

**Resolution on Investment and Corporate Responsibility with regard to South Africa
A Resolution Approved by General Synod XIV (1983)**

As members of the Body of Christ, we have been called by Our Lord to witness for the unity of all people of God.

Apartheid (“separate development”) assigns the non-white majority of South Africa to perpetual and enforced inferiority by excluding them from full participation in the political process by which their lives are controlled, thus effectively denying them their human, civil, and political rights.

Peace, reconciliation and racial harmony, which are the prerequisites of Christian community, are precluded in an apartheid state that by nature fosters unrest, alienation, and racial antagonisms.

The National Conference of the South African Council of Churches declared apartheid a heresy. The World Alliance of Reformed Churches, in which the United Church of Christ is a member, in its June 1982 meeting in Ottawa, Canada determined that apartheid was contrary to the teachings and spirit of Christ and suspended the Nederduitse Gereformeerde Kerk (NGK) and the Nederduitsch Hervormde Kerk (NHK), the two white Dutch Reformed Churches, because of their support of apartheid practices.

Several General Synods have condemned the system of apartheid in South Africa as theologically and morally indefensible. The Eleventh General Synod affirmed our partnership with the people of South Africa and our desire to stand with them in their struggle to achieve basic human rights and freedom.

Recent modifications in the system of apartheid have been cosmetic and peripheral and have not changed the basic structures of injustice and exploitation.

Direct foreign investment in South Africa, now estimated to be \$12 billion, often strengthens the economic base upon which the apartheid system rests. United States’ corporate investment, now valued at \$2.63 billion, and United States’ bank loans, now valued at \$3.65 billion, tend to concentrate in critical sectors of the South African economy, including energy, computers, and transportation, and thus furnish the government with advanced technology vital to the maintenance of apartheid. Foreign corporations designated as “national key points” are required to maintain white militias on their premises and, in the event of unrest or an emergency, to turn their facilities over to the South African government. Pending legislation would also make all foreign corporations more directly involved in the implementation of the pass laws and influx control systems.

Despite claims that continued investment in South Africa promotes social change, most U.S. corporations have not been forcefully allied with the impetus for reform. The Sullivan Principles, the major U.S. corporate response to conditions in South Africa, deal only with labor practices and community development, not with the attainment of fundamental political and human rights, and most U.S. corporations have been lax in implementing the Sullivan Principles. On the basis of their own reporting, only 32 of the 146 signatory companies were rated in the Sixth Report as “making good progress.”

The 1979 Assembly of the United Congregational Church of Southern Africa—our partner church which is partially the outgrowth of mission begun in 1835 by a predecessor agency of the United Church Board for World Ministries—affirmed that international investment can be employed as a pressure point for internal change. It called on all investors to revise their investment policies in order to bring pressure for change, the total removal of discriminatory practices and wage structures, more educational opportunities for blacks, and the rights of self-determination for all population groups. The United Congregational Church of Southern Africa supports continuation of a multiple-strategy activist shareholder approach by church investors in which pressure for total withdrawal or divestment of shares or at least the threat thereof is an important strategy in the total mix.

The United Church of Christ has been one of the leaders in the movement to utilize investments for purposes of bringing about change in South Africa. For over a decade issues relating to corporate investment in and bank loans to South Africa have been a priority concern of the corporate social responsibility program of the United Church Boards, the four national instrumentalities of the United Church of Christ with investments—the United Church Board for World Ministries, the United Church Board for Homeland Ministries, the Pension Boards, and the United Church Foundation.

THEREFORE, the Fourteenth General Synod of the United Church of Christ:

1. Reaffirms its solidarity with all of the people of South Africa in the pursuit of freedom and justice;
2. Recognizing that economic support of and investment in South Africa can contribute to the maintenance of the apartheid system:
 - a) Calls upon all individuals and organizations in the United Church of Christ to monitor closely their investments in corporations and banks operating in South Africa and to pursue strategies, negotiations, and stockholder actions that urge corporations and financial institutions to desist from supporting apartheid and to promote actively social change;
 - b) Requests that to the greatest extent feasible corporate social responsibility initiatives by United Church of Christ agencies be undertaken in partnership with the United Congregational Church of Southern Africa, including
 - consultation in the formulation of objectives, priorities, and strategies;
 - joint monitoring of and discussions with corporations operating in South Africa;
 - sharing of resources and personnel through the United Church Board for World Ministries to enable the United Congregational Church of Southern Africa to participate in the partnership;
 - c) Recommends that until there is an end to the apartheid system, the corporate social responsibility initiatives with regard to South Africa seek to persuade corporations;
 - not to sell to the government, particularly the police and military, goods or services which could enhance its ability to oppress its citizens;
 - to desist from new or additional investment in South Africa, particularly in the so-called “homelands;”

- to decline to expand operations;
 - actively to support non-white union organization;
 - to take public positions opposing the apartheid system;
 - to take vigorous leadership in programs to qualify, train, and upgrade non-white workers to equip them for positions of responsibility and leadership and significantly to increase opportunities provided for education, community betterment, and access to medical and social services;
- d) Recommends that church investors press any U.S. corporation operating in South Africa to withdraw if its continued presence in South Africa significantly contributes to the maintenance of the apartheid system.
 - e) Recommends that, if corporate social responsibility initiatives are pursued over a prolonged period without changing the policies of particular corporations which are supportive of the apartheid system, that church investors then consider divestment;
 - f) Commends those banks and corporations that have examined their involvement and its social consequences and have adopted policies to refrain from additional investment or operations and/or to actively promote social change;
 - g) Urges individuals, congregations, conferences and instrumentalities of the United Church of Christ to exert pressure on United States banks and financial institutions to refrain from underwriting or making loans to the government of South Africa, its agencies, or parastatal corporations;
 - h) Recommends that individuals, congregations, conferences, and Instrumentalities of the United Church of Christ, insofar as practicable deposit funds and maintain accounts in financial institutions that have established policies that preclude future loans to the government of South Africa, any of its agencies, or parastatal corporations
 - i) Urges that individual members the United Church of Christ refrain from purchasing Krugerrands; the South African gold coin.
3. Calls upon the United States government, acting separately and in cooperation with the United Nations, to uphold vigorously the arms embargo.
 4. Calls upon the United States government to:
 - a) Enforces stringently existing export regulations to South Africa;
 - b) Repeals the 1982 liberalization of export regulations to South Africa which lifts the ban on sales of "non-military" items, such as computers, airplanes, and helicopters, to the South African government and agencies, including the military and police;
 - c) Refuses to authorize licenses for the sale of high technology and strategic equipment;
 - d) Cuts off all nuclear exports to South Africa and prohibit the nuclear training of South Africans at U.S. government nuclear facilities;
 - e) Implements the 1978 Evans Amendment restricting Export-Import Bank guarantees of credit for South Africa;
 - f) Opposes further loans by the International Monetary Fund to South Africa on the grounds that the apartheid system precludes rational and equitable economic development.
 5. Calls upon its entire constituency to do all in its power to end the theologically and morally indefensible system of apartheid.