The Presbyterian Church (USA):

Shareholder Engagement and Israel/Palestine

“To work with others for peace and justice.”

How and when did divestment from corporations doing business in Israel/Palestine become an issue for the PC(USA)?

Since 1948, the PC(USA) has passed numerous resolutions on Israel and Palestine, beginning with a resolution calling for “faithful devotion to the welfare, needs, and rights of both the Jewish and Arab peoples.” The PC(USA) has consistently affirmed Israel’s right to exist within secure and defined borders. [see box inside, page 3] However, after more than 30 years of resolutions and over 20 years of appeals to the government of Israel and our own government, insisting that our tax dollars be used constructively, there has been a sense that our appeals have fallen on deaf ears.

In June, 2004, the Presbyterian Church (USA) General Assembly (GA) voted to pass a resolution which calls for an end to the occupation, condemns violence and attacks against innocent people, and urges resumption of negotiations toward a just peace. In addition, the resolution authorized the PC(USA) Mission Responsibility Through Investment Committee (MRTI) to initiate a process of phased, selective divestment in multinational corporations operating in Israel, in accordance with existing GA policy on social investing. In shareholder engagement, the PC(USA) uses assets it can control—its institutional investments—to promote social justice and peace.

What is the PC(USA) process for passing resolutions?
Overtures to General Assembly come from local churches, through presbyteries. They are publicly available on the denomination’s web site two months prior to the Assembly. Overtures are scrutinized by the appropriate office at our national office and brought to the GA for consideration by the appropriate committee. The committee must then “recommend” or “not recommend” it to the Assembly for adoption, revision, sending back to committee, or defeat. Once the decisions are made, they are communicated via church communication channels: the website, the denominational magazine, and the post-Assembly publication, “Assembly in Brief.”

What is “phased” shareholder engagement, and what are the steps involved?
The PC(USA) process is phased, because divestment is a last resort, recommended only if and when other stages of shareholder engagement fail. In these initial stages, MRTI will: 1. correspond with corporate leadership and identify desirable changes in the company’s role in Israel and Palestine; 2. monitor the progress made; and, 3. request the GA Council to file shareholder resolutions. Only if and when it is persuaded that a particular corporation, after extensive engagement, remains uncooperative or has refused to be in dialog with the churches, MRTI may recommend that the GA vote to place the corporation on the divestment list. Such votes are only taken at GA meetings, which occur every two years. This process is a slow and deliberative method of engagement, designed not to divest, but to leverage corporate behavior for change.

What is “selective” divestment, and what kind of corporate activities will be targeted?
The PC(USA) application of divestment is selective, because it does not target all companies doing business in Israel/Palestine, but corporations that provide products or services that support or maintain the occupation, have operations on occupied land, that pro-

Read the full texts on the PC(USA) website:

- The Overture  

- The Divestment Guidelines  
  http://www.pcusa.org/mrti/guidelines.htm
mote the establishment, expansion or maintenance of Israeli settlements, that support violent acts by Palestinians or Israelis against innocent civilians, or that support the construction of the Separation Barrier.

How did the public controversy about PC(USA) divestment get started?

After the summer GA meeting, the Presbyterian Media group issued a press release, as they do for all actions at the Assembly. While most actions go unremarked outside church circles, the divestment overture drew a swift condemnation by the American Jewish Committee. The issue came to the attention of most Presbyterians when it was described, inaccurately, in the public press through hostile editorials. To this day, many people—church members and others—are more familiar with distorted media accounts than the actual content of the overture.

Is the church singling out Israel for criticism when there are many other, even worse, trouble spots around the world?

The PC(USA) has a long record of careful reflection and involvement in trouble spots around the world. We are keenly interested in human rights issues, and have spoken out on these concerns through the Human Rights Update, published each year. Divestment is currently applied toward many corporations due to their involvement in military-related production, tobacco, or human rights violations. Because of the prominence of the Israel/Palestine conflict in world consciousness, the special relationship between the US and Israel, and the ripple-impact of the ongoing crisis, we feel drawn as Americans and Christians to actively engage toward its peaceful resolution. We support the application of a consistent ethical standard for PC(USA) investments. Similar actions have in the past been directed toward South Africa, Sudan, and elsewhere. We expect future initiatives that examine the impact of investments in other troubled regions of the world. PC(USA) members with concerns about economic justice issues in specific regions are encouraged to engage in the processes available through the Mission Responsibility Through Investment (MRTI) committee and the General Assembly.

Should we stay neutral, instead of taking sides?

We aren’t neutral if we’re funding one party to the conflict, which may be the case with the church’s institutional investments. The MRTI committee has been empowered to find out to what extent the PC(USA) is already taking sides through its investments. But, more importantly, our confession of faith calls us not to neutrality but “...to hear the voices of peoples long silenced, and to work with others for justice, freedom, and peace.” Engaging in this sort of mission, at times, means that we “take sides” in order to create change. In the case of Israel/Palestine, the General Assembly has been consistent in calling both sides to work for peace. In both 2003 and 2004, the Assembly strongly urged Israeli and Palestinian leaders “to be serious, active, and diligent about seeking peace for their peoples; or, if they are unwilling or unable, to step down and make room for other leaders who will and can.” Ending the occupation and bringing about peace are our goals. We aim not to “take sides,” but to “take a stand.”

Is the divestment initiative lacking in balance, putting too much blame on Israel and too little on the Palestinians?

The GA resolution clearly condemns Palestinian terrorism. The MRTI study of the PC(USA) investment portfolio will seek out corporations that assist anti-peace policies and activities not only in Israel, but in the Palestinian territories as well. The situation is already tremendously imbalanced, with Israel getting massive economic, military, and diplomatic assistance from the US.

Is the divestment initiative anti-Semitic?

The use of such a generalized, emotionally charged word does little to advance understanding of the issue. We believe that the overture is not in any way anti-Jewish; rather, it seeks to promote peace and justice from which Jews and Palestinians both benefit. We reject the notion that a “double standard” is being applied unfairly against Israel; rather, believe that it is necessary to hold Israel to the same standards of international law and human rights that are applied elsewhere. One gauge of the merit of the initiative is the support it has garnered among many Jewish organizations and individuals, who have expressly noted their rejection that the divestment overture is anti-Semitic.

Should the PC(USA) listen to and consider the concerns of the Jewish community?

Certainly. The PC(USA) is in ongoing dialogue with representatives of the Jewish community. There is a wide range among Jews of attitudes toward divestment, as there is in the non-Jewish public. Some people oppose all divestment, some oppose blanket divestment but support targeted divestment, and some support all forms of divestment and boycotts. In the case of the PC(USA) overture, many individual Jews and Jewish organizations have spoken in favor of targeted divestment (including The Israeli Committee Against House Demolitions, Jewish Voice for Peace, Not In My Name, and Jews Against the Occupation). It is important to realize that many of the objections to divestment are based on a misunderstanding of the overture due to widespread mischaracterizations in the media. In any case, the reaction of the mainstream Jewish community is only one gauge of the wisdom of the
Presbyterian initiative. Furthermore, decisions about PC(USA) institutional assets are appropriately made by church members through existing governance processes.

**Does the PC(USA) support Israel's right to exist?**

Repeated statements over decades support the concept of two states with secure borders: Israel and Palestine. But Israel’s ongoing annexation of land and failure to define its borders are problematic, as they critically undermine the conditions necessary for a viable, sovereign Palestinian state. Israel’s ongoing, systematic expropriation of Palestinian land must be opposed.

**Shouldn’t the PC(USA) support Israel’s right to defend itself against suicide bombings and other forms of terrorism?**

Suicide bombings are immoral and unjustifiable. We condemn the death and maiming of both Palestinians and Israelis, regardless of the means. The first suicide bombing occurred in Israel/Palestine in 1994, ten years into a “peace process” that raised hopes among Israelis and Palestinians, but came to be widely perceived in the Palestinian community as having brought no results except the doubling of the Israeli settler population and expropriation of huge swaths of Palestinian land. The PC(USA) supports the right of Israelis to live in peace and security. We mourn the loss of life on both sides. During the past four years, three Palestinians have been killed for every one Israeli. Tens of thousands of Palestinians have been maimed and injured. On both sides, the majority of victims are unarmed civilians; on both sides some of the victims are armed combatants. We believe that Israeli policies create a climate in which terrorism becomes the option of choice for a small but dangerous minority of the Palestinian population. Despair, hopelessness, rage, and poverty are rampant; many Palestinians feel they are powerless, victims of injustice and international neglect. International law and the Geneva conventions ban collective punishment of an entire population for the violent acts of a few, as well as the acquisition of territory by force and the transfer of settlers into occupied territory.

**Why does the PC(USA) overture condemn Israel's construction of a security barrier?**

The PC(USA) supports the right of Israelis to live in peace and security. However, the security barrier is not being built in Israel or on its internationally recognized border, but within Palestinian territory on Palestinian land. Its path causes extreme hardship and cuts Palestinians off from each other and their jobs, schools, and hospitals. The International Court of Justice has deemed the separation barrier to be illegal.

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**PC(USA) Resolutions on Israel/Palestine: A Brief History**

Since 1948, the PC(USA) has passed numerous resolutions on Israel and Palestine, beginning with a resolution calling for “faithful devotion to the welfare, needs, and rights of both the Jewish and Arab peoples.” The PC(USA) has consistently affirmed Israel’s right to exist within secure and defined borders.

In a 1954 resolution, the PC(USA) expressed concern for what the Palestinians call the “Nakba” (Catastrophe)—the dispossession of 750,000 Palestinians—which became the longest-lasting unresolved refugee crisis in modern history. Thus has the PC(USA) noted that there will be no peace until justice is done for both people.

Since Israel’s 1967 occupation of the West Bank, East Jerusalem, and the Gaza Strip, the PC(USA) has consistently condemned Palestinian and other Arab violence against Israel. The church has also cited Israeli violence against Palestinians, including the confiscation of land and establishing illegal settlements, theft of water, torture, and preemptive assassinations without due process.

Since the mid-1970s the church has continued to affirm Israel’s right to security but noted the escalation of human rights violations and the construction of illegal settlements, an obstacle for a future peace based upon the existence of two states.

By 1983, the PC(USA) began to repeatedly call upon Israel and our elected officials in the US to quit the settlements, and in particular, for the US make our generous foreign aid and military assistance to Israel (totaling an average of $6 billion per year, roughly $12 million per day) contingent upon Israel’s ending human rights violations, the demolition of homes, the destruction of olive orchards and vineyards, and settlement activity.

Thus, since the early 1980s, there has been an economic dimension to the church’s resolutions. For many of us this is an act of Christian stewardship of our resources, signaling that we do not wish our tax dollars to contribute to the oppression of people or to create obstacles to peace, as is the case with the illegal settlements and other aspects of the occupation.
**Will divestment hurt ordinary Israeli citizens by hurting the Israeli economy?**

The target of the phased, selective shareholder engagement is US and international corporations. The currently distressed economy of Israel largely results from its militarization and maintenance of an occupation affecting millions of Palestinians outside Israel’s internationally recognized borders. We hope to act in ways that bring peace, and an economic “peace dividend” as well.

**Why act now?**

We believe that urgent intervention is long overdue. Many observers agree that the presence and growth of Israeli settlements throughout the occupied Palestinian territories poses the largest obstacle to the creation of a sovereign, viable Palestinian state. Stalling—the pattern over the past decades—has advanced the process of Israeli absorption of Palestinian land. The ongoing construction of a separation barrier by the government of Israel places a substantial proportion of West Bank Palestinian land on the Israeli side of the wall. Meanwhile, the desperate conditions of life under military occupation fuel Palestinian rage and frustration.

**Is it the business of the Presbyterian Church to interfere in the internal affairs of other countries?**

The practice of our faith calls us to constructively, actively engage in the world outside the walls of our churches. This often takes us into the realm of social and political action. The church has done so through its history, taking stands that have caused divisions and drawn criticism. We are empowered to act on principle, which sometimes involves tensions within our PC(USA) family and with those outside our faith community.