

COMMUNITY-BASED DIVESTMENT CAMPAIGNS:  
THE OAKLAND EXPERIENCE (1985-86)

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After almost a year, the City of Oakland took a major step toward honoring its commitment to break all ties with South African apartheid when it ended the city's 30-year business relationship with the Bank of America. The city's action was a direct result of the Divestment Ordinance adopted unanimously by Oakland City Council on July 9, 1985 -- depriving the BofA of some \$400 to \$600 million in municipal deposits per year.

Less than two weeks later, the "Bank of Apartheid" announced its decision against new loans to any South African borrower -- whether public or private -- "as long as the apartheid system exists." BofA, the nation's second largest bank, was clearly influenced by the growing uneasiness of the business community over the stability of South Africa and the mounting effectiveness of the international movement for sanctions against the apartheid regime. According to one BofA spokesman, the "social and political situation in South Africa has deteriorated to the point that lending money in South Africa is no longer in the best interests of our shareholders." The bank also declared that it was now prepared to sign the affidavit required by the City of Oakland stating that all ties with apartheid had been broken.

DIVESTMENT: VEHICLE FOR DEMOCRATIC CHANGE

Divestment and disinvestment\* are powerful tools in the arsenal for democratic change in South Africa. And while sanctions alone will not automatically topple the fascist apartheid state, it is widely believed that effective sanctions could change the balance of power so substantially that the people's victory would be greatly accelerated.

South Africa is at a critical juncture. It is fighting a war on two fronts -- one to maintain control over the people and resources of its neighbor state Namibia while attempting to roll back the revolutionary gains of Angola, Mozambique and Zimbabwe; and, another to defend the continued existence of apartheid within South Africa itself. But the capacity of the apartheid regime to continue its war against the forces of democratic change is seriously hindered by a major economic downturn, marked by falling prices for its major exports (e.g., gold and platinum) and increasing international isolation. Nations around the world are imposing trade, economic, political and cultural restrictions in response to the South African government's increasingly brutal repression against the Black majority.

The South African government is walking a tight-rope to finance the tremendous buildup of its police and military apparatus needed to defend apartheid and white minority domination. At the same time, the government must also maintain the white standard of living and guarantee stable profits (a high rate of return on investments) to businesses.

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\* Divestment refers to the actions of local governments, institutions of higher education, churches, etc. when they remove funds on deposit with banks and other financial institutions which make loans or investments in South Africa. Disinvestment refers to the actions of banks and business which suspend operations in South Africa.

These conditions make the South African economy particularly vulnerable; South Africa depends heavily on foreign capital to fill the gap between what it needs and what it can provide through its own economy. And as the crisis of apartheid deepens, the gap widens and more foreign capital is then needed. U.S. financial investment and trade with South Africa, quite simply, provides the oxygen fueling the apartheid system. Thus, the impact of strong divestment actions on South Africa's financial and political situation is indeed a powerful vehicle for democratic change.

### COMMUNITY-BASED DIVESTMENT CAMPAIGNS

Until the federal government imposes comprehensive sanctions against South Africa, local government and institutional divestment efforts will continue as the main leverage point for impacting private-sector decision-making on the viability of continued or future investments in apartheid.

Divestment campaigns also provide a useful mechanism for conducting broad community education on the issue of apartheid, as well as in drawing out the links between the maintenance of apartheid and local struggles for peace and justice. Such campaigns have the demonstrated capacity for drawing new individuals and population sectors into political activity against apartheid, thus helping to broaden the anti-apartheid movement.

In Oakland, a community with a large minority population, the investment policies of major banks with interests in apartheid were contrasted with the practice of "red-lining" (i.e., disinvestment) in poor communities. Similarly, the BAFSAM was able to argue, convincingly, that removal of city funds from banks investing in apartheid would enable the redirection of these monies to investments in local housing and educational need -- investment in the needs of people, over bolstering a system of oppression. In addition, union support for divestment was secured by exposing corporate practices related to plant closures in the U.S. and the establishment of business operations in South Africa -- where apartheid guaranteed a source of cheap and highly exploitable black labor.

Armed with these facts, and building on years of research conducted by other Bay Area divestment groups, the BAFSAM launched a campaign to mobilize broad community support for a strong divestment ordinance which would sever all of Oakland's ties to the apartheid economy.

### OAKLAND DIVESTMENT CAMPAIGN

On July 9, 1985, the Oakland City Council voted unanimously to adopt a comprehensive divestment ordinance which prohibits purchases from South African-based companies and corporations doing business in South Africa; restricts dealings with "dirty" banks and financial institutions; and bars entry into contracts for professional services with anyone dealing with apartheid. The ordinance also incorporated a degree of flexibility, with accountability, with respect to allowing the City some leeway on enforcement of provisions if such enforcement would result in a substantial financial loss. These three factors: comprehensiveness, flexibility and accountability, immediately established the Oakland Divestment Ordinance as a national model -- in April 1986, the American Committee on Africa (ACOA) circulated a summary of this ordinance to local governments and anti-apartheid groups engaged in divestment work.

In the process of struggling for this legislation, the BAFSAM learned a number of useful lessons which we share below:

From the beginning, the BAFSAM-sponsored Divestment Campaign recognized that our efforts were framed in the context of both local and national events -- and to a degree, the international situation.

o Nationally, the movement for divestment was gathering momentum as 13 major cities and five states had already enacted some form of legislation severing economic ties with South Africa. This fact enabled the BAFSAM to collect an impressive amount of material on existing divestment/anti-apartheid legislation, as well as concrete experiences on implementation which enabled us to identify the strengths and weaknesses of various measures.

o Locally, the Oakland City Attorney's office had already taken the first steps in drafting a proposed City Ordinance at the direction of City Council. And while the city's proposal represented a useful point of departure, the BAFSAM critiqued this effort as having a number of critical flaws, specifically:

- the city's proposal would only stop investments intended for the South African government (public-sector);
- it could not prohibit the City from doing business with banks, financial and other professional institutions with ties to apartheid;
- it adopted the worthless Sullivan Principles as a yardstick for determining which corporations and financial institutions the City could use for services and purchases; and,
- it failed to indicate a timeframe for enforcement of these provisions.

In sum, the city's initial proposal amounted to little more than "selective divestment," falling far short of the desired goal of total severing of ties to the system of apartheid. The BAFSAM immediately recognized that passage of an ordinance with teeth would require the active and organized response of the people of Oakland and established a Divestment Task Force (DTF) to orchestrate this response and develop a meaningful alternative proposal for consideration by Council.

The DTF was directed to develop plans, recruit a volunteer staff and generally organize the BAFSAM's intervention into the legislative process; thus began an intensive 4-month campaign of research and analysis, community education, lobbying and mass mobilization for the Oakland Divestment Ordinance.

The first step of the DTF was to define the strategy which would result in securing a strong divestment measure for Oakland, followed by a careful charting out of the tactics, timetable and resources needed to achieve this goal.

o The essential element of the BAFSAM's strategy was the need to develop a non-adversarial relationship with the City Council on this question. We realized that the chances for a strong ordinance would be increased by the degree that the Council could be convinced to share ownership in it. Therefore, our critique of the proposal drafted by the City Attorney took the form of working with the City for the strongest possible piece of legislation. The DTF developed a packet including a critique of the draft proposal, a background piece framing the significance of divestment for the struggle against apartheid and, most importantly, alternative language strengthening the ordinance. Thus, by establishing a climate of unitary effort toward a common goal, the BAFSAM was able to shift the terrain of subsequent debate to the merits of the alternative proposal, rather than emphasis on the glaring weaknesses of the city's draft.



o Tactically, the BAFSAM set out to mobilize a base of support for its alternative language among a broad and representative sampling of Oakland residents. In early March of 1985, the DTF launched a public education effort; 100 key forces (groups and individuals) were identified as critical to our ability to mobilize a broad constituency favoring strong divestment legislation for Oakland. With the help of these key forces, BAFSAM was able to penetrate and establish working relationships with religious groups, unions, senior citizens, students, community organizations and progressive elected officials -- in short, anyone likely to be affected by enactment of this proposed measure.

The DTF's plan for the first Council session was to postpone further discussion of the City Attorney's draft in order to allow sufficient time for a review of the alternative language developed by the BAFSAM. This goal was achieved through the mobilization of recognized spokespersons representing the various key sectors identified previously who spoke in favor of the essential points of the BAFSAM critique.

The next step was to launch a high-visibility campaign which would make the issue of divestment a household word, further politicizing the debate. Our goal was to one of creating a climate in which everyone felt the need to have a position on the question of Oakland divestment -- and to give the BAFSAM proposal equal weight to that of the City. To further aid in Council's deliberations, the BAFSAM proposal was redrafted in ordinance form and submitted for consideration. Over the next few weeks, and with the aid of our "key forces", Council members became the focus of an intensive lobbying effort. Based on this activity, the DTF determined that we had roughly half of the votes needed for victory, but that not all of these were firm. At this point, the main concern of Council was over the flexibility of the proposed ordinance -- i.e., would strict enforcement require the City to absorb a substantial financial loss, which, in turn, would impact essential city services? Twenty-four hours before the next (2d) City Council hearing, the city's staff released a weak counter-argument to the local media, making some members of Council skittish about performing their "fiduciary responsibilities." The crux of the staff argument was that Oakland would lose money if the stronger language was adopted. In response, the DTF recommended that the BAFSAM seek a postponement of the second hearing in order to develop further documentation of the positive experiences of localities with divestment laws and to build in a degree of flexibility to minimize adverse impact. By now, the BAFSAM had invested 3-months in this initiative and felt that a delay of a few more weeks to secure a certain victory was worth more than precipitating a battle which could lose the war.

In the period between the first and second hearings (June 25-July 9) the lobbying effort continued, with particular emphasis on the Mayor and weak members of Council. Meanwhile, we did not abandon or ignore our "firm" votes -- they were incorporated into regular caucuses as advisors -- or our "key forces" who took up additional responsibility in lobbying and mobilization of the base of community support for the stronger proposal. This allowed the DTF to refocus its energies toward refuting the Staff Report and refining the language of the alternative proposal drafted by the BAFSAM. The BAFSAM decided that it was willing to concede minor points which would not dilute the main thrust of the ordinance. As a direct result of community pressure -- informed community pressure -- and principled negotiations with the city, BAFSAM was able to walk into the next scheduled hearings assured of a majority vote -- and walked out with a unanimous

vote to adopt the most comprehensive piece of divestment legislation in the country.

### KEY ELEMENTS OF THE OAKLAND DIVESTMENT CAMPAIGN

The DTF's summation of the 4-month campaign for a strong divestment ordinance identified a number of key elements applicable to mounting any movement for divestment, or other forms of sanctions, against South Africa. These basic elements are considered essential to divestment work on or off campus and can be modified for use in building support for ballot initiative :

- o A PLAN with clearly-defined goals, flexible tactics and a realistic timetable is the starting point. This plan incorporates an analysis of the current status of a given municipality's or institution's ties to apartheid, as well as the potential impact of divestment; assesses the balance of forces for and against divestment, as well as the pro and con arguments of each; identifies the resources and information needed to mount a credible campaign; and, begins to provide an indication of the type of campaign organization required to implement specific elements of the plan.

- o AN ANALYSIS which will assist in identifying potential friends and foes, clarifying the extent of the economic penetration into apartheid and respond to arguments against divestment. Popularizing this analysis is the main way to politicize the issue, thus moving beyond merely moral and symbolic gestures.

- o A TEAM invested with the responsibility for developing and implementing the plan, producing materials, mobilizing resources and generally guiding the campaign through the twists and turns of the political process. The BAFSAM's DTF was given authority to utilize the full resources of the BAFSAM for implementing the campaign. The DTF was also accountable to BAFSAM's leadership body (the Steering Committee) for questions of broad policy, while being granted the flexibility to develop tactics, as needed.

- o A PROCESS for building support which emphasize a "center-out" approach -- i.e., the DTF's initial contacts were with "key forces" judged as the most committed and reliable, and then broadened out until every significant sector of the Oakland community was involved in some fashion. In addition, the DTF was able to identify clearly-defined stages for the overall work which enabled it to organize its resources in the most efficient manner. For example, the high-visibility effort to popularize/politicize the BAFSAM's alternative language was a distinct stage which could not occur prior to our testimony at the first Council hearing. When this stage was launched, we were already assured of a degree of support from the "key forces" (which by then, also included a number of Council members) and now had earned a degree of credibility which made outreach to the community and the media much easier to accomplish.

### CONCLUSION

Almost before the ink was dry on the Oakland Ordinance, the cities of Berkeley and San Francisco were reviewing and strengthening their own positions on divestment. Soon afterwards, Hayward, Richmond, San Jose and the counties of Alameda and Sonoma passed legislation based on the Oakland model.