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Questions and Answers: Establishing a Screen to Remove and Avoid Investments in Illegal Settlements

What are settlements?

In most cases, settlements are segregated colonies, built on occupied land in violation of international law.

Why are some settlements illegal?

Article 49 of the Fourth Geneva Convention forbids an occupying power from moving its own population onto land it occupies. When a country establishes colonies for its own people on occupied land, it is violating this important law. Many settlements also violate the Hague Conventions of 1907, which forbids the exploitation of natural resources in occupied territory. The body of international law developed in the 20th century was designed to end the colonial wars that had dominated previous centuries.

In what countries do illegal settlements exist?

UMKR has identified three situations where an occupying power has moved its own people onto occupied land after the Geneva Conventions made this illegal. These are Morocco's occupation of the Western Sahara, which began in 1976, Turkey's occupation of northern Cyprus, which began in 1975, and Israel's occupation of the Palestinian territories, which began in 1967.

What is the impact of settlements on native peoples?

Settlements often seize land and water from the occupied people. In both cases described above, the occupying power sends soldiers to provide "security" for the members of the occupying population in these settlements, builds segregated roads to serve them, and install checkpoints, walls and fences throughout the area, dividing indigenous villages from each other. Settlers often pollute groundwater with sewage and industrial waste and dump their garbage on occupied land.

Theft of land: Much of the land on which settlements are built is privately owned by indigenous families. The rest has been used for centuries as agricultural and grazing land that sustains communities and forms the backbone of the local economy. Hundreds of thousands of trees

have been uprooted and destroyed to make way for settlements, robbing whole villages of their livelihoods.

Theft of water: Occupying powers often divert water from the indigenous people to the illegal settlements, and prohibit natives from drilling new wells

Theft of Resources: In some cases the settlements extract resources from the occupied land in violation of the Hague Conventions of 1907.

Violence: Armed settlers frequently descend on native villages and farms and destroy water supplies, burn orchards and fields, and attack farmers while they work. Settlers have also attacked places of worship and schools. Settler violence is real and alarming.

Segregated roads: Settlements are often connected to each other by a network of segregated roadways that cover thousands of kilometers of occupied land and divide the indigenous areas into isolated pockets of poverty, cut off from each other and unable to sustain their economies. Local roads are often blocked.

Walls and fences: Some settlements are surrounded by walls and fences that further divide and confiscate the occupied land. In many cases, native peoples must wait for hours at checkpoints to reach schools, hospitals, and other towns. These checkpoints and barriers are built to separate indigenous people from each other, impeding trade, travel, education and medical care.

Evictions and demolitions: Indigenous people often cannot obtain permits to build additions onto their homes, or to build structures such as solar panels and water cisterns on their own property. When they do so, these structures are demolished. In 2011 alone, the Israeli military destroyed more than 620 structures belonging to Palestinians in the West Bank. In 2012, eight villages received notice to evacuate their homes so Israel's military could establish a firing range and conduct military exercises on their property.

Frustrated peace efforts: While publicly urging Palestinians to "negotiate," the Israeli government has continued to confiscate Palestinian land and water, providing subsidies to the settlements and to companies locating there. As Palestinians hear about a "peace process," they watch the settlements expand and their own space in the land of their ancestors shrink. This inhuman and illegal situation has been condemned by countries around the world, and the US government has called the settlements "illegitimate." It would be absurd to engage in peace talks while this theft is ongoing. No Palestinian leader can convince his people to accept a document filled with words when their daily reality is filled with loss and despair.

Why do companies locate in the settlements?

Companies locate in the settlements for several reasons: (1) the occupying government provides them with subsidies and lower tax rates as incentives to locate there (2) environmental laws that apply in other settings are not applied to companies operating in the settlements (3) labor laws that apply elsewhere are not enforced consistently in the occupied territories. Companies can hire people for very low wages in the settlement industrial zones, and working

conditions are often hazardous to employees. Discrimination in hiring practices and pay is common.

Companies that would have to spend large sums disposing of hazardous waste byproducts from production often escape those costs by locating in the settlements, where hazardous waste is either discharged onto local farmland or disposed of in ways that do not meet international standards. For this reason, many of the companies locating there are those that use chemicals in their production processes or produce hazardous byproducts.

What is the impact of settlement industry on native populations?

Agricultural land is often polluted by runoff from these factories. United Methodist researchers have photographed untreated waste water being discharged onto Palestinian land from settlement industrial zones. Palestinians whose families may have farmed the land for generations where the settlements have been built have lost their income, and must often work in settlement factories in dangerous working conditions and without recourse if their employers do not pay them for hours worked.

Kav LaOved, the leading Israeli labor rights group, states: "Israeli employers in the settlements and industrial zones in the West Bank continue to routinely deny the rights of their Palestinian workers on a much larger scale than they do their Palestinian brethren working in Israel. The vast majority of workers earn less than the minimum wage, their wages are withheld from time to time, their social rights are denied and they are exposed to dangers in their workplaces, as the State Comptroller has also pointed out."ⁱ

Israel's Coalition of Women for Peace states: "Palestinian workers lost their land and livelihood to the Israeli occupation. 11% of Palestinian workers in settlements work on confiscated lands originally owned by their families or one of their relatives. Providing Palestinians with jobs on their own stolen land is another humiliating insult that they are forced to bear in order to provide for their families. The settlement industry's revenues are a direct result of shameless exploitation of Palestinian land, labor and resources. The industry's existence on occupied land enables, deepens and perpetuates the Israeli occupation."ⁱⁱ (*WhoProfits web site*)

In Western Sahara, Moroccan settlers have taken jobs formerly held by native Sahrawis. According to Western Sahara Resource Watch, "In 1968 there were 1600 Sahrawis employed in the phosphate industry in what is today occupied Western Sahara. Today, most of them have been replaced by Moroccans that have settled in the territory. The industry now only employs 200 Sahrawis of a total work force of 1900 employees. The Sahrawi employees experience discrimination relative to their Moroccan colleagues."ⁱⁱⁱ

How can avoidance of investment in firms that support the settlements help?

Most occupations continue because they have become so profitable for companies around the world which benefit from lower costs of production in the subsidized settlements, where environmental and labor laws can be easily ignored. This gives companies in the settlements a competitive edge over companies that refuse to support the occupation. Withdrawal of investment by large institutional investors can discourage them from continuing this practice.

Investment screens, along with boycott and divestment, can make companies rethink the wisdom of remaining in settlements that violate international law. As Archbishop Desmond Tutu has said, “If international courts and governments refuse to deal with this matter, we in the churches and in the rest of civil society really have no choice but to act in small ways and big ways.” Boycott is one of those ways we can make a difference.

Is an investment screen an appropriate Christian action?

In December 2009, the Christians of the Holy Land issued a powerful and urgent plea to churches of the world to put actions behind their words to end the occupation. Boycotts and divestment were two methods called for by these Christians. In 2012, the United Methodist General Conference, the Presbyterian General Assembly and the United Church of Canada called for a boycott of settlement products. They join British Methodists, the World Council of Churches and the South African Council of Churches in urging a settlement boycott. Friends Fiduciary Committee, the investment arm for the Quakers, and the Presbyterian Church USA have voted to divest funds from specific companies that support settlements and occupation.

What does the Bible say about making profit from the oppression of the poor?

Job 20

*“He will not enjoy the profit from his trading.
For he has oppressed the poor and left them destitute;
he has seized houses he did not build.”*

Companies that operate in the illegal settlements have “oppressed the poor and left them destitute.” They pay low wages to indigenous people after taking away their traditional livelihood by seizing their land. Many settlement companies offer poor and dangerous working conditions, and often they pollute the agricultural land around the settlements with untreated waste. Palestinian property, and Palestinian homes are often seized and destroyed to make way for industrial zones where companies operate in the settlements. In the Book of Job, we read that the person who cooperates in these things is not to enjoy the profit from his trading.

Isaiah 3: 13 - 15 *“The LORD enters into judgment against the elders and leaders of his people: ‘It is you who have ruined my vineyard; the plunder from the poor is in your houses. What do you mean by crushing my people and grinding the faces of the poor?’ ” (NIV)*

Is the plunder of the poor in our houses? Are profits from companies which have helped to crush so many Palestinians in our Pension Fund??

Will a screen for companies that profit from illegal settlements make a difference?

Yes. A screen means our Pension Fund will avoid investment in these companies. The threat of divestment and boycott has already convinced some larger companies to leave the illegal settlements in the West Bank. Examples are Mul-T-Lok, Barkan Wineries, Unilever, Achva, and Intercosma. Sodastream has announced it will soon leave its settlement location, following international boycotts. When companies find that the reputational and financial risk of remaining in the settlements outweighs the subsidies provided by the Israeli government, they will end their involvement. Settlers living illegally on Palestinian land will find it less convenient without

jobs in the settlements. They may then begin to move elsewhere, weakening the settlements. Companies that have avoided the settlements will no longer be at a competitive disadvantage.

Will a settlement screen harm the occupying powers?

Only those who are profiting from violations of international law will be affected. There are many companies that operate within the legal borders of the occupying powers and do not provide material support to the settlements. They will not be affected.

Will screening out companies involved with the settlements harm native peoples?

No. Though some jobs could be lost if companies leave the settlements, many more will be created once the occupations that are strangling native economies comes to an end. The campaign for boycott, divestment and sanctions was launched by Palestinians themselves. It was reiterated in the Kairos Palestine Document issued by Palestinian Christians in 2009. The three main Palestinian labor unions - The Palestinian General Federation of Trade Unions, the General Union of Palestinian Workers and the Palestinian Federation of Independent Trade Unions - have all endorsed boycott and divestment, as well as sanctions. Israel's claims that some union leaders did not favor these measures have been denied by the leaders themselves. Palestinians had a long and proud history of economic independence, and once provided food for much of the Middle East and Europe. Once occupation ends they can do so again. They value their freedom more than any jobs they are offered in the settlements.

What companies would be affected by a settlement screen?

A list of companies involved in various ways with illegal settlements in Palestine is included on the web site of United Methodists for Kairos Response. This research has been under way for more than a decade. A handful of public companies (see notes) profit from Morocco's occupation of the Western Sahara.^{iv} Most have been divested for this reason by several large institutional investors. Others (see notes) are oil companies drilling in Western Sahara or its territorial waters.^v UMKR welcomes information about public companies that may profit from Turkey's occupation of northern Cyprus, though it appears that most companies there are private or government owned. UMKR believes that if profiting from illegal settlements in one case is wrong, it is wrong in all cases, and will continue to study companies that may profit from these illegal occupations.

ⁱ <https://www.scribd.com/doc/111205869/Employment-of-Palestinians-in-Israel-and-the-Settlements-Restrictive-Policies-and-Abuse-of-Rights> Employment of Palestinians in Israel and the Settlements: Restrictive Policies and Abuse of Rights

ⁱⁱ http://www.whoprofits.org/sites/default/files/palestinian_workers_in_settlements_wp_position_paper.pdf Palestinian Workers in the Settlements, a WhoProfits Position Paper

ⁱⁱⁱ <http://www.wsrw.org/a117x521>

^{iv} http://afrika.dk/sites/afrika.dk/files/p_for_plunder_2014_web.pdf
Potash Corp/Saskatchewan Inc. (TSE:POT, NYSE:POT), Agrium (NYSE:AGU), Incitec Pivot Ltd. (ASX:IPL), Innophos Holdings (NASDAQ:IPHS), and FMC Corp. (NYSE:FMC) are among the companies

^v <http://www.wsrw.org/a117x520>

Oil companies accused of profiting from Morocco's occupation of Western Sahara are Kosmos Energy (NYSE, FRA:KOS), Total SA (NYSE:TOT), San Leon Energy (LON:SLE), and Glencore PLC (LON:GLEN)