

European Community

European Community Information Service
350 Sparks Street, suite 1110, Ottawa, Ontario K1R 7S8

EC ADOPTS CODE OF CONDUCT FOR EUROPEAN COMPANIES OPERATING IN SOUTH AFRICA

Following is the text of the code of conduct, adopted by the EC's foreign ministers in Brussels on 20 September 1977, for EC-based firms 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 organization to represent them.
- b) Employers should regularly and unequivocally inform their employees that consultations and collective bargaining with organizations 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 recognize them, and to negotiate and conclude agreements with them.
- d) Consequently, the companies should allow collective bargaining with organizations 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 organize meetings.
- f) Where works of liaison committees already 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.

../2

2/..

3. Pay.

Companies should assume a special responsibility as regards the pay and condition 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 educational matters;
 - in improving medical services, in adopting programmes of insurance against industrial accidents and unemployment, and in other measures of social welfare.

6. Desegregation at 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.
