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# *The Age of Apology*

Facing Up to the Past

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## Chapter 18

# Rethinking Corporate Apologies: Business and Apartheid Victimization in South Africa

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After the collapse of apartheid, a major task that confronted South Africa was how to redress the wrongs of the past in a way that ensures justice and yet fosters national reconciliation. Like other attempts at addressing historical injustices, one of the central concerns has been how to deal with the fluid categories of victims, beneficiaries and perpetrators. Much of the initial discussion on beneficiaries and perpetrators focused on the role of individuals and state institutions under apartheid. In recent years, attention has shifted to corporate responsibility and culpability for apartheid victimization. Three distinct approaches have become discernable—the criminal justice approach, the civil justice approach and the amnesty and reconciliation approach. With the establishment of the Truth and Reconciliation Commission (TRC), the government of Nelson Mandela opted for the amnesty and reconciliation approach.

As part of its mandate to investigate human rights violations during the apartheid era, the TRC investigated individual and systemic abuses of human rights but also to understand how various sectors of South African society engaged with apartheid. This included the role of business organizations under apartheid. It concluded that business was "central to the economy that sustained the South African state during the apartheid years." Local corporations benefited immensely from the exploitation and repression of apartheid particularly through the exploitative use of black labor. Transnational Corporations continued to do business with the apartheid regime in defiance of international sanctions. Motivated by profits, these corporations rationalized their engagement with the apartheid regime in terms of the "constructive engagement" arguments that shaped Thatcherite and Reaganite policies toward apartheid South Africa.

This chapter addresses the ways local and transnational corporations have addressed questions about their roles under apartheid within the

framework of the amnesty and reconciliation approach. I examine the grounds on which these corporations have been held responsible for apartheid victimization and the related discourse on apology, restitution, and reconciliation.

### The Age of Corporate Apologies?

Unlike state apologies, corporate apologies have been relatively under-explored in the discourse on apologies. Much of the discussion on corporate apologies has taken place within the narrow context of business ethics rather than human rights or international politics. Within the human rights discourse, corporate apologies have clearly taken a back-seat in our preoccupation with state apologies. Some of the reasons for this are quite obvious. For one thing, corporations rarely apologize. If state apologies are uncommon and controversial, corporate apologies are even more contentious. The same reasons that make states reluctant to offer apologies, even when one is clearly deserved, are amplified when it comes to corporate apologies. Here, the primary concern is that by acknowledging wrongdoings and apologizing for them, corporations risk undermining their public image and credibility. Corporations are also often concerned that a public apology can open a floodgate of litigation and costly legal settlements. The assumption is that apologies create legal liabilities for the apologist and for this reason corporate attorneys routinely recommend against apologies.<sup>1</sup>

Although corporate apologies may not attract as much public and academic attention as state apologies, present trends suggest that they may become as important as state apologies. If the post World War II era marked the age of state apology as some have suggested, the coming decades may well signal the dawn of the age of corporate apologies. In an era of globalization, non-state actors like transnational corporations (TNCs) are beginning to wield unprecedented influence over the lives of millions of people around the world. In many developing countries, the economic power that TNCs command has a stronger impact on the lives of ordinary people than the political power of the state. In an era where the gross annual intake of Wal-Mart is more than the GDP of most countries, the power of the state over its citizens is being increasingly replaced by the influence of global economic institutions. We must therefore begin to think seriously not only about state apologies but also about corporate apologies.

### Typology of Corporate Apologies

In discussing corporate apologies, I find it useful to distinguish three types of apologies—soft, hard, and radical. Soft corporate apologies are

apologies rendered by corporations for their acts or omissions that may have fallen short of industry standards or public expectations but have not grievously harmed any particular person or group of persons. They are typically general apologies to consumers or the general public, which corporations are willing to offer because they are of low risk. They are often offered when there are no threats of litigation and minimal risk of long-term damage to profits, image, or credibility of the corporations.

These kinds of apologies are relatively common. Some examples: the broadcasting network CBS offers an apology for an artiste's "wardrobe malfunction" resulting in "unintentional nudity" during its Super Bowl broadcast; the sportswear company Nike apologizes for an advertisement that tended to be disparaging of disabled athletes; the energy giant Shell apologizes for being lax in its environmental standards; and McDonald's apologizes for stating that its French Fries are cooked in "100 percent vegetable oil" when, in fact, it uses flavoring derived from a beef source. These are all soft corporate apologies. For the corporations offering them, they are risk-free acknowledgments of improper behavior. To much of the public, they come across more as public relations exercises than as acts of genuine contrition.

The second type of corporate apology is the hard corporate apology. These are apologies offered in situations where the stakes are much higher. Corporate apologies are hard apologies when offered in situations where there is real risk of monetary loss and damage to corporate image. Instances of hard corporate apologies have been few and far between. Johnson & Johnson set the standard for this type of apology in the 1980s after news broke that some of its Tylenol capsules had been laced with cyanide. The company immediately alerted the public of the danger, issued an unequivocal public apology and followed by quickly pulling all capsules from the market—a move that cost it over \$125 million. These kinds of apologies are rare because of the conventional wisdom that apologies are bad for business. Even where corporations have been willing to settle legal claims, they have backed away from making hard apologies.

The third type of apology—the radical corporate apology—is what I am concerned with in this paper. This arises when issues of gross human rights violations are involved. It arises when the acts or omissions for which a corporation apologizes are not merely about failure to meet industry standards and public expectations, but rather, about the *systemic* violation of the basic human rights of large groups of people. Radical corporate apologies are not about infringements on consumer rights. They are about violations of fundamental human rights. What is at stake when a corporation offers a radical apology is more than just corporate image or profit. It is sometimes the very survival of the company.

Unlike states, corporations usually do not find themselves in human

rights situations that require radical apologies. States, not companies, are usually the primary violators of human rights on such a large scale. Where companies have been accused of gross human rights violations, it is often because they have had connections with a repressive government. The clearest example of this was during the post-World War II war crime trials where the board of the German corporation I.G. Farben, which collaborated with the Nazi regime, was convicted of mass murder and slavery. Had the board of I.G. Farben chosen to apologize in this case, it would have been a classic example of a radical corporate apology.

Recent examples of radical corporate apologies come from South Africa. As part of its mandate to investigate human rights violations during the apartheid era, the TRC held public hearings on the role of business under apartheid. These "institutional" hearings explored the role of white business, black business, and labor during the apartheid period. It focused on such issues as culpability, collaboration, and involvement as well as the costs and benefits of apartheid to the business sector. The TRC found that business was "central to the economy that sustained the South African state during the apartheid years" (TRC 1999a: 18). It concluded that white-dominated South African corporations not only benefited from apartheid policies, but in some cases were also actively involved in apartheid policy making. While most corporations disagreed that their roles under apartheid amounted to gross human rights violations, many acknowledged their failures to "act quickly and adequately" to change the apartheid system. Others pointed out that they had, in fact, contributed to the democratic transition and social justice in nonpolitical ways and apologized for not doing more.

How far do these apologies go? Do they convey full acknowledgment and adequate contrition for the role of the corporations under apartheid? To address these questions, we must begin by exploring the historical links between apartheid and capitalism.

### Apartheid and Capitalism

The relationship between capital and apartheid has been one of the recurring debates in South African political history. Two opposing schools of thought have emerged—the liberal and radical interpretations of the nexus between capital and apartheid (Davies 1979; Saunders 1998; Natrass 1991).

The liberal school argues that since apartheid was essentially a political ideology founded on state interventionism in all sectors of the society, it conflicted with basic tenets of free market capitalism. Apartheid amounted to drastic state intervention in the functioning of the labor market and the strict state regulation of other sectors of the economy. It

was therefore essentially a politically inspired but economically irrational intervention that stifled business, distorted the economy and undermined long-term productivity growth. Some proponents go even further to argue that apartheid was imposed on business against its will and interests (Moll 1991).

Opposed to the liberal interpretation is the radical school of thought which seems to have gained ascendancy in recent years. It holds that segregation and apartheid structured the process of class formation and underpinned corporate profitability by depressing black labor costs. Proponents argue that many of the basic laws of segregation and apartheid were introduced to create a cheap black labor force to benefit businesses drawn from the white minority (Natrass 1999). Such opposing views of the relationship between business and the authoritarian state are evident in other contexts such as the debate over the relationship between German corporations and the Nazi government. While accused corporations and their leaders stressed their lack of power to influence state policies, most contemporary commentators argue that Nazi policies were in the interest of these corporations which had the power and relative autonomy to influence state policies (Gregor 1998).

In the case of South Africa, the end of apartheid and the establishment of the TRC in the 1990s seemed to have intensified this debate. The dominant positions that emerged at the TRC hearings on business and apartheid mirrored the opposing liberal and radical paradigms. In their submissions, several organizations opposed to the apartheid regime such as the African National Congress (ANC), the South African Communist Party (SACP), and the Congress of South African Trade Unions (COSATU) presented apartheid as a system of racial capitalism. They held that apartheid was beneficial for white business because it was an integral part of the system premised on the exploitation of black workers and the destruction of black entrepreneurial activity. They argued that although business as a whole benefited from the apartheid system, some sections of the business community, notably the mining and defense industries, benefited more than others (TRC 1999). In their view, these corporations were not just beneficiaries but were also active partners and collaborators in crafting and sustaining apartheid. For them the question before the TRC was not whether business was culpable in apartheid victimization, but rather, the extent of this culpability and the forms restitution should take.

In contrast, business organizations that operated under apartheid such as Anglo American Corporation, Old Mutual, South African Breweries, and South African Chamber of Business (SACOB) claimed in their submissions that rather than being beneficiaries, business was also a victim of apartheid. They argued that apartheid raised the cost of doing business,

eroded South Africa's skill base and undermined long-term productivity and growth. By emphasizing the obstacles which the apartheid regime placed on their profitability, these organizations sought to cast themselves more as victims or "hostages" of the system than as partners or collaborators. For them, the essential question that may be asked of business is not whether it collaborated with apartheid, but rather, why it did not do more to hasten the demise of apartheid?

At the end, the TRC took the position that the culpability of business went beyond not doing more to end apartheid. Business, it held, was a major beneficiary and active supporter of the apartheid system. It distinguished between three different orders of business involvement with the apartheid regime: active collaboration in the construction of apartheid (first order involvement); supplying goods and services used for repressive purposes (second order involvement); and benefiting from the apartheid economy (third order involvement). While most businesses benefited from operating in a racially structured context, certain sectors such as the mining industry were more than just beneficiaries. They helped to "design and implement apartheid polices" (TRC 1999a: 58).

### Corporations as Beneficiaries and Collaborators

Much of the discussion on business and apartheid has focused on the role of corporations as beneficiaries of apartheid's political and economic agendas. When it came to power in 1948, the white supremacist National Party (NP) pursued an economic policy that ran counter to the logic of free market capitalism. It promised drastic state intervention in the functioning of the labor and other markets, and strict state regulation of all sectors of the economy. However, once it assumed power, the party was able to balance its agenda of promoting Afrikaner economic ascendancy while at the same time facilitating overall economic growth. In the 1950s and 1960s, the South African economy grew more quickly than any other capitalist economy except Japan. Far from undermining economic growth, the NP's protectionist apartheid policies tended to foster corporate capitalism by creating the conditions for rapid accumulation (COSATU 1997). These economic gains were not limited to the early days of apartheid. For much of its history, apartheid was enormously profitable but profit-driven economic growth coincided with the deepening oppression and dispossession of the majority.

One organization that played a key role in the nexus between business and the apartheid state was the secretive Afrikaner Broederbond, whose agenda was the entrenchment of its vision of white supremacy in South African society (Asmal, Asmal, and Roberts 1997). The Broederbond spearheaded the Afrikaner economic movement of the 1940s. It set out

to mobilize the savings of Afrikaner farmers and workers for nascent Afrikaner business and was behind the establishment of several corporations among which was Volkskas Bank in 1934. Through organizations like the Broederbond, Afrikaner business interests played a central role in the elaboration of the overall thrust of apartheid policy. For instance, the South African business lobby was crucial to the adoption of the labor and other racial practices at the core of apartheid. Afrikaner business remained extremely close to the NP right up till the very end of the Botha regime.

In his submission to the TRC, the South African economist Sampie Terreblanche stated that what South Africa needed after the "political TRC" was an economic TRC. He argued that the collaboration between business and apartheid created and promoted a context that led to the systematic execution of gross violations of human rights. This collaboration contributed to the emergence of an economic and a political structure, a culture and a system that gave rise to, and condoned certain patterns of, repressive behavior (Terreblanche 1997).

Apartheid policies created an environment that was particularly conducive for privileged white businesses. Repressive laws such as the Pass Laws restricted the mobility and negotiating power of black labor, while the Masters and Servants Laws made it a criminal offence punishable by imprisonment for black workers to break their contracts by desertion, insubordination or refusing to carry out the command of an employer. Breaches of contract by employers were, however, treated as civil offences. There were also laws like the "Influx Control Regulations" intended to redirect black labor from the cities to the farms to serve white commercial farmers and the Group Areas Laws intended to exclude black owned businesses from central business districts. This greatly benefited white-owned businesses that were insulated from potential competition from black entrepreneurs (ANC 1997).

### The Big Three: Mining, Defense and Banking

The mining industry was a primary beneficiary of apartheid segregation and discrimination. It falls into the TRC's category of first order involvement with apartheid because, beyond simply benefiting from apartheid, the mining industry historically played a central role in laying the foundations of systematic racial oppression in South Africa. Its strategies included influencing legislation that forced black workers into the wage system; promoting state-endorsed monopolistic practices; and exploiting black labor and the brutal suppression of black workers and trade unions. Mining corporations like De Beers pioneered the prison-like compound system and the racialized contract labor system (COSATU 1997).

The exploitative use of black labor was central to the relationship between business and apartheid. In its submission to the TRC, the Congress South African Trade Union COSATU stated that the real content and substance of apartheid was the perpetuation of exploitative cheap labor system (COSATU 1997). Many business interests cooperated with the apartheid state in its measures to undermine and crush the trade unions. They took advantage of government interventions in the labor market and its decimation of black trade unions to drive down their labor costs. Real African industrial wages fell continuously between 1948 when apartheid was established until 1959. In the mining industry, African wages in 1969 remained below the level of 1896.<sup>2</sup> By keeping labor costs down, apartheid proved to be good for both domestic and trans-national white business involved in mining.

The defense industry was second only to the mining industry in terms of its corporate connections with the apartheid regime. The imposition of arms embargo against South Africa in 1960s led to the emergence of a locally based armaments industry, supervised by the state-owned Armaments Development and Production Corporation (ARMSCOR). By the end of the 1970s, ARMSCOR stood at the core of a new, indigenous military-industrial complex becoming South Africa's third biggest industrial group. With 60 percent of ARMSCOR's research and production contracted out to the private sector, almost all levels of the private sector were linked with the military through the armaments industry. These included the subsidiaries of virtually all of South Africa's major non-state conglomerates as well as a number of high profile multinationals such as IBM, Shell, Daimler-Benz, and many others.

Beyond these business links, some corporations were directly involved in the repressive activities of South African security agencies. Evidence revealed at the TRC hearings on the role of business showed there was extensive collaboration between business interests and the security agencies of the apartheid state. For example, apartheid spy and self-confessed letter bomb murderer, Craig Williamson, stated that certain banks provided apartheid intelligence officers with covert credit cards for covert operations.<sup>3</sup>

Transnational corporations, particularly international lending organizations, benefited substantially from doing business with the apartheid regime. Major Swiss banks such as Credit Suisse and its predecessor UBS played a key role in South African investments and gold marketing under apartheid. In fact, the chairman of UBS is reported to have described apartheid as "desirable" for business (TRC 1999b: 144). Swiss banks played an important role in propping up the apartheid regime during the sanctions years of the 1980s. After American banks such as Chase Manhattan cut back on their lending policies to the apartheid regime, the Swiss banks

promptly came to the rescue, saving the regime from an impending debt crisis. While many countries (including the United States) were imposing sanctions on apartheid gold, the Swiss banks continued to import over half of the gold produced in South Africa (TRC 1999b: 145). Such was the concern about the financial ties between the Swiss banks and apartheid regime, even in Switzerland, that one Swiss parliamentarian stated:

Let's be honest. Our businessmen just want to do business with South Africa at any price. And this policy is not a sound policy for our country internationally. One of these days it's going to come back and haunt us. (TRC 1999b: 145)

Yet, the links between apartheid and business were not limited to big trans-national corporations. White-owned small and medium businesses, many of them owned by Afrikaners, also gained substantially from apartheid. Many of these small white-owned businesses moved into the trading vacuum created by the group areas removals of blacks in the 1950s and 1960s. It is estimated that white-owned commercial farms acquired an extra 106,000 hectares of farming land between 1960 and 1978 as a result of the dispossession of black farmers from black owned land outside the reserves (*Business Day*, October 29, 1997). There is also evidence that small-scale white farmers benefited from the use of black convict and child labor during the apartheid years (Marcus 1989).

#### Apartheid Reform and "Constructive Engagement"

Many businesses have attempted to rationalize their roles under apartheid by claiming that they supported reforms and played a role in bringing an end to apartheid. They point to successive recommendations by corporate representatives to the South African government to reform apartheid labor policies. For example, Harry Oppenheimer of the conglomerate Anglo American was a perceived opponent of certain aspects of apartheid. He stated in 1985 that the policies of the Nationalist Party had made it impossible to make proper use of black labor and called for reforms (*Financial Mail*, November 29, 1985). However, critics argue that businesses were only interested in superficial reforms of the apartheid system in order to guarantee its stability. They were much less interested in the total dismantling of white minority rule.<sup>4</sup>

Indeed, with growing international pressure on South Africa in the 1980s, business support for the apartheid regime began to waver. Concerns about debt repayment provoked a serious economic downturn and concerns began to be voiced within business circles about the slow pace of political reform. But in spite of these concerns, the business community was reluctant to "rock the profitable boat of apartheid" (COSATU

1997). Many of these businesses banded together in the 1960s to support the South Africa Foundation, which they used to promote what they considered the “bright and promising side” of apartheid to foreign politicians and industrialists. Like many supporters of “apartheid reform” and the policy of “constructive engagement” with apartheid, the foundation consistently opposed anti-apartheid sanctions and held several pro-apartheid political positions. Although it conceded that apartheid policies were intrinsically flawed, its position was that these flaws could be accommodated until changes were made.

This accommodationist approach was not limited to business. It was central to Reaganite and Thatcherite policies toward South Africa. In 1985, President Reagan famously stated that P. W. Botha’s “reformist administration” had “eliminated the segregation that we once had in our own country”. Even when the U.S. Congress voted for limited sanctions against South Africa in 1986, Reagan vetoed the sanctions. Congress eventually overrode his veto.

Although the corporations that made submissions to the TRC put up a spirited defense of their roles under apartheid, the position of the TRC at the end of its hearings was that business was central to the economy that sustained the South African state during the apartheid years, and as such, it bears some responsibility for apartheid victimization (TRC 1999).

### Restitution and Reparation

Like other attempts at addressing historical injustices, one of the main challenges that the TRC confronted was how to deal with the fluid categories of victims, beneficiaries, and perpetrators. With regard to corporate responsibility for apartheid victimization, three main approaches have become discernable—the criminal justice approach, the civil justice approach and the amnesty and reconciliation approach, which the South African state opted for with the establishment of the TRC.

The criminal justice approach is premised on the relevance of the concept of the corporate war criminal to the South African situation. It draws on postwar trials such as the Tokyo trials of Japanese individual and corporate war criminals. The notable reference point is the Kajimi Gumi Company, which paid the Japanese Imperial army for the use of war prisoners and kidnapped Chinese civilians. Hundreds of Chinese slaves were bought in this way to work in mines owned by Japanese firms under dehumanizing conditions. Kader Asmal et al. have compared the plight of these Chinese slaves to those of South African prison laborers rented out to apartheid farmers (Asmal, Asmal, and Roberts 1997).

Although there is no evidence of widespread use of prison labor in

apartheid’s mining and industrial sectors, many corporations exploited apartheid’s immigrant labor system to maximize profits. The conditions under apartheid’s private and public industrial labor regimes were so deplorable that it raised concerns within the business community even during the heydays of apartheid. Directors of the mining giant Anglo American privately discussed the fear that their company would be remembered as the “I.G. Ferben of Apartheid,” a reference to the company that, through slave labor, became the industrial backbone of the Nazi regime. The concept of the corporate war criminal in the South African context has been largely limited to academic discourse. It has not been seriously explored either by the South African government or by individual victims of apartheid.

Unlike the criminal justice approach, the civil justice approach has been extensively explored by victims of apartheid and those who claim to act on their behalf. As of 2003 at least four lawsuits, some in the form of class action suits, had been filed and instituted in the United States on behalf of the victims of apartheid.<sup>5</sup> The central argument behind these lawsuits is that the crimes of the apartheid regime—forcible removals, discriminatory labor practices based on race, imprisonment, torture, murders, and so on—were the direct or indirect result of corporate support (Ntsebeza 2003).

One such lawsuit was filed in 1994 against the Government of South Africa and major corporations seeking \$10 billion for “genocide, expropriation and other wrongful acts” committed by the firms under apartheid. It also demanded another \$10 billion from the post-apartheid government for “continuing to allow companies to exploit victims.” Named in the lawsuit were mining firms Anglo-American and Goldfields, IBM and UBS Bank of Switzerland. Echoing the conclusion of the TRC, Ed Fagan, the American lawyer who launched the suit, argued that the case was winnable because “at the end of the day these companies were strategic partners of the apartheid government” (BBC 2004).

What has been clearly missing from both the criminal and civil justice approaches has been any serious talk about corporate apologies. The civil suits have been largely concerned with monetary compensation for the victims of apartheid, while the discussions about criminal justice have been more concerned with retribution. The slogan of proponents of the criminal and civil justice approach has been “No amnesty, no amnesia, just justice.” But the South African government, eager to attract foreign capital, has distanced itself from these approaches to addressing the wrongs of apartheid (Rostron 2002). Instead, it has opted for the amnesty and reconciliation approach, which focuses not only on restitution but also on apologies as a means of healing the wounds of the past and moving the nation forward.

### Truth, Apology, and Reconciliation

Apart from investigating gross human rights violations during the apartheid era, one of the mandates of the TRC when it was established in 1995 was to "consider amnesty for those who confess to political crimes and recommend reparations and rehabilitation of victims." Although apology was not specifically mentioned in the Promotion of National Unity and Reconciliation Bill which set up the TRC, it was assumed that confessions to political crimes and applications for amnesty would logically be accompanied with apologies. Apology and forgiveness was also an important part of the TRC's final recommendations. The Report outlined four interconnected steps necessary for national reconciliation. These include: restoring the dignity of victims and survivors; *acknowledgment of guilt and apology*; forgiveness, and finally, reparations and restitution (emphasis added).

In their submissions to the TRC, corporations and business organizations were reluctant to acknowledge guilt and offer radical apologies along the lines of the TRCs recommendations. Many of them disagreed that their roles under apartheid amounted to gross human rights violations. The financial corporation Old Mutual stated:

In principle, the mandate of the Commission which focuses on gross violations of human rights would almost certainly exclude Old Mutual from having to make any submission. (TRC 1999a: 21)

As far as most corporations were concerned, their purpose in participating in the TRC hearings was to promote understanding of their role under apartheid and explore areas where they failed to press for change at both political and organizational levels. It was not primarily to acknowledge wrong or apologize for human rights violations. Their failure to act adequately on the political front was regarded as an "error of omission." Failure to adjust employment and labor practices was regarded as "regrettable," but not amounting to gross human rights violations (TRC 1999a: 21).

However, some corporations specifically acknowledged their failures to "act quickly and adequately" to "change the apartheid system on the political front" and to "adjust employment practices" (TRC 1999a: 21). Anglo American Corporation accepted that it "could have been a better corporate citizen" and apologized for not doing more. The Development Bank of South Africa (DBSA), a major player in the apartheid economy, accepted that in supporting apartheid through providing development loans to homelands and by advising officials on policy, "the Bank was an integral part of the system and part and parcel of the apartheid gross violation of human rights." The Bank went further to apologize for this.

It is interesting, though not surprising, that corporations were willing to apologize for their omissions rather than their alleged acts of collaboration with the apartheid state. DBSA was perhaps the only corporation to offer a radical corporate apology along the lines of the typologies discussed earlier. Other corporations were content on offering soft apologies. In spite of the prominent role they played under apartheid, transnational corporations like the Swiss banks did not even bother to make submissions to the TRC.

### Conclusion

The corporate apologies so far offered for apartheid victimization in South Africa can at best be described as superficial and ineffectual. Although the role of corporations under apartheid clearly demands radical apologies, the corporations that have bothered to offer any have only offered superficial apologies. Beyond apologies, many of these corporations have been equally reluctant to offer any form of voluntary restitution for their role under apartheid. In its final report, the TRC recommended the establishment of a Business Trust for the purpose of funding reparations to victims of apartheid.<sup>6</sup> Across the board, local corporations rejected the suggestion that they might help to fund the restitution process. Submissions to the TRC included objections that this would only encourage "a sense of entitlement and victimhood" (Rostron 2002). A similar international fund established in Switzerland to contribute to reconstruction and development in South Africa secured a commitment of less than 0.02 percent of the profits made by Swiss banks and investors in South Africa for each year during the 1980s (TRC 1999b: 142).

These positions of local and transnational corporations have raised concerns about the efficacy of the amnesty and reconciliation approach to really redressing the crimes and injustice of the apartheid era. Many have voiced concerns about "empty apologies and hollow reconciliation." If acknowledgment of wrongdoing and apology are the first steps toward reparations and reconciliation, it can be said that corporations have been reluctant to take that first step. At the end, the criminal and civil justice approaches may well be the only hope of getting corporations to take true responsibility for their roles under apartheid. Even at that, apologies extracted by legal action will have no more than pedagogical value. As other chapters in the volume have identified, such apologies are not always considered authentic and do not convey genuine contrition. Yet, such judicially ordered apologies, with all their limitations, may not be entirely out place in addressing corporate responsibility in apartheid victimization.



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## Part V

# The War on Terror