import levy. Swaziland and Malawi also have special arrangements for their exports of sugar. The stabilisation of export earnings scheme, another integral part of the Lomé agreement, compensates the ACP for losses in export earnings for certain groups of products, if these losses have arisen through no fault of their own, such as a fall in world prices or natural catastrophies. To date Tanzania has been the main beneficiary in the Southern African region of aid of this type.

It is interesting to note that at the ACP/EEC Council of Ministers meeting in Fiji in April 1977, it was agreed to add wool and mohair to the Stabex list, which will be of particular benefit to Lesotho.

The Southern African countries have also shown a marked interest in the trade promotion aspect of the Convention and have requested aid to help them promote their sales in the EEC;

Between 1975 and 1976, the European Community also worked out with each of these states provisional ( indicative ) aid programmes to facilitate the allocation of aid they will receive under the Lomé Convention. These seven countries will receive 370 million units of account under the Lomé Convention to finance development projects.

In general the projects put forward by the ACP States for EEC financial assistance have been geared to agriculture, rural development, education and training. A significant number of projects have already been approved and finance released from the European Development Fund. Most of the assistance is in the form of grants or soft loans although industrial development projects will be financed on more commercial terms from the resources of the European Investment Bank.

A joint ACP/EEC Industrial Development Centre has also been set up in Brussels under the provisions of the Lomé agreement. The Centre will help facilitate the transfer of technology and also the setting up of new industries in the ACP States. The Centre is already dealing with a number of projects, some of which concern the Southern African region. The IDC is, for instance, interested in assisting the development of an air freight service from the region to Europe and the Middle East. It is also interested in studies relating to coal deposits and low grade iron ore in Swaziland and soda ash in Botswana.

The Lomé Convention also provides for emergency aid to be given to ACP States experiencing special difficulties. In 1976 the EEC gave 26 million ua to five Southern African States, namely Botswana, Lesotho, Malawi, Zaire and Zambia. This aid was designed to help these states overcome transport difficulties resulting from the closure of the Mozambique/Rhodesian border, the disruption of the Benguela railway due to the Angolan civil war and also to overcome border problems affecting Lesotho. The cash was used to buy for instance fertilisers, spare parts, cement and in the case of Botswana, rolling stock as the existing materials had been withheld in Rhodesia. More recently in June 1977, Botswana received 70,000 ua in exceptional aid to help refugees from Rhodesia who had sought shelter within its borders. The cash is being used to carry out repairs to the Francistown hospital which was recently damaged in an attack and also to provide equipment for the new refugee camp at Selebi-Pikwe. Zambia also recently received 8 million ua to help meet an increasingly difficult financial situation. Zambia is

currently supporting over 60,000 refugees from the Southern African region. This together with a critical balance of payments deficit is creating problems for the authorities.

Regional projects to help Southern African States.

The European Community itself a regional grouping of states is also keen to encourage regional cooperation projects in the ACP States. About 10% of the resources of the European Development Fund have been set aside to assist regional projects in the ACP. In the first allocation of regional aid some 45 - 50 million ua has been allocated to finance projects in the Southern African region.

Some of the projects will also benefit Southern African countries which are not party to the Lomé Convention namely Mozambique, Namibia and Zimbabwe.

Such projects would include a telecommunications link between Kenya and Mozambique, a transport link between Mozambique and Zambia - Zambia is particularly anxious to develop communications on the Zambesi river - and a veterinary control project between Mozambique and Swaziland, the aim being to stop the spread of foot and mouth disease.

At the request of Botswana, Tanzania and Zambia, finance will also be provided under the regional programme for the UN Institute for Namibia in Lusaka. Under the individual aid programmes scholarships will also be provided to Namibian students.

Last year during Mr Ortoli's visit to Botswana, Sir Seretse Khama, the President of Botswana said that Botswana, Tanzania and Zambia would like part of the second allocation of regional aid to be kept aside to finance new regional projects which could be identified once political progress has been achieved in Zimbabwe and Namibia. The European Commission has agreed to this request.

A number of other regional projects have also been identified for the Southern African region. The largest single amount, namely 21 million ua being set aside to improve communications between Tanzania, Rwanda, Burundi, Zaire and Zambia. Studies may also be financed to look into ways of improving the Dar Es Salaam harbour. A provisional aid figure of 10 million ua has also been set aside to help finance the tarring of the northern section of the Botswana, Zambia road, a project which will be co-financed with USAID.

The planned extension of the University of Botswana and Swaziland is also likely to receive EDF support, to the order of 3.5 million ua. This university also has a significant intake of students from neighbouring countries, including Namibia, Zimbabwe and South Africa. The Institute of Development Management ( Botswana, Lesotho and Swaziland ) is also likely to receive financial assistance to the order of 0.2 million ua. About 1 million ua has also been provisionally set aside to assist the post and telecommunications training programme which is of interest to Botswana, Lesotho and Swaziland.

A number of projects are also likely to be proposed for financing under the second allocation of regional aid. Among them is a project to train railway personnel for the Swaziland/Mozambique railway and also the training of railway personnel in Botswana.

Additional assistance for the regional participation of Lesotho in the Swaziland sugar development scheme may also be requested.

This is all in addition to finance being kept aside for projects in Zimbabwe and Namibia once political progress has been achieved and projects have been identified.

Other forms of cooperation with Southern African countries which are not members of the Lomé Convention.

As mentioned earlier, some of the regional projects to be financed under the Lomé Convention will benefit countries not party to the Lomé Convention. Other forms of cooperation do however exist with Angola and Mozambique. While the latter two countries have not responded to the EEC invitation to apply for membership of the Lomé Convention, there are already three forms of cooperation with these countries.

The Community's Generalised System of Preferences is applied to imports from both countries. Food and medical aid has been given to meet emergency requirements. Under the 1976 food aid programme Mozambique received 5,000 metric tons of cereals and 1,050 metric tons of milk powder. In 1977 it will receive 15,000 metric tons of cereals. In 1977 Angola will also receive 10,000 metric tons of cereals. This is in addition to the indirect benefits Mozambique will reap from the three regional projects.

In the meantime Angola and Mozambique still have an open invitation to ask for membership of the Lomé Convention. The Commission has also indicated that Zimbabwe and Namibia will be eligible for membership of the Lomé agreement when they become independent. Equally the Commission has emphasised that South African bantustans such as the Transkei and Bophuthatswana (in December 1977) would not be eligible for membership of the Lomé Convention.



Details of the aid the seven ACP States in the Southern African region will receive under the Lomé Convention.

As noted earlier, in 1975 and 1976, the European Commission drew up in agreement with each ACP State, a list of projects likely to receive aid under the financial provisions of the Lomé Convention. Below are given the details of these provisional ( indicative ) aid programmes.

Lomé aid to Botswana.

Under the financial provisions of the Lomé Convention, Botswana will receive 19 million units of account from the European Development Fund and approximately 2 million ua from the European Investment Bank.

Under the EDF, 5.4 million ua has been earmarked for livestock and wildlife development to support the government programme for land reform and livestock development. About 6.2 million ua has been set aside for economic and social infrastructure ( including water supply, administrative centres and so forth ), 5 million for communications ( upgrading the north south arterial road between Lobatse and Ramatlabama ) and 1.2 million ua in both cases for training and technical assistance and assistance to small scale enterprises.

A number of projects in these sectors have already been approved. These include projects for an employment study, for surveys and training in wildlife preservation, ranch management training , scholarships for Namibian students as well as general training and technical assistance.

The European Investment Bank may provide between 1 and 2 million ua for the Botswana development institutions. The Bank, as well as the Industrial Development Centre are also interested in the Sua Pan project for salt and soda ash development.

Lomé aid to Lesotho.

Under the financial provisions of the Lomé Convention, Lesotho will receive 22 million ua in aid from the European Development Fund and about 2 million ua from the European Investment Bank.

Under the EDF, 3 million ua has been set aside to assist basic agricultural services, 4 million for livestock development and conservation, 3.1 million ua for rural development ( notably water supplies, self help projects and postal services ), 8.6 million for economic infrastructure ( airport, road construction and factory shells ) and 3.3 million for studies, technical assistance and training.

Approval has already been given to projects relating to scholarships, civil aviation technical assistance and conservation studies and 3 million ua has been approved for the Basic Agricultural Services Programme. The latter divides the country into 19 regions and aims to increase production of the main food crops as well as export crops. EEC assistance goes to 8 of the regions and will benefit 325,000 people over the next four years.

One million ua has also been approved to modernise and resurface the road between Quthing and Qacha's Nek, over a distance of 139 kms. This is an essential link between the south east of the country and the capital Maseru and avoids the population having to pass through the Transkei.

The European Investment Bank may provide between 1 - 2 million ua to the Lesotho development institutions.

#### Lomé aid to Malawi.

Under the financial provisions of the Lomé Convention, Malawi will receive about 70 million ua in assistance from the European Development Fund and to date projects amounting to about 10 million ua are expected to be financed by the European Investment Bank.

Under the EDF, 27 million ua has been set aside for agricultural projects, 3 million for industrial projects, 11.5 million ua for transport and communications, 11.6 million ua for water, power and energy projects, 4 million ua for social development, 4 million ua for training and scholarships and 1 million ua for micro-projects.

A large number of these projects have already been approved. The EDF is providing a grant of 6 million ua towards the cost of modernising and asphaltting a 41.5 km stretch of road between Blantyre and Chikwawa, one of the main urban centres. The Lilongwe water supply project receives a grant of 2.5 million ua to extend the water supply scheme in the new capital. A grant of 8.2 million ua has also been approved for the Lakeshore Development Project. This aims at increasing agricultural production on the south west bank of Lake Malawi, particularly in the Bwanje valley.

The EDF is also providing a special loan of 8.5 million ua towards the cost of financing the Nkula Falls II hydro-electric project. The waters of the Shire River will be harnessed to produce by 1989 a generation capacity of 90 MW. A grant of 2.5 million ua has also been approved to finance the upgrading and asphaltting of an 88 km section of road from Chiweta to Karonga in northern Malawi. This is part of the governments programme to improve transport facilities. Finally a grant of 3.2 million ua has been approved to finance a multi-annual training programme.

Malawi should also receive about 1 million ua from the regional programme. This involves a posts and telecommunications training project to be undertaken with Botswana, Lesotho and Swaziland.

The European Investment Bank may possibly provide 10 million ua in loans to Malawi. In May the EIB approved a loan of 7.5 million ua to help finance the cost of developing a sugar plantation and the construction of a sugar mill in the Dwangwa river delta area. The EIB is also expected to provide a line of credit of about 2 million ua to the Investment and Development Bank of Malawi.

#### Lomé aid to Swaziland

Under the financial provisions of the Lomé Convention, Swaziland will receive 11.9 million ua in assistance from the European Development Fund and between 10 and 12 million ua from the European Investment Bank.

Under the EDF, 6 million ua has been set aside for agricultural development, including contributions to a dam and irrigation canal for a new sugar project and to a rural development programme. For education and training 4.3 million ua has been set aside to extend a teacher training college, develop radio services and assist a programme for training and technical cooperation. Finally 1.6 million ua has been set aside for social services ( self help schemes, for site and services development and the construction of small bridges ).

The EDF has already approved a grant of 2.5 million ua to help finance a rural development project. This is really a national development project as it covers 45% of the arable and pasture land in the country and will benefit 30% of the population. The project aims at increasing the production and productivity per acre of food and cash crops. It is being co-financed with the African Development Bank, World Bank and British bilateral aid. The EDF has also approved a pre-university science training programme.

The European Investment Bank is likely to provide a loan of 10 million ua for a new sugar mill and plantation. It may also provide between 1 - 2 million ua to the Swazi development institutions.

Lomé aid to Tanzania.

Under the financial provisions of the Lomé Convention, Tanzania is expected to receive 105 million ua from the European Development Fund as well as some finance from the European Investment Bank.

Under the EDF, about 40% of this total will go towards industrial projects, 30% to transport infrastructure, 20% to rural development and 10% to social development and training.

A number of projects have already been approved for EDF financing. These include 550,000 ua to finance a study to look into the technical and management problems involved in setting up a new canvas mill in Morogoro. The canvas mill will form part of the Morogoro industrial complex. The canvas mill will produce low grade cotton; a shoe factory on the same site will produce canvas and leather shoes and a leather goods factory will produce suit cases, handbags etc. The EDF will only be involved in the canvas mill project.

A grant of 12.677 million ua has been given to finance a coffee improvement programme in the main coffee growing regions of Kilimanjaro, Arusha, Mbeya, Ruvumu, Tanga and the West Lake Region.

Similarly an agricultural development scheme will be supported by a grant of 6.5 million ua . This project aims at increasing the production of maize, sunflowers, pyrethrum and wheat in the districts of Iringa, Mufindi, Njombe and Ludewa and will benefit about 70,000 families.

Approval has also been given for a grant of 21.3 million ua to finance the strengthening and asphaltting of the road between Nyanguge and Bunda (120 kms). This is part of the Lake Victoria Circuit road linking Mwanza with Musoma.

Finally the European Investment Bank has agreed to provide 2.5 million ua in risk capital to the Tanganyika Development Finance Company.

Lomé aid to Zaire.

Under the financial provisions of the Lomé Convention, Zaire is expected to receive 100 million ua from the European Development

Fund as well as some finance from the European Investment Bank.

Under the EDF, 27.5 million ua has been set aside to finance three agro-industrial projects - for palm oil, cocoa, and tea. These projects aim at increasing the diversity of Zaire's exports.

A tentative figure of 17.5 million ua has been allocated to rural development projects to contribute towards improving peasant agriculture. This is to help reduce dependency on food imports. Twelve million ua will be allocated to assist the upgrading of an important road from Kisangani to Bukavu and 8 million ua will support road maintenance activities and finance a road study.

In the education sector 12 million ua has been set aside to help finance the construction of two teacher training colleges and one technical college. Training of technical teachers, accountants and scholarships for certain post university studies will be supported by an allocation of 8 million ua. Finally 5 million ua has been set aside to improve the water supply in Kinshasa.

Some of the EDF projects have already been approved. The go-ahead has been given for the allocation of a grant of 12.98 million ua to help finance the cost of establishing a further 2,500 hectares of oil palm on the Gosuma (Oubangui) estate.

A grant of 1.2 million ua has been approved to finance a study for the Ruzizi II hydro-electric project. This is a regional project of interest to Zaire, Rwanda and Burundi.

A grant of 6.6 million ua has also been approved to finance the construction of a Higher Institute of Applied Technology, in Kinshasa. The existing buildings are scattered around the capital and so the EDF will finance the construction of a new campus.

The European Investment Bank is looking into the possibility of funding certain priority projects notably the construction of an oil mill and also support to import substitution industries.

#### Lomé aid to Zambia.

Under the financial provisions of the Lomé Convention, Zambia will receive 47 million ua from the European Development Fund and between 20 - 30 million ua from the European Investment Bank.

Under the EDF, 26.6 million ua has been set aside to finance agricultural and rural development projects ( notably those linked to the production of wheat, rice, oil seeds and tea ). About 10 million ua will be allocated to economic and social infrastructure ( for instance rural site and services in small townships, water supply investigation, forestry roads and a study of the Zambian/Malawi rail link. About 5.8 million ua has been kept aside for education and training and 4.6 million ua for contingencies.

Progress in implementing the Zambian aid programme has, to date, been rather slow, however projects should begin to come through in the near future.

The European Investment Bank may provide between 2 - 3 million ua for the Development Bank of Zambia and for technical studies required in the cement industry. The EIB may also assist in the financing of studies for the development of further processing operations in the copper industry ( continuous casting of copper rod).

Financial resources provided to ACP States in Southern Africa under Indicative Aid Programmes, Emergency Aid and Stabex.

	<u>Million EUA</u>			
	<u>Indicative Programme</u>		<u>Emergency Aid</u>	<u>Stabex</u>
	<u>EDF</u>	<u>EIB<sup>+</sup></u>		
Botswana	19	2	1.07	-
Lesotho	22	2	1	-
Malawi	70	10	1.5	-
Swaziland	12	10-12	-	-
Tanzania	100	2	-	7.052 <sup>++</sup>
Zaire	100	5	15	-
Zambia	47	20-30	15.5	-
Total	370	51-63	34.07	7.052

+ Tentative figures

++ Tanzania received 1.887 million ua for losses as a result of a decline in cotton production in 1975 and 5.165 million for losses as a result of a decline in the production of sisal in 1976.

Direct food aid provided to Southern African States in 1976 and 1977.

In metric tons

	<u>1976 Programme</u>			<u>1977 Programme</u>		
	<u>Cereals</u>	<u>Milkpowder</u>	<u>Butter oil</u>	<u>Cereals</u>	<u>Milkpowder</u>	<u>Butter oil</u>
Angola	-	-	-	10,000	-	-
Botswana	-	-	-	500	30	-
Lesotho	-	-	-	130	-	-
Malawi	-	-	-	-	-	-
Mozambique	5,000	1,050	-	15,000	-	-
Swaziland	-	-	-	-	-	-
Tanzania	2,000	1,350	500	5,000	2,000	200
Zaire	10,000	3,000	-	15,000	-	-
Zambia	1,500	450	21	6,000	900	550

All figures are cif except for Tanzania where deliveries are made fob.

Zaire received an additional 2,000 metric tons of cereals through the UNHCR in favour of Angolan refugees in 1976.



Annex

Code of Conduct for EEC companies with subsidiaries, branches or representation in South Africa.

1. Relations within the undertaking.

- a) Companies should ensure that all their employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type of organisation to represent them.
- b) Employers should regularly and unequivocally inform their employees that consultations and collective bargaining with organisations which are freely elected and representative of employees are part of company policy.
- c) Should black African employees decide that their representative body should be in the form of a trade union, the company should accept this decision. Trade unions for black Africans are not illegal, and companies are free to recognise them, and to negotiate and conclude agreements with them.
- d) Consequently, the companies should allow collective bargaining with organisations freely chosen by the workers to develop in accordance with internationally accepted principles.
- e) Employers should do everything possible to ensure that black African employees are free to form or to join a trade union. Steps should be taken in particular to permit trade union officials to explain to employees the aims of trade unions and the advantages of membership, to distribute trade union documentation and display trade union notices on the company's premises, to have reasonable time off to carry out their union duties without loss of pay and to organise.
- f) Where works or liaison committees operate, trade union officials should have representative status on these bodies if employees so wish. However, the existence of these types of committee should not prejudice the development or status of trade unions or of their representatives.

2. Migrant labour.

- a) The system of migrant labour is, in South Africa, an instrument of the policy of apartheid which has the effect of preventing the individual from seeking and obtaining a job of his choice: it also causes grave social and family problems.

b) Employers have the social responsibility to contribute towards ensuring freedom of movement for black African workers and their families.

c) In the meantime employers should make it their concern to alleviate as much as possible the effects of the existing system.

### 3. Pay.

Companies should assume a special responsibility as regards the pay and conditions of employment of their black African employees. They should formulate specific policies aimed at improving their terms of employment. Pay based on the absolute minimum necessary for a family to survive cannot be considered as being sufficient. The minimum wage should initially exceed by at least 50 per cent the minimum level required to satisfy the basic needs of an employee and his family.

### 4. Wage structure and black African advancement.

a) The principle of "equal pay for equal work" means that all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction, and that wages should be based on a qualitative job evaluation.

b) The same pay scales should be applied to the same work. The adoption of the principle of equal pay would, however, be meaningless if black African employees were kept in inferior jobs. Employers should therefore draw up an appropriate range of training schemes of a suitable standard to provide training for their black African employees, and should reduce their dependence on immigrant white labour.

### 5. Fringe benefits.

a) In view of their social responsibilities, undertakings should concern themselves with the living conditions of their employees and families.

b) For this purpose company funds could be set aside for use

- in the housing of black African personnel and their families;
- in transport from place of residence to place of work and back;

- in providing leisure and health service facilities;
- in providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and their employment;
- in pension matters;
- in education matters;
- in improving medical services, in adopting programmes of insurance against industrial accidents and unemployment, and in other measures of social welfare.

#### 6. Desegregation of places of work.

In so far as it lies within their own competence, employers should do everything possible to abolish any practice of segregation, notably at the workplace and in canteens, sports activities, education and training. They should also ensure equal working conditions for all their staff.

#### 7 Reports on the implementation of the code of conduct.

- a) Parent companies to which this code is addressed should publish each year a detailed and fully documented report on the progress made in applying this code.
- b) The number of black Africans employed in the undertaking should be specified in the report, and progress in each of the six areas indicated above should be fully covered.
- c) The governments of the Nine will review annually progress made in implementing this code. To this end a copy of each company's report should be submitted to their national government.