

Target: South Africa

Should U.S. institutions cut their investment ties to protest apartheid?

In Northampton, Mass., 200 Smith College students occupied an administration building for six days to send a message to Pretoria. In Providence, R.I., four Brown undergraduates conducted a nine-day hunger strike to demonstrate their "personal revulsion" for apartheid. "We don't want to continue our normal routine while genocide in South Africa goes on," said sophomore Paul Zimmerman. And in Madison, Wis., 200 students camped out in the capitol rotunda to demand that the state's Investment Board rid itself of \$2 billion of investments in companies with ties to racist South Africa.

Dramatic scenes like these have been playing repeatedly across the nation since the first National Divestment Protest Day was declared on April 4, 1985. Clearly, the drive to divest has become the broadest, most passionate crusade on American campuses since the movement to end the Vietnam War—belying the notion that the conservative campuses of the '80s are frozen in apathy. Why this cause? Why this stunning degree of support? For one thing, compared with the confusing nuances of Central American politics or the mind-numbing complexities of a nuclear freeze, apartheid is relatively easy for students to comprehend—and abhor. "It seems like a morally unambiguous issue," says Berkeley sociologist Todd Gitlin, an authority on protest movements. "It touches on race issues, which are still a sore point to America." And, rightly or wrongly, the perception that their schools have a stake in South Africa persuades students that this time, they, personally, can influence foreign policy.

The divestiture bandwagon is still gaining momentum. Shanties that symbolize the living conditions of South African blacks have been cobbled up at campuses from Brandeis to Stanford, and organizers around the country have planned a continuing fusillade of anti-apartheid demonstrations, teach-ins, marches and blockades this month, tied to the anniversary of the assassination of Martin Luther King Jr.—who had appealed for an end to American investment in South Africa as early as 1962. There are also, however, some signs of a backlash. At Dartmouth, a cadre of



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Faces of dissent: Smith College student (above), Wisconsin sit-in fills the capitol rotunda in Madison (below)



conservative students took sledgehammers to the shanties on the campus green; unidentified vandals destroyed the structures on Stanford's White Plaza. And some activists are growing discouraged over what they see as heedlessness among their trustees (page 12). But most insist that they'll soldier on. "We're educated on the issue, and it won't slip away," vows Matt Case, a sophomore at Colorado College.

With rare exception, trustees share the students' distaste for South Africa's legally mandated racial discrimination. Many argue, however, that divestiture is more complex than students believe. To the limited extent that actions by college trustees can punish the South African economy, they contend, the impact will fall disproportionately upon blacks. "It would be morally irresponsible for constructive forces to retreat from the South African scene," says Jess Hay, chairman of the board of regents of the



JACK SPRATT—PICTURE GROUP

Fasting for change: Brown students Mike Antonucci, Paul Zimmerman, Neil Callendar and Andi Feron in chapel

University of Texas system. "It's the right thing—the righteous thing—for American companies to be there trying to effect change, trying to make working conditions better for the blacks, which in fact they are doing."

Beneath the rhetoric, the reality is that American corporations hold only 4 percent of South Africa's total investment, and American universities hold only a small fraction of those shares. As a result, says William Foltz, director of the Yale Center for International and Area Studies, the economic impact of the divestiture movement is "impossible to find." The campus movement has little effect on the fortunes of corporations themselves: if a university decides to sell its South African stocks, someone else must buy them. Thus, many trustees argue that it is more effective for universities to hang on to their shares and pressure management to abide by humane business practices.

Moral issues aside, says MIT political-science Prof. Robert Rotberg, the economic logic of divestiture "depends on a hypothesis that if all universities divest, then corporations will [pull out of South Africa] and therefore South Africa will change." This hypothesis is based on a number of doubtful assumptions, says Rotberg, and besides, the process takes too long.*

The fact is that the South African government is already under fierce economic pressure—not so much from American universities as from profit-minded multinational banks. The crisis began last summer while South Africa was in the midst of a seven-year depression. The country was just emerging from a crippling four-year drought, and the prices of gold and coal—its leading export commodities—were down sharply. To combat an inflation rate that was running at 15 to 16 percent, the South African Reserve Bank pushed domestic interest rates to record levels, forcing businessmen to borrow huge sums abroad, where they could find far more favorable rates.

As always, the hardship landed most heavily on South Africa's oppressed majority. Violent new riots erupted among the hungry and unemployed of the segregated black townships, leading President P. W. Botha to turn to the military and police to keep the

*The process of dumping stocks is known as divestment or divestiture; when companies leave South Africa, that is known as disinvestment.



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Urging a pullout: Colorado College demonstration