Subpolitics and the Campaign against Barclays’ Involvement in South Africa

Abstract

In this article I examine the context for the British bank Barclays’ decision to disinvest from South Africa in 1986, with special attention to the impact of the Anti-Apartheid Movement’s campaign against the bank. The 18-year long campaign against Barclays – the largest bank in South Africa at the time and the fourth largest foreign-owned corporation – points to significant developments within the fields of corporate social responsibility and the potential influence of social movements on multinational corporations. Applying the theoretical approach of subpolitics as developed by Ulrich Beck in combination with the later subdivision by Boris Holzer and Mads P. Sørensen into a passive and an active form, it is possible to analyse the decisions of both anti-apartheid activists and Barclays on similar terms. The conclusions drawn in this article emphasise the idea that economic decisions taken by multinational corporations may have unintended political consequences and, furthermore, that the awareness of this phenomenon has contributed to the development of corporate social responsibility. Finally, I suggest that the campaign against Barclays generated public attentiveness towards the social responsibility of businesses.

Keywords: corporate social responsibility, new social movements, anti-apartheid movement, disinvestment, Barclays, subpolitics

Introduction

Before the current preoccupation with formal ethical guidelines for companies, one case that came to signify a shift in public attention towards a more principled approach to international business conduct was the campaign against Barclays’ involvement in apartheid South Africa. For 18 years, Barclays was the target of a bank campaign led by the Anti-Apartheid Movement (AAM), the Haslemere Group, the National Union of Students (NUS) and End Loans to Southern Africa (ELTSA), which aimed to bring about the bank’s disinvestment from South Africa.

This article aims to contribute with new understandings of the potential impact of social movement activities on companies, and subsequently to discuss the development towards a more clearly defined conception of corporate social responsibility (CSR).
want to propose a sociological approach to the case of the campaign against Barclays: I believe that the German sociologist Ulrich Beck’s concept of subpolitics provides a suitable framework for an analysis of this campaign.

I will begin by defining subpolitics within the context of anti-apartheid activism; then, I will provide some background information on the sanctions debate and the role of foreign investment in South Africa, positioning Barclays within this debate. I will then briefly outline Barclays’ history in South Africa, its justifications for doing business in the country, and its explanations for choosing to disinvest. Turning to the Anti-Apartheid Movement, I will address the nature of its activities, focusing on the movement’s campaign against Barclays. Finally, I will discuss the impact of the campaign against the bank and the implications of this case for the development of corporate social responsibility.

I want to specify my use of two of the main terms in this paper; I will be using the term corporate social responsibility as defined by the European Commission, for whom it refers to “companies taking responsibility for their impact on society.”¹ When I discuss Barclays’ disinvestment from South Africa, it denotes the “outright sale of foreign owned business.”²

The Anti-Apartheid Movement’s bank campaign has not received much attention in academic literature; however, a small number of publications seek to trace out Barclays’ involvement in South Africa and the campaign against the bank. One of the most thorough analyses of this campaign is conducted by Craig Smith (1990), situating the campaign within a business-oriented context. Similar approaches are taken by Vishnu Padayachee (1988), Nerys John (2000), and Judith F. Posnikoff (2007). William Kaempfer, James A. Lehman, Anton D. Lowenberg and Bernard Feigenbaum also contribute to this topic with interesting background information on disinvestment from South Africa and banks in particular.

Neta C. Crawford and Audie Klotz (1999) provide detailed information on the role of foreign-owned businesses in apartheid South Africa. David Hauck (1986) largely discusses the same area yet he includes, to a larger extent, the emerging field of corporate social responsibility. Situating himself within the social movement literature and with a thorough history of the Anti-Apartheid Movement, Roger Fieldhouse (2005) also touches upon the campaign against Barclays. Adding a more sociological perspective, Håkan Thörn (2006) is one of the few to couple reflexive modernity and anti-apartheid

activism. Significant in this respect is also Dietlind Stolle and Michele Micheletti (2013) who include the Anti-Apartheid Movement as a noteworthy example of the practice of political consumerism.

This article seeks to build on the sociological perspective used by Håkan Thörn and a few others in order to contribute to the research field that applies a culturally and sociologically founded approach to subjects of economy and politics.

Subpolitics

One approach that might serve to further an understanding of the motives and, more specifically, the social dynamics behind the campaign against Barclays is provided by the German sociologist Ulrich Beck. His concept of subpolitics is developed within the framework of the wider notions of risk society, which again is related to globalising developments and reflexive modernisation.

Modern industrial society, in some respects characterised by a dependence on technical progress and a preoccupation with individual material acquisition, reaches a point where its “attitude towards problem-solving and its institutionalised answers seem progressively less suited to meet the challenges at hand”3. This is partly due to an increased accessibility to information and to the escalation of wider processes of globalisation, defined by Anthony Giddens as the “intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa”4.

As a consequence of these developments, an increasing number of unintended side-effects of the modern industrial society are disclosed. In this process, Ulrich Beck argues, societies are entering into a second phase of modernity, also referred to as risk society.5 The transition from the first to second modernity is reflexive modernisation, and it entails a “self-confrontation with the effects of risk society that cannot be dealt with and assimilated in the system of industrial society – as measured by the latter’s institutionalised standards.”6 The term reflexive does not mean that people

4 Anthony Giddens: The Consequences of Modernity, Stanford 1990, p. 64.
reflect more on the consequences of their actions than before; instead, it points to a heightened awareness of the idea that it is impossible to attain complete insight into the unintended consequences of, for instance, everyday choices such as what to buy.\(^7\)

In extension of this, the concept of *risk society* designates a stage of modernity in which “the threats produced so far on the path of industrial society begin to predominate.”\(^8\) Major threats include nuclear, terrorist and ecological dangers, the latter in the form of climate change caused by industrial development. Ulrich Beck emphasises that risk society tends to be a “self-critical society” and he demonstrates this by explaining how politicians are met by protests from civil society organisations and how corporations are boycotted on moral and political grounds.\(^9\)

In fact, this is where the concept of *subpolitics* becomes pertinent: confronted with the unintended side-effects of modern industrial society, an increasing number of individuals and civil society organisations, often in the form of new social movements, address political issues from outside the institutionalised political system.\(^10\) Broadly defined,

> the concept of subpolitics refers to small-scale, often individual decisions that either have a direct political frame of reference or achieve political significance by way of their aggregation. Narrowly defined, subpolitics thus bears connotations of being placed *beneath* the nation-state.\(^11\)

Subpolitics is most often associated with civil society organisations, as well as individuals, whose targets “include power centers other than the State.”\(^12\) Boris Holzer and Mads P. Sørensen introduce a distinction between two forms of subpolitics: a passive and an active form.\(^13\) The actors who perform passive subpolitics are usually not interested in doing politics; rather, politics becomes a side-effect of their primary activities. An example of passive subpolitics is a decision made by a multinational corporation that aims to increase its profits: when Barclays issued loans to the South African

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9 Ibid., p. 11.
10 Boris Holzer/Mads P. Sørensen: *Politik i det refleksive moderne: fra livspolitik til subpolitis*, p. 79.
11 Ibid., p. 80.
13 Boris Holzer/Mads P. Sørensen: *Politik i det refleksive moderne: fra livspolitik til subpolitis*, p. 63.
government, the government in turn spent some of the loan on military expenses that served to uphold the apartheid system. In this way, Barclays’ strictly economic decision facilitated actions that are widely perceived as political. As Ulrich Beck points out:

the neutral indicators of wage and profit continue to decide on investments and the success of products and the organisation, but the substantive ‘how’ becomes political, controversial [...]. Trust becomes central; a trust capital that can be wasted by continuing to act out the old industrial scenario.14

Due to the idea of reflexive modernisation that unintended side-effects occur and that they can sometimes be exposed, the distinction between the economic and the political is increasingly blurred. This development coincides and correlates with the increasing demand for corporate social responsibility, which I will return to later.

Active subpolitics, as distinct from the passive form, tends to be performed by civil society organisations in their effort to influence social and political conditions. Again, Ulrich Beck ties this effort to his ideas on a second modernity when he uses as an example the coalition of protestors and activists that compelled Shell to change its plans with the Brent Spar platform in 1995; in cases such as these, he notes, the “politics of the first, industrial modernity made way for the new politics of the second, reflexive modernity.”15 This notion can similarly be applied to Barclays’ decision to disinvest from South Africa; as I discuss in this paper, however, Barclays did not make its decision solely on the basis of pressure from the Anti-Apartheid Movement.

To clarify, passive subpolitics provides a suitable framework for contextualising Barclays’ decisions and their ramifications, while active subpolitics may serve to elucidate motivations and driving factors for participating in anti-apartheid protest.

To further contextualise the notions of reflexive and second modernity, I would argue that these highlight substantial developments which started to gain ground simultaneously with the course of the Anti-Apartheid Movement’s campaigns against, most notably, Outspan Oranges, Barclays Bank, and Shell (collectively spanning from 1959–1994). Examining the methods of activism and communication used by the Anti-Apartheid Movement in these campaigns, then, may disclose not only advances in the action repertoires of civil society organisations but to some extent also significant aspects of the increasing preoccupation with ethics and the subsequent legitimation through the wide-spread acceptance of corporate social responsibility.

15 Ibid., p. 62.
Sanctions and Foreign Investment

Conveying contemporary public perceptions, the sanctions debate may be seen as part of the context within which Barclays chose to leave South Africa. For the purpose of this paper, sanctions are defined as “the denial of customary interactions (strategic, economic, or social); they are intended to promote social, political, or economic change in a target state.” It is furthermore possible to distinguish between state-based (governments, the United Nations, et cetera) and non-state-based sanctions (civil society organisations, individuals, corporations, et cetera).

In South Africa, extensive segregationist policies began to be properly institutionalised when the National Party came to power in 1948. The term *apartheid* was coined when the new government presented its policies in the form of a comprehensive doctrine that excluded the non-white population from many of the basic democratic rights.

From the early days of the institutionalised apartheid system, there were a number of foreign and international initiatives that aimed at weakening the South African government. At the request of a large number of states, from 1962 onward the United Nations General Assembly called for mandatory economic sanctions as essential to dismantling the apartheid system. Any country that persisted in having strong economic ties to South Africa received international censure, in addition to any multinational corporations and investors that did business in the country.

The proposal for comprehensive sanctions was not adopted as official United Nations policy, however, since a small number of states vetoed it. Among a few others, these included the United Kingdom and the United States who were major trading partners of South Africa and who thus had more at stake financially than others. These states argued that “the isolation of South Africa, and its exclusion from the United Nations and other international bodies, would be counter-productive.” Besides economic factors, however, there were also political concerns with regards to the isolation of South Africa: Cold War politics meant that some countries were not prepared to risk a redirection of South African sympathies towards the Soviet Union and, consequently, a substantial number of foreign corporations continued to invest in South Africa.

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17 Ibid., p. 5.
20 Ibid., p. 56.
The African National Congress (ANC), which was generally credited as the most representative organisation of black South African interest, called on the United Nations to implement mandatory sanctions on South Africa. In a public letter on 21 April 1986, the Chief Representative of the African National Congress, Solly Smith, explained this appeal for sanctions:

We never for a moment believed that sanctions will bring the racist regime to its knees. What we are saying is that it will make our struggle lighter: there will be less bloodshed in South Africa; fewer lives will be lost and indeed sanctions will shorten the lifespan of apartheid. We call on you to [...] boycott them all, including Barclays.\textsuperscript{21}

Despite the fact that international perceptions perhaps mostly dwell on symbols of \textit{petty apartheid} (signs that signal separate bathrooms et cetera), the main actors involved in the resistance against the policies of the South African government were aware of the centrality of economic factors; an article by Cosmas Desmond in the \textit{Rand Daily Mail} on 10 April 1985, emphasises that “the South African government does not implement apartheid for purely ideological reasons, regardless of the economic consequences; it implements apartheid precisely because of these consequences, which are in the material interests of whites, including foreign investors.”\textsuperscript{22}

Narrowing in on the banking sector, Chris Stals, South Africa’s Director-General at the Department of Finance from 1985–1989, asserted that “if the world banking community should effectively exclude South Africa from international trade and payment systems, it would be a much more effective sanctions measure than the trade sanctions applied by governments. It would put us on a barter trade system overnight.”\textsuperscript{23}

Barclays’ approach, however, along with a number of other companies, was that of so-called \textit{constructive engagement}, the central assertion of which is that foreign investment can be used as an instrument of peaceful change on the basis of the idea that reform inevitably follows in the wake of economic development.\textsuperscript{24} Proponents of this perspective also professed concern about the potential social unrest following


\textsuperscript{22} Cosmas Desmond: Sanctions and South Africa, in: Rand Daily Mail, 10 April 1985.

\textsuperscript{23} Document from the Anti-Apartheid Movement and End Loans to Southern Africa entitled \textit{Apartheid is Bankrupt – No Debt Rescheduling!}, in: Bodleian Library of Commonwealth and African Studies at Rhodes House: Bod.MSS.AAM 1625.

mass disinvestment: one estimate, though admittedly somewhat radical, by Professor Arnt Spandau from the University of Witwatersrand, anticipated that one out of every four non-whites in paid employment would lose their job should the international business community choose to disinvest as a group.25 Such projections sustained strong apprehensions towards the strategy of disinvestment while at the same time providing companies with arguments for continuing their operations in South Africa.

In response to the arguments behind constructive engagement, the 1970s and 1980s saw the publication of a number of reports that attempted to clarify the role of foreign businesses in South Africa. Among these was a comprehensive report by the Banking Insurance & Finance Union which stated that “if the major shifts post-war within South Africa’s own economy have failed to bring about structural change, then it must be doubted that the enlightened employment policies of foreign firms will gradually do so.”26

Little by little, then, the argument of constructive engagement was challenged and refuted to the extent that by the late 1980s most foreign businesses had abandoned this view. Foreign-owned businesses, however, did not choose to leave South Africa merely on the basis of a transformation in attitude; this development was also linked to the political climate which took a significant turn for the worse when Prime Minister P.W. Botha held his infamous “Rubicon” speech on 15 August 1985, by which time it became clear that the prospects for a peaceful transition to a more inclusive political system were bleak. At the same time, pressure from anti-apartheid activists in the form of boycott campaigns, for instance, put a sizeable economic strain on a number of companies: some of the companies that left South Africa explicitly pointed to the hassle factor as a major contributor to their decision to withdraw.27

Most importantly, though, and for the foreign-owned banks in particular, was the economic state of affairs in South Africa. In 1977, the country launched a total strategy which aimed to make South Africa less dependent on import in key sectors.28 This effort required foreign investment, and from 1981 “South African borrowers, in both


the public and notably the private sector, went on what may best be described as an orgy of borrowing from private international banks directly and from the international capital market via bond issues.”

Keeping in mind that one of South Africa’s principal export materials was gold, the following years saw a tremendous drop in the gold price from its high in 1980 (more than 800 dollars per ounce). Coupled with an over-price on oil due to sanctions of various kinds and the short-term nature of its outstanding loans, in 1985 South Africa’s economy seemed to hit a critical point: 50 per cent of its debt was scheduled for payment within a year and a financial report from March, 1985, referred to South Africa’s external finances as being in “absolute chaos”.

On 1 August 1985, the American Chase Manhattan Bank made public its decision to end the extension of credit to South Africa. The reasons for this decision are summarised by Vishnu Padayachee:

The factors used by international bankers in their assessment of a country’s risk included political stability, national cohesiveness, adequacy and diversity of its resource base, the quality, effectiveness and efficiency of its economic and financial management and its external financial position. By August 1985 none of these factors were running in South Africa’s favour.

Barclays and South Africa

In 1919, the British banking group Barclays bought shares in the National Bank of South Africa which was part of a policy “to establish a commercial bank for the British Empire”. More office branches were opened throughout South Africa as Barclays continued to expand in the following decades.

The international community did not engage in extensive condemnation until the late 1960s, when the bank was criticised for supplying credit for the construction of the Cabora Bassa dam in Mozambique. On request by the African National Congress, the Anti-Apartheid Movement helped form the Dambusters Mobilizing Committee.

30 Ibid., p. 371.
31 Ibid., p. 372.
32 Ibid., p. 374.
that would serve to campaign against the British firms involved.\textsuperscript{34} The general criticism of Barclays asserted that its presence in South Africa benefited only the white minority and that doing business with the South African government perpetuated the conditions for segregation between people of different skin colour.

Barclays maintained, however, that it had a firm anti-apartheid policy; a General Managers’ letter to the local directors from 20 October 1972, states:

There should be no doubt about Barclays’ attitude to apartheid. We have repeatedly declared our conviction that apartheid is economically and morally wrong. We have supported these declared principles with determined action. […] We respect the views of those who sincerely believe that Barclays and other companies should pull out. […] We believe with equal sincerity that this is a misguided view and not in the best interests of all the people of South Africa.\textsuperscript{35}

Barclays was not alone in this view: the Anti-Apartheid Movement contacted a wide range of companies and retailers such as Boots, Tesco’s, Sainsbury’s etc., and they replied, almost without exception, that they were not involved in political matters on principle or, alternatively, that non-white South Africans would lose their jobs if the companies were to pull out.

Nonetheless, Barclays did take socially responsible measures to alleviate some of the restrictions of the apartheid system. Also, the bank sought to communicate these policies outside of South Africa; in a letter from 15 July 1986, Barclays’ manager Andrew McThomas listed the bank’s most notable accomplishments in relation to the apartheid issue: Barclays National opened the first bank branch in the black township of Soweto, appointed the first black cashier in a bank in South Africa, introduced equal pay for equal work as the first bank in South Africa, appointed the first black bank manager, and it “is a multi-racial and equal opportunity employer and a leader in the support given to African business”.\textsuperscript{36}

The month following the drafting of this letter, Deputy Chairman John Quinton declared that “we shall persevere in pressing for change, in the knowledge that we have already achieved more positive results in this direction than any of our critics.”\textsuperscript{37}

\textsuperscript{34} Nerys John: The Campaign against British Bank Involvement in Apartheid South Africa, p. 418.
\textsuperscript{35} Document by Barclays entitled Barclays in South Africa, in: Barclays Group Archives in Manchester.
\textsuperscript{37} Letter to President of the Charing Cross and Westminster Medical School Students’ Union, Tom Coffey, by John Quinton of Barclays at 12 August 1986, in: Bodleian Library of Commonwealth and African Studies at Rhodes House: Bod.MSS.AAM 1611.
Barclays’ public rhetoric just a few months before its announcement to disinvest, then, did not hint at the imminent change in course. Despite a number of factors, including Chase Manhattan’s disinvestment the year before, the political instability of South Africa, and the fact that Barclays sold a significant number of its shares in its South African subsidiary over the course of several years, few had anticipated the bank’s announcement in November 1986 to disinvest entirely.

It must indeed have been difficult to predict Barclays’ choice of action on the basis of the bank’s last decade in South Africa under apartheid. In the late 1970s, Barclays remained highly critical towards the notion of disinvestment from South Africa. In the 1977 Annual Report, Chairman Anthony Tuke’s address stated:

> We cannot believe that the under-privileged majority can possibly be helped by withdrawal of foreign investment; far from it – attitudes would harden, and there is not the slightest chance that our withdrawal or that of other investors would bring about some miraculous crumbling of the pillars of apartheid. 38

Nevertheless, two years later it is observed in the 1979 annual report that “our interest in our South African subsidiary has been reduced to 60.03 per cent resulting from the sale of shares.” 39 The 1978–1984 reports mention neither the political situation in South Africa nor Barclays’ social responsibility in this regard. In 1984, then Chairman Timothy Bevan notes that there has been a further reduction to 50.54 per cent and that 1984 was a particularly disappointing year with a decrease in profits from 118 million pounds in 1983 to 65 million pounds. Timothy Bevan blames this development on the “depressed state of the economy and the prolonged drought”, though he remains positive as he states that the economy “now shows signs of lifting.” 40

Timothy Bevan then explains that the 1985 reduction in Barclays’ stake in its South African subsidiary did not result in significant financial repercussions for the bank since it contributed less than three per cent of the bank’s post-tax profits in 1985. 41 This last point was most likely meant to calm Barclays’ shareholders; however, the apparent economic insignificance of the South African subsidiary contributed even further to the critics’ frustration with the bank’s reluctance to assume what was believed to be its moral responsibility.

In the 1986 annual report, Timothy Bevan announced that the bank had sold the remaining 40 per cent holding in Barclays National. Four reasons were listed which can be summarised as follows: first, Barclays’ international customer base was

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beginning to be adversely affected by the bank’s (by this time) minority holding in its South African subsidiary, which accounted for a mere 2.5 per cent of the total Barclays Group profits. Second, the bank would focus on expansion in North America, Europe, and the Pacific region (Barclays would also continue operations on rest of the African continent). Third, Barclays National would maintain the strategy of “constructive engagement”. Fourth, the reaction to Barclays’ disinvestment had been positive and “only the prejudiced will continue to carp.”

I would venture to conclude that by gradually reducing its shares in its South African subsidiary, Barclays prepared itself for future disinvestment or perhaps a potential crisis situation which would necessitate a full-scale disinvestment. The gradual reduction made it easier to pull out of the country entirely at a given time, and it would incite a less severe reaction from the bank’s shareholders. It should also be emphasised at this point that Barclays’ perceived primary responsibility was to its shareholders: this is important to bear in mind in that it may explain the bank’s repeated public reassurances while at the same time gradually severing its ties with South Africa.

Anti-Apartheid Activism as Active Subpolitics

The history of Barclays’ involvement in South Africa is particularly intertwined with the activities of the British Anti-Apartheid Movement (AAM). The movement was not a particularly homogenous group of individuals and it contained elements of student movements, churches, trade unions and solidarity organisations, as well as opposition from within South Africa such as political parties (mainly the African National Congress and the Pan Africanist Congress). The campaign against Barclays was mainly carried out through a collective effort from the Anti-Apartheid Movement, the Haslemere Group, End Loans to Southern Africa (ELTSA) and the National Union of Students (NUS); to some extent, anti-apartheid protest became part of British student culture from the early 1970s.

I would characterise the Anti-Apartheid Movement as a “new social movement” (NSM) on the basis of Donatella della Porta and Manuela Caiani’s definition: “[new social movements are] conceptualised as dense informal networks of collective actors involved in conflictual relations with clearly defined opponents, which share a distinct

42 Ibid.
collective identity, using mainly protests as their modus operandi.”

The main distinguishing factor between “old” and “new” social movements is the nature of their causes: whereas the “old” movements—which includes labour and church movements—largely seek to contest the distribution of wealth and existing social hierarchies, the “new” movements address issues relating to identity, quality of life and cultural politics such as feminism, environmentalism and human rights. These issues are not restricted to national borders, which means that new social movements have increasingly relied upon transnational cooperation: indeed, the Anti-Apartheid Movement was very much a transnational movement, which of course does not mean that it did not also make appeals to a British public within a British national context.

Jürgen Habermas suggests that new social movements can “capitalise on their social power and convert it into political power only insofar as they can advertise their interests in a language that can mobilise convincing reasons and shared value orientations.” In many respects, the Anti-Apartheid Movement was able to mobilise “convincing reasons and shared value orientations” since its moral approach to investment in South Africa and human rights-inspired rhetoric was appealing to the general public. The movement made sure to communicate its arguments in a persuasive and easily comprehensible way, often in the form of leaflets etc., which allowed the reader to quickly form an opinion. As implied by Martin Linton in The Guardian on 25 November 1986, there was already a desire among parts of British society to contribute on a personal basis to the abolishment of the apartheid system; the Anti-Apartheid Movement, in turn, provided the outlet for this commitment to an active subpolitics: “People were wondering what they could do and one of the easiest ways was to change their bank account.”

Whereas some people may have been looking to the Anti-Apartheid Movement in order to channel their opinions into action, others may not have considered the possibility of engaging in political action outside of the political system until they were confronted with this phenomenon in the form of a picket outside a local Barclays, for instance. Regardless of whether it was due to more effective campaigning by the Anti-Apartheid Movement, an increased awareness of the unintended side-effects of industrial society etc., the movement gradually gathered momentum through the

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46 Boris Holzer/Mads P. Sorensen: Politik i det refleksive moderne: fra livspolitik til subpolitik, p. 70.
48 Saul Dubow: South Africa’s Struggle for Human Rights, Athens 2012, pp. 78–79.
course of its campaign. An early document by the Anti-Apartheid Movement reveals that one of the principal intentions with the boycott strategy was “the possibility of mobilising the public opinion”: by the mid-1980s, when Barclays announced its disinvestment, the popular pressure on the bank had indeed grown considerably since the beginning of the campaign.

One of the tools used by the Anti-Apartheid Movement to mobilise support came in the forms of leaflets, such as Apartheid Terror: Guess Who Pays For It?, which listed ten reasons for boycotting Barclays (here are some of them): Barclays was the biggest bank in South Africa, it had over 1,000 branches and controlled one-third of all banking; it made huge profits from apartheid, it invested in apartheid and financed the apartheid regime, it was named by the United Nations in 1981 as one of the 65 transnational corporations making a “substantial contribution to apartheid”, and finally Barclays “qualitatively and quantitatively” surpassed other banks with apartheid links.

Publications such as this were disturbing to Barclays due to the fact that they presented a highly one-sided perspective on the bank’s ties with the South African government. The Anti-Apartheid Movement did indeed pursue its strategy of “naming and shaming” of Barclays; a briefing by the Movement on a national day of action against the bank in October, 1981, makes clear this strategy: “Barclays are extremely sensitive to publicity – try to get as much as you can.”

While the bank did indeed produce its own leaflets with counter-arguments, as a company it was not accustomed to the same methods and channels of communication as a new social movement. Also, Sir Frederic Seebohm, the Chairman of Barclays in South Africa, might not have understood the transformation that was taking place in the public perception of investment in South Africa when he referred to critics of the bank in 1972 as “revolutionary anarchists.” It is tempting to view this remark as symptomatic of the early stages of corporate social responsibility when businesses were not yet accustomed to having to respond to criticism of a moral nature.

Fourteen years later, Barclays’ rhetoric towards its critics was more moderate: a Barclays Manager’s assistant states in a letter from July 1986, that “there are a few groups who distribute anti-Barclays literature supporting their disinvestment view-

point. The information they produce is slanted and often inaccurate, out of date and out of context.”

The response from the Anti-Apartheid Movement to these allegations stressed the political nature of the campaign, thereby distancing itself from Barclays’ more apolitical, or indeed anti-political, rhetoric:

Barclays says we are partial – this is true. We are not interested in ‘balancing’ what supporters of the racist regime do and say equally with what the oppressed people and their liberation movement says. We do not believe in being ‘impartial’ where racism is concerned. However, we are accurate in what we say.

Similar to Barclays, the Anti-Apartheid Movement also moderated its rhetoric over the years, signifying the increasing professionalisation of the movement; in 1971, a leaflet stated: “So, when you decide to put your money in Barclays, you are providing money for people who have decided that it is OK to make money by this system of slave labour.” The movement would later employ, for most part, a more restrained use of language.

Still, the Anti-Apartheid Movement consistently emphasised the idea that participation in its activities could be seen as a personal political project. A briefing paper articulates the connection between anti-apartheid activism and what can be referred to as active subpolitics: “Don’t buy South African goods. Vote for Sanctions with your shopping bag.” The use of the term “vote” hints at the political nature of the action, yet using the “shopping bag” as the applied instrument suggests that the form of politics implied takes place outside of the established political system. It thus makes sense to perceive anti-apartheid activism as active subpolitics, where the Anti-Apartheid Movement works to amplify the political statement contained within each individual boycott.

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Anti-Apartheid Subpolitics as a Catalyst for Corporate Social Responsibility

Not just the campaign against Barclays but the entire consumer boycott campaign was designed to contribute, according to the Anti-Apartheid Movement itself, “to a more questioning attitude amongst the population.”58 Linking this change in attitude with a development in the nature of the public debate, Jürgen Habermas suggests that “the agents now crucial for generating a public sphere of debate are not those asking about what we should get but those asking about who we are, how we live, and who is accountable.”59 In other words, questions of ethics appear to be a more integrated part of public discourses. The idea of accountability has also become a central term in the corporate social responsibility literature; Nerys John elaborates on this notion when she remarks that the Anti-Apartheid Movement’s campaign against Barclays “was in many ways unprecedented, bringing to the fore issues of corporate ethics, investor responsibility and public accountability which had never before been faced in so acute a form.”60

Indeed, notions of public accountability and greater transparency, high on the agenda in many current discussions on corporate social responsibility, can be related to the idea of reflexive modernity that unintended side-effects exist in abundance. Similar to the use of active subpolitics, increased corporate accountability and transparency can help disclose some of these side-effects.

When the Anti-Apartheid Movement initiated its campaign against Barclays in the late 1960s, though, Boris Holzer and Mads P. Sørensen’s concept of “passive subpolitics”, in other words the link between the economic activities of multinational corporations and the political impact of these activities, had not been articulated in such a way as to have become commonplace. Despite the fact that the social responsibility of businesses was beginning to be addressed in academic publications, Barclays found itself in an awkward spot since there were few preceding cases that could help the bank deal with morally grounded criticism. To put it into context, the campaign against Barclays was initiated just a couple of years before the publication of an article in the New York Times Magazine by the influential economist Milton Friedman in which he concludes

58 Consumer Boycott Campaign: Campaign Briefing, in: University of the Western Cape Robben Island Museum Mayibuye Archive: MCH02–141.
60 Nerys John: The Campaign against British Bank Involvement in Apartheid South Africa, p. 416.
that the social responsibility of companies is to increase their profits. Similarly, in 1971, Lord Nelson, Chairman of the General Electric Company (also known as GE), asked the question: “if you start moralizing about whom you’ll trade with and whom you won’t, where do you stop?”

Already during the early years of the campaign against British banks with South African ties, however, it is possible to detect signs that the active subpolitics of the Anti-Apartheid Movement was beginning to have an impact on the multinational corporations to commit to changes in policy: from 1967 to 1985, for instance, Barclays’ share of new student accounts fell from 48 per cent to 17 per cent. In 1973, it was estimated that the campaign against Barclays had cost the bank 10 million pounds in lost deposits. Famously, activists bought single shares in the bank in order to participate in Barclays’ Annual General Meeting, which in 1971 was prolonged to over four hours. According to Nerys John, the Annual General Meetings turned into “a debating society on South Africa” and they were “dominated by demands for the bank’s withdrawal.”

Largely due to the fact that these Annual General Meetings became notorious, “British corporate history” was made in March 1976 in the form of a shareholder resolution presented at the Midland Bank Annual General Meeting. This resolution appealed to the directors of the bank to make no new loans to South Africa and to refrain from renewing or extending existing loans. As Nerys John notes, this was “the first shareholder resolution on a moral/social responsibility issue to have been formally proposed and discussed at the Annual General Meeting of a British company.”

An article in Financial Mail, Johannesburg 15 April 1976, comments on the politicisation of Annual General Meetings and points to the development in this area: “This type of thing is no new experience for British companies with SA links. But whereas it was once [...] representative of no more than a tiny minority of shareholders, the opposition nowadays is more substantial as well as being more vocal.” In other words, the support for pressure on the banks was growing; also, the Anti-Apartheid Movement urged Barclays to acknowledge the passive subpolitics of its business decisions, such as when President of the Anti-Apartheid Movement, Bishop Trevor

64 Nerys John: The Campaign against British Bank Involvement in Apartheid South Africa, p. 419.
65 Ibid., p. 420.
66 Ibid., p. 421.
Huddleston, argued that an agreement on the re-scheduling of South Africa’s foreign debt would be interpreted by the apartheid government as a validation of its policies. Trevor Huddleston pointed out that “whether you recognise it or not, any decision your Bank reaches concerning the re-scheduling of South Africa’s debt will be primarily a political decision, with widespread ramifications for the future of the entire Southern African region.”

On the day of Barclays’ announcement to disinvest, a leading article in *Financial Times* addressed the increasing importance for companies to recognise the connection between their activities and a social responsibility:

> Ordinary people […] want to make their opposition felt, and have proved again that they can bring effective pressure to bear on commercial organisations, even if they cannot move foreign governments. Moral pressure of this kind […] is an increasingly important fact of business life.

I want to emphasise again that Barclays’ decision was not based on pressure from anti-apartheid activists alone; nonetheless, it is interesting to see how the bank’s response to its critics developed during the course of the campaign. The bank’s initial strategy was to try to de-politicise its involvement in South Africa: Chairman John Thomson stated in 1971 that Barclays’ presence in South Africa “can no more be construed as political support for the government than our presence in Britain can be interpreted as political support for the government of the day here.” Later, Barclays mainly stressed its adherence to the policy of constructive engagement: shortly prior to the announcement to disinvest, Chairman Sir Timothy Bevan asserted that “as a result of its stance, Barclays is known in South Africa as the anti-apartheid bank.

A report by Christian Concern for Southern Africa from 1978 finds that the bank initially responded to its critics by questioning their motives. This changed and from 1974 it began to publicly recognise “the legitimacy of their protests even though it has not agreed with their prescriptions. By the public condemnation of apartheid the bank has sought to differentiate between the operation of the overall system and its

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own particular involvement in it.” This differentiation is precisely what the concept of passive subpolitics refutes; it does not assess the degree of involvement, merely the idea that there is a correlation.

After the bank’s announcement to disinvest, Sir Timothy Bevan maintained that “however abhorrent a regime may be, it is not the role of this bank to make political demands to a sovereign state.” Nevertheless, Sir Timothy Bevan recognised the implications of Barclays’ disinvestment: “I would suggest that we sent a strong political message to the South African Government when we disinvested last year.”

As mentioned earlier, especially from the mid-1980s foreign-owned banks did indeed have significant political leverage by way of the short-term loans that had been issued to the South African government. Under these circumstances, it was difficult for a company such as Barclays to dismiss entirely the idea behind passive subpolitics.

Interestingly, Sir Timothy Bevan formulated a relation between the bank’s responsibilities and the public perception of these responsibilities: in response to the allegation that Barclays was more concerned with profit than with its social responsibility, Sir Timothy Bevan explained that “the attitude of the world is changing towards South Africa. That shows a great sea-change. We are reflecting that sea-change. A bank is bound to be a mirror of the community it serves.” The perception of the bank as a mirror of the society surrounding it is, arguably, strongly connected to the concepts of corporate social responsibility and passive subpolitics: the conviction that Barclays has a social responsibility is to a certain extent based upon the recognition that the bank’s activities have political consequences and thus that the bank’s economic decisions cannot be seen as isolated actions but rather as intertwined with other spheres of society.

I would suggest that, at least in the public eye, the campaign against Barclays contributed to the expectation that companies would assume some degree of social responsibility. If indeed the bank chose to “reflect that sea-change”, anti-apartheid subpolitics and the 18-year campaign against Barclays may have played a considerable role in the development of corporate social responsibility policies.

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73 Ibid.


Conclusion

I have suggested that the Anti-Apartheid Movement’s campaign against Barclays brought to public attention the link between foreign investment and domestic political developments within South Africa. One of the central conclusions of this paper is thus that the use of active subpolitics by anti-apartheid activists furthered an understanding of the mostly unintentional passive subpolitics effected through, for instance, Barclays’ decision to lend money to the South African government.

Concerning Barclays’ decision to disinvest from South Africa, however, the bank’s decision was not based on a strategy of social responsibility. As mentioned earlier, important factors include the political, social and economic instability in South Africa, the disinvestment of other foreign-owned corporations (significantly Chase Manhattan Bank), and the climate of public protest; these factors are all, it can be argued, interrelated. Perhaps, as suggested by Craig Smith, the early approaches to corporate social responsibility cannot be defined in the abstract but only within the context of conflict resolution: this way, Barclays’ decision to leave South Africa can be seen as “the end-result of an accommodation of different interests within society over a social issue.”

The case of Barclays’ involvement in South Africa indicates that corporate social responsibility has developed immensely since the mid-1980s. At the time, there were minor steps in the form of the Sullivan Principles and the European Economic Community (EEC) Code of Conduct. Today, the Organisation for Economic Co-operation and Development (OECD), the United Nations (UN), the European Union (EU) and most national governments have corporate social responsibility policies, either as guidelines or implemented through legal measures. With the introduction of the United Nations Guiding Principles on Business and Human Rights in 2011, it has become much easier for companies to incorporate a concern for human rights into their policies.

In addition, practically all multinational corporations have some kind of corporate social responsibility policy; Barclays’, for instance, states that “as a global business, we have a clear responsibility to support governments and civil society groups in respect-

ing and upholding human rights.” In more concrete terms, Barclays now formally recognises the potential political ramifications of its activities, thereby accepting the premise behind the concept of passive subpolitics.

With regards to the methods used by the Anti-Apartheid Movement in its campaign, it is also here possible to trace significant developments. The act of boycotting is in no way a new phenomenon; however, there are few cases before this campaign in which a boycott combined a strategy of visibility in the public sphere, a human rights-oriented foundation, and a transnational scope. The Anti-Apartheid Movement sought to damage Barclays’ brand through public confrontation, also known as the tactic of naming and shaming. This is still very much used today, though many civil society organisations have come to prefer the more dialogue-based tactic of knowing and showing. The Anti-Apartheid Movement’s approach, however, appears to have greatly undermined Barclays’ public relations efforts and it came to the point where the issue of apartheid required the “allocation of management resources out of proportion to its importance in purely commercial terms.”

Examining the campaign against Barclays from the point of view of reflexive modernisation, it would appear that the unintended side-effects of modern industrial society are becoming increasingly visible. The anti-apartheid protestors perceived Barclays as being complicit in the atrocities committed by the South African government; by extension, those who had an account at Barclays were in fact themselves complicit in the suppression of people thousands of miles away. At the same time, however, they saw the lack of institutional mechanisms that could alter these circumstances. Active subpolitics, in the form of collective protest against Barclays, was seen as a solution to this problem, and the Anti-Apartheid Movement’s campaign against Barclays thus stands today as a notable example of a human rights politics expressed outside the political system through activism and small-scale everyday actions.

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