1. Paper Summary

a) Purpose. This paper, prepared by MCC staff working on Middle East issues, is an invitation for discussion, within MCC and the broader Mennonite/Brethren in Christ community in Canada and the United States, about how we might best invest in a future in which Palestinians and Israelis alike will enjoy peace and security in the land. In considering economic approaches to end the occupation of Palestine, we do well to confess our own complicity in unjust economic systems. In a globalized economy, our purchases and investments often end up supporting practices that harm our sisters and brothers near and far away. We can never fully untangle ourselves from this painful reality, but, by God's grace, we can move toward an increasingly consistent practice of justice and mercy.

b) History and Recent Visit. This discussion paper emerges out of Mennonite Central Committee's nearly six decades of work alongside Palestinians and, more recently, Israelis. A recent study tour in February 2005 to Palestine/Israel by MCC workers in Canada, the United States, and the Middle East underscored to participants that the realities of dispossession that perpetuate the Palestinian-Israeli conflict are worsening. The optimism within much of the international community about the possibilities of Israeli disengagement from the Gaza Strip leading to a just and durable peace is not shared by Palestinians or by many Israeli peacebuilders. Instead, what Palestinians see on the ground is the solidification of occupation: the continued construction of the separation barrier inside the Occupied Territories; continued settlement construction in the West Bank; and the separation of Jerusalem from the West Bank.

c) Current Situation. Palestinians and Israelis working for a just resolution of the conflict lamented that decades of appeal to international law and resolutions have failed to end this story of dispossession, with Israeli power routinely trumping appeals to the power of law. Palestinian Christian partners, in particular, urged Christians in the West to take a stand for justice, peace, and reconciliation for Palestinians and Israelis alike, a stand that markedly differs from Christian Zionist theologies that deny Palestinians a secure place in the land. These trusted partner organizations urged MCC to consider ways in which Christians from Canada and the United States might invest in a future of justice and peace for both peoples and to examine ways in which our money either promotes justice, peace, and reconciliation in Palestine/Israel or contributes to the ongoing dispossession.

2. Why This Discussion?

a) Biblical Vision. The prophet Micah foresees a day in which everyone will sit securely under vine and fig tree with no one to make them afraid (4:4). Micah's vision is, on the one hand, an eschatological one. Through Jesus Christ God has decisively triumphed over the powers of sin
and death, but until this victory is decisively revealed to all upon His return we can expect that vines and fig trees will continue to be uprooted, undermining human security. If we cannot expect perfect landed security in this earthly city, however, Micah's vision does underscore that justice and security in the land are essential parts of what God wants for God's creatures. 

**Mennonite Central Committee's work in Palestine/Israel is informed by a vision of Palestinians and Israelis alike enjoying the landed security described by Micah.**

b) MCC History in Palestine. For over fifty-five years Mennonite Central Committee has worked alongside Palestinians denied a secure place in the land. Since the Nakba, or catastrophe, of 1948 uprooted between 700,000 to 900,000 Palestinians from their homes, Palestinian history has been a story of dispossession. Refugees and internally displaced persons have been prevented from returning home. Tens of thousands more Palestinians became homeless again during the 1967 war. Since the Israeli occupation of the West Bank, East Jerusalem, and the Gaza Strip (hereafter the Occupied Palestinian Territories, or OPT) in 1967, Palestinians have faced multiple types of dispossession, from house demolitions to the uprooting of trees, from confiscation of land for the construction of illegal Israeli settlements to the expropriation of water resources, from checkpoints and roadblocks to a permit system that places increasingly tight restrictions on Palestinian movement.

c) Security or Insecurity? **Neither Palestinians nor Israelis, meanwhile, have enjoyed physical security, as both peoples have turned toward violent means in the hopes that security might be obtained through violent force.** Palestinians experience daily insecurity, be it in the form of physical violence or bureaucratic-military control. Despite the State of Israel's military might, average Israeli Jews also feel insecure: while many Jews have traditionally viewed the State of Israel as a safe haven, an increasing number believe that doing justice in the land is the best means to achieve security.

MCC has for the past three decades worked closely with Palestinian and Israeli peacebuilders who envision an alternative future to the present reality of violence and dispossession. **MCC has always and continues to stand with those Palestinians and Israelis who reject violence as a means for achieving security or liberation, and has mourned the loss of all life in this conflict.** Sadly, however, the injustices against which these courageous peacebuilders work are daily becoming more entrenched. Today the State of Israel is deepening and extending a discriminatory system of control within the OPT. The separation barrier being built by Israel inside the OPT will reach completion by the end of 2005. This barrier, together with military exclusion zones, roadblocks, checkpoints, and bypass roads off-limits to Palestinians, allows Israel to annex—in a *de facto* if not *de jure* fashion—around half of the West Bank while separating Palestinians into seven to eleven islands of land. While these discontiguous islands might end up joined by tunnels and bridges, they will not form a viable state. The Israeli "disengagement" from the Gaza Strip, then, is regrettably not shaping up to be the first step towards ending the Israeli occupation, but rather to be a way for Israel to solidify its full territorial control over the OPT while cordonning off and controlling the Palestinian civilian population. These moves not only mean continued Palestinian dispossession but will fail to give either Palestinians or Israelis the durable peace for which they yearn.
d) Steps Toward Peace. Our Palestinian and Israeli partners believe that an alternative exists to the present reality of dispossession, occupation, and violence, an alternative inspired by Micah’s vision of landed security. This alternative would consist of the following elements:

1. A complete end to the Israeli occupation of the West Bank, East Jerusalem, and the Gaza Strip, based on a full withdrawal to the June 4, 1967 lines, and the evacuation of all Israeli settlements, save for equitable arrangements mutually agreed upon by the negotiating parties.

2. A just solution for the Palestinian refugee problem, in accordance with international legality, the relevant UN resolutions, and the basic principle of refuge choice.

3. A shared Jerusalem open to all faiths.

A peace agreement with these elements, we believe, would help to ensure that both Palestinians and Israelis might live securely under vine and fig tree.

Discussion Question: What can we learn from MCC’s history in Palestine/Israel?

3. Theological Reflections on Life and Economic Justice

God is a God of Life. Jesus describes this life for us in many ways (John 1:4, 3:15, 6:35, 11:25; 14:6). This starting point leads us, not only as individuals, but corporately, to share this life with the world. We are called to be a witness to the nations- a corporate witness- as a "city built on a hill." (Matthew 5:14)

As God's people, we are called to "do justice, love mercy, and walk humbly with God." (Micah 6:8). As God's people, we are called to "seek peace and pursue it." (Psalm 34:14). As we strive to pursue justice and peace, we must understand the systems of violence and economic oppression that permeate our world, validating inequality and opening the door to death for the powerless.

Scripture addresses these systemic issues of economic justice. The Law of Moses called for an equitable redistribution of land every 50 years (Leviticus 25) and included many other provisions for just economic relations (Leviticus 19: 35-36, Deuteronomy 24:14-15). The prophet Isaiah censures monopolistic practices that deprive people of their homes and livelihood (5:8-10). Amos condemns the exploitation of the poor through unjust institutions (2:6-7, 4:1, 5:12). The apostle James denounces the wealthy who defraud their employees (5:4). And Jesus himself promises a great re-ordering of society in which the positions of the rich and poor will be reversed (Luke 1:52-53, 6:20-26, 16:19-31).

We must realize our place within these systems and be willing to exercise what power we have to create and support "life." Jesus directs us to, "use your worldly resources to benefit others and make friends. In this way, your generosity stores up a reward for you in heaven." (Luke 16:9) The Apostle Paul compares abundance and need and exhorts the believers to share, "in order that
there may be a fair balance.” (2 Corinthians 8:13-14). By using our economic resources in ways that promote justice and peace we are testifying that our faith is in the power of the God of Life, not in the power of military and political systems that dispossess.

4. Political Reflections on Law and Power

Those seeking peace in Palestine/Israel have routinely appealed to international law and resolutions as a basis for resolving the conflict and for setting the groundwork for future reconciliation. Unfortunately, history has so far been a sad story of intransigence in the face of the rule of law. Time and again Israel has ignored United Nations resolutions and international law. Today the state of Israel stands in violation of over sixty UN resolutions—more than any other country in the world. Whether it be:

- with regards to the rights of Palestinian refugees to return to their homes—affirmed in United Nations General Assembly Resolution (UNGAR) 194 in 1948, United Nations Security Council Resolution (UNSCR) 237 in 1967, and UNGAR 3236 in 1974; or

- with regards to the state of Israel's failure to withdraw from territories occupied in 1967 as per UNSCR 242 in 1967 (reiterated in UNSCR 338 in 1973); or

- with regards to the construction and expansion of illegal colonies in the Occupied Palestinian Territories—in violation of article 49 of the Fourth Geneva Convention; or

- most recently with regards to the International Court of Justice (ICJ) advisory opinion last year that determined that the construction of the separation barrier in the OPT was illegal (a decision the UNGA overwhelming endorsed, calling on the state of Israel to comply with the ICJ's advisory opinion) the story has been the same—a story of Israel ignoring appeals from the international community, with the tacit and often explicit backing of the United States.

Palestinians in the OPT, meanwhile, have made many appeals to the Israeli High Court in attempts to curtail or block dispossession, but for the most part these appeals have gone unheeded. Israeli military and political power seems to trump all available legal and political mechanisms. In the face of this reality, Palestinian and Israeli peacebuilders with which MCC works have urged us to explore ways in which Mennonite and Brethren in Christ churches and institutions might withhold investments from systems of dispossession and instead invest in a future of justice, peace, and reconciliation, a future in which and those who would advocate on their behalf are faced with no other option but to explore alternative pressures, specifically economic options, to seek a just peace for Palestinians and Israelis.

Discussion Question: The paper offers theological and political analysis of the current situation in Israel/Palestine. How does this compare to your analysis, or that of your group (agency, congregation/denomination)?
5. Churchly Discussions and Actions in Pursuit of Peace

For more than 56 years nearly 200 MCC volunteers have invested their time and talents for justice and peace in Palestine. MCC has supported hundreds of projects designed to help people dwell securely in the land.

Several denominations and institutions in Canada and the United States are discussing ways in which they can invest in a future of justice, peace, and reconciliation in Palestine/Israel. The Presbyterian Church of the USA, the World Council of Churches, the Episcopalian Church, the Disciples of Christ/United Church of Christ have all begun processes of exploring ways in which selective divestment and selective investment might support moves to durable peace and reconciliation in Palestine/Israel, as they have in other contexts. [Find links to these documents at the end of this paper.] Palestinian Christians have urged MCC to initiate a similar conversation within Mennonite and Brethren in Christ churches in Canada and the United States. The following is an outline of potential economic measures that Mennonite and Brethren in Christ churches and institutions could consider as they seek to support Palestinians and Israelis working for an alternative future to the present reality of dispossession:

a) Selective Investment. Selective investment is the conscious decision to place assets in companies and organizations that not only avoid commerce that could perpetuate a conflict, but the result of whose activities provides a dividend of peace. It also might include the deliberate use of financial resources to support the economies of those who have suffered from the effects of the occupation. Selective investment is an approach that might be pursued on its own or in tandem with one of the other approaches outlined below.

b) Corporate Engagement or Shareholder Activism. This approach attempts to influence a company's policies while remaining at the table. It does not threaten divestment, but would rather ensure continued discussion of a company's practices by committing to remain a shareholder. This approach reflects a desire to remain with voice and vote. The underlying premise of shareholder activism is that as faith-based investors, we have the responsibility to use our voices as shareholders to influence the CSR practices among companies in which we invest. The Episcopal Church (USA) has recommended pursuing this approach in the near term.

c) Progressive Engagement. Progressive Engagement is a process that might lead to divestment (either full or selective) over the course of time, be it months or years. Such an approach does not begin with divestment, but rather with active engagement with the policies of the particular companies in which investments are held. This strategy takes advantage of having a voice and vote as a shareholder, and might involve writing a letter to the CEO and/or Board of Directors raising concerns about the effect that the company's commercial activities have on people. If writing does not have the desired result, then a shareholder's resolution may be brought to the shareholders' meeting. Such a resolution may be brought by any shareholder or group of shareholders. If the resolution is not adopted, or the concerns are not taken into account, then divestment may be a last resort. This approximates the process the Presbyterian Church (USA) has decided to follow and has termed "phased selective divestment."
d) Consumer Boycotts. Individual consumers can avoid purchasing products made wholly or in part in illegal Israeli settlements in the Occupied Palestinian Territories.

e) Selective and Immediate Divestment. Such an action would require immediate divestment from companies determined to meet certain criteria regarding the nature and/or extent of their commercial practices. Such criteria might include annual commercial value, geographic location of commercial activities, nature of such activities, or effects of the commercial activities on people. In this case, greater distinction is made between those enterprises that do not cause harm to anyone and those that do. Companies that invest in the West Bank settlements, for example, might be targeted here as the agreements between the Israelis and Palestinians prohibit settlement expansion.

f) Full and Immediate Divestment. This action would require immediate divestment of all assets from a company engaging in commercial activities that are contrary to one's principles. This approach is the same as a full boycott or blanket embargo. Any company that engages in any kind of business practice—including building, investing, and generally doing business—in Israel and the occupied territories might be subject to this type of action. Very little, if any distinction is made between such economic engagements that might have benefit and those that have negative impact.

These options are by no means exhaustive but serve only as a starting point from which to reflect upon and seek direction in our pursuit of following the God who is the God of Life. As always, vigilant compassion and creativity are essential in moving forward in this process towards a just peace for Palestinians and Israelis.

Discussion Question: The paper outlines specific investment alternatives being advocated by MCC partners in the Middle East and discussed by denominations in North America. What is your analysis of these alternatives? Are there other actions that should be considered?

6. Invitation for Dialogue and Counsel

This is both a sensitive and controversial issue. We acknowledge a diversity of opinion on this issue within our faith family. As the vocal criticism of the PC(USA) decision to explore selective divestment makes clear, discussion of ways in which the churches and church-related institutions might use their investments to urge the State of Israel to stop practices of dispossession inevitably raises sensitivities in different circles, especially among many in the Jewish communities in the United States and Canada.

Mennonite and Brethren in Christ churches and institutions that would explore various forms of selective divestment and investment would need to be prepared to address such sensitivities with humility and confidence. Humility is required, because we are all-too-aware that Mennonite and Brethren in Christ churches are just as affected by the theological sin of anti-Judaism as other Christian communions; much work remains to be done in addressing anti-Judaism in Mennonite
and Brethren in Christ history and in promoting positive understandings of the Jewish people and of the Jewish roots of the Christian faith.

At the same time, however, confidence is warranted as we move forward with a discussion of selective divestment and investment. Confidence is warranted because our Palestinian Christian brothers and sisters are calling on us to use our resources—be they financial or otherwise—in ways that promote justice, peace and reconciliation rather than support dispossession. Confidence is warranted because of the affirmation of Jewish organizations in Israel and North America (such as the Israeli Committee Against House Demolitions, an MCC partner, or Jewish Voices for Peace) have given to divestment as a non-violent way to work for an end to the story of Palestinian dispossession. Confidence, finally, is warranted because we would be exploring selective divestment and investment not for punitive reasons but out of a desire to promote durable reconciliation.

Zoughbi Zoughbi, a Palestinian Christian and the director of the Wi'am Center for Conflict Resolution, a long-time MCC partner organization in Bethlehem, told us that "We do not want to see the state of Israel brought to its knees, we just want to see it brought to its senses." Appeals to international law and United Nations resolutions have, unfortunately, so far failed to awaken Israel to the consequences of its actions, as the harsh realities of occupation and dispossession have continued unchecked.

We therefore seek to initiate a conversation, first within MCC and then more broadly among various Mennonite and Brethren in Christ churches, institutions, and individual investors, about ways in which our investments might be used to help bring Israel to a realization that durable peace and reconciliation cannot be built on foundations of injustice and dispossession. Such steps, we believe, will bring us closer to a future in which Palestinians and Israelis might all live securely under vine and fig tree.

**Discussion Question:** The purpose of this paper and the related dialogue is to envision a future in which Palestinians and Israelis might “all live securely under vine and fig tree” (Micah 4:4). Do the paper and the conversation move us in that direction?
Resources for Further Study:

Christian Statements:

Sabeel Ecumenical Liberation Theology Center document “A Call for Morally Responsible Investment: A Nonviolent Response to the Occupation”:

World Council of Churches Central Committee minute:
http://www.oikoumene.org/GEN_PUB_5_Second_report_o.779.0.html#1573

Presbyterian Church (USA) statements on ending the occupation and divestment:
http://www.pcusa.org/israelandjewishrelations/divestment.htm

Anglican Peace and Justice Network’s Jerusalem Report:
http://www.episcopalchurch.org/1834_62314_ENG_HTM.htm

Anglican Consultative Council resolution urging pressure on firms supporting Israeli occupation:
http://www.anglicancommunion.org/acns/articles/39/75/acns3996.cfm
http://www.episcopalchurch.org/3577_63362_ENG_HTM.htm

Kenyan Anglican Church backs divestment call:
http://www.episcopalchurch.org/3577_63421_ENG_HTM.htm

Episcopal Church in the United States of America:
http://www.episcopalchurch.org/1866_54100_ENG_HTM.htm

Global Ministries [the Common Board of the Christian Church (Disciples of Christ) and United Church of Christ] document “The Palestinians, Israel, and the Churches’ Economic Leverage”:
http://www.globalministries.org/mee/leverage.pdf

United Church of Christ resolution on divestment:
http://news.ucc.org/index.php?option=com_content&task=view&id=255&Itemid=1

United Methodist Church

Mennonite Central Committee document “Peacebuilding in Palestine/Israel: A Discussion Paper”:


HOPP Campaign for a Just Peace in the Middle East, End the Occupation of Palestine, Sweden:
http://www.annadwa.org/resources/articles/hope.htm

The Network of Christian Organizations in Bethlehem district (NCOB) Statement:
http://www.qumsiyeh.org/ncobstatement/

Archbishop Desmond Tutu, “Of Occupation and Apartheid: Do I Divest?”:
http://www.divestmentproject.org/why_divest.shtml
**Jewish Statements:**

Israel Coalition against House Demolition call for sanctions:  http://www.icahd.org/eng/news.asp?menu=5&submenu=1&item=218


European Jews for a Just Peace statement on illegality of settlement products:  http://www.ejjp.org

Matzpun:  http://www.matzpun.com/


**Palestinian Statements:**


An open letter from the YWCA of Palestine and the East Jerusalem YMCA on socially responsible investment in Israel/Palestine:  http://www.globalministries.org/mee/ymcaletter.pdf


For a complete list of products manufactured in illegal Israeli settlements:  www.gush-shalom.org

For additional information on the struggle against the occupation:  www.endtheoccupation.org