

International Apartheid Debt and Reparations Campaign

For further information please contact any
of the organisations named below:

Jubilee South Africa Apartheid Debt & Reparations Campaign

c/o SACBC Justice & Peace
Department
Khanya House
PO Box 941
Pretoria, 001
South Africa
Tel. +27 (0)123236458
Fax. +27 (0)123266218
Email: ngabriel@sacbc.org.za
ljohnson@sacbc.org.za
Web: www.aids.org.za/j2000

Jubilee Zambia

P.O. Box 37774
10101 Lusaka
Zambia
Tel. +260 (0)1290410
Fax. +260 (0)1290759
Email: debjctr@zamnet.zm
Web: www.jctr.org.zm

KASA

c/o Werkstatt Ökonomie
Obere Seegasse 18
D-69124 Heidelberg
Germany
Tel. +49 (0)6221 785545
Fax. +49 (0)6221 781183
Email: theo.kneifel@woek.de
Web: www.woek.de

KOSA

Koordination Südliches
Afrika
August Bebel Str. 62
D-33602 Bielefeld
Germany
Tel. +49 (0)521 9864851
Fax +49 (0)521 63789
Email: kosa@kosa.org
Web: www.kosa.org

ACTSA

Action for Southern Africa
28 Penton Street
London NI 9SA
UK
Tel. +44 (0)2078333133
Fax +44 (0)2078373001
Email: actsa@actsa.org
Web: www.actsa.org

ENIASA

Web: www.eniasa.org

Aktion Finanzplatz Schweiz

Drahtzugstr. 28
CH-4057 Basel
Switzerland
Tel. +41 (0)616931700
Fax. +41 (0)6839896
Email:
afp@aktionfinanzplatz.ch

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Reparations for victims of apartheid

Now!


JUBILEE 2000
SOUTH AFRICA


ENIASA
EUROPEAN NETWORK
FOR INFORMATION
AND ACTION ON
SOUTHERN AFRICA

"We are limited in South Africa because our democratic Government inherited a debt which at the time we were servicing at the rate of 30 billion rand a year. That is thirty billion we did not have to build houses, to make sure our children go to the best schools, and to ensure that everybody has the dignity of having a job and a decent income."

(Nelson Mandela)

A Campaign has been building up ...

In 1997 the South African "Coalition against Apartheid Debt" in its submission to the "Truth and Reconciliation Commission" requested an investigation into the financing of apartheid by foreign banks.

The Apartheid Debt & Reparations Campaign was then officially launched in Cape Town in November 1998 and has been running ever since, campaigning in various ways for the cancellation of illegitimate apartheid debt, the return of profits made from apartheid debt servicing, and compensation from businesses that profited from apartheid abuses.

Across Southern Africa and Europe the issues were raised consistently through media campaigns, popular education and mobilization, direct meetings with Swiss and German government officials, public events to which the banks especially were invited, ongoing research, and several international conferences.

This activity took place particularly in South Africa, Germany and Switzerland, with supporting events in Zambia, Namibia, Ireland, UK and the Netherlands, and endorsements from Jubilee campaigns throughout the world.

Repeated calls were made for the matter to be resolved decisively through the convening of an international conference that would include the relevant corporations, political authorities, campaigning organizations, and victims groups.

However, such a conference has never taken place. At the end of 2001, the campaign took a decision to file legal suits as a strategy to ensure that the issues were addressed. Alongside the legal claims, which have now been launched, the international campaign continues.

"Debt cancellation is not an act of charity, but one form of reparation."

(Neville Gabriel, Jubilee 2000 South Africa, August 2002, Johannesburg)



Cologne, 1999



Frankfurt, 2001



Frankfurt, 2001



Cape Town, 1998

"Reparations is a call whose time has come"

(Jubilee South Africa)

Call for International Support



Apartheid-caused debt and the question of reparations payments:

- The people of Southern Africa are still paying the cost of apartheid.
- We believe it is immoral and unjustified that the people should pay twice for apartheid.

Our central claims:

- 1) Loans to the apartheid regime and its agents are "odious debts" which were taken to suppress the people of South Africa. These are not the responsibility of the people and of their own governments and should not be repaid.
- 2) Loans given to neighbouring states to help them resist South African destabilisation should be cancelled. These debts are now an unpayable burden, which is preventing reconstruction. To expect repayment and heavy economic debts is unfair.
- 3) Apartheid linked loans that have already been repaid were paid from the suffering of the people of the region; this money should be returned to southern Africa to help it to rebuild.
- 4) Those companies and banks which refused to heed the international call for sanctions and disinvestments profited from apartheid, helped to keep the apartheid regime in power, and extended the suffering of the people of Southern Africa. These profits are tainted and these companies and banks should now make reparations payments to the people of Southern Africa.

(South African National NGO Coalition (SANGOCO) 1. June 1998)

"The filing of class action suits in New York is a high point in the struggle which we began more than three and a half years ago."

(Jubilee South Africa press release, 17 June 2002)

The Survivors and Victims of Apartheid

"My brother is remembered here and I am here today because I want to see justice. We want reparations from those international companies and banks that profited from the blood and misery of our fathers, mothers, brothers and sisters", said **Lulu Petersen** at the Hector Petersen monument in Soweto on the International Action Day on 17 June 2002, when class action suits were announced against American and Swiss Banks.

Sigqibo Mpendulo lost his two twin sons Samora and Sadat who were killed by the security police in 1993. "They were looking for me but they killed my sons. I came the following day and found all my children dead. The reason why I am here today is this is the only place that can heal me."



Hector Petersen
Soweto Massacre, 16. June 1976

Sigqibo Mpendulo, **Lungisile Ntsebeza**, **Themba Mequbela** and **Dorothy Molefi** are the main plaintiffs in the class action suit against the American Citigroup, Swiss UBS and Credit Suisse. Dorothy Molefi was the mother of Hector Petersen, one of the first victims killed in the Soweto massacre of 1976. The case symbolises the struggle of more than 20,000 people who have been recognised as apartheid victims by the "Truth and Reconciliation Commission". It also symbolises the struggle by the majority of the black population that is still suffering under apartheid debts and damages.

"I understand the impatience of the victims. The banks ought to pay, and they should do this with dignity."

(Desmond Tutu, chairman of the TRC)

Apartheid Debts in South Africa

Apartheid debts, in the narrow sense of the word, are those debts which the newly elected democratic government inherited from the former apartheid regime. Many of these are domestic debts, of which nearly 40% are based on the fact that the apartheid state restructured the public



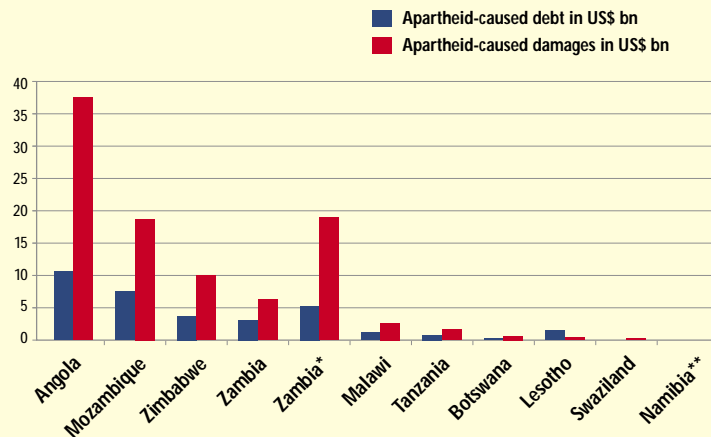
Int. Congress, Nov. 2000, Bonn.

pension fund in its final days in power from a pay-as-you-go system to a capital interest scheme. Foreign debts owed by the public sector amounted at the end of 1993 to US\$ 15 billion. Adding the debts of the banking sector, including the Reserve Bank, and of the private sector, the total foreign apartheid debt amounted to US\$ 25 billion.

"Victims are still waiting for a fair deal from the TRC process. They would like to see the speedy implementation of final reparations in the form recommended by the TRC with a review of who is entitled to them. They would like to see social, medical and educational services made preferentially available to victims. It has been a long time since promises were made to victims by the TRC. Their needs are more urgent than ever and their trust in the process has been deeply damaged by the delays and the present attitude towards the demands of victims."

(Press release by Khulumani Support Group, 2 October 2001, three years after the publication of the final report of the TRC).

Apartheid-caused Debts and Damages in the Region



Source: Joe Hanlon: Paying for Apartheid Twice. The Cost of Apartheid Debt for the People of Southern Africa, edited by Action for Southern Africa and World Development Movement, London 1998.

* Data from the study: Jubilee Zambia, ENIASA (1999) Zambia against Apartheid. A Case of Apartheid-Caused Debt, Lusaka.

** No data is available for Namibia.

The apartheid regime not only oppressed the people of South Africa but also waged war against the frontline states that supported the liberation movements. The main targets of the military raids and the military support of local rebel movements were Mozambique and Angola. Over two million people died in Angola and Mozambique as a result of systematic destabilisation by apartheid South Africa. According to estimates the resulting economic costs for the former frontline states of the region amount to US\$ 115 billion.

The case of Zambia



Kenneth Kaunda, Nov. 2000, Bonn.

Alongside Tanzania under Julius Nyerere, it was Zambia under Kenneth Kaunda that provided leadership in the struggle of the former frontline states against apartheid. Zambia is still paying the price of its solidarity today. In a country in which 80% of the population live below the poverty line, a quarter of the budget is spent on servicing the debt. According to research by Jubilee Zambia in November 2000, Zambia's apartheid-caused debts amount to US\$ 5.3 billion and the apartheid-related total costs are estimated to be in the region of US\$ 19 billion. Three times Zambia's entire debt stock. In Zambia alone, 100,000 people lost their lives in the struggle against apartheid between 1964 and 1994.

The case of Mozambique

Mozambique, one of the poorest countries of the world is, alongside Angola, the country that has been devastated most by apartheid terror. Mozambique borrowed US\$ 7.5 billion in order to protect itself against attack by apartheid South Africa. These apartheid-caused debts are higher than the present debt stock of US\$ 6 billion. For this reason social movements in Southern Africa are demanding the total cancellation of Mozambique's debt and for the involvement of civil society in order to ensure that the freed up money benefits those communities that suffered most under apartheid.

The case of Zimbabwe

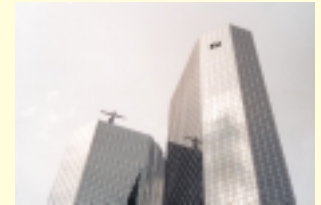
Even without the present crisis Zimbabwe is locked in a debt trap. In 2001, Zimbabwe was indebted to the amount of US\$ 667 per capita. Already in 1998, the last full year Zimbabwe paid its foreign debt, the debt service ratio of 38% was the third highest in the world after Brazil and Burundi. The basic stock of these debts, accumulated since independence in 1980, goes back to apartheid-caused debts, which according to estimates amount to US\$ 5.3 billion.

The Supporters and Beneficiaries of Apartheid

Apartheid's four main credit lenders, covering 90% of long-term loans, were the US, Germany, Switzerland and the UK.

The case of German Banks

- The German net capital export to South Africa between 1985 and 1993 amounted to € 2.13 billion. Much of this provided financing for the public sector of the apartheid regime, including parastatals like ESKOM and SASOL. 27.3% of the foreign debt of the public sector of the apartheid state at the end of 1993 was owed to German Banks.
- German banks and companies between 1971 and 1993 made € 4.2 billion in odious profits from their business with apartheid.
- In September 1985 the apartheid regime had to declare a moratorium on debt repayments. German and Swiss banks played a leading role in the "Technical Committee", which from early 1986 granted the regime very generous rescheduling of its debts, without any political conditions, thus prolonging the life span of apartheid.



Deutsche Bank, Frankfurt.

The case of British Companies

- In 1976, Barclays Bank bought £6 million worth of South African government defence bonds and three years later invested £11 million in South Africa's oil parastatal, SASOL.
- The 1962 edition of "Who Owns Whom" listed 333 British companies with South African associates or subsidiaries, this had risen to over 500 by 1971.
- In 1962 Britain's ICI and South Africa's De Beers each put £5 million into AECL (African Explosives and Chemicals Industries) to set up three new plants producing tear gas, ammunition for small arms, anti-tank and aircraft rockets.
- Leylands South African subsidiary supplied Land Rovers that were used by the South African police against students in the 1976 Soweto uprising.
- Royal Dutch/Shell's subsidiary, Shell South Africa, was involved in extensive operations in the petroleum, mining and chemical industries of South Africa and Namibia, with an estimated turnover of more than US\$2 billion in South Africa in 1989.