

Divestment from Israel: Is it an Effective Strategy?
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The Presbyterian Church USA has recently voted to initiate a process that may lead to divestment from companies profiting from Israeli policies that inflict harm on Palestinians. The worldwide Anglican Church is considering a similar policy. In the coming months, there will be widespread activism on US college campuses urging complete divestment from Israel by universities. These actions are an understandable response to years of frustrating work to change the ongoing policies of the Israeli government. Is this proposed divestment strategy an ethical one that is likely to achieve its desired objective?

The Shefa Fund agrees that we must act to end the oppression of Palestinians, and that we must act in ethical and effective ways that safeguard the security of Israel. We have been active in promoting peace between Israelis and Palestinians for many years, as important funders of Rabbis for Human Rights, Gush Shalom, Courage to Refuse, Peace Now, the Gaza Women's Loan Fund, and the Center for Jewish-Arab Economic Development. We are also active in the socially responsible investment movement. Because of our strong ties to both of these movements, we feel it is important to state our position.

SRI Compromised

All of the proposed divestment strategies target Israel alone and do not call for any sanctions against Palestinians for suicide bombings. (At the extreme end, the Palestinian Solidarity Movement, which is coordinating the campus divestment movement, refuses even to condemn any violence by Palestinians.) Just as Israel must be held accountable for its actions, so too must Palestinian and Muslim groups which explicitly or implicitly support suicide bombings against civilians. Altogether, it is essential to maintain consistent ethical principles as well as extreme sensitivities when dealing with the Israeli-Palestinian conflict.

We believe that ultimately, the divestment movement's one-sidedness will undercut its moral legitimacy. There is a difference between not investing in any defense industries or deriving any benefit from military contractors and singling out one state. This is especially so when the destruction of that state has been routinely called for by nations that also have significant weaponry. Treating one nation differently from all others is not the basis of a moral stand, especially if a likely outcome is to endanger civilians in that state. None of the churches involved have issued criteria by which they decide which case in the world of ongoing repression or violence is more crucial to address than another. One must

ask where is the outrage over the cultural and political genocide of Tibet that China is perpetrating? Though US aid to Israel is great, it is dwarfed by the amount of trade between China and the US.

The divestment movement has the potential to undermine the reputation of socially responsible investing. US industry has ties with repressive regimes around the world. Why, at a time when the world is becoming increasingly fundamentalist, is Israel being singled out? Socially responsible investing, including the strategy of shareholder activism, is an increasingly important and effective method of working for political, social and economic justice. If the public perceives that the socially responsible investment movement is unfairly targeting Israel, it becomes vulnerable to charges of anti-Semitism and its reputation will be tarnished.

Context is Important

The Israeli-Palestinian conflict cannot be seen in a vacuum. The conflict must be viewed in the context of ongoing hostility by the Muslim world to the existence of Israel, (e.g., in the 1991 Persian Gulf War, Iraq launched SCUD missiles at Israel, and the most likely target of an Iranian nuclear weapon is Israel). Should divestment actually contribute to a weakening of the Israeli economy and defense establishment, what would happen to

Israel and its Jewish population if it lost a war to its surrounding Arab neighbors? One only need to read the continuing state sanctioned virulent anti-Semitic propaganda that is currently widely disseminated throughout Arab countries to imagine the slaughter that would take place. Though it seems far-fetched to many Americans, that is precisely the thought on the minds of millions of Jews around the world. From an ethical perspective, it is not moral to advocate, let alone implement, a policy that could have such repercussions.

Understandably, the Churches are acting on the immediacy and importance of the Christian theological imperative to side with the suffering of those who are oppressed. The very visible and real suffering of the Palestinian people is heart wrenching. There is no question that this must end. It is critical, however, to acknowledge that Palestinian suffering will fully end only when there is peace.

Israel is only able to engage in a peace process when it feels secure. If divestment threatens Israeli security, it is inconsistent with the end of bringing about peace.

Response of the Jewish Peace Community

The progressive leadership of the Israelis and the Palestinians have

signed The Geneva Accords which lays out a detailed peace plan based on a two-state solution; the official leadership of the Palestinian Authority and the Israeli governments have, at least in principle, accepted that peace is premised on two states. The Presbyterian Church has stated clearly that its goal is to support the Geneva Accords. Therefore, an essential question must be: Is divestment a strategy that furthers a peace process based on a two-state solution?

It is highly significant that to date no Jewish peace group-- either in Israel or the United States--that supports a two-state solution has come out in favor of divestment. Yossi Beilin is the Israeli architect of the Geneva Accords. This was his response when asked about divestment:

This is a big mistake. Calling upon the United States to punish Israel is the worst possible mistake. It would unite all Israelis against the peace approach. What is important is not to punish Israel but to convey to Americans the alternative perspectives that exist both within Israel and within the American Jewish community: There is no substitute for efforts to find a peaceful solution. Any steps to get the United States to punish Israel simply creates animosity within Israel and is not helpful. The effort should be to help both parties get to a solution. Attempts to punish Israel only strengthen the argument of the Right wingers that "the whole world is against us" and hence that we need not listen to them.

Yariv Oppenheimer, the head of Peace Now, the largest peace organization in Israel, said:

We think divestment is not the right way to change the situation. If anything, it may have the opposite effect of the one intended. Israelis feel the entire world is against them, so the immediate response to such measures is always anger and mistrust. They will not convince the Israelis that the occupation is a bad thing. [For the churches to achieve their goals] they should engage in dialogue, not sanctions. Israel is a democratic country, and if the majority of people vote to leave the territories, that will be the policy.

Uri Avineri, the longtime leader of Gush Shalom which Avineri calls "the most radical Israel peace organization"--they have been in the forefront of encouraging Israeli soldiers to refuse service in the occupied territories--is against across-the-board divestment from Israel. He believes that this, "pushes the reasonable elements (in Israeli society) into the hands of the extremists. We want to isolate the extremists." He is spearheading a campaign to boycott Israeli products produced in the

West Bank, the Gaza Strip and the Golan Heights. The boycott list is being promoted in Israel and in the European Union (very few if any of these products comes to the US).

Jewish groups in the US that support a two-state solution to the conflict mirror these views.

In addition to the above here are some of the reasons that pro-peace Jewish groups understand that a divestment strategy is a move away from peace:

- Support by the Israeli political center is vital to the peace process. Divestment strategies lead to Israelis feeling more isolated and adopting a circle-the-wagons mentality. They move to the right thereby making peace harder to attain.
- If divestment succeeds in depressing the Israeli economy, it will lead to economic instability. Economic stability is a key to sustaining popular support for the peace process.
- Trying to isolate Israel through economic means does not work. The Arab boycott, which lasted for nearly fifty years beginning in 1948, isolated Israel economically, making it impossible for Israelis to attain everything from Pepsi to Japanese cars. It had little or no effect on the government's policies.
- Divestment alienates the American Jewish community and moves them to the right. American Jews ask why churches call for sanctions on Israel but not on China, North Korea, Iran, Saudi Arabia, or any number of countries involved in human rights violations. American Jews see a divestment strategy as concerned with Palestinian security and lives while ignoring the lives and security of Israelis. Any US administration will need the support of the Jewish community to make strong peace initiatives. This community is already alarmed by the ferocity of the Israeli-Palestinian struggle, the unmasked, state-supported anti-Semitism of the Arab world, and the upsurge of anti-Semitism worldwide. Targeting Israel for divestment simply provides one more stumbling block to Jewish recognition of the legitimate claims of the Palestinian people for sovereignty and independence.
- One-sided strategies like divestment have the effect of discrediting important and well-deserved criticisms of Israeli policies. They are all lumped together and dismissed.
- The call for divestment is seriously straining relations between

some churches and the Jewish community. This precludes any possibility of an interfaith peace coalition, which could be a positive factor in resolving the conflict.

For many Jews the call for divestment is another example of the unbalanced treatment of Israel by mainline Protestant churches. While one may disagree with the conclusions of a recent study by the Institute on Religion and Democracy, their facts about resolutions passed by mainline American Protestant churches are accurate. In the four year period of 2000-2003 there were 199 criticisms addressing human rights concerns in 22 nations, of these 36% were about Israel, 32% the United States, the remaining 31% were shared by 20 other nations. The Jewish community approaches the problem with a very long historical memory of oppression (including church oppression) and will see any imbalanced approach as recreating a long-term problem.

South African Analogy

Many, though certainly not all, advocates of divestment explicitly associate Israel with South Africa. The following appears on the homepage of the website that is coordinating the divestment effort of college campuses: citizens and governments

Concerned citizens and governments over the world must organize a comprehensive campaign of economic disinvestment and divestment from Israel along the same lines of what they did to the former criminal apartheid regime in South Africa. This original worldwide...campaign played a critical role in dismantling the criminal apartheid regime in South Africa. For much the same reasons, a worldwide disinvestment/divestment campaign against Israel will play a critical role in dismantling its criminal apartheid regime against the Palestinian people living in occupied Palestine as well as in Israel.

Francis Boyle, Professor International Law, University of Illinois

The strategy of divestment is closely linked in the popular consciousness with the struggle against South African apartheid, so even if the connection is not made explicitly, that is what comes to mind for many people. The South African analogy is made in two dimensions: 1) comparing the government of South Africa based on apartheid to the government of Israel; 2) using divestment from South Africa as a model for how to get Israel to change its policies.

It is essential to differentiate between an illegitimate state such as

South Africa was, and Israel--a legitimate, democratic state, engaged in repressive acts. Apartheid was a system designed for a minority to oppress a majority. Israeli Jews are a majority and legally guarantee the rights of the minority. The whole apartheid government was based on a racist ideology; Israel has no racial laws and Jews are, in fact, of many races. A secure peace with Palestinians could bring about an end to oppressive laws and the state of Israel would in fact be stronger. In a September 2004 poll by the Arab Yafa Institute, commissioned by the Israel Democracy Institute, 77% of Israeli Arabs said they support or definitely support the establishment of a constitution (Israel has no [written] constitution at present) that defines Israel as Jewish and democratic state that ensures full equality to Arabs. Currently Israel's Declaration of Independence declares full equality. Israeli Arabs enjoy greater political freedom than Arabs in any state in the Middle East. Yes, there is discrimination that must be changed, but this is substantially different than apartheid. One cannot imagine blacks in apartheid South Africa responding to a poll in the same way.

It cannot be forgotten that the context for the founding of Israel was centuries of European anti-Semitism culminating in the Holocaust and centuries of oppression by Jews in Arab lands. The parents and grandparents of the majority of Jews in Israel were born in Arab countries that oppressed Jews for centuries. Jews have had a continual presence in Israel for thousands of years. In all these ways the history of the Jewish population of Israel is far different from the history of white settlers in South Africa.

The analogy between South Africa's apartheid regime with Israel has a fundamental flaw: It obscures the moral complexity of the Israeli-Palestinian struggle. In South Africa there was no moral ambiguity: Clear lines could be drawn, so broad-stroked strategies could be effective. Israeli-Palestinian relations, by contrast, are defined by moral legitimacy and immoral outrages on both sides, resulting in a long, painful cycle of war, occupation, and terrorism. Here, more nuanced strategies are required.

Dr. Herbert Adam, author of several books about apartheid in South Africa, professor of sociology at Simon Fraser University in Vancouver and at the University of Cape Town, wrote a detailed, scholarly comparison of the two situations, "Peace Making in Divided Societies: The Israeli-South Africa analogy." He concluded that because the differences in the actual situations far outweigh the similarities, different strategies are required to create peace. Divestment is a strategy whose stated goal is to bring about an effective peace process. The following are some of his reasons why the South African peace process is not a good paradigm for creating peace between Israelis and Palestinians:

- In South Africa an entire regime had to be changed while in Israel the occupation and the status of the territories is the main issue.
- Economic interdependence of whites and blacks and the emergence of politicized trade union movement had socialized South Africa to negotiation politics and trade-offs.
- Religion in South Africa served [as] a common bond to assail and deligitimize apartheid, while Judaism and Islam compete for sovereignty.
- While divestment was a factor in bringing about change, the primary factors were internal politics and the end of the Cold War.
- In South Africa both sides had a cohesive and credible leadership with strong mandates. Both the Israeli and Palestinian leadership are fragmented and vulnerable to extremist pressures.
- Both sides in the Middle East have a strong sense of victimhood and moral legitimacy.

Conclusion

There is an important role for economic power in promoting peace. One of the essential principles of socially responsible investing is to use assets for positive ends. We call upon all institutions to creatively think about how to use assets to help bring about peace. We need to make investments or loans that will help create conditions for peace.

The enormous amount of time and energy that it will take to mount a serious divestment campaign can be far better spent on positive pro-peace initiatives. For example, what if every Presbyterian and Episcopal church in the US brought a Palestinian and Israeli speaker to explain the Geneva peace accords to its congregation and then mobilized to lobby congress and the administration. Whenever I have lobbied for peace on Capitol Hill I hear the same refrain, "We only hear from Christian Zionists and AIPAC, we need to hear from more people representing your point of view."

The ongoing suffering and violence in Israel and Palestine needs to end. Actions that cause further divisiveness, mistrust, and pain are not part of the solution. We can work together to develop positive policies and actions that contribute to the making of peace.

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