AMERICAN GRANTMAKING IN SOUTH AFRICA

Conference Proceedings

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AMERICAN GRANTMAKING IN SOUTH AFRICA:

A Conference Report

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Hosted by the Council on Foundations and the Henry J. Kaiser Family Foundation

Additional financial support was provided by The Albert Kunstadter Family Foundation and The Joyce Mertz-Gilmore Foundation.

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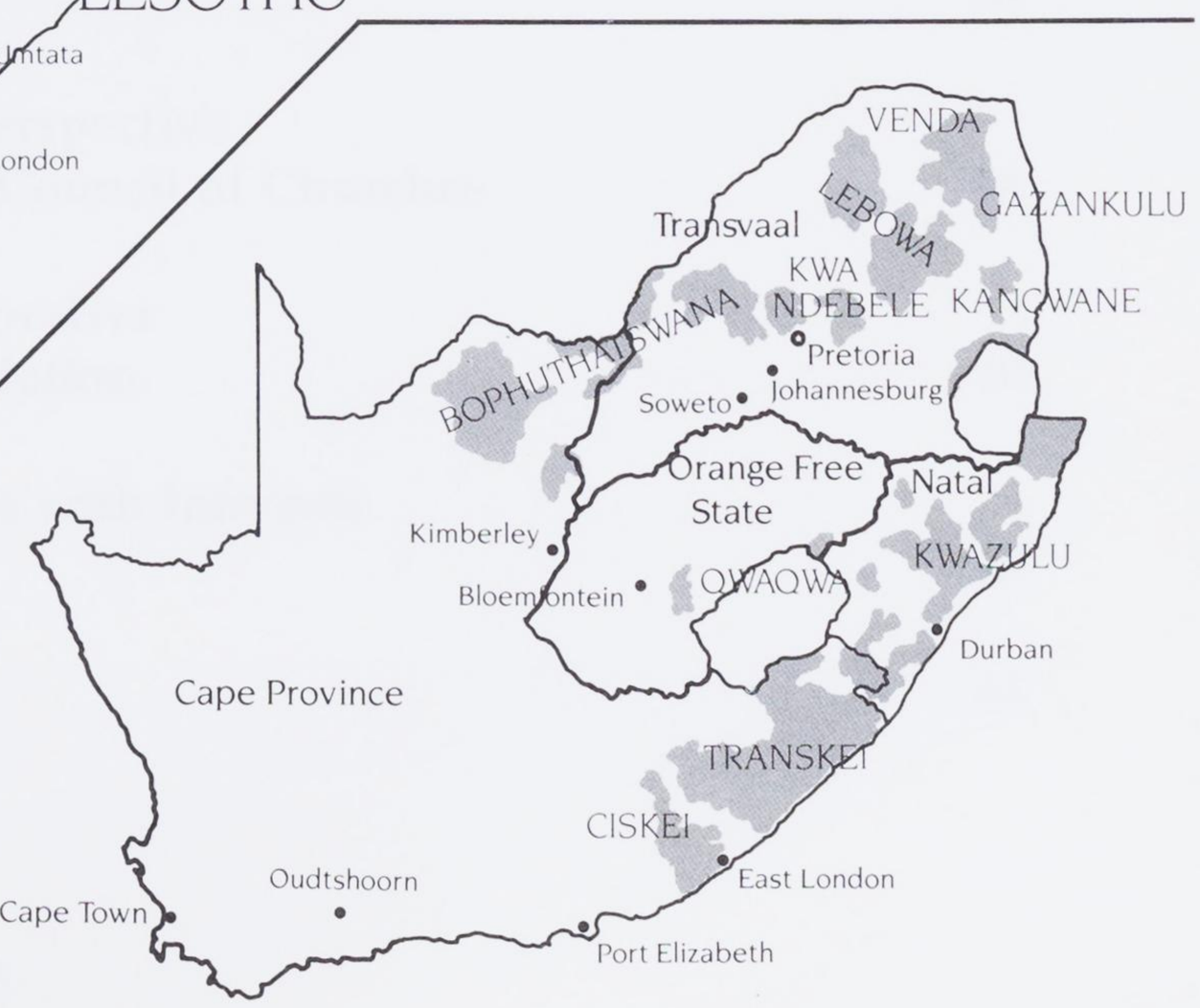
The views expressed in this report are the views of individual conference participants and do not necessarily reflect the views of the authors of this report, the Council on Foundations, the Kaiser Family Foundation, or other sponsors.

Southern Africa

Luanda
ANGOLA
Arusha
TANZANIA
Dar es Salaam
Kitwe
ZAMBIA
Lusaka
MALAWI
Lilongwe
Nacala
Harare
ZIMBABWE
MOZAMBIQUE
Beira
NAMIBIA
Bulawayo
BOTSWANA
Windhoek
Walvis Bay
(S. Africa)
Gaborone
Pietersburg
Keetmanshoop
Pretoria
Johannesburg
Maputo
Mbabane
SWAZILAND
Kimberley
Bloemfontein
Maseru
Pietermaritzburg
Durban
LESOTHO
SOUTH AFRICA
Umtata
Oudtshoorn
East London
Cape Town
Port Elizabeth

South African Homelands



NONE OF THE HOMELANDS IS INTERNATIONALLY RECOGNIZED. THE PURPOSE OF THIS MAP IS ONLY TO INDICATE THE AREAS OF THE COUNTRY IN WHICH THE MAJORITY OF THE AFRICAN POPULATION IS REQUIRED BY LAW TO LIVE.

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Alvin R. Tarlov - President, The Henry J. Kaiser Family Foundation

I. EXECUTIVE SUMMARY

The Council on Foundations and the Henry J. Kaiser Family Foundation's Office for Health and Development in South Africa jointly hosted a conference on "American Grantmaking in South Africa" on June 6 and 7, 1988 at the Mayflower Hotel, Washington, DC. Additional financial support was provided by the Albert Kunstadter Family Foundation and the Joyce Mertz-Gilmore Foundation.

The theme of the conference was "Why South Africa?" In other words, why, when there are so many other pressing domestic and international needs, does South Africa warrant attention from American grantmakers? More than 140 participants focused on this question during formal presentations by leading members of the American grantmaking community and prominent South Africans, and in informal discussion groups. This conference report records the most important highlights of those discussions.

Many American grantmakers recognize the plight of black South Africans as one of the most compelling issues of modern times. A cross-section of large and small American foundations and many U.S. corporations have made grants in support of education and community groups in South Africa or have supported efforts in the United States aimed at educating the American public about apartheid. Furthermore, the U.S. Agency for International Development's program in South Africa has grown significantly in recent years. But because few grantmakers have first hand experience in South Africa, there often is confusion and uncertainty about where U.S. involvement is appropriate, or even if there is any scope for effective grantmaking in advance of the establishment of democratic government.

The principal purpose of this conference was to provide a forum for grantmakers from the foundation community, corporations, religious groups and the public sector to engage in frank discussion on the opportunities for, and obstacles to, effective grantmaking in South Africa. In addition, a small number of South Africans were invited to contribute their knowledge of, and experience in, education and development.

Key Points

The key points that emerged out of the deliberations were:

- The motivation for grantmaking in South Africa must be the eradication of apartheid. That which simply makes a bad situation seem better is unacceptable.

- Black empowerment and support for community-controlled grassroots initiatives should be the highest priority.

- Grantmakers must recognize that the South African government's motivation for community development is completely different from that of black South Africans.

- Grantmaking in South Africa necessitates constant consultation and social analysis. Ultimate decisions must be made by the South Africans involved. Grantmaking made with preconceived notions, no matter how well-intentioned, will not be well received.

- South African grantmaking necessitates a long-term commitment. Short-term grants may even do more harm than good.

- No grant is too small provided that it is motivated by a desire to increase black self-sufficiency.

- It is impossible to be non-political when making grants in South African and it is necessary to take risks.

- Grantmakers should not be discouraged by the seemingly complex nature of South African grantmaking. The number of players is growing and there is good advice to be found from many sources. New grantmakers and seasoned veterans alike are encouraged to consult with South Africans both in South Africa and abroad.

Why South Africa?

Many persuasive arguments were presented in support of the proposition that the extent of institutionalized racism in South Africa is unique in the world and demands the special attention of Americans. But perhaps even more persuasive is the fact that South Africa represents an unusual opportunity for grantmakers to make a lasting impact on a very large population. Besides the fact that South Africa is endowed with considerable potential for self-sufficiency, what happens in South Africa impacts on the welfare of people throughout the African sub-continent.

Forty years of apartheid have created an unparalleled level of institutionalized poverty among South Africa's black population. Racial subjugation has been perpetuated through the deliberate undereducation of the black population and the historic denial of development opportunities. The consequent legacy of black underdevelopment has effectively entrenched black powerlessness and blocked access by blacks to resources for self-reliance.

There are many privately funded initiatives aimed at redressing the inequities in South African society. Traditionally such efforts were dominated by liberal white South Africans, but in recent years black leadership and control has become the prerogative for credibility in the black community. Black South Africans are spearheading courageous efforts, in the face of persistent state repression, for self-development and advancement in education, health, business development and many other areas. These efforts will form the foundation of a new non-racial, equitable social order in South Africa. Grantmakers have the opportunity, indeed, many would argue, the moral compulsion as Americans, to support black South Africans in their struggle to break out of the yoke of racial subjugation.

However, the effects of apartheid will not be overcome in the short term. Therefore, the role of American grantmakers is not only to facilitate a peaceful political transformation in South Africa, but also to lay the foundation for stable government once apartheid has ended.

Many grantmakers would balk at the prospect of entanglement in such a politically charged environment. On the other hand, philanthropies have a significant tradition of being on the cutting edge of social and political change. Many foundations played a leading role in the American Civil Rights Movement. Foundations are significant change agents with venture capital, ideas and expertise to focus on the major problems of modern times. Opposition to apartheid is deeply rooted in American cultural values and is as relevant to American grantmakers as any domestic issue. Apartheid is no longer remote to American society.

The political complexity of the South African situation should not be exaggerated. Indeed, American opposition to apartheid is an issue on which there is exceptional unanimity. Moreover, the moral virtue of the black South African struggle to erode apartheid and build a new non-racial order is beyond question. The choices for grantmakers committed to addressing this issue are straightforward.

Furthermore, the family of foundations involved in South Africa is growing. Many of the newcomers are taking advantage of the experience of those foundations like Ford, Carnegie, Rockefeller who have spearheaded American philanthropy in South Africa over several decades. There is a growing network within the grantmaking community of individuals with significant experience in South Africa. Indeed, there are more than 40 tax-exempt charitable organizations established in different parts of the United States to facilitate American grantmaking in South Africa.

The conference sent forth a unanimous message that the continuing human tragedy of apartheid in South Africa compels involvement by American grantmakers, and foundations who have flinched from involvement should re-examine their timidity. The conference also underscored the optimistic prospect that South Africans, with help in overcoming the burden of their historic subjugation, have the resolve and the resources to be self-sufficient, contribute to the revitalization of the entire African sub-continent, and provide a model of non-racialism for the world.

Perhaps the essence of the conference was captured in one speaker's reiteration of Robert Kennedy's profound statement to students at the University of Cape Town in 1966:

"Each time a man stands up for an ideal or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, these ripples build a current that can sweep down the mightiest wall of oppression and resistance."

II. WHY SOUTH AFRICA: AN AMERICAN PERSPECTIVE

James Joseph
President, Council on Foundations

I first went to South Africa about 15 years ago partly out of an existential curiosity about the nature and impact of racial separation and discrimination in South Africa. I might add that when I stood at the entrance to the beach in Durban under a sign that said "No dogs allowed and whites only," I felt a certain kind of universality -- a kind of kinship that satisfied my existential curiosity.

I also went to South Africa because I wanted to objectively answer for myself and for the board of directors of the Cummins Engine Foundation, of which I was then president, the same question we are addressing this morning. Can grantmaking in South Africa by American foundations and corporations make a difference? And even if it can, "Why South Africa?" when there are so many competing demands for the limited resources of private philanthropy?

I was also haunted by the nagging question some of my friends raised about whether American philanthropic involvement might unintentionally give legitimacy to a political and economic system condemned in so many ways as illegitimate. So for a little more than three weeks, I enjoyed access to policymakers and opinion leaders at all levels of South African life.

I traveled widely. I talked to businessmen, government leaders, students and scholars at the major universities, journalists, clergymen, union leaders and many others, and I was struck by the intensity of the debate about directions even then. I listened to the views of some of the African, "colored" and Indian leaders who have since become internationally known -- some for the dreams for which they lived and others for the dreams for which they died.

We met in the homelands. We met in the townships. We met in rural settlement communities and I was driven by an insatiable urge to find the answer to my question, "Why South Africa?" It is not enough to simply deplore apartheid. Many white South Africans did that with a fervor that at first astonished me. I was not prepared for the full reality of South Africa.

I had been actively involved in organizing and leading the local civil rights movement in Tuscaloosa, Alabama in 1963 that led to the integration of the university. I had seen slums and degradation on at least four continents, but as the report of the Commonwealth Eminent Persons Group suggested after a fact-finding visit to South Africa several years ago, there is abysmal poverty elsewhere in the world, but nowhere is it institutionalized as in South Africa and with as little prospect for its victims to escape the poverty trap.

I had lunch with two co-chairs of the Commonwealth group when they visited Washington and I asked Malcolm Fraser, the former Prime Minister of Australia, why South Africa warranted special attention. He answered by quoting from a speech by Henry Kissinger in Lusaka, Zambia in 1976, in which the then Secretary of State said; "The world's concern with South Africa is not just that racial discrimination exists there. What is unique is the extent to which racial discrimination has been institutionalized, enshrined in law and made all pervasive."

A United States senator made a similar point to members of the Rockefeller Commission a few years later, when he suggested that what sets South Africa apart from other countries, with equally oppressive human rights records is that its policies are based on race, made legal through legislation and justified in the name of defending the West from communism.

The ideological bells may not ring as loudly now that President Reagan has just returned from Moscow with a new doctrine of realism, but the fact that the South African government claims a place for itself in the realm of Western parliamentary democratic tradition, makes its policies a special moral burden for those of us who claim that democracy is the superior form of political organization.

So whether one is morally outraged by the squalor, suffering and struggle of the people, or whether one is simply concerned about the burden placed on the proponents of democracy in a competitive world, it is

difficult to stand for the ideals we affirm and ignore the misery and deprivation with which South Africa's majority are forced to live.

Whether one sees some form of involvement with the issues of South Africa as a way of securing the future of an independent world or simply a way of stabilizing the present, it is difficult to ignore the simple inefficiencies and wasted resources with which South Africa's minority chooses to live. It has been my experience that even after grantmakers concede the injustices of apartheid, even after they are convinced that something should be done, they worry about whether private philanthropy can make a difference.

Like the small child whose statement is on the letterhead of the Children's Defense Fund, they are inclined to say "the sea is so wide and my boat is so small." But can you imagine how different American history would be if those who first formed foundations and those who first committed their corporations to promoting the general welfare, had assumed that they could not make a difference. Many people around the world will be eating breakfast this morning because of the Green Revolution brought about by foundation largess.

Can you imagine how different race relations in the United States would be if the Carnegie Corporation had not funded Gunnar Myrdal's deeply analytical study, "An American Dilemma"? Even today, when the share of the gross national product funded by private philanthropy continues to shrink, we still see a strong voluntary sector doing things that our consensus-driven government cannot do.

The point is that the effects of private philanthropy's engagement with public issues are engraved widely and deeply in legislation, in court decisions, in public attitudes, and the social fabric of societies around the world. The practice of using small amounts of private money to intervene in the life of the commons extends as far back as early Egyptian, Greek and Roman societies and continues today to strengthen independent sector organizations often defending the right to freely associate for purposes of improving the common life.

Now although no activity in the supercharged atmosphere of South Africa can truly be considered non-political, it is nevertheless important to uphold the tradition of associational activity that operates outside the political context. This is of special importance for black South African organizations which operate under numerous constraints that limit their effectiveness.

Although there is little in the way of encouraging news from South Africa these days, it is important to note the opportunities created by the appearance of independent charitable trusts that are being formed by disinvesting corporations to channel development aid from outside sources. These new entities can be put to a variety of community uses. It is also significant that, at least in the case of the charitable trust being formed by Ford Motor Company, organized labor will be involved in that governance.

A second positive sign is the commitment to long-term programs by foundations, such as the Henry J. Kaiser Family Foundation, the Charles Stewart Mott Foundation and the W. K. Kellogg Foundation, who are outside the traditional circle of New York based international grantmakers. These programs can open up new channels for communications and support from throughout the United States.

The challenge to philanthropy then in South Africa, the United States and elsewhere is to build a strong network of well-trained South African leaders in the context of viable indigenous institutions and organizations. This is the matrix out of which the ingredients of a new political regime will be formed, along with the transformed social and cultural reality. These leaders will be needed at all levels of society, not just in education, but in health or business.

Finally then, granted the need, the noble purposes, the feasibility, and the general correctness of the involvement of philanthropy in South Africa, I could not conclude without acknowledging that the task is neither easy nor free of controversy. But based on my own experience and having learned from the lessons of others, let me suggest some guidelines for those who choose to get involved.

Guidelines for American Grantmakers in South Africa

1. *Recognize that there are no absolutes in grantmaking:* Proponents of some strategy or another abound, but there are many needs and a role for every conceivable form of philanthropy as long as its purpose is to promote change in a system.

2. *Deal selectively with public issues and private needs:* As in any other form of grantmaking, some issues are more important than others.

3. *Where possible, deal with issues with which you have some experience or with which your board feels some affinity:* If you have to persuade a board of directors or a corporate contributions committee that this is important, you may have a better chance if you deal with the realities and the complexities of a field with which they are familiar.

4. *If this is your first venture into this complex area, engage in programs and issues where there is a fighting chance for some visible or quantifiable success:* Change must be at the heart of your reason for being involved, but to tilt at windmills or to try to achieve what is manifestly unlikely, is to squander resources as well as the potential for achieving real change.

5. *Work from a solid base of fact and analysis:* There are many organizations and individuals both in philanthropy and elsewhere that are capable of helping you make wise, informed decisions. The upcoming poverty study by the Carnegie Corporation of New York and the Ford Foundation's update of the Rockefeller Commission's report, "Time Running Out," will be especially helpful in this regard.

6. *Be prepared to stay the course:* If an issue or a social need is important enough to address, it is worth addressing over a sustained period. Quick fixes and hasty retreats from setbacks are inimical to either foresight or success.

7. *Keep an open mind and a willingness to change direction:* Perfect solutions are uncommon in the messy interplay of emotions, strategies and commitments in South Africa. Intellectually, as well as practically, you should be prepared to learn as you go and to sometimes settle for incomplete progress.

8. *Work with others where possible:* It pays to have company. Not simply for the comfort of numbers, but principally for the additional experience, wisdom and credibility that others have to offer.

9. *Consult and collaborate with indigenous leaders and organizations wherever you can:* It would be a mistake to try to impose your solution to their problems or to confuse your priorities with their priorities.

10. *Be prepared to accept the consequences:* As your organization deserves the credit for the successful work you do, so must you be prepared to accept the responsibility for mistakes. Philanthropy by its very nature means taking risks and risk means vulnerability. But it is only in the willingness to fail that you are ever likely to succeed wisely.

The sum of the matter is this: with recent events throughout the world still lingering in our minds and with as many pressing domestic issues as we face, we quite naturally feel the tug of separateness, of ultimate loyalties devoted exclusively to our own national community. Yet, while it is only natural to feel a special affinity with one's own corner of the globe, it is imperative that we see the world not through the haze of parochial emotions, but against the backdrop of a larger vision.

We should not fear the loss of our own uniqueness just because we recognize our interdependence. Our national identity, like our national soul, comes not from without but within. What distinguishes us as a people is not our commitment to a national community but our ability to say as Socrates did in a more isolated Greece; "I am not just an Athenian, not just a Greek, but a citizen of the world."

We, therefore, have obligations. We have opportunities that Socrates could never have imagined. Why South Africa? Because we are involved in humankind. And what happens anywhere is likely to affect people everywhere.

III. WHY SOUTH AFRICA: A SOUTH AFRICAN PERSPECTIVE

Professor Jakes Gerwel
Principal, University of the Western Cape

I have been asked to speak on the question, "Why South Africa?", and I must start off by warning that I have been trained as a literary scientist. Such training makes one ask silly questions about the use of language. And then, by living in South Africa -- a society in which conflictual relations of power and privilege are reflected in almost every aspect of social behavior, including the use of language -- one becomes wary of words.

Combining the critical linguistic frivolity of the literary scientist with the political wariness of a South African almost prompted me to respond to the question "Why South Africa?" with a counter inquiry: why "Why South Africa?" Or why now, "Why South Africa?"

These are valid questions, but then there are times, I suppose, when one should be able to rise above the silliness imbued by education and the suspicion born of social experience. So I shall not pursue these questions except to say that it would be instructive to bear in mind in these few hours of deliberation and consultation that although all South Africans are not literary scientists, they are invariably cautious and critical examiners of words.

We do not all need to be grammarians to know that underneath the surface of words are deeper intentions. And, if at the end of this day we arrive at some greater and mutual understanding of these deeper motives as they pertain to the question under discussion, then significant progress might have been made in establishing a basis for cooperation between American grantmakers and their project partners in South Africa. This is a very circuitous way of saying that grantmakers and prospective grantmakers in South Africa must note the apprehension many black South Africans have about the intentions behind, and effects of, such grantmaking interventions in our society.

In addressing the question "Why South Africa?", it is impossible for me to gloss over the political aspect or the moral imperative which has been placed before the international community by the past 40 years in South Africa. Of course, ultimately, South Africans must resolve their own problems, but it is difficult to escape the notion of complicity by foreign governments and multinationals -- a complicity overt and covert, of omission and commission which has been part of the past 40 years in South Africa. Add to this the global village concept and the inevitable unity of the human race, then shared international responsibility for the southern tip of Africa becomes complete.

I shall attempt to offer some cogent reasons "Why South Africa?" and in the process of addressing the question, also point to some problems related to the "how."

There is, first and foremost, the nature of the social and political struggle in South Africa. What is presently underway in our country is in many respects an unmitigated tragedy. Human suffering has, however, demonstrated the resilience of the human spirit. South Africa is again presenting the world with living proof of this. The human courage and dignity of the black majority in South Africa against the greatest odds provide a compelling answer to the question, "Why South Africa?"

The tremendous sacrifices that committed individuals have been prepared to make answers the question. South Africa may not be unique in this, but the nature and quality of the quest for democracy in that society is so remarkable that neglecting to support it will be to the lasting detriment not only of South Africa, but the sub-continent of Africa and the world.

Apartheid is a crime against humanity not only in rhetorical terms, but in the reality of its disregard for human beings. Resistance against apartheid is an act of heroism. I recently read an account of resistance and espionage in the Nazi period. The author discusses the phenomenon that under torture some of these men and women broke while others held out. Of the latter those that held out, he says, "they deserve our admiration and also our gratitude. Thanks to them we have a sense of being greater."

And those words can apply to the men and the women not only resisting the discrimination, exploitation and oppression of apartheid, but more importantly, building and defending the structures of a democratic alternative. Out of the human destruction of Bantu education for example, arose the exemplary attempts at alternative education and people's education.

The docility of the establishment in South Africa contrasts very starkly with the imaginative creativity of democratic culture and of the alternative media. Where demoralization should have held unchallenged sway, projects in community development and in health are underway. The professions are organizing themselves in alternative structures serving the democratic ideal. Organized labor presents one of the most potent forces for change and one of the strongest arenas of democracy in our society.

Such organizations and leadership provide a basis for the future legitimate government of the country. The women, the workers, the youth, the students, the health workers, the lawyers, the teachers, university academics, traditional leaders, the churches -- in all of these and other areas -- people are organizing themselves around, and giving living expression to, the democratic ideal.

South Africa indeed represents a tale of two countries. In the sense that while one stands appalled at the inhumanity of man towards man, at the same time one stands in awe of the quality and commitment of people building a new society. One often hears that the South African struggle is going to be a long haul. That sudden rupturous change in not around the corner is not disputed by any in South Africa, but the long haul analysis should not instill a sense of defeatism in people.

The springtime of black resistance in 1985 and 1986 should never be read as a failed attempt to finally end minority rule. It was a significantly successful period for deepening and advancing the democratic movement in our country. The examples I quoted are the permanent fruit of that springtime.

Grantmaking in South Africa should reinforce these democratic efforts. This means among other things that those democratic organizational structures that have been shaped in resistance to the status quo should be recognized, respected and strengthened. When funders wittingly or unwittingly serve to undermine those structures that have been built up through hard organizational work and under difficult circumstances, the suspicions of South Africans are confirmed.

Grantmakers or prospective grantmakers often ask with whom they should consult. Often they are overwhelmed, confused and discouraged by the lack of an obvious single structure to which they can relate. One can sympathize with that. In other developing countries, aid would have been directed through the government. The perplexed funder may rightly wonder which organization is the legitimate alternative to the minority government.

South Africa is a society deeply fractured by oppression and exploitative class differentiation. Where these factors interact, a variety of oppositional, ideological positions must be expected. Although the situation is complex, the choices are straight forward. It is the challenge and responsibility of grantmakers to acquaint themselves with the complexity of the situation and become informed partners in the drive for a new South Africa.

While acknowledging grantmaker frustration in confronting the diversity of political attitude, even within the progressive movement, one wonders whether funders would prefer us to have a monolithic position in our political struggle, or whether they should not welcome the signs of democratic pluralism.

Be that as it may, grantmaking programs of any significance should be discussed with and evaluated by, influential and representative black groups and structures. In discussions preparatory to this address, I was frequently advised that consultation should include South Africans external to the country. Many of the features of present day South Africa which I described earlier are the product of the motivating force and presence of the South African democratic movement in exile, so that the distinction between "insiders" and "outsiders" increasingly is losing its validity.

Adequate consultation will pave the way for genuine collaboration. Genuine collaboration implies the avoidance of philanthropic imperialism. It means that credible South African structures, institutions and/or individuals must play a substantial role in formulating plans, initiating action, shaping procedures, and in seeking out relationships rather than having designs imposed from the outside.

The uniqueness of the South African situation is such that the question "Why South Africa?" can be turned around into "Why not South Africa?" Then it is not merely the literary scientist playing with words. Let me illustrate this. It is sometimes difficult in South Africa to remember that I am, by choice, first an academic who runs a flourishing university, and second, by necessity, one compelled to dabble in politics. Therefore, it would be remiss of me if I did not at least allude to the educational legacy that apartheid and previous centuries of colonization have left us.

A few statistics may be illuminating. The neglect of quality education and inadequate state spending for black education over many years have resulted in an education system impoverished both in terms of results and infrastructure. Explosive growth in the demand for education has outstripped resources. Not surprisingly, there is a shortage of qualified teachers. Some 2 percent of black teachers, as opposed to almost 40 percent of white teachers, have university degrees. These differences are graphically illustrated by student attrition and pass rates. Only about 55 percent of black pupils who begin schooling will still be in school six years later. After another six years, that is at form 12 or standard 10, this number will drop to 16 percent. Of these, 50 percent will fail the school leaving examination and only 11.3 percent will gain university admission. Thus, while 25.1 percent of whites might expect to pass through schooling to a level of university acceptance, the comparable figures for blacks is 1.5 percent.

Let me discuss briefly two essential components of our education system. By and large, it is inherited from our colonial masters. Both its provision and its focus have been heavily weighted towards whites. It needs to be realized that there is a substantial difference between the provision of the educational process and the essential focus of that process.

The provision of more and better schools, apparatus and textbooks, does not necessarily imply that the focus of the educational process is correct or indeed that more learning necessarily takes place. The disparity in educational spending between blacks and whites is well known, as is the cry for one education system for all. But education is not in the first instance of buildings and apparatus, nor is it the preserve of bureaucratic departments.

Education has to do with the mind and the spirit, and relates to the interaction of one mind with another. Its quality is determined by the nature of these interactions. It follows that this quality can be substantially improved by an understanding of the requirements of the recipients of education. That is why if we are to understand where South African education needs to head, we need to perceive this essential focus.

We need to understand the disadvantaged learner a little better and at the same time, examine what is incumbent upon all of us as caring humans if we are to contribute technology, money or expertise to building a more optimistic future. For we should not delude ourselves that in improving the physical provisions of education, be these buildings or computers, we are necessarily improving people's satisfaction with education.

While these things are important, it is simply not the root of the matter. The solution to problems in education in this country, or in any country, does not reside simply in changing the environment. Let us imagine that tomorrow all schools in South Africa are opened to all races and all whites schools were allowed to accept 50 percent black enrollment. What would change? The schools would certainly become more colorful. Qualifications of teachers, vis-a-vis the black students would be better. Would the black students be taught better? Possibly. Would they learn better? One might say that is obvious, but does it necessarily follow?

It needs to be remembered that the primary focus of education in South Africa has always been the white learner. While there has been historic disparity in state spending across various racial groups, perhaps a more fundamental failing in the educational process has been the fact that learning materials have had an entirely white focus. Most syllabi, textbooks, etc. have been produced by white teachers, school inspectors and the like. Obviously, they work from their own perspective for the clientele whom they understand.

Thus it is abundantly clear that a completely new education system needs to be created. Bantu education has left a legacy of educational impoverishment. This is illustrated in black communities by the complete lack of preschool facilities, the large percentage of underqualified teachers, the total lack of curriculum development and innovation, and a heavy emphasis on rote learning. If we think that all this is simply tinkering with a system and perhaps obliquely giving it legitimacy, then it is worthwhile remembering that since 1976, much of the resistance and protest has been inspired and driven from school grounds and university campuses.

In the context of the above, we legitimately ask "Why South Africa?" I suspect one need not look much further than most American inner-cities to be confronted by many of the same problems. It is precisely because of the generality of these problems that black South Africa is ideally suited to take the lead in the search for solutions, for we have as a result of the struggle, a highly mobilized population not only crying out for change, but prepared to work towards it.

The combination in education of teacher cooperation, student awareness and community support provides a very powerful vehicle for real innovation, change and development. At the University of the Western Cape, for example, we have been able to implement computer based education in a manner and on a scale unsurpassed even in developed countries simply because we are driven by the crushing need to make quality education available to anybody who meets the minimum statutory requirements for admission to a university.

Black South Africa, always projected as being in need, has in fact the potential to lead the world. I have, because of my professional bias, chosen education to illustrate that point, but others could just as well have chosen health, the media, literacy or rural development. The point is that the human potential of the country, if properly nurtured and developed, is such that it could serve as a model for many around the world.

IV. A REVIEW OF AMERICAN GRANTMAKING IN SOUTH AFRICA

It is difficult to calculate exactly how much money is contributed by Americans to South African causes each year, but it is clear that American funding exceeds that from any other source. The largest share is contributed by the U.S. government through the Agency for International Development (AID) and by U.S. corporate signatories to the Statement of Principles for South Africa (formerly the Sullivan Principles). The latter contribution, however, is waning as U.S. corporations are making the decision to disinvest.

Although international grantmaking by private American foundations is generally limited, U.S. foundations rank apartheid as one of the most widely recognized international issues. In addition, American churches have historically nurtured links with sister churches in South Africa and many universities annually waive tuition fees for black South African students.

A 1987 survey* of American grantmaking in South Africa or to South Africa related projects in the United States indicated that American public and private sector institutions contribute roughly $70 million in direct funding annually. College tuition waivers, church and individual giving is more difficult to calculate, but would significantly increase this total.

This section of the report is based on presentations and general remarks by prominent representatives from private and corporate philanthropy, the U.S. government, and religious organizations.

FOUNDATIONS

Although there is widespread interest in South Africa among the philanthropic community, only a handful of American foundations have had sustained involvement in that country. The Carnegie Corporation of New York initiated its South African grant program in 1927, but was not joined by any other major American grantmaker until the early 1970s when the Ford Foundation began its program there. Subsequently, Ford and Carnegie were joined by the Rockefeller Foundation and the Rockefeller Brothers' Fund.

In recent years a number of lesser known foundations have funded South Africa related projects either in-country or through U.S. intermediaries. In addition, the W. K. Kellogg Foundation, one of the largest foundations in the United States, has initiated a grantmaking program in Southern Africa. Other newcomers include The Henry J. Kaiser Family Foundation and the Charles Stewart Mott Foundation.

Less than 7 percent of American philanthropy is devoted to international purposes, but South Africa has a high priority in American international grantmaking and the amount of foundation dollars spent in South Africa is increasing steadily.

Inherent in the increased funding is the awareness on the part of grantmakers that the problems in South Africa are unique in that they have been institutionalized through 40 years of apartheid and that foundations have the opportunity to send individuals as well as money to help bring about social change.

The decision by foundations to engage in South African grantmaking is a difficult one given the complex nature of the problem and the inability to remain politically neutral in the face of South African realities. While the few foundations with longstanding involvement in South Africa have developed a high level of proficiency and experience in dealing with that country, most funders do not have first hand experience, and few have the resources or the inclination to develop the in-house expertise.

These obstacles were addressed many times throughout the conference and each time potential grantmakers were urged not to be discouraged by the apparently complex nature of the task, but to recognize that South Africa offers foundations a unique opportunity not only to contribute to a new order in South Africa, but also to have an impact on the welfare of people throughout the Southern African region. William Dietel, former president of the Rockefeller Brothers' Fund, addressed some of these opportunities.

* Michael Sinclair and Julie Weinstein, American Philanthropy in South Africa: A Guide for South Africans, Investor Responsibility Research Center, 1987.

Perhaps the most important reason for foundations to get involved in South Africa is that they are in business to take risks. On this issue, Mr. Dietel said; "I think that the foundation experience, from the domestic perspective, should have led more of us to readily undertake work in South Africa, because surely most of us would agree that the one thing we bring to bear is risk capital, and risk capital in the kind of society and government that prevails in South Africa is a scarce commodity. American philanthropy at its very best, when it was most imaginative and most courageous, applied that risk capital to situations in which it was missing. That is to say there are activities in any society, and this is particularly the case in South Africa, where neither government nor the private for-profit sector can or will venture their financial resources in order to bring about change. This is something that the foundations do in a unique fashion. With that risk capital go individuals who have commitment and who bring a sense of courage and a love of risk to back up that capital with ideas, with information and with experience."

Risktaking is an important factor in grantmaking, but some foundations will always be more disposed than others to take risks. However, as James Joseph pointed out, there are options in South Africa that could be considered acceptable levels of risk for even the most wary board of trustees. Primarily this is done by working in areas with which the board has a certain affinity and/or the foundation has experience. Grantmakers may also minimize risk by working through U.S. based tax-exempt organizations. This is also an important option for foundations who are interested in South Africa, but whose charters preclude international grantmaking.

Some grantmakers shy away from what they perceive to be the politicization of grantmaking. Mr. Dietel related the experience of trying to convince a board member that moral outrage is the expression of very firmly held values and that "foundations have every legitimate right to take a strong stand in terms of the values shared by the members of the board, and opposition to apartheid is a legitimate expression of a set of values deeply rooted in our culture. It does not require a foundation to develop a program that has, by some academic standard, a kind of balance."

He pointed out that similar charges of being too political were aimed at private foundations during the Civil Rights Movement. Involvement in that issue could also be justified on the grounds of moral outrage and set the stage for a new era of grantmaking to effect political change.

Mr. Dietel also highlighted the linkage of South African grantmaking to conditions in the entire African subcontinent. He noted, "It is inconceivable to have a serious interest in Southern Africa and not be concerned with the largest player in the game which is South Africa itself. If your concern is with environmental matters in Zambia, you cannot brook the fact that the political instability that is being encouraged in the region by South Africa impacts upon your program whether it deals with agriculture, the environment, community development or education, and until South Africa itself becomes genuinely democratic, all foundation work in Southern Africa will be adversely affected." On this issue, Joan Campbell of the World Council of Churches said, "I think it is important as we begin our work in this area that we always remember that the famine and the refugees that are created by the system of apartheid, in drastic ways, affect the whole of Southern Africa, so we must not separate them out even as we focus our major energy on South Africa itself."

The subject of regional impact should not just be a concern to those with Southern African interests. It is one of the major reasons "Why South Africa?" and should be a central consideration in encouraging new foundation activity in that country.

South African participants and grantmakers with experience in South Africa emphasized that social change is a slow process and, thus, to be effective, grantmakers must be prepared to make a long-term commitment. Mr. Dietel underscored this point by concluding, "We do our brothers and sisters in South Africa little good if we go only to get discouraged and then to return." He recommended that a prospective grantmaker should not consider any period of involvement less than 10 years.

The South Africans participants emphasized that short-term grants do not provide them with financial security and they are thus compelled to devote a disproportionate amount of energy to ensuring continuing funds. They attested to the fact that continuous fund-raising not only diverts attention from the main task, but also limits their capacity for forward planning and restricts long-term goals.

The Role of Smaller Foundations

Despite what may seem like an overwhelming task, there are many opportunities for smaller grantmakers to have an impact. Mr. Dietel pointed to the area of education as an example, "The future of higher education in South Africa really does depend upon what happens in the elementary and secondary school sector. I think this is one area that is particularly welcoming to American foundations and there are a number of institutions in South Africa with which it is possible for smaller foundations to effectively cooperate. Furthermore, smaller foundations can support education through graduate training to ensure that when apartheid ends there are enough trained men and women to occupy important places in government and private industry."

The alternative media, which has been under attack during the current state of emergency in South Africa, also provides an opportunity for smaller foundations. The importance of the media was not understated by Mr. Dietel when he said: "For those of you who have boards who have an interest in communications, I especially urge you to consider the importance of a grant to one of the small newspapers that are the sole means of getting some kind of decent respectable journalism into the hands of the black community."

John Kunstadter, president of the Albert Kunstadter Family Foundation, pointed out that many smaller foundations have contributed significantly to the education campaign in the United States about apartheid. He noted that smaller foundations often have the advantage of being able to more quickly approve grants than bigger foundations, and thus, the small grant often has a more critical impact in situations of dire need or emergency.

Several participants pointed out that smaller foundations often think that only the large foundations have sufficient resources to be effective international grantmakers. There was strong agreement among participants that this is far from reality. Some representatives of smaller foundations attested to their greater flexibility in risking support for more controversial issues.

Mr. Kunstadter said that smaller foundations can also act as facilitators in networking problems and grantseekers. He suggested that "small foundations should meet the people who are interested in the things they are interested in, get to know them and start passing names around...we have become considerably more educated about various problems as we have talked to our fellow grantmakers and with the grantees that we have encountered over the last few years."

One particular issue which may discourage smaller foundations is the lack of resources to gather information in-country. Several conference participants pointed to the growing network of grantmakers with experience in South Africa, the increasing sophistication of resource centers such as the Institute of International Education's Information Exchange, and the more than 40 U.S.-based charitable organizations with links to South Africa. These latter organizations serve as intermediaries for a large variety of South African organizations and many have developed experience and sophistication as grantmakers.

As Mr. Dietel put it, "There are a growing number of individuals and agencies that make it possible for small foundations to be more effective. I think the time has come for us to regularize the contacts between ourselves in order to gain the benefits from the people with deeper, wider experience in South Africa to assist those who are relatively new to the game."

Conference discussion was characterized by appeals for greater collaboration between members of the foundation community seriously interested in staying the course in South Africa. Mr. Dietel put it this way, "It is very easy for the foundation community to turn to the grantees and say, 'If only you would get your act together and specify what your needs are, it would make our task so much easier.' In fact, it is the South Africans who should be turning to the American foundation community and saying, 'If only you would learn how to cooperate, to meet together to hear us as one, your money would go further and we would be less exhausted'."

CORPORATIONS

The history of U.S. corporate involvement in South African community development is largely the product of an unparalleled level of stockholder activism and public pressure in the United States, initially aimed at forcing companies to desegregate work facilities and improve wages in their South African plants. As part of their compliance with a code of employment known as the Sullivan Principles, U.S. corporations in South Africa have spent more than $200 million on improving conditions in the work place and community development over the past decade.

Initiated in 1977 by civil rights activist and Baptist minister, Leon Sullivan, the principles originally were aimed at ending desegregation and discrimination on the shopfloor. Later, they were expanded to require both community development efforts and lobbying for change in apartheid laws. The Sullivan code is the only one of its kind to require annual independent evaluation of a company's compliance with the principles. Annual evaluations are undertaken by Arthur D. Little, Inc. on the basis of a comprehensive questionnaire submitted every year by signatory companies. Under the Comprehensive Anti-Apartheid Act of 1986, American companies with more than 25 employees in South Africa are required to comply with the Sullivan Principles or submit to annual evaluation by the State Department.

In 1986, 179 of the 220 U.S. companies operating in South Africa were signatories to the Sullivan Principles, but as disinvestment has accelerated and program requirements have changed, the number of signatories has dropped to 94.

In June 1987, Rev. Sullivan disassociated himself with the program, frustrated by the lack of progress towards ending apartheid, and the program has since been renamed the Statement of Principles for South Africa. Despite the withdrawal of its founder, the program remains essentially unchanged.

The merits of the program have been widely debated among South Africans. Some black South Africans criticize the signatories for their lack of vigor in persuading Pretoria to repeal apartheid laws. Indeed, Soweto activist Nthato Motlana told the conference that the Sullivan code was devised without consultation with black South Africans and, therefore, has always lacked credibility with blacks.

Although the initial wave of American stockholder activism on South Africa was aimed at compelling companies to abide by the Sullivan Principles, major stockholder groups -- many churches, pension funds and universities -- have also been disillusioned by the perceived failure of the principles to effect meaningful change in South African politics and now demand an end to American business operations there.

The decision to disinvest is complicated for many corporations. Of those who are still there, the reasons for remaining are varied. Malcolm Barlow, Vice President for International Government Affairs for the Smithkline Beckman Corporation spoke of his own company's decision to remain in South Africa, "Those companies that are left in South Africa, and I suspect there are about 100 of us of the original 300, have been through the decision of disinvestment many times. The shareholder pressure has been intense. In the 11 years since the Sullivan program, most companies have changed management once at least, maybe twice and that management had to go through a decision again and again. The reasons that most of us stay is that we are committed and we believe that the results we are gaining from the grantmaking programs are making a difference and they are very gratifying."

Smithkline Beckman's decision to stay is two-fold. Mr. Barlow stated, "First of all, we did not want to desert those people who are implementing these programs in the field. Without our financial support and encouragement, those programs would be lost. The second reason is the employees. They have been incredibly loyal to us and we want to support them. We want to stay to lobby within the system and maintain our influence. One of the areas in which we are most experienced as a pharmaceutical company is lobbying because we have to relate to governments around the world, and we feel in the pharmaceutical industry that we play an important role in persuading governments to change. We have been frustrated. We have talked directly to these people in Pretoria and Cape Town. They have listened, which is unusual, but they have not acted."

Mr. Barlow frankly noted that corporate philanthropy comes out of operating profits and shareholder dividends. Therefore, corporations generally see social grantmaking as an investment in enhancing business opportunities. He told the conference, "What we are trying to do in South Africa and elsewhere where we make grants is make the environment better for our business. From an economic standpoint, a viable South Africa, a peaceful South Africa represents the keystone for Southern Africa which has dramatic economic potential."

Another perspective was offered by Barclay Calkins of Morgan Guaranty Trust Co. He described the rationale for Morgan Guaranty's international contributions program in three points. "Firstly, economic development is something for which we as a commercial bank have a natural affinity. Secondly, there is a tremendous drive within people to want to improve themselves and their lot in life and so if we can help them to gain control of the basic factors of production we are harnessing a very powerful kind of energy for development. And thirdly, that particular approach can in turn become a means of encouraging empowerment and community development."

Though many U.S. companies operating in South Africa were forced into grantmaking as a result of the Sullivan Principles, some of the U.S. companies still remaining in South Africa see the potential progress of grantmaking as an alternative to disinvestment. However, black South African participants at the conference were emphatic that grantmaking is no substitute for disinvestment or economic sanctions. On the contrary, in their view, grantmaking should be seen as an extension of the more specifically political instruments.

Disinvestment and grantmaking, however, need not be mutually exclusive. Though only 33 of the more than 150 companies that have withdrawn from South Africa since 1984 say they would consider continued support for community development in South Africa, a number of larger corporations have created special funds for the support of community development. For example, the Coca Cola Company will provide $10 million to a development trust fund known as the Equal Opportunities Foundation. Similarly, the Ford Motor Company has negotiated with local trade unions for the creation of small community funds administered jointly by representatives of the unions and the local community in areas where Ford plants are located. One participant pointed out that it is in the best interest of disinvested companies to continue support for South African development projects, since the time will come when American companies may want to return to South Africa.

U.S. GOVERNMENT

The largest share of American dollars in South African development comes from the U.S. government through the Agency for International Development (AID). AID's South African program began four years ago, and its budget for the 1987-88 fiscal year is approximately $22 million. Roy Stacy of the Department of State believes that by the 1989-1990 period, assistance could approach $40 million annually. To date, the U.S. government has made some 500 grants totaling $66 million.

According to Mr. Stacy, the current focus of the program is developmental, providing South Africans who are disadvantaged and oppressed by apartheid, with resources to implement projects that they and their communities see as critical in promoting social, political and economic change.

The key functions of the AID office in Pretoria are described as: formulating the objectives of U.S. policy into an operational assistance program that responds to community priorities, identifying and financing individual projects, subject to congressional approval and responding to grantee needs to facilitate community consultation, and ensuring that the U.S. government acts "as financier of South African ideas rather than impose foreign defined solutions on local problems." Funding is currently provided under the following categories:

- Community outreach and leadership development;
- Educational support and training;
- University scholarships for study in South Africa and the United States;
- Legal assistance;
- Planning support.

The history of U.S. government grantmaking in South Africa over the last eight years reflects the growing awareness among members of Congress and the American public that South Africa provides a unique challenge in the face of which it is difficult to remain apolitical. Government sponsored programs have gradually expanded from educational assistance to programs that address human rights issues and development at the grassroots level.

Roy Stacy spoke of the learning process behind South African grantmaking when he said, "I have, in quite a number of years of work in Africa, always tried to separate the developmental, the economic from the political, only to be told time and time again that it could not be done. We like to think, at least in Africa as a whole, that our economic programs were apolitical, at least in the allocation of resources towards individual countries, yet knowing that is not always the case. And yet South Africa is unique. It breaks all of the old molds. There is an underlying theory that we have always tried to apply -- a model we have not understood well -- and that is that acquisition of economic power can influence political change. Conversely, political modernization affects the access and the distribution of economic resources. South Africa will test this theoretical model of political and economic confluence like no other nation on the continent."

U.S. government initiatives in South Africa began in 1980 when the Carter Administration was persuaded by university, corporate and foundation leaders to begin providing scholarships to black South Africans. This collaboration, known as the South African Education Program (SAEP), has to date provided educational opportunities to about 400 black South Africans. Since 1982, the American government has provided about $27 million to the SAEP which is about 75 percent of the program's operating costs.

Congress originally resisted the notion that the U.S. should provide assistance to anti-apartheid groups within South Africa, but in 1982, it authorized $200,000 to be administered by the United States diplomatic mission in South Africa in support of self-help organizations. The following year, AID initiated the University Preparation Program (UPP) designed to increase the pool of black applicants eligible for admission to American universities.

The same year, the U.S. also began providing assistance to black trade unions in South Africa to train leaders and expand the administrative capacity of the unions to serve their members. These funds are administered by the African American Labor Center in Washington, DC. Together, the National African Federated Chamber of Commerce and AID also began exploring ways to promote the development of black South African business.

In 1985, AID launched an internal bursaries program to provide study opportunities at South African universities for 77 black South Africans annually. This program was expanded in 1986 to provide bursaries for 200 students annually. Also in 1986, the U.S. government began providing financial and technical support for grassroots community organizations offering local leadership and assistance in such areas as community development training, non-formal education, and women's and workers' rights.

Amid demands that the U.S. assistance program be more directly concerned with human rights violations in South Africa, in 1984 Congress authorized $500,000 for the establishment of the Human Rights Fund, sometimes called the "Kassebaum Fund" after its primary sponsor. In the last four years, this fund has increased to $1.5 million annually and is disbursed by the American embassy in South Africa in grants of no more than $10,000 each. Money from this fund is used to support programs that:

- promote research and discussion of civil and political rights
- attempt to gain human rights through redress to the legal framework
- challenge legislation that denies human rights
- contribute to the development of a legal framework conducive to human rights
- encourage regard for democratic principles and increase equal access for men and women of all races to the judicial system and the political process

Mr. Stacy said that some would call the U.S. assistance program in South Africa "conscience money -- a political palliative for the victims of apartheid." But he added, "the base of the program in South Africa as it started some four years ago, is truly developmental." He said, "It is no secret that the economy there is opening to black power much faster than the political system. And yet, taking as much economic and business power that is possible today has been described to me by blacks in South Africa as a legitimate part of the struggle."

Mr. Stacy described the goal of the U.S. government's assistance program as "developmental" and "long-term." He said, "the objective is to position ourselves for the essential task of redistributing growth, redistributing opportunity towards the majority that is now effectively disenfranchised. This means to prepare for the long term that will continue through the inevitable political transition."

Mr. Stacy described the focus of the program as "people and their immediate community institutions." For example, scholarship programs increasingly will focus on educators and trainers for the implied multiplier effect. Community leadership grants should focus on consolidating democratic community-based initiatives. Also, U.S. dollars will be used to leverage much greater flows of black South Africa's own resources into business development.

In addition, the AID mission will try to develop sectoral advisory boards from the communities to guide programming and monitor implementation. The aim is increasingly to engage black South Africans in the implementation and management of the program.

U.S. Government's Guiding Principles for Grantmaking in South Africa

Roy Stacy outlined the guidelines as follows:

1. *Empower black South Africans*, individuals and organizations, to seek the end of apartheid through non-violent means, and where possible erode apartheid's impact.

2. *Build black leadership capacity*, individual, professional and institutional, through both formal education and non-formal training.

3. *Enhance black economic power* to strengthen black unions, businesses and concurrently black economic decision-making, which is critical for attacking the immediate daily economic ramifications of apartheid.

4. *Support democratic practices in non-governmental community structures* recognizing that participation and pluralism are fundamental tenets for a post-apartheid South Africa.

5. *Foster dialogue and a freer flow of information* as political repression precludes open debate and absence of dialogue between communities of all shades and politics reinforces apartheid's patterns. U.S. government programs seek to help dispel myths and fears that fuel those patterns in order to help disseminate accurate information, for instance on human rights violations and many legitimate grievances.

6. *Formulate alternatives for governance* to expose individuals and groups to democracy elsewhere and non-violent alternatives in the process of change. Pluralism and democracy can take many forms and we have no preconceived models aside from universal suffrage to apply to South Africa's difficult diversity. It is for South Africans to create the democratic alternative to apartheid.

7. *Construct communications linkages* between the American people and the victims of apartheid. As the AID program is inherently non-governmental, the resulting outreach here and there should also be such. Mr. Stacy said, "it is a simple fact that the American people abhor apartheid and seek ways to be involved in its end. AID grantmaking can facilitate that end."

It is difficult to measure the effectiveness of AID programs over the span of only fours years, at least quantitatively. The reason that the effectiveness of U.S. government programs is difficult to measure is as Mr. Stacy stated, "We can empower and facilitate actions of the nation's own body politic, but ultimately the solutions, the impact is for South Africans and really not for distant foreigners."

He added, "We must face the reality that the harsh, irrational, volatile political environment will affect us also. Like so many groups in South Africa we will have to adjust, improvise, invent to go around, over, under the evolving permutations of apartheid's new laws and new regulations. Predictability of success is much like predicting the date of the monster's demise. We assume apartheid will try to invent new constraints to any effort on our part."

There is, however, one important measure of success and that is the broad bipartisan support in Congress that did not exist five years ago. There is also broader support within South Africa, which is replacing, what was four years ago, fear and suspicion. Mr. Stacy said of this change, "I believe that the reason that there is broader acceptance is people have learned that the programs we finance are truly theirs."

There are several key issues involved in the future direction of AID programs in South Africa. Like donors from the private sector, AID is positioning itself for the long haul while continuing to apply certain principles. As Mr. Stacy remarked, "We will continue to consult widely across the fullest spectrum of South Africa's community structures. U.S.-funded activities must continue to be wholly non-governmental, have community support, promote black leadership, have geographic balance, and other than their opposition to apartheid, be politically neutral."

CHURCHES

The two largest church-based relief organizations in the United States are the Catholic Relief Service and the Protestant Church World Service. Both organizations were established for the provision of humanitarian relief in less developed countries. Through their connection to the network of Protestant and Catholic churches in the United States, these two organizations have become the second largest source of American foreign assistance to the developing world.

Churches have also taken on the important role of educating the public about development issues, and this heightened awareness has greatly increased public support for church-sponsored international development programs. Such programs have both a humanitarian and a missionary scope. In South Africa especially, church-sponsored programs are motivated by moral outrage towards state mandated injustice. As Reverend Joan Campbell of the World Council of Churches put it, "This is one of those places in the world where to do nothing is, as history has taught us, to in fact make a value judgement, and that is perhaps the answer to the question 'Why South Africa?'"

Reverend Campbell said that if one were to ask church people "Why South Africa?", the answer would come back twofold. "The first would be from the Old Testament and it would be very clear and very simple, and that is: we are involved in South Africa because it is what the Lord requires of us. To do justice, to love mercy, and to walk humbly with our God. And we are involved in South Africa because we are called to feed, house, clothe, visit the sick, and free the captives. There is no other place in this world that cries out for that particular response any more than South Africa."

As outlined by Reverend Campbell, the majority of church dollars in South and Southern Africa are spent on humanitarian aid and relief which includes health and medical supplies and training, housing, clothing, counseling, and educational scholarships. This is followed by the resettlement, housing, and feeding of refugees, public education campaigns in the United States, the support of communications networks, and institutional support for such organizations as the South African Council of Churches.

Reverend Campbell pointed out another way in which the church is having an impact in South Africa. "I think there's a rather subtle thing that churches have done. It is not an accident that some of the major spokespeople from South Africa have been church people. I think in one sense the churches have provided a protective cloak, so that some of those people could move around the world and tell the story of what is happening inside of South Africa."

Perhaps one of the most important points is that churches make very good partners for grantmakers. Principally this is due to the enormous networking potential. Churches have constituencies all over the world and have provided many trained leaders. Churches also have resources, money and people, and perhaps, most importantly, the power to shape public opinion.

Despite the existing network of churches, Reverend Campbell pointed out that further channels of communication need to be developed both inside and outside South Africa. "Almost every person who comes to or from South Africa becomes a courier -- a person who takes information from one place to another."

The power of the church in grantmaking is seated in a long association with Southern Africa. As Reverend Campbell explained, "I think that one of the ways we might work together is that as churches who have been there a long time and who are deeply rooted in the lives of ordinary people, we might in fact be able to develop some linkages to people. We might be able to supply a way to listen. To offer our experience, our credibility and our needs assessment."

V. AMERICAN GRANTMAKING IN SOUTH AFRICA: THE SOUTH AFRICAN RESPONSE

Responding to presentations by grantmakers from different sectors of American society, two South African participants, Nthato Motlana and Saki Macozoma, made some critical points.

Many black South Africans fear that Americans may attempt to impose a self-serving political agenda on the political struggle in South Africa. This fear is based on the understanding that foreign aid is seldom given without some political interest attached. Many South Africans would also question whether any philanthropy is truly apolitical or entirely altruistic. Accepting this fact, it is necessary for South Africans to examine American interests in South Africa and to identify the areas of common understanding. Within these areas there is considerable scope for cooperation.

However, American grantmakers must also understand that South Africans will resist any imposition of ideas from the outside. Thus if South Africans sometimes seem less than enthusiastic about aid generously offered, it is not because the aid is not needed, but because of the government-imposed constraints on internal debate and consultation that should precede any grantmaking program. Grantmakers are sometimes impatient and intolerant of the time lag between proposal and implementation that this implies, but this process is essential if black South Africans are to be real owners and benefactors of the program.

A central concern for South Africans is the fact that the major percentage of blacks are not well educated, and because of this fact, it is whites or the relatively small percentage of better educated blacks who are most easily able to capture support from foreign funders. The result is a disproportionate allocation of foreign philanthropy for the benefit of a new emerging black elite, at the cost of the bulk of impoverished black South Africans. The most impoverished sectors of the population will remain disadvantaged regardless of the nature of the political regime unless affirmative efforts are made to develop and empower this sector of society.

Grantmakers have an important role to play in developing self-sufficiency among the most disadvantaged. For one thing, grantmakers might facilitate access by disadvantaged communities to foreign resources by making the effort to identify community-controlled initiatives, training the people concerned to write grant proposals and provide administrative backup. Essentially, black South Africans are critical of the seeming ease with which grantmakers respond to white grantseekers and the resulting disproportionate measure of white control over foreign funds. Furthermore, blacks worry that foreign funders, in so far as they neglect the truly disadvantaged, might exacerbate the stratification of society.

In this context, it was noted that the South African government is also seeking to reshape South African society. Increasingly the social and political divide will be less distinctly between black and white, and more between the "haves" and the "have nots." Some call this the "50 percent society", where about half of the population will be locked into a condition of social and political disadvantage by virtue of their limited access to resources or opportunities for development. This half of society, mostly resident in the homelands, are in need of special attention by grantmakers.

Development in South Africa is contested terrain. The South African government is using the prospect of improved social services and development opportunities as a means of building support for government created institutions, such as homeland governments and black town councils. Development, in this context, is an extension of the state's repressive machinery and negates the liberating impact normally associated with community development. The South African government has sought to co-opt private relief and development agencies into this strategy.

Grantmakers must be careful not to play into the hands of the government, by favoring the black leadership elite. Care must be exercised that foreign funding does not intentionally or inadvertently strengthen the status quo in South Africa. In this regard, black South Africans are particularly sensitive to the aims of South African capital in building a black middle class with a stake in a free enterprise economic system as a bulwark against black radicalism. Because this is a goal with which many grantmakers, and particularly the American government can readily identify, many blacks suspect that the American emphasis on economic development has the same aim. Grantmakers must ensure that foreign funding does not intensify social stratification in black society, but empowers those elements of society with least access to resources for self-development.

At the same time grantmakers should not be intimidated by the South African government's attempt to proscribe the organizations with which grantmakers may cooperate. Part of grantmaking in South Africa involves the courage to resist co-option by the government, but also campaigning for the freeing of those organizations recognized as legitimate by the majority of black South Africans.

This underscores the fact that grantmaking in South Africa cannot be apolitical. But even more important than the amount of foreign funding coming into South Africa is international solidarity. While South Africans recognize that there are limits in the ways that grantmakers can express their solidarity, the very fact of not forgetting those who are imprisoned or restricted, and refusing to submit to government imposed strictures is a source of encouragement to black South Africans.

Guidelines for Grantmakers

1. ***Grantmakers should be prepared to take risks*** in supporting less well known and/or administratively sophisticated organizations. Be prepared to support the innovative and the creative, because even failure, cannot negate the benefit of experience in trying to build alternative organizations.

2. ***Develop a long-term commitment*** that provides for continuity and the development of self-sufficiency. Do not be afraid of programs that might generate a profit, but strive for the goal that programs should ultimately be self-sustaining.

3. ***Affirmative action is needed*** to ensure greater control by blacks of foreign funds.

4. ***Assist less sophisticated blacks in accessing resources,*** by building an administrative training and development component into grants.

5. ***Maintain continuous consultation*** with South Africans inside the country and in exile.

6. ***Ensure that grantmaking is aimed at the most disadvantaged sectors of the population.***

7. ***Invest in people.***

VI. THE MECHANICS OF GRANTMAKING IN SOUTH AFRICA

Besides the constraints of U.S. law governing American grantmaking overseas, there are political and ethical issues, as well as the normal risk-benefit questions. Although the interaction of these various factors in South Africa creates an impression of exceptional complexity, there is now in the American grantmaking community a more significant reservoir of experience than on any other international issue. Grantmaking in South Africa is not unchartered territory. Several times during the conference mention was made of the sophisticated resource organizations and the increasing number of experienced individuals in the United States who can facilitate grantmaking in South Africa. This section records the highlights of group discussions on aspects of the mechanics of grantmaking in South Africa.

POLITICS

Progressive versus Status Quo: The first question concerns the difference between grantmaking which is progressive versus status quo. The point was made repeatedly that funding for projects that simply make a bad situation more bearable is no different than projects initiated by the South African government. This is not acceptable to black South Africans. For projects funded by American grantmakers to be accepted by the black majority, they must be seen as progressive -- leading to enhanced development opportunities for blacks.

Consultation: The second political issue is that of consultation. A number of grantmakers with experience in South Africa expressed frustration that despite their best efforts at consultation and close collaboration with indigenous groups, "it seems impossible to cover all the bases," as one put it. Yet another participant said, "I know where consultation begins, its very hard to know when it ends." Another participant complained that the adequacy of consultation is always judged by South Africans, "who happen to have been outside the loop. If we want to fund an advice center in Port Elizabeth, do we have to get the blessing of every national organization? We don't seem to be able to win."

South African participants stressed that consultation should not be viewed as a mechanical process. Rather, the dynamics of consultation must first be understood in the larger context and second be part of an understanding of where the larger process is leading. Furthermore, the consultation process is open-ended.

As one South African participant put it, "It is not simply a case of coming in and talking to 12, 15, or 200 people. That does not automatically make it consultation. Consultation is understanding a larger process that is going on in the country and where that process is leading."

Others noted that it takes time to truly know an issue, both in terms of preliminary research and in the length of a funding commitment. Shirley Moulder of the South African Council of Churches criticized grantmakers "for coming for a period of two or three weeks. It is simply not enough time for anyone to be able to get a sense of what needs to be done and who to work with. People are suspicious and they have a right to be. They need to understand who controls the strings."

Nontebeko Moletsane of the Trust for Christian Outreach and Education added, "Consultation must not only involve popular leadership, but should reach the service users of the program. They are the reliable indicators of the worth of a program. The sad side of the grantmaking process is that money is pumped into popular programs that are actually paper projects or will not work, simply because they are supported by popular figures or popular figures are associated with the program. While it is desirable to consult popular opinion leaders, the actual users of the program should not be sacrificed."

Other South African participants explained that South Africa has a tradition of paternalism and authoritarianism. As one put it, "Blacks are determined to develop democratic processes and respect for these processes. This means that sometimes decisions take longer. This is going to frustrate funders, but it is a part of the developmental process that they hopefully support. So the process of consultation is in itself developmental."

Other South African participants questioned how much American grantmakers are prepared to hear. They

suggested that grantmakers are often insensitive to the fact that grantmaking is only one among many strategies for change. Furthermore, several South Africans stressed that the distinction between "insider" versus "outsider" is becoming weaker, and that exiles need to be included in the consultation process.

Social Analysis: Grantmaking in South Africa calls for social analysis. Mrs. Moulder explained, "People involved in grantmaking have to be very careful that the organizations they work with are organizations and networks that are accepted by the majority of people in South Africa." Lionel Louw of the Western Province Council of Churches advised, "The significance of social analysis is simply to identify whether we are in agreement about the objectives that we have in mind in the medium to long term. I say that because fundamentally I do not think that anyone can determine from a superficial assessment that there is any difference between what the South African government is attempting to do and the kinds of projects that grantmakers would traditionally fund. Socioeconomic development has been identified by the government as a direction in which they have to move with a different objective in mind, and that is to pacify and to keep people comfortable in the midst of very dismal circumstances."

Mrs. Moletsane noted, "Programs or projects have to effect change or social transformation. It is important to always check who you are developing and in what way. It would be better if every two to three years, the project is reviewed to find out if the same principles are relevant and if the principles of grantmaking are realized in practice."

The need for social analysis is especially important when working in the homelands. This is clearly an issue that is of concern to grantmakers. Should grantmakers be working in the homelands at all? The South African participants were unanimous in their opinion that no distinction should be made between the homelands and other areas of South Africa. However, as one participant put it, "The key concerns about organizations working in the homelands are who they are working with and what they are doing. Are they talking about relief or development for political change?" Others stressed that it is imperative that grantmakers do not work with homeland governments or organizations associated with these institutions, since cooperation with government agencies will be seen as simply "oiling the wheels of apartheid."

Restrictions on Foreign Funding: The South African government's threat to restrict foreign funding for South African projects is a matter of considerable concern to grantmakers. A great deal of discussion was devoted to this topic, but the consensus was that grantmakers should not be intimidated by the South African government's tactics. However, funders were warned that the effect of the proposed legislation could be to preclude grantmaking to any organization that was not approved by the South African government. A number of grantmakers stressed that if they were not able to make grants to organizations of their choice they could not defend grantmaking in South Africa at all. This could mean among other things an end to U.S. financial support for South African universities.

Other participants pointed out that the South African government has always had the means to track foreign funding of South African organizations and to restrict the effective operation of the recipients of that funding. Grantmakers were counseled, therefore, not to become paranoid about the threat, but to work with South African grantees to ensure their continued access to foreign funds.

The Orderly Internal Politics Bill proposing statutory restrictions on foreign funding of South African non-governmental organizations has been withdrawn and is to be revised, largely as a result of European pressure. However, an amended version of the Bill is expected to come before the South African parliament early in 1989. The speculation is that an amended bill will be based on U.S. tax law governing the activities of U.S. charitable organizations. This may make it more difficult for Western governments to object to this legislation.

Technically, U.S. tax law bars foundation involvement in political campaigns that are designed to influence legislation or election to public office. In practice, however, many U.S. foundations regularly provide support to a variety of causes and campaigns in the United States that are specifically designed to influence public policy. Thus the danger in the proposed South African bill is that its apparent benign appearance will belie a much harsher and more rigid interpretation. It could also imply that many grantees will be required to defend their programs in the courts and could be effectively immobilized by exorbitant legal costs.

Moreover, the selected application of the bill and the protracted legal process is likely to diffuse international outrage. The probability, therefore, is that the South African government will achieve the same goal with the amended bill as they had intended in the first place.

Sheila Avrin McLean of the Institute of International Education pointed out, "I lived through a period in our

own tax history when the tax laws were used for a political purpose to restrict overseas activities of foundations, and, in fact, more than overseas activities. Therefore, our tax law does have something to say on the issue." She went on to ask, "If the South African government is modeling its new legislation after a tax law written in a different culture and environment and interpreted for different purposes, does that impose on us as U.S. grantmakers an even greater obligation to analyze and to perhaps oppose the legislation?"

ETHICS

Ethical issues are also a concern for grantmakers. The discussion revolved around the question of risk. Does U.S grantmaking put grantees at risk, and if so, who calculates the risk? The answer seems to be that the grantee accepts the risk. One participant said, "The matter of risk that particular South Africans are taking for themselves as a result of engaging in a foundation's activities is first and foremost for them to assess. They are in a better position to deal with it. They are the people who are going to have to pay the price if the calculation is wrong."

Another participant agreed, "If the U.S. organization tells the South Africans what to do and puts the South Africans at risk, that is wrong. But if a South African asks for U.S. money then he has presumably assessed the risk."

Although the increased visibility of an international grantee might enhance the risk of state persecution, international grants often afford some protection for the grantee. Another participant said, "In many countries with repressive governments, outside support for legitimate activities provides some kind of protection." As one grantmaker put it, "you make the grant for better or worse. And when the person is detained you have a moral obligation to follow through. When pressure is put on the government or even a call is made, I think they are slightly more careful about how they deal with you."

Others pointed out that there is another side to this argument, namely, that too much international interference could give the South African authorities the idea that the detainee in question is of greater political importance than they might have assumed. Such an impression might in fact delay the detainee's release, although there is the stronger likelihood of more humane treatment in detention than when there is no international interest.

MECHANICS

Long-term Commitment: Several issues are important in the mechanics of grantmaking in South Africa. The most important perhaps is the need for grantmakers to keep a long-term perspective. Several South African participants noted that the general reluctance of grantmakers to consider making funds available over extended periods is a major impediment for community development organizations. They noted that very few South African organizations could afford to sustain the continuous fund-raising efforts that American grantmakers seem to take for granted. In the words of one South African participant, "Longer term funding will enable projects to experiment, to give space to operate, to change direction, and to pick up the costs generated in the learning process."

Intermediary Organizations: There are many mechanism that may facilitate effective American grantmaking in South Africa. These include the charitable organizations that operate in the United States (see Appendix 1) for the sole purpose of directing funds to particular South African causes. But in addition, there are several South African grantmaking organizations that may be used as intermediaries by grantmakers, these include the Equal Opportunities Foundation, the Kagiso Trust, the South African Council of Churches, the Southern African Catholic Bishops' Conference and the Trust for Christian Outreach and Education among others. The use of an intermediary is particularly attractive to smaller grantmakers who do not have the resources to fully explore the options.

Regional Variations: Mrs. Moletsane pointed out that grantmakers need to understand the differences between rural and urban areas. "If one begins to work in rural areas, much more capital is needed because you must provide support for a team of people to work in areas that are so isolated, that are exposed, and are very much more vulnerable in many instances than those projects that are working out of urban areas." Others noted that grantmakers often concentrate on areas that are more accessible or close to the major cities. They argued that funders should be more adventurous and "willing to get off the beaten track" as one put it.

Participants also noted the significant regional differences. One implication of the regional variations is that although funding model projects is always a worthwhile objective for grantmakers, regional differences within the country may preclude the universal success of model projects. Presumably, however, no "model project" would be implemented without consultation with the indigenous community, so necessary modifications could be made at this stage. Others pointed out that very often the only way of discovering the limited replicability of a model is in fact to try and adapt it to different circumstances. Several South African participants underscored the need for experimentation and innovation in development. This they noted implies a large measure of trial and error.

Increasing Black Administrative Capacity: Though there is a tendency for grantmakers to fund organizations with an established track record of administrative skill, participants were advised that the development of administrative skills is an important part of black advancement and should be built into a grant. Funders can also provide skills training to help blacks apply for and make effective use of grant funds.

As one South African said, "One of the areas that grantmakers do not like funding is recurring administrative costs and you cannot keep organizations going that are involved in training people unless administrative cost is involved. There is no way that a program like that can become self-sufficient."

Mrs. Moletsane said that grantmakers should also realize the importance of salaries. "Donors should assist South Africans involved in this risky work by not promoting the 'missionary spirit' by favoring programs which are more cost-effective because they pay low salaries. Alternative organizations will not be able to sustain the already strained resources if this has to happen. People grow, they have families to look after in spite of all the sacrifices that they have already made. The colonial domination of our programs has had this flattening effect and leads to continued lack of quality administrative staff in our organizations. This is unhelpful."

BENEFITS

It is easy for grantmakers to become overwhelmed in the face of the challenge and to question whether there is enough potential benefit from a grant to take the risk. One grantmaker said, "I really think Americans are getting sick and tired of putting money into something 12,000 miles away with little apparent effect, when in our own backyard we've got problems. And where there is this perception that somehow the South Africans don't want it. Most Americans will say, to hell with it."

This issue is especially important for smaller foundations. Still the consensus among grantmakers was that the benefits outweigh the challenges. Several foundation representatives noted that involvement in South Africa had changed their way of looking at domestic grantmaking.

Bill Carmichael of the Ford Foundation said, "There are benefits. I can think of one in particular that relates to the mid-career fellowship program coordinated by the IIE to bring South Africans to American universities and also to work with community groups in the areas around the universities. We think so frequently about the benefits to South Africans -- that they will learn from contact with American groups and go back and be more effective. But I think that American organizations will learn quite a bit from the South Africans. I think it is definitely an exchange."

The ability to have an impact is clearly an issue with smaller foundations. One grantmaker commented, "We are trusting that if we can somehow stimulate some good things at the grassroots, that sort of encourages a force that tends to work toward the ultimate dismantling of apartheid." He then asked whether this is a good assumption. A South African responded with a story about a $10,000 grant that was made by an international pharmaceutical house to a rural community threatened by the South African government with removal from their traditional land. Though a small grant, it had a large impact. The first was simply to show the people that there were others pulling for them, but secondly a clinic was built with the money. The community has successfully resisted removal and has also negotiated with the state for continued funding for the community-controlled clinic.

Another area in which grantmaking makes a statement is in the area of Bantu education. John Makhene of the Equal Opportunities Foundation said, "The words and support which have come from the outside world, not only America, but also Europe, have made the South African government rethink a lot of things where they would otherwise have gotten away with murder. One can mention Bantu education. There has

been a tremendous outcry. Why is it now dawning that Bantu education is absolutely ludicrous and that after all a black child can be educated like any other human being? It is because of the private schools that were funded from the outside and were able to demonstrate by providing an alternative form of education that a black child can be educated like any other child."

Another benefit is keeping the issue alive within the international community. As one South African participant put it, "Expansion of U.S. grantmaking is essential. It makes a difference to South Africans to know that it is an international issue and that some people care. There is an impact on people through the U.S.-South African partnership." Another South African participant commented, "We often wonder whether some of the things we engage in are worthwhile. We have now discovered that those kids who are in jail without charge, about whom there has been a worldwide educational campaign, have been treated differently when they went to jail versus those around whom there has been no publicity. I do not think we can underestimate the impact of that partnership on the situation and the way the government responds to it, but it is just one of many strategies."

One participant raised the question of whether foreign donors should be involved in South Africa in any way before the demise of apartheid, because as he put it, "international aid programs, even if the government doesn't like them very much, lessen pressure on the government because willy nilly people become absorbed in little projects and their attention is diverted from the central issues of the political struggle." A number of other participants argued that advocating grantmaking in South Africa and sanctions in the same breath "is implausible and contradictory" as one put it.

A South African participant said that this notion is "absolutely unacceptable. There are victims of apartheid in South Africa and we need you to go on making grants for South Africans. There are many aspects to our strategy. There is no contradiction."

VII. OPTIONS FOR GRANTMAKING IN SOUTH AFRICA

In a series of group discussions, conference participants focused on some of the most pertinent grantmaking opportunities in South Africa. This section is a report on the principal points of these discussions.

EDUCATION

The education system under apartheid has been a prime force in perpetuating white hegemony. Given this reality, education is a key issue in the struggle to eradicate apartheid. There are obvious links between lack of education and the indicators of underdevelopment -- poverty, unemployment, illiteracy. Conference participants underscored many times the importance of education for grantmaking and its high priority in community development. Indeed, the principal focus of American grantmaking in South Africa to date has been the educational sector.

Despite significant increases in South African government expenditure on black education (from $70 million in 1980 to $450 million in 1986) blacks are highly undereducated in relation to whites. While the median period of schooling is 9.2 years for whites, it is only two years for blacks. The functional illiteracy rate among blacks is 50 percent, and fewer than 30 percent of university students are black.

The state spends seven times more per capita on white education than on black. The slow progress in achieving any progress towards educational equality has caused blacks to undervalue the importance of education, resulting in a decline in matriculation. The percentage of black students entering the 12th grade who successfully matriculate has declined from an average of 73 percent in 1977 and to about 50 percent.

The discussion focused on a number of options, though no real consensus was reached as to the highest priority for grantmaking in education. This is perhaps because there are deficiencies in all areas of education -- formal and non-formal. Likewise, South African educators are not in agreement on whether the education system should be strengthened from the top down or from the foundation. There was consensus, however, on the urgency of bridging the huge backlog in black education caused by nearly 40 years of Bantu education and in providing blacks with the skills essential for the creation of a post-apartheid society.

University Education: University education has been an area which has received a great deal of funding in the form of scholarships, but despite this, there are still many needs. Jakes Gerwel pointed out during his keynote address the difficulty the University of the Western Cape has in recruiting black faculty.

A number of questions were raised by Curtis Huff of the U.S. Information Agency regarding the Fulbright Fellowships which also have ramification for others administering fellowship programs. He asked whether priority should be given to fellowships in the technical fields. Secondly he questioned whether Fulbrights should be given only to black South Africans and thirdly, he noted that he was receiving advice to reinstate the program funding visiting faculty to South Africa and wondered how this would be received.

Jakes Gerwel addressed these questions. He agreed that in a post-apartheid society, there is a tremendous need for technically trained people, so there should be a major effort to support such training. He cautioned, however, that this should not be to the exclusion of training in the social sciences. "I think we should have a systematic and planned way of training people in the technical sciences, but I do not think that development has been such that we can say no to people in the social sciences. We have a need for those people."

Professor Gerwel then went on to address the issue of funding blacks exclusively. "The ideal is non-racial, yet we cannot be colorblind just because we are paying lip-service to non-racialism. South Africa can only be a genuinely non-racial society if the societal inequalities that need balancing are repaired, which would mean that the emphasis would be on training blacks."

Thirdly, Professor Gerwel addressed the subject of visiting foreign faculty. "My own university has taken the subject of the academic boycott very seriously. The senate of our university has accepted a particular motion on the academic boycott that we shall promote academic exchanges to and from our university only

under particular conditions. We would, for example, carefully examine the political and cultural background of the academic concerned."

Further questions were raised about the value of education outside South Africa. The issue appears to have two sides. Foreign study is useful because it offers the student a new environment in which to grow. It also provides a link between South Africans and the international community. On the other hand, foreign study takes those with high leadership potential out of the country at a time when they are desperately needed. Many times foreign exposure also increases the student's desire to leave South Africa, which escalates the "brain drain."

Suggestions were made that this could be an area for some creative funding in order to find ways in which South Africans can be exposed to new environments without the country losing their expertise for too long a time and without risking increased emigration.

Preschool Education: Preschool education is perhaps the most fundamental part of an improved education system, because it is at this stage that teachers can begin to motivate students and also have an impact on illiteracy. John Makhene of the Equal Opportunities Foundation pointed out, "This is the stage where you can actually nurture and develop the potential of the child and also prepare the child for schooling. This is an important area now and so there is a tremendous demand for funds to set up pre-schools. There are already organizations which are working in this area throughout the country and at the same time also providing the necessary training in early childhood education."

Preschool education is also important because most black mothers in urban areas have to work, and children are left from a very early age in the care of an aged relative or older children who are not in school. The result is a high level of malnutrition and neglect that impairs physical and mental development.

Primary and Secondary Education: Unlike other population groups, education for Africans is compulsory only in those few areas where there are sufficient school facilities. The amount of time that a child spends in school is generally a function of economics. Older children are often expected to work to increase family income and subsidize the education of younger siblings. More than 50 percent of students drop out before the fourth grade. The number of black students increased from 800,000 in 1950 to 5 million in 1985, and there are not enough qualified teachers or facilities.

As noted by John Makhene, it is impossible to concentrate on the funding of more technical training without addressing the systemic deficiencies which reduce the pool of qualified applicants to technical programs. These deficiencies must be addressed at the primary and secondary levels. He noted that there are a number of important funding options in remedial education.

A number of programs enhance black education and increase preparedness for higher education. Such programs include outreach and computer-based programs, which have a special emphasis on math and science, a necessary prerequisite to technical training. There are also centers that have been established to improve communication and study skills.

John Harwood, president of the Genesis Foundation, spoke of his experience in funding rural black schools in Southern Africa. He said, "I think most would agree that the needs are most acute in the rural areas of South Africa. Furthermore, institutions in the rural areas have less access to outside support than do urban institutions. There are some fine non-formal education programs under way there."

Community Education: Though emphasis has been placed on formal education, participants agreed that there is a real need for funding for non-formal education which would include skills training for adults, especially literacy training. Professor Makhene also pointed out, "I would venture to say that there are more youth outside school than those who are in school. They ought to be in school. There is a need for what I like to call community education which could detect those students who are at risk, and those students who are at risk can be assisted and in this way kept in the school system. Those who have dropped out should be encouraged to study further and simultaneously undergo vocational training."

Community education is a comprehensive approach and involves a general uplifting of the standard of education in the community. "We tend to concentrate on higher education and secondary education, but we forget that education is actually taking place in an illiterate environment, an environment which does not motivate a child to learn. There is stimulus in the classroom and when the child closes the books and walks out of the classroom, the whole environment is not sustaining the student, so there is an urgent need

to uplift the community so that parents can have a significant role in the education of their children." This is a fundamental concept in education everywhere and demonstrates the inter-relationship between education and overall development.

HEALTH AND DEVELOPMENT

When examining the health problems facing black South Africa, it is impossible to separate them from community development. The causes of morbidity and mortality are predominantly tied to sanitation, water supply, literacy, and poverty, and therefore must be approached from a systemic view. The developmental connection to black health is perhaps made more dramatic when one compares black health to white health. While the diseases of blacks are those which are considered "third world" health threats, the diseases from which whites suffer are those associated with a Western lifestyle such as heart disease and stroke.

The health problems of blacks are compounded by the system of apartheid which rigidly segregates the allocation of health resources. Separate health care facilities are provided for whites, blacks, "coloreds" and Asians -- including separate hospitals, ambulances and clinics. White health care is rated on par with any Western country while black services are grossly inadequate. The government spends on aggregate four times more on health care for whites than for blacks. There are roughly 44,000 hospital beds available for whites, a ratio of 102:1 and a total of 77,542 hospital beds for blacks, a ratio of 337:1.

Only about 5 percent of doctors work in rural areas, and out of the 20,000 medical doctors, only 500 are black. This translates into a doctor patient ratio of 1:750 in urban areas and 1:25,000 in rural areas. In some regions that figure may be even higher.

The umbrella organization for "progressive health care" in South Africa is the National Medical and Dental Association (NAMDA). This organization was formed in 1982 in opposition to the state-sponsored Medical Association of South Africa and represents more than 1000 doctors, dentists and medical students. According to NAMDA's constitution, it is "committed to opposing apartheid in health and striving for a just and democratic society in which health for all will be a social priority."

South African participants at the conference emphasized that the participation and concurrence of NAMDA in any health initiative is essential.

Primary Health Care: Although there is a need to educate more black doctors, black South Africans see an even more pressing need within health. This relates to the fact that most common causes of death and illness are preventable, thus the amelioration of the problem does not simply lie with the provision of more curative care. The solutions must be developmental and revolve around a primary health care system. Like so many other countries, with similar health problems, the primary components of such a system are village health workers (VHW) and the means by which to train them. Overall, a primary health care system should:

- be based on maximum community participation;
- emphasize preventive services;
- train a large number of VHWs, and provide for the training of trainers in order to facilitate a multiplier effect;
- ensure that VHWs constitute the element in the developmental approach which leads to the eradication of black poverty.

The role of VHWs in rural development is significant. For grantmakers, they also provide an option with more cost-benefit than the training of doctors given the cost of medical education. Shirley Moulder discussed the value of VHWs when she said, "If you are going to look at what is more effective, health care workers in villages can actually begin to do the primary diagnosis which is then followed by a referral system. We do need doctors, but at the village level often medical conditions also have to do with water, literacy, and the ability to provide food that will make children grow up healthy."

The National Progressive Primary Health Care Network: South African health and development workers opposed to the discriminatory state health policy have launched a major initiative for the promotion of a national primary health care system. They engaged in a year-long process of internal consultation on the desirability of greater collaboration and cooperation among existing health and development projects and organizations. The upshot of this process was the establishment of the National Progressive Primary Health Care (NPPHC) Network in September 1987.

The principal goal of the Network is to advance the concept and practice of primary health as the nucleus of an integrated development approach. The Network operates through a decentralized administrative structure of regional coordinating offices and currently embraces more than 100 health and development organizations across the country and several hundred health and development workers.

The significance of the Network for grantmakers is that it provides a democratic mechanism for the identification by South Africans of priorities in health and development assistance. Furthermore, the Network provides grantmakers access to grassroots projects and organizations in different parts of the country that are often overshadowed by the better established grantseekers.

Health and Grantmaking: A prime motivation for health grantmaking should be enhancing black self-sufficiency. This is best done at a grassroots level and through community development. Many grassroots organizations are in desperate need of resources. Of the significance of such grassroots organizations, Lionel Louw said, "The mere fact that people are continuing to help themselves in spite of the repressive situation points to a substantially different future compared to where they have been, where decisions have been made for them and where they have simply been on the receiving end."

Reverend Louw added that small foundations need not be intimidated by the growing number of grassroots organizations, but limited funds and the immense need call for caution in the decision of where to put money. Such decisions demand consultation and social analysis. He said, "I think those who are not familiar with the terrain would benefit from the exchange of views with those who have been familiar with the scene for a number of years."

AIDS: Although as of 1986, only 34 cases of acquired immunodeficiency syndrome (AIDS) had been diagnosed in South Africa, its presence in the country and the presence of environments appropriate for its spread make it a growing concern. Like the myriad of other health problems in South Africa, the spread of the disease can be linked to the political and economic systems. This concern was voiced by Richard Horovitz of the Ford Foundation, "If the problems we have seen in neighboring countries in central Africa become replicated in South Africa, which they have a possibility of doing because of the very structure of a migrant labor system that forces people into single sex hostels, then conditions are created which could facilitate the dissemination of the disease."

Mr. Horovitz asked about the potential role of the church in AIDS education given its enormous power as a communications network. Mrs. Moulder concurred with the church's potential, but recognized that this is an issue to which the church has been slow to react for two reasons. "Firstly, figures on AIDS are not easily available and so the general public has no idea of how great the problem is. For example, the mining industry admits to repatriating migrant workers who have AIDS, but information on incidence and what is being done to follow-up contacts is not available. Secondly, AIDS tends to be portrayed as an exclusively homosexual disease. It is not, but the lack of information serves to reinforce this impression. Lack of information, as well as misinformation, enables South Africans to adopt an ostrich-like position on the issue. The churches do have the potential to respond by mounting an education campaign and ministering to those who are affected, but as far as I know, none of the major denominations have this issue as a major item on their agenda."

HUMAN RIGHTS

South Africa has one of the worst human rights records in the world. Human rights abuses include indefinite detention without trial, torture, physical assault and destruction of private property by security forces, and the detention of children under 18 years. During 1986 and 1987 more than 30,000 political dissidents were detained without charge for various periods. 1987 official government statistics indicate that 34 percen of detainees were children aged 12 to 18. A 1986 study of 131 ex-detainees conducted by the National Medical and Dental Association (NAMDA) found that 53 percent showed signs of physical abuse and 63 percent had been psychologically abused. Of this sample, 35 percent of the males and 40 percent of the females were younger than 18 years old. Five percent were between 10 and 14 years old.

While these are the more universally recognized aspects of human rights abuse, conference participants pointed out that the most fundamental violation of the human rights of black South Africans is the historic denial of all political rights and the entrenchment of racial discrimination in legislation. The perpetuation of minority rule by means of apartheid has led to the forced removal of more than 2 million Africans from their traditional settlements to remote ethnic homelands. The homelands constitute less than 13 percent of the land area of the country, but more than 50 percent of the African population is compelled to live in these areas. Blacks outside the homelands may only live in prescribed townships removed from the main white urban residential areas. Conference participants recognized that these are issues about which Americans feel particularly strongly.

Litigation: Many American grantmakers have responded to initiatives by South Africans aimed at protecting the legal rights of the oppressed black majority. In particular, support has been given for the defense of political detainees and litigation challenging aspects of apartheid law. Conference participants noted that while some important legal battles had been won through the courts, legal victories against the state are invariably shortlived. The state regularly overturns unfavorable court rulings by simply amending existing legislation or promulgating new legislation. In addition, conference participants discussed the fact that the South African court system which was once recognized for its judicial independence is now largely manipulated by the state.

It was noted that there is discussion among South Africans on whether the expense of action through the courts outweighs the benefit. In particular, some have argued that the money would be better spent on supporting the families of detainees, because legal defense is so seldom successful and even if it is, the state will quickly find a pretext for the detainee's redetention. There is also a feeling that some defense lawyers have in fact been enriched by the large number of political trials. Furthermore, the state has used the court system as a legal means of indefinitely detaining key black leaders. The several treason trials currently ongoing in South Africa have been drawn out over a number of years. Although the state's case is often weak, the protracted nature of these trials has immobilized a number of important black leaders, and the trials have absorbed very large sums of money in the defense of the accused.

Lance Lindblom, president of the J. Roderick MacArthur Foundation, pointed out that many grantmakers have been involved in litigation and the provision of legal assistance, but he asked, "Is it time to reassess what we are doing and take a different approach? If so, what is that approach?"

Legal Advice Centers: Saki Macozoma of the South African Council of Churches' Dependant's Conference drew a distinction between humanitarian assistance for detainees and their families on the one hand, and the more proactive aspect of human rights. This latter aspect includes in particular human rights education. It was pointed out that a nationwide network of legal advice centers has emerged in recent years to provide legal counsel and education to blacks. One participant noted that the myriad of discriminatory legislation governing the lives of black South Africans is so intricate that blacks are constantly up against the law, but seldom understand their rights under the law.

Removals: Another example of proactive human rights assistance is support for black communities threatened by the state with removal from there traditional lands. Several participants pointed out that although the state had officially halted its policy of removals, large communities of blacks are still threatened with relocation to the homelands in order to facilitate the consolidation of the homelands or the expansion of white areas. Examples were mentioned of communities that have successfully resisted removal, largely as a result of international support and attention. Another participant noted that the state used divisive tactics to nurture the armed factionalism that destroyed the Crossroads community outside Cape Town, thus ena-

bling the state to force residents to move to the more remote black township of Khayelitsha. Crossroads residents had resisted relocation for more than five years and had become a focus of international media attention.

Alternative Media: Another important area in which grantmakers can be proactive is the alternative media. The strict censorship of the South African media serves the government's purpose of stopping the spread of information regarding human rights violations. Without this information, it becomes more difficult to organize international resistance to human rights violations. Grantmakers are warned, however, that when funding the alternative press there is a high probability that the publication will be shutdown and the grantee detained. One participant pointed out, "If we are going to help people start small presses, we should realize that we are going to open these people to detention. It means that we are also making a commitment to defend those people if the government actually harasses them. We also need to train enough people to be able to substitute for whoever gets into detention."

Arts and Culture: Another area by which grantmakers can take a proactive stance is in the funding of arts and culture. The role of the arts in spreading information about what is happening in South Africa both inside and outside of the country cannot be undervalued. One participant noted, "In my opinion having dealt with the arts and culture groups in South Africa, I think that they have become the most effective carriers of news outside of South Africa, but it seems that no major funders want to be responsible for funding the arts."

International Consciousness Raising: Several participants pointed out that it is imperative to keep the issue of South Africa alive in the international community. Support of information dissemination has already been stressed as a priority, but it is also important to assist organizations in the U.S. which do not have the resources to go to South Africa or to consult with South Africans, but who are interested in supporting human rights in South Africa. One participant noted, "I think the idea of links with groups inside South Africa and people here involved in defending human rights issues is very important. We have been working with some trade unions in the United States and local teachers raising money and it is important to work with COSATU and the other trade union bodies so that you do not just send money there but you consult with them and work with teachers there and when teachers get detained, there is a local union up in Albany, New York that begins to protest and begins to develop a consciousness in the United States."

BUSINESS DEVELOPMENT

The South African government and business leaders in South Africa have cultivated the notion of "free enterprise" and small business development as a means of creating a black middle class as a bulwark against increased black radicalism. Consequently, the concept of free enterprise is politically charged, and many blacks see small business development as a device to divide blacks further on the basis of class. Black attitudes are further clouded by the initiation of various programs funded by the South African government and the corporate sector aimed at the development of the informal business sector.

One South African participant made this point emphatically, "It seems to most of us that there is a concerted effort by capitalists inside South Africa and internationally and particularly on the part of the United States government to sell the free market economy to black South Africans. If the free market economy is the best in the world and the best alternative for black South Africans, it is not important for people to preach to us about how good it is. It must produce results."

The Small Business Development Corporation was established with funds from the South African government and private sector to provide loan capital and business expertise to small business enterprises. In addition, most South African commercial banks have established small business lending departments. However, few blacks have benefitted from these programs because they are seldom able to provide the sophisticated feasibility studies required by such agencies.

As Dr. Motlana said, "The black community's complaint is that money intended for the encouragement of the small business sector among blacks, in fact went to whites simply because they could draw better plans. And although we may have very big ideas and very viable schemes, the blacks do not get the money." Nonetheless, blacks are increasingly aware that economic power goes hand in hand with political power and a number of black-led business development agencies have been formed in recent years.

A major incentive for nurturing business enterprise within the black community is the fact that the formal business sector will not be able to provide jobs for black employment in the future. An additional 350,000 new job seekers will enter the market each year over the next 12 years, requiring 1000 new jobs each day if new entrants into the job market are to be accommodated. Even at optimistic official estimates of an average 3.5 percent economic growth rate, by the year 2000 unemployment among Africans will officially top 40 percent. In reality that figure is likely to exceed 50 percent. South Africa has experienced negative or near zero economic growth in the last five years, and continued political instability and international efforts to isolate the South African economy make the prospect of any short-term improvement remote.

The pattern of capital intensive investment in South Africa has led to a consistent decline in the job creating capacity of the mainstream economy even at times of exceptional economic growth. Economists estimate that by 2000 about 13 percent of the economically active African population will depend on the informal business sector for their income.

Black business development aims at putting capital and the ownership of the means of production in black hands. Barkley Calkins of Morgan Guaranty Trust Company underscored this point by noting the pivotal place that income generation and business enterprise occupies in the development process. He said, "One of the most fundamental premises that we would tend to make is that within people everywhere there is a tremendous urge to improve their lot in life. And so if we can give them the means, the managerial skill, and the capital so that they have some capacity to control their own destiny and to improve their lot in life through hard work and enterprise, we are harnessing enormous energy for development.

Black South Africans repeatedly pointed out that when they speak about "empowerment" they are referring to "the least of our brethren," as one put it. The implication is that business development should not simply be interpreted as mainstream enterprise, but enhancing the subsistence capacity of impoverished communities through income generating projects.

More than 50 percent of the African population is compelled by apartheid law to live in ethnically designated homelands. These homelands constitute 13 percent of the land area of the country. Gross overpopulation has led to the collapse of the traditional agricultural subsistence economy. As a result, rural blacks have very limited prospects for income generation and generally rely on the remittance of wages by a family member employed as a migrant laborer in the industrial sector of the economy.

As the opportunities for employment in the industrial sector diminish, the level of destitution in the rural areas has intensified. Income generating projects in these areas are generally very limited in scale. However, some community organizations are giving attention to the creation of community cooperatives. Such cooperatives engage in a variety of business enterprises from textile and furniture making, to clay pots and indigenous curious. The general principle is to generate a source of income, part of which is used to compensate participants in the cooperative for their labor, and the remainder is plowed into other community development efforts -- such as sanitation or preserving water supply from contamination. Income generating enterprise is a pivotal part of the integrated development approach strongly advocated by South African participants at the conference.

VIII. CONCLUSIONS: A SOUTH AFRICAN PERSPECTIVE

Reverend Lionel Louw
The Western Province Council of Churches and
The University of Cape Town School of Social Work

The complexities of both the U.S. grantmaking community and the South African situation challenge our human creativity in no small measure. Nonetheless South Africans, those in exile and those at home, have shared perspectives with you in all honesty and candor and with a unanimity which may be surprising to many.

I must say that the way in which South Africans are often assessed by outsiders as being from inside the country or in exile is an unnatural division that should be stopped. We cannot undertake action without consultation with those who are in exile, and those in exile are saying to us: we need to remain in dialogue with people inside the country so that we do things together. We have participated very honestly from both sides of the border as South Africans who are deeply concerned with the resolution of the impasse in South Africa.

We are mindful of the structural determinants of the poverty, suffering and repression in our country. The impact of the apartheid tyranny is an inescapable and daily routine for us. The consequences are monstrous and murderous. The total eradication of this vicious system is our passionate concern and the priority of every action program. Anything short of the complete elimination of apartheid would be unacceptable. If you think of the length of our struggle and the continuing suffering of our people, clearly our priorities cannot be different.

We need a structural rearrangement in our society that will bring a non-racial, non-sexist, just South Africa into being. While acknowledging that it will be sometime before we reach our goal, we recognize that reform is no substitute for a change in government, socioeconomic development is no substitute for political change, the promotion of elitism is no substitute for democracy, and grantmaking is no substitute for sanctions.

Black empowerment ought to be the central tenet of any grantmaking program. This implies an acceptance of the fundamental principle that South Africans must make decisions about needs, priorities and the application of resources. We need to be involved fully in decision-making from the word "go." Consultation is a recurrent ingredient in the process of grantmaking. It is an unending process using a variety of means -- the non-negotiable principle being humility to be subject to the will of the people of South Africa. It is difficult and sometimes frustrating to experience, but that is really what is required.

Across the country an ever increasing number of grassroots community development groups are organized or organizing to identify, articulate and address their needs. These groups need enabling resources to create democratic, community-controlled structures. These structures can contribute to a community's increased self-sufficiency and resilience to resist external subjugation. In the light of the historic subjugation of black South Africans, the imposition of external ideas, no matter how well intended, is anathema and will be resisted.

What has come out of the discussion? There are several points ringing loudly in my ears. First, we are talking about black empowerment. In the midst of the brutalization of the apartheid beast, there is human resilience which we see everyday, and there is an indestructible spirit which motivates us to work for the birth of a non-racial society. We want the chains to be removed, we do not want those chains to be made more comfortable. Black empowerment means that we need to be in a position where we will make decisions about every dimension of life in our society and that is our goal. That is what we are talking about when we are talking about the eradication of apartheid. Transition to a government representing the majority of the people is the only realistic response. Secondly, we have identified the need for communication, within South Africa and also between South Africa and the rest of the world.

Thirdly, we have to grapple in some way or other with the deliberate deception on the part of the South African government. The world is being deceived by the minority regime's adulteration of internationally accepted concepts of human justice and democracy. We need to deal with the fact that the regime deliberately misleads its own people and deceives the international community. It is an illegitimate regime that cannot be regarded as representing the South African people. It cannot be recognized as a legitimate part of the international community. We need to support, in every way possible, all of the alternatives that are being set up, and we must be defiant of laws, rules and regulations that are imposed upon us by an illegitimate regime. As Desmond Tutu has said, "We need to learn what it means to be obedient to God." There is a security network that has been set up all across the country to suppress resistance to apartheid. Yet it cannot reverse the tide of history or the justness of our cause.

Fourthly, we have also discovered that the issues we are addressing in South Africa are really international issues in a microcosm. The engagement of the world in the resolution of these issues will impact upon the region and the rest of the world through the way we are addressing issues that the world has to face. Beyond the eradication of apartheid are the issues of social justice, economic redistribution, non-racialism and human development that are crucial in international affairs.

Then there is the translation of words into action. We have heard a great deal about positions that have been taken in the past -- positions that had been spelled out in a very simple, clear, straightforward manner. What we are beginning to experience is that people do not listen to what we have to say. They look at the way we act and there is much more intensive examination of who we really are and where our resources come from before we will be allowed to do anything in communities. So we are saying that the translation of words into action is the criterion by which we are being judged in the situation in South Africa. Do our actions contribute to the eradication of apartheid, to the struggle for liberation? And are they supported by the people?

We have identified the need for long-term involvement with people and projects in South Africa so that it is not a quick fix approach. We have spoken about the internal/external divides that are disappearing. I should also say that there are many who profess to want to eradicate apartheid, but who thrive on the ideological divisions.

What we need to report is that we have in a spirit of unanimity responded to the issues here. That is a reflection of what is on the way for South Africa, particularly during the last few months as people of various political positions have come together and said that we need to find functional ways in which we can operate together. At the community and regional level within South Africa, we are witnessing the same phenomenon.

It is incumbent upon us also to inquire whether grantmakers are going to be equally responsive to black initiated projects headed up and managed fully by blacks, or whether preference will be given to white brokers in order to facilitate the transfer of resources.

Finally, we look to the future with optimism. We look to the future in a spirit of positivism. No, we will not be defeated. We will not be intimidated. We know that we will have to be victorious in the sense that a different dispensation has to be brought into being. We are certain about the future in which non-racialism will become a reality. The whole South African region, the entire continent and the world is waiting for it.

We have that kind of positive spirit in which we approach the future by way of saying that that inevitability cannot be stopped in any way. That is the sheer determination we are seeing in the faces and the actions of young people since 1976. Yes, we have had our downs, but we know these are interludes that will take us to a different dispensation as we go into the future.

The partnership between South African blacks and the international community is essential on terms negotiated between grantmaker and grant receiver with a view to bringing about fundamental political change empowering blacks and to take the whole society and region into a post-apartheid South Africa. New grantmakers are urged to become fully engaged in this complex society. It is a society pregnant with potential for the creation of a new order -- an order and creative alternatives that will have an impact in the Southern African region and the world.

We have outlined the complexities. We hope that we have not scared potential donors into thinking that the situation is too complex to deal with. What we simply put before you is a new challenge that taxes human creativity about ways in which we can respond to a system that has been very vicious, but also a people that have been resilient in their spirit. We come before you saying: there are tremendous needs. We need you to help us resolve them so that we can move into a future of which we can all be proud.

IX. CONCLUSIONS: AN AMERICAN PERSPECTIVE

William Carmichael
Vice President, Ford Foundation

For me, and I hope for others, the discussion over the past 24 hours has been a source of considerable encouragement. I came here yesterday worried, frankly, that this meeting might show some of the effects of South Africa's being "last year's problem." Public awareness of the problems of South Africa seems to be suffering from the very success of the recent repressive measures of the South African government, both in limiting the more visible signs of protest and in reducing coverage of the situation in that country in the U.S. press and on our evening television broadcasts. And I was concerned that that phenomenon might be reflected in limited interest in this gathering.

Quite to the contrary, however, I was delighted to see this turnout, and I was particularly heartened to seen new faces representing foundations small and large -- east coast and elsewhere -- that have decided to undertake work in South Africa or are considering doing so. As was pointed out a number of times, there is a lot to be done, much more than all of us put together could begin to tackle.

It has also been an encouraging set of discussions because we have had what I think adds up to a very compelling set of answers to the question "Why South Africa?" Unlike Professor Gerwel, I am not a student of "literary science", so I thought that question simply meant, why with so many other things that we might do should we be devoting our limited time and energy and money to the situation in that distant part of the world. I think that there were at least five strands to an answer to that question that emerged in the course of the conference.

1. South Africa is a unique situation in which poverty and discrimination have been thoroughly institutionalized and entrenched by government policy.

2. The consequences of apartheid are a fact of life for the people of that country -- the men, women and children who are determined to survive. And those consequences are also a fact of life for people throughout Southern Africa who are victims of South Africa's economic and military might in the form of war in Angola, the continued occupation of Namibia, destabilization efforts in Mozambique and elsewhere along South Africa's borders, and the resulting refugee flows.

3. The situation in South Africa is a poignant reminder of the continuing quest for a racially just society here at home. True, there are immense differences between the situations in the two countries, but I believe there is a special poignancy in the situation there, for those of us who are American, because of the unfinished agenda in our own society.

4. We as grantmakers should take very seriously the opportunity to do work in South Africa because that work can bring new perspectives to what is the main bread and butter of our work here at home. That point was made most convincingly by Al Tarlov in a meeting hosted by the Kaiser Family Foundation yesterday when he noted that the work they are engaged in there has already begun to affect their thinking about the nature of health needs and approaches to problems in the United States.

5. Perhaps the most compelling answer to the question "Why South Africa?" is to be found in the opportunities that exist for helping make a difference there. The vigor of the organizations that are in need of the funds we can provide and the talents of South African leaders are illustrated so very well by the several who are in attendance here and who have made this conference a very rich opportunity for learning and exchange.

Our discussion, of course, has made reference to a number of factors that could suggest hesitation among foundation staff and board members considering afresh the question of working in South Africa. We were reminded that there is understandable suspicion of intent among the very communities that we hope to serve. We have been repeatedly warned of the complexity of the territory and the shifting nature of the

political scene in South Africa. We have been told as well that it is not always easy to be sure that our assistance flows to groups that enjoy a high degree of legitimacy in black South African communities. We have also been urged to be wary of programs that would bring us into inappropriate associations with the government of South Africa or of the homelands. And even more worrying, I suspect, at least for some, we have been told of the possibility of state interference, not only through the myriad of existing laws, but through the prospective enactment, in one form or another, of an "Orderly Internal Politics Bill" as it is so deftly called.

I hope that those who are considering work in South Africa, however, will not come away with the wrong message. We all know that the things that are worth doing are difficult, but the difficulties in this case should not be exaggerated. Initial suspicions, for example, have given way, over a decade of very active grantmaking by some North American foundations, to a high degree of trust. And there are a growing number of resources for getting to know the territory. The Institute of International Education's Information Exchange and its growing list of publications can give us a good running start on what the needs are and what the other factors are. There are also the books, Community Development in South Africa: A Guide for American Donors and American Philanthropy: A Guide for South Africans, that Michael Sinclair has written.

And with regard to state interference, while I agree that we should follow the evolution of the Orderly Internal Politics Bill with considerable care, I would argue that the South African government already possesses endless numbers of powers to interfere either with the organizations that would be our grantees or with those who would be the donors. Yet, important work continues. And I think it would be wrong to assume that the possibility of enactment of yet another piece of legislation will radically change the situation.

In any event, I would most heartily urge that the we not be deterred by further governmental restriction, that we not fall into a state of paralysis in which we would be doing the naysaying that some people in the South African government would have that government do. For those who have sufficient courage, and I hope that is most of us, we must get on with the task.

We have received very sage counsel during the course of the conference, and I do not want to try to repeat much of it here. We heard the Ten Commandments, as enumerated by Jim Joseph. And a little later in the day, we were informed of the seven principles underlying the most impressive USAID program in South Africa.

One guideline relevant for newcomers to grantmaking in South Africa is what I recollect to be Jim Joseph's third principle, namely, that foundations starting new activities in that country ought to work on issues with which they have acquired experience and with which their boards have a certain affinity. There are many ways of doing that. There are, for example, internship programs, both on the east and west Coast of this country, which bring black South Africans, not simply to host universities, but out into the community to become familiar with, and work in organizations of the kind that the foundations represented here are supporting throughout this country. It seems to me that is the kind of endeavor that needs additional support and would provide an easy way to begin to learn about the situation in South Africa. It would also put the learning that foundations in this country have amassed from their experiences here at the disposal of people who can make good use of it in South Africa.

And there is yet another guideline perhaps not explicitly addressed earlier and certainly more controversial than many. In mentioning it, I want to say that I could not agree more with the precept that we must keep our sights on the end goal, which is the end of apartheid and its replacement with a just and democratic social order, and that the principle route to that goal is through black empowerment. But in pursuit of those aims, it is important for grantmakers to recognize that they can support a number of things of a less ostensibly political character. They can help improve educational opportunities. They can help to nurture black leadership. They can help build organizations -- labor, community, and church -- that are the stuff of which the fabric of democratic governance is made. And in doing that kind of work, they are pursuing goals that are relatively unassailable, even in the eyes of a government which would turn away any help that has as an ostensibly political purpose.

In any event, let me circle back for a moment to the question of what can be done in South Africa and address it in a more personal fashion. I made my first visit to South Africa a little more than 10 years ago, and the development of some of the organizations that I saw on that first visit, and of others that were not then in existence, but are represented here today, is a source of immense gratification and hope.

It is from helping organizations like these develop their impressive programs and to face the problems and opportunities of tomorrow that I think a great deal of satisfaction can be derived. Indeed, several of us here know the almost seductive character of such work. From my point of view it is a remarkable privilege to be able to channel the resources at a foundation's disposal to work of that kind. We have been reminded that much of what we do is a thin trickle at best, but I believe very firmly that it is the combination of several such trickles that build the mighty current that is required.

Appendix 1

U.S. CHARITABLE ORGANIZATIONS WITH INTERESTS IN SOUTH AFRICA

African Arts Fund
156 East 79th Street
Suite #6A
New York, NY 10021

The Africa Fund
198 Broadway
New York, NY 10038

African Medical Mission
1027 Fleming Street
Hendersonville, NC 28739

African Research & Communications Inc.
710 Connecticut Avenue, NW
Suite #302
Washington, DC 20009

American Friends Service Committee
1501 Cherry Street
Philadelphia, PA 19102

Association of S.A. University Professors
Vasser College
P. O. Box 548
Poughkeepsie, NY 12601

Bishop Tutu Refugee Fund
P. O. Box 3896
Hartford, CT 06103

Cape of Good Hope Foundation
425 Ninita Parkway
Pasadena, CA 91125

Coalition on Southern Africa
1100 15th Street, NW
Suite 720
Washington, DC 20005

Committee for Health in Southern Africa
P. O. Box 11
630 West 168th Street
New York, NY 10032

Emergency Appeal for South African Families
Kinnebrook Farm
Worthingon, MA 01098

Equal Opportunity Fund
1333 New Hampshire Avenue, NW
Suite #400
Washington, DC 20036

Freedom Charter Education Fund
6804 Wilburn Drive
Capitol Heights, MD 20743

Friends of Freedom
African Schools Project
1051 Cloud Avenue
Menlo Park, CA 94025

Friends of IDASA
270 Park Avenue
New York, NY 10022

Friends of SOS Childrens's Villages, Inc.
1170 Broadway
New York, NY 10022

Fund for Education in South Africa
25 Indian Road
New York, NY 10034

Fund for a Free South Africa, Inc.
25 West Street, 5F
Boston, MA 02111

Get Ahead Foundation USA
Georgetown Station
P. O. Box 25561
Washington, DC 20007

Grassroots International
P. O. Box 312
Cambridge, MA 02139

Groundswell USA, Inc.
900 Artesia Blvd., #142
Redondo Beach, CA 90278

Institute of International Education
809 United Nations Plaza
New York, NY 10017

International Defense and Aid
for Southern Africa
P. O. Box 17
Cambridge, MA 02138

Medical Education for
South African Blacks
1011 North Capitol Street, NE
Washington, DC 20002

Operation Hunger
1414 Bay Street
Alameda, CA 94501

Project South Africa
260 Park Avenue South
New York, NY 10010

South Africa Fund for Education
10686 Crestwood Drive
Manassas, VA 22110

South African Relief, Inc.
25 West Street
Boston, MA 02111

Southern African Freedom
Through Education Foundation
P. O. Box 10172
Berkeley, CA 94709

Southern African Legal Services
& Legal Education Project
2445 M Street, NW
Washington, DC 20037-1420

Southern Africa Medical Aid Fund
Box 10409
Oakland, CA 94610

South African Townships Health Fund
506 Seward Avenue Square, SE
Washington, DC 20003

St. Barnabas College Fund
230 Park Avenue
New York, NY 10169

Thupelo Support Group
c/o CFR, 58 East 65th Street
New York, NY 10021

Transkei Foundation
1511 K Street, NW
Washington, DC 20005

U.S. South Africa
Leader Exchange Program
1700 17th Street, NW, Suite 500
Washington, DC, 20009

University of Cape Town Fund
135 East 65th Street
New York, NY 10023

Urban Foundation USA
477 Madison Avenue
New York, NY 10022

U.S. Committee for Friends of Baragwanath
Schering Plough Corporation
Kenilworth, NJ 07033

U.S. Zululand Educational Foundation, Inc.
c/o Brakely John Price
420 Lexington Avenue
New York, NY 10170

World Vision USA
220 I Street, NE
Washington, DC 20002

Woza Afrika Foundation
375 Park Avenue
New York, NY 10027

Appendix 2

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Shirley Moulder
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Charles W. Muller
The Urban Foundation, (USA) Inc.

Ned Munger
Cape of Good Hope Foundation

Duma Ndlovu
Woza Afrika Foundation

Elena O. Nightingale
Carnegie Corporation of New York

Gessler Moses Nkondo
Organization of South Africans
for Liberation Education

Henry Norman
Volunteers in Technical Assistance

John S. North
Eli Lilly and Company

Reverend Randolph Nugent
United Methodist Board of Global Ministries

Carlos Pasquale
U. S. Agency for International
Development Mission
Pretoria

Dave Peterson
National Endowment for Democracy

Janet L. Place
The Henry J. Kaiser Family Foundation

Anne Poirier
Southern African Freedom
Through Education Foundation

Daniel W. Purnell
Signatory Companies Statement of Principles

Mark R. Quarterman
Ford Foundation

Richard Robarts
Near East Foundation

James R. Root
Eli Lilly and Company

Jane Ross
The Henry J. Kaiser Family Foundation

John Samuel
South African Committee for Higher Education

Robyn A. Sealey
Southern Africa Legal Services
and Legal Education Project, Inc.

Patricia A. Sheeran
Aetna Life & Casualty Foundation

Teri Siegl
Council on Foundations

William Sigler
Salesian Mission

Michael R. Sinclair
The Henry J. Kaiser Family Foundation

Gare A. Smith
Akin, Gump, Strauss, Hauer and Feld

Roy Stacy
Department of State

Alvin R. Tarlov
The Henry J. Kaiser Family Foundation

Charles E. Taylor
IBM Corporation

Joanne S. Toy
USX Foundation Inc.

Themba Vilakazi
Fund for a Free South Africa, Inc.

Adele J. Vincent
Cummins Engine Foundation

Carl Ware
The Coca-Cola Company

Kerry Welsh
Groundswell USA

Ambassador Jean Wilkowski
Volunteers in Technical Assistance

Brenda Williams
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