

South-Africa: Is the right to reparations of the victims of apartheid at last going to be recognised?

International support for the Khulumani litigation : J. Stiglitz's declaration

Nobel economy prize winner's declaration in favour of the Khulumany litigation

The concerns of the South-African government are unfounded. Joseph Stiglitz, Nobel economy prize winner asserts in his letter to the Judge in charge of the Khulumani case, dated 6 August, that the reparations claims will not affect the South-African economy. According to him, the accountability of businesses and respect of human rights do not conflict with economic interests.

Dear Judge Sprizzo,

I submit this letter in connection with the Khulumani litigation only.

South Africa has expressed a concern that recent suits in America intended to address issues of abuses of basic individual rights during the Apartheid regime in South-Africa risk having an adverse effect on growth and development in South-Africa I see no basis for those concerns.

To be sure, foreign firms, in making a decision about whether to invest in South-Africa today are concerned with what is sometimes called the overall business climate. Among the factors which determine the business climate are governmental attitudes towards business and broader social and political stability. **The South-African government has long demonstrated a positive attitude towards business. Like any government, it wants to be sure that business operates in a responsible way, and the rules and regulations that are imposed to ensure that that happens should not be, and by and large are not, viewed as anti-business.** Indeed, successful application of such rules and regulations contributes to social and political stability, and this in turn makes a positive contribution to creating a favorable business climate.

The suits in American courts say nothing, of course, about the attitude of South-African's government towards business. If, in fact, American businesses did aid and abet the system of Apartheid, which resulted in such abuses of individual rights, then it is important that this form of corporate misconduct be addressed ; and knowing that such abuses can be effectively addressed contributes to overall confidence within society towards business, it helps create a more positive business climate.

Businesses themselves are forward looking. They ask, what are the opportunities for profits today and in the future? If a firm has polluted in the past, making it pay for that past pollution may deter it from polluting in the future, but will not deter it from entering into profitable investments. No one would argue that one should not impose fines or penalties for *past* pollution because doing so would discourage future investment. Such arguments would imply that no firm would ever be held accountable for past misbehavior. Not too in the cases at hand. **Apartheid is a matter of the past, though its consequences live on. Those who helped support that system, and who contributed to human rights abuses, should be held accountable. Holding them accountable will contribute to confidence in the market system, creating a more favorable business climate. In anything, it will thereby contribute to South-Africa's growth and development.**

Respectfully submitted,
Joseph E. Stiglitz