

# USA/Israel: A BDS Movement That Works

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IN 2005, 173 Palestinian civil society organizations and 71 members of parliament, political parties, and unions in Jordan united to issue a powerful nongovernmental call for global nonviolent resistance to occupation through acts of boycott, divestment, and sanctions (BDS) against Israel. [1] They had three goals: an end to occupation and return to the pre-1967 Green Line, equality for Palestinian citizens of Israel, and recognition of the Palestinian right of return.

The strongly united 2005 Palestinian civil society call for BDS electrified progressives around the world. European activists responded strongly, but in the United States, where the mainstream news media have tended to voluntarily censor undistorted news reports about Israel’s ever-widening theft of Palestinian lands, public consciousness was generally absent, while sympathy for the Jewish legacy of trauma from the Holocaust remained the dominant theme.

It’s time to reassess: Where is the U.S. BDS movement now? The answer is that, while it still lags behind the BDS movements in Europe, Australia and elsewhere, it’s catching up fast, on campuses across the country and in local communities, as a genuinely grassroots movement led by focused, smart, strategic young Arab Americans — with the generous, if unintended assistance of Bibi Netanyahu, whose unashamed racism and crudeness has stunned the world, leaving Israel’s defenders without a credible spin on his words and actions.

The BDS movement encourages progressive activists on many fronts to set aside differences and instead focus on common goals: to ensure the rights of Palestinians, as affirmations of the rights of all people, to adequate and uncontaminated water; to belong to a country; to get an education; to be protected from languishing in prison for years without trial or knowing why; to farm the land that has belonged to their families for centuries; to freedom and dignity.

The results have been stunning early victories for this country’s young BDS movement — in large measure a testament to the years of movement work in Europe and to the chilling confirmations repeatedly given by Israeli Prime Minister Netanyahu for the movement’s accusations of Israeli racism and the cruelty of life for Palestinians who live under Israeli occupation. But these successes would have been unattainable without the wisdom and maturity of young movement leaders who have, in the best spirit of the World Social Forum, consistently put shared goals above political differences and worked democratically and collaboratively, without ego hang-ups, to achieve shared goals.

This article focuses on the story of one U.S. BDS campaign: the campaign to persuade TIAA-CREF to divest from the Occupation. In a testament to the determination of the BDS movement to cross organizational and interest group lines and stay focused on shared goals, and to Jewish Voice for

Peace (JVP) as the campaign's creator, the campaign — now known as “We Divest” — now also includes American Friends Service Committee, Grassroots International, Adalah-New York, the U.S. Campaign to End the Occupation, and the U.S. Palestine Community Network.

Since the campaign's launch in June 2010, it has provided a big tent for all sorts of local activism against shared target companies — Caterpillar, Veolia, Hewlett Packard, Elbit, Motorola Solutions, and Northrup Grumman. These local campaigns have recognized that they all benefit by working collaboratively, with shared resources, sophisticated tactical guidance, training for local activists, and rich opportunities for local coalition work provided by We Divest.

## **The TIAA-CREF Campaign**

On a lovely day in July 2011, activists and allies of Jewish Voice for Peace converged on an idyllic country setting outside Charlotte, North Carolina. This is the immaculately manicured country home of the Teachers Insurance Annuity Association-College Retirement Equity Fund (TIAA-CREF), the partly non-profit and partly for-profit retirement and investment mutual fund manager.

Activists were there for the annual CREF shareholder meeting. They had attended and demonstrated at the prior year's shareholder meeting in New York City at TIAA-CREF headquarters, where shareholder meetings were usually held. These members and supporters of JVP shared a commitment to its campaign, launched in June 2010, to persuade TIAA-CREF to divest across all of its accounts from all companies around the world that profit from or help to maintain Israel's occupation of the West Bank, Gaza and East Jerusalem.

As of March 2012, TIAA-CREF managed \$487 billion for more than 3.7 million people working in academia, medicine, culture, government, and research. [2] A promising focus for activism, its primary clients are colleges and universities, where student movements for justice for Palestinians had already started and could benefit from a shared organizing focus. By highlighting commonly held investments as targets for TIAA-CREF divestment, the campaign provided a big tent for activism that could be coordinated with boycott and other divestment campaigns around the country.

TIAA-CREF itself is a globally admired financial services manager, a leader whose actions are likely to be noted and followed elsewhere in the investment world. Its 3.7 million clients tend to be community leaders, opinion shapers, and more socially committed and progressive than the general population.

TIAA-CREF was in fact a leader in the creation of socially responsible investing (SRI), offering its participants the option to invest in companies complying with the United Nation's C ESG investment principles (Companies committed to Environmental, Social, and Governance good practices). Importantly, the campaign does not ask participants in TIAA-CREF to divest their own accounts from TIAA-CREF, but instead asks the company to divest its holdings from Israel's occupation.

The 2010 activism at the shareholder meeting in New York had been a huge success. A dozen activists having credentials to attend the meeting had asked embarrassing questions of TIAA-CREF CEO Roger Ferguson, face-to-face, that so powerfully confronted the company on its refusal to divest from the Israeli occupation that one after another of the other shareholders present at that meeting — strangers to the still fledgling national divestment campaign — had risen to join the voices challenging the absence of moral judgment in the company's investment decisions.

The Q & A period at the 2010 meeting began and ended on a single theme: that it was wrong for an

Andrew Carnegie company whose motto was “Financial Services for the Greater Good” to leave teachers, professors, researchers and nonprofit employees no choice but to retire in part on the profits from a military occupation that violates both human rights and international law. For nearly three hours, the CEO of a Fortune Top 50 company politely listened to a stream of complaints about the ethics of his otherwise well-managed company.

## **What “Delegitimizes” Israel?**

Four months later, in November 2010, Israeli Prime Minister Benjamin Netanyahu addressed a large audience in New Orleans at the Jewish Federation’s annual assembly, railing against the “delegitimization” of Israel by alleged anti-Semites and self-hating Jews. A young JVP college student stood up in the midst of the audience and yelled to the stunned prime minister and crowd, “The siege of Gaza delegitimizes Israel!”

It was the highest profile “mic checking” action of the new U.S. BDS movement. A few moments later, after the audience and speaker collected themselves, another young activist stood up and yelled, “The Occupation delegitimizes Israel!” A total of five activists disrupted Netanyahu’s “delegitimization” speech to the Jewish Federation assembly, with the audience becoming more enraged with each one.

Other slogans were: “The settlements delegitimize Israel,” “The Loyalty Oath delegitimizes Israel,” and “Silencing dissent delegitimizes Israel!” [The “Loyalty Oath” is a proposed requirement for Arab citizens of Israel to swear allegiance to the country as the “Jewish state” — ed.]

The final protestor, a slight young woman, was greeted with a roar of outrage and assaulted from behind by a man who grabbed her in a stranglehold. In less than one well-conceived minute of total protest time, the moral bankruptcy of Israel’s “delegitimization” campaign had been exposed. [3]

Determined not to let protesters take over its 2011 shareholder meeting or humiliate the company on the sidewalks of New York, TIAA-CREF moved its 2011 CREF meeting to Charlotte, North Carolina. Similarly determined JVPers followed TIAA-CREF to North Carolina, attending the 2011 meeting in about three times the number of those who had attended the 2010 meeting. They were met by a small army of private security guards, who apparently had been instructed to never let these perceived terrorists out of sight; guards followed them even into bathrooms.

Again in 2011, campaign activists dominated the shareholder meeting. On the day preceding the meeting, the Charlotte Observer printed an op-ed by retired Archbishop Desmond Tutu, supporting the goals of the campaign and explicitly drawing the parallel between the Israeli occupation and South African apartheid. [4]

Activists around the country held coordinated, “You can run, but you can’t hide” demonstrations against TIAA-CREF’s decision to flee NYC for its shareholder meeting and demanding divestment from Caterpillar.

Less than two months later, in September 2011, CEO Roger Ferguson gave a presentation on retirement issues to a packed auditorium at Wayne State University, in Detroit. Activists from 13 student, faith-based and other progressive organizations distributed a joint statement to attendees, stating in part:

*“We come from many different walks of life, but we stand in solidarity with one another on this issue and with the national campaign to persuade TIAA-CREF to divest from Israel’s Occupation. As a*

*largely non-profit company that solicits customers under the proud motto, 'Financial Services for the Greater Good,' TIAA-CREF must honor its commitment. We are all seriously committed to the greater good, and we will not rest until TIAA-CREF stops investing in the Israeli occupation."*

Campaign activists, in this public forum, again controlled the discussion, converting the post-presentation Q & A into an indictment of the company's investments in serious human rights violations.

### **A Campaign Victory!**

Eight months later, between May and June 2012, TIAA-CREF completely divested its SRI accounts from ownership of nearly \$73 million in Caterpillar. Caterpillar manufactures D-9 bulldozers and sells them to Israel to be armor-plated, weaponized, and used to demolish civilian homes and build settlements in the West Bank, all of which violate the Fourth Geneva Convention's prohibition against the expropriation of any occupied territory by any occupying power. These are the bulldozers that killed International Solidarity Movement activist Rachel Corrie, as she stood in 2003 between such a bulldozer and a civilian home in Gaza, trying to save another family from homelessness.

TIAA-CREF's public statement was that the action reflected simply the decision by its SRI screening company, Morgan Stanley Capital Investment (MSCI), to "delist" Caterpillar as an acceptable socially responsible investment. MSCI is the largest such company, providing investment screening services to 6,200 investment firms, including TIAA-CREF. All companies that retain MSCI to screen their SRI accounts should now be following suit. This is the advice that they pay MSCI to give them.

A month before TIAA-CREF's action, Friends Fiduciary Corporation, serving more than 250 Quaker Friends meetings, schools, organizations, trusts and endowments, became the first U.S. company to divest from Caterpillar, selling \$900,000 in holdings. On September 26, 2012, Friends Fiduciary announced its further divestment from Hewlett Packard, because it provides IT consulting services to the Israeli Navy, and Veolia Environnement, the largest water privatization company in the world and the supplier of discriminatory water resources to Israeli West Bank settlements.

MSCI explained its decision to delist Caterpillar as having been "initiated following a controversial lockout and plant closing at the company's London, Ontario, locomotive plant." [5] (Indeed, this unionized plant was closed and the work moved to a nonunion facility in Indiana.) A senior MSCI official acknowledged, however, that Caterpillar's sales to Israel had been "a factor" in the delisting decision, since its rating had already been dropped to borderline status as a result of its sale of D-9 bulldozers to Israel for use in demolishing homes and building West Bank settlements. [6]

By the time of MSCI's announcement, the TIAA-CREF divestment campaign had educated MSCI about Caterpillar's unsuitability for socially responsible investing. The TIAA-CREF divestment campaign leaders are confident that the campaign played a key role, perhaps the key role, in MSCI's decision to delist Caterpillar, and CEO Roger Ferguson conceded as much in an unguarded moment of dialogue at the 2012 shareholder meeting.

TIAA-CREF still has a long way to go before it is divested from the Israeli occupation. It still owns about \$900,000,000 in Caterpillar, in its non-SRI accounts, for example. Its SRI accounts still own equities in Veolia, Motorola and Hewlett Packard — all of which earn profits from sales of equipment to Israel that is directly used to subjugate the Palestinian people.

But with the actions of MSCI and TIAA-CREF, U.S. divestment from the Israeli occupation took a

giant step toward becoming mainstream. It is only a matter of time, for example, before Veolia will be divested.

## **The Heat on Veolia**

Veolia flunks every single prong of the “environment, social, and governance” (ESG) standards that define companies suitable for SRI. Veolia will be saved from divestment only if it initiates prophylactic action in shedding the last of its business dealings with the Israeli occupation before it shares Caterpillar’s “delisted” fate.

Veolia has already sold its landfill operation for West Bank settlements, which literally turned Palestinian land near Israeli settlements into garbage pits; it has sold its interest in building the entirely illegal light rail system that connects West Bank settlements to Jerusalem and Israel; it has finally found a purchaser — Israel’s bus company, Egged — of its right to operate that light rail system, although a condition of the sale is that it must continue to operate the rail system until Egged employees have sufficient training to operate it themselves; and it has sold all but a couple of the bus lines that transport Israeli commuters from their homes in West Bank settlements to their jobs in Haifa and Tel Aviv, on apartheid-like roads that Palestinians cannot use.

Why is Veolia so determined to sell off its profitable Occupation business? The answer appears to be that the European divestment movement against Veolia has made it unprofitable for Veolia to engage in Occupation business, causing losses of many billions of dollars in lost contracts. In early October the investment grade of Veolia subsidiary, Veolia Environnement, was downgraded, making it a less attractive investment to all investors.

The downgrade provides a potent new argument to the BDS movement: that investing in businesses that profit from Israel’s human rights and legal violations is becoming simply bad business. The French and U.S. subsidiaries, Veolia Environment (providing waste management services) and Veolia Transportation (which runs all of the airport Super Shuttle services and many bus and small van services for local governments around the country) will be prime targets of the BDS movement in the coming year.

TIAA-CREF’s divestment from Caterpillar in all of its SRI accounts comes hard on the heels of increasing BDS activity and successes:

- Hot off the wires as we go to press is the news that several major U.S. churches have co-signed a letter to Congress demanding an end to unconditional military aid to Israel, and “immediate investigation into possible violations by Israel of the U.S. Foreign Assistance Act and the U.S. Arms Export Control Act which respectively prohibit assistance to any country which engages in a consistent pattern of human rights violations and limit the use of U.S. weapons to ‘internal security’ or ‘legitimate self-defense.’” [7] This is the sort of stuff that millions of ordinary Americans will pay attention to: Their own churches have indicted Israel for human rights violations and colonialism.
- After devilishly clever procedural maneuvers by pro-Israel forces, which deprived delegates at both the United Methodist Church General Conference (May 2012) and the Presbyterian Church-USA General Assembly (July 2012) of opportunities to vote on the merits of resolution to divest from specified companies that profit from Israel’s occupation, the Methodists adopted a strongly worded resolution condemning the settlements, [8] and the Presbyterians voted for “positive investment” in the occupied Palestinian territories, although there is no such thing.

By a unanimous vote in early June, the Arizona State University undergraduate student government



unanimously passed a bill, submitted by its Students for Justice in Palestine chapter, demanding that ASU divest from and blacklist companies that provide the Israeli army with weapons or militarized equipment or are complicit with the genocide against the people of Darfur. The bill named ten such companies, including Caterpillar, Motorola Solutions, Alliant Tech Systems, Boeing, and United Technologies. [9]

- Similar divestment votes were adopted by student governments at Hampshire College in 2009, the University of Michigan Dearborn campus in 2010, Columbia University in 2011, and the University of Massachusetts-Boston in April 2012. [10] The Hampshire College trustees divested from Caterpillar, United Technologies, General Electric, ITT Corporation, Motorola and Terex, all companies that profit from supplying the Israeli military with equipment and services in the occupied West Bank and Gaza Strip. [11]

- In July 2010, the 22,000-member Olympia Food Co-op in Olympia, Washington, the home of Rachel Corrie, became the first U.S. business to implement a boycott of Israeli products. Sixteen past and current board members were individually sued on procedural and other theories, in a lawsuit that was reportedly filed with the backing of StandWithUs, a right-wing Zionist organization that is being funded, in part, by a \$6 million fund created by the Israel Action Network, a consortium created to crush the U.S. BDS movement. [12]

A pro bono team put together by a National Lawyers Guild working group created to provide legal advice to BDS activists and the Center for Constitutional Rights filed an anti-harassment defense and won dismissal with statutory damages of \$160,000 (\$10,000 for each named defendant) and attorney fees.

- At the June 2012 Caterpillar shareholder meeting, Gabe Schivone, a student in Tucson, Arizona, stood at the microphone for JVP and other religious organizations to lambast Caterpillar for targeting only Iran for instructions to its dealers to boycott direct and indirect sales of bulldozers.

Instead, he argued, shareholders should endorse a resolution calling for a broad human rights policy: “Without a general policy... we’re vulnerable to the charge of hypocrisy. For example, Israel has a far worse human rights record than Iran and is engaged in its 45<sup>th</sup> year of military occupation and settlement of the Palestinian West Bank, Gaza and East Jerusalem and crucially uses armies of our bulldozers to do it.” The resolution was not adopted, but it did win support from about 20% of shareholders, a strong showing for a shareholder resolution.

By July 2012, the time of the third CREF shareholder meeting in the divestment campaign’s history, TIAA-CREF had accepted the judgment that Caterpillar was not an appropriate subject for socially responsible investing and removed it from its SRI accounts.

It had given up hope of being able to run away from campaign activists and moved its meeting back to Manhattan, where there was a huge rally in front of the headquarters building, showing support for the campaign — with some deeply appreciated solidarity from the Killer Coke campaign and a group demanding health care reform.

More importantly, one campus after another has seen the birth of its own Students for Justice in Palestine (SJP) chapter, and even Brandeis has its own student JVP chapter. NYU’s SJP chapter has created an excellent handbook for other chapters and its own successors to mount campus We Divest campaigns.

Most importantly, the unspoken censorship of criticism of Israeli policies and practices is crumbling under the persistent and well-framed objections of focused students and radical rabbis.

## Barbara Harvey

[You can learn more about the campaign at [www.wedivest.org](http://www.wedivest.org).]

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## P.S.

\* <http://www.solidarity-us.org/node/3720>

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## Footnotes

[1] [www.bdsmovement.net/call](http://www.bdsmovement.net/call).

[2] <http://www.tiaa?cref.org/public/about/index.html>.

[3] Although an attempt was made to choke one of them, none of the JVP protesters was prosecuted or sued. Muslim student mic-checkers at the University of California at Irvine fared less well. All 10 of them, plus another who led a rally outside the hall, were criminally prosecuted for “conspiring” to disrupt a public meeting — a presentation by Israeli ambassador Michael Oren — and for actually disrupting it, even though the real disruption was caused by the sustained and petulant overreactions by Oren and the audience. They were convicted by an Orange County jury, and their appeal is currently pending.

[4] <http://www.charlotteobserver.com/2011/07/17/2459590/tiaa-cref-should-hear-us-divest.html#ixzz1SOdiHGJJ>.

[5] [http://www.msci.com/insights/responsible\\_investing/qa\\_removal\\_of\\_caterpillar\\_from\\_several\\_msci\\_esg\\_indices.html](http://www.msci.com/insights/responsible_investing/qa_removal_of_caterpillar_from_several_msci_esg_indices.html).

[6] “The sale of Caterpillar tractors to Israel was a factor, but not the determining one, in the delisting of the company from an influential index that prioritizes good governance and human rights.” Ron Kampeas, “Israel cited in Caterpillar’s delisting from influential investment index.” JTA (June 22, 2012), at <http://www.jta.org/news/article/2012/06/22/3098921/israel-cited-as-one-of-several-factors-in-caterpillars-delisting>.

[7] <http://blogs.elca.org/peacenotwalls/files/2012/10/12oct5letteraboutaid.pdf>.

[8] The resolution urged the U.S. government to “end all military aid to the region and called on all nations to prohibit any financial support by individuals or organizations for the construction and maintenance of settlements and the import of products made by companies in Israeli settlements on Palestinian land.

[9] <http://sjpalestine.com/?p=623>.

[10] <http://www.bdsmovement.net/2012/umass?boston?student?senate?passes?resolution?calling?for?divestment?from?boeing?8954#.T84aZtVYuSp>.

[11] <http://electronicintifada.net/content/hampshire?college?first?us?divest?israel/932>.

[12] <http://israelactionnetwork.org/hot>.