**Monday, May 6, 2024 / Is divesting from Israel possible?**

**[HALF SECOND OF SILENCE]**

**[BILLBOARD]**

SCORING IN <Countdown Process - APM>

NOEL KING (host, Today, Explained): Columbia University said today it’s canceling its main commencement ceremony, and is instead going to hold smaller ceremonies for individual *schools*: the school of social work, the journalism school, the law school, etc.

*<*[*CLIP*](https://www.youtube.com/shorts/svntxc0UgEc)*> Bloomberg Quicktake: It came after a lot of pressure due to some of the encampments on the campus, a question of how much they could ensure peace.*

NOEL: Students at Columbia and on other campuses have been demanding their universities DIVEST from Israel and today on *Today, Explained* we’re going to tell you what that demand means and how it’s been done before.

NOEL: Now, some colleges are betting that when classes end the protests will end. And they might.

NOEL: As for the WAR .. Israel, today, warned 100-thousand civilians in Rafah to GET OUT ahead of a planned invasion.

NOEL: Even as the A-P reported that Hamas HAS accepted a proposal for a ceasefire…

We’re going to continue to follow ALL OF THIS as it develops but coming up: the push to divest.

**[THEME]**

*<BUMPER> This is… Today, Explained.*

JOSH MOODY (reporter, Inside Higher Ed): My name is Josh Moody. I'm a reporter with Inside Higher Ed, where I cover money and management.

FADE UP GWU PROTEST AMBI

*<SFX> fade up GWU protest ambi*

JOSH: I've spent hours and hours and hours at the encampment at George Washington University, and it's been fascinating to follow. It's been a lot of chanting and teach-ins and <laughs> ukulele music. And the demands are heavily focused on disclosure and divestment.

*GWU PROTESTER: “We will not stop, we will not rest! Disclose! Divest!”*

JOSH: Students want to know what is in the endowment, and they want to divest from companies that are profiting off of the war between Israel and Hamas, and/or providing services to the Israeli government.

*GWU PROTESTER: “Disclose! Divest! We will not stop, we will not rest!” [fade out ambi]*

JOSH: An endowment is a collection of financial assets that belong to the university. The university often draws from these funds to help support their operations, and they invest these funds to increase the endowment. They can range pretty wildly from around 50 billion with a B at Harvard to only a couple million at the least wealthy institutions. The median endowment, though, is around 210 million, according to a study from this earlier this year.

NOEL: That's a lot of money, Josh.

JOSH: Yeah, it is. But it's heavily concentrated within a handful of institutions. You don't see a lot of institutions with endowments in the multibillion-dollar range.

NOEL: So you say the students are asking for two things. They want disclosure on how that money in the endowment is being invested. And they want divestment from certain companies. Which companies are they targeting? Which companies do they know to target if the endowments’ investments aren't fully transparent?

JOSH: Yeah, that's a great question. The endowment is not transparent. So in some ways it is a bit of guesswork.

SCORING IN <The Gentle Push 2>

*<*[*CLIP*](https://www.youtube.com/watch?v=O_ifNFOjo8w)*> VINCENT DOEHR, UCLA STUDENT: We came together to make demands on the university, to divest the endowment from corporations that profit off of Israeli genocide, to disclose where our money is invested in the first place.*

JOSH: They're targeting, though, companies like Boeing, Raytheon, Lockheed Martin, companies that are weapons manufacturers or have tentacles in that world.

*<*[*CLIP*](https://www.youtube.com/watch?v=FJKpJNFxauE)*> COLUMBIA STUDENT: At the heart of this action, at the heart of this encampment, is the wish for a complete divestment and boycott of institutions that are complicit in Israel's genocide.*

JOSH: And the focus, though, is not limited to those, but extends to companies that do business with the Israeli government. It includes companies that are household names like Google and Amazon, which provide web services in Israel.

*<*[*CLIP*](https://www.youtube.com/watch?v=FJKpJNFxauE)*> BRYAN QUINN, FRANCE 24: Amazon and Google meanwhile share a $1.2 billion contract called Project Nimbus to provide cloud computing services to the Israeli military and government.*

JOSH: There's broad pressure from students for colleges to divest from companies that do business with Israel, to bring pressure on the government to end the war, even as, ironically, I suspect many of the protesters are customers of those same companies. Who doesn't use Google or Amazon these days?

SCORING OUT

NOEL: What would it mean for schools to do what the protesters are asking? If you were to walk this out step by step, what would it look like?

JOSH: Disclosure is the easy part. Chief Financial Officers, endowment managers should be able to easily identify direct investments. Indirect investments get a little more murky. Packages of funds that they would have to unpackage and figure out what's in there. There's profit and loss to consider. If you're selling off funds, you're possibly going to take a hit. Most endowments that are very wealthy will be able to easily sustain that blow. Not so much at the colleges that have, you know, endowments in the few million dollar range.

NOEL: These calls to divest from Israel, you know, broadly – these are not new, right? How long has this been going on on college campuses?

JOSH: The Boycott, Divestment and Sanctions movement has been around since the early 2000s.

*<*[*CLIP*](https://www.youtube.com/watch?v=MiBjWeZVWSE)*> AL JAZEERA: Established in 2005, it calls for a boycott of Israeli and international companies involved in Israel's violations of Palestinian rights.*

JOSH: The argument that has fueled that has been that Israel is an apartheid state and that those outside of Israel should hold it accountable by essentially voting with their wallets.

*<*[*CLIP*](https://www.youtube.com/watch?v=MiBjWeZVWSE)*> AL JAZEERA: It not only provides a list of products to avoid [Music] but people are also downloading apps to check if some businesses support Israeli products.*

JOSH: And, there is a argument that suggests divestment from Israel is tantamount to anti-semitism.

*<*[*CLIP*](https://www.youtube.com/watch?v=ju1wz87Slz4)*> SENATE MAJORITY LEADER CHUCK SCHUMER (D-N.Y.): While Iran publicly executed citizens, Turkey jails its journalists, scores of Arab nations punish homosexuality with imprisonment and torture, why does BDS single Israel out alone for condemnation? When there is such a double standard, when the world treats everybody one way, and the Jew or the Jewish state another way, there's only one word for it: anti-semitism. Let us call out the BDS movement for what it is.*

JOSH: Another challenge for divestment, particularly for public institutions, is that more than 30 states have passed laws in recent years that limit or prevent institutions from divesting from Israel or doing business with those that do.

*<*[*CLIP*](https://www.news5cleveland.com/news/politics/ohio-politics/can-ohios-public-universities-divest-from-israel-state-law-says-no)*> MORGAN TRAU, NEWS 5 CLEVELAND: Back in 2016, Ohio banned state agencies from boycotting Israel or from entering into contracts with companies that have anti-Israel policies. Then in 2022, the law was edited to include universities, but only public ones.*

JOSH: So that makes it legally challenging, because some presidents have argued that our hands are tied. Ohio State, for example, has said, based on existing state laws, we cannot divest from Israel even if they were willing to.

NOEL: Have any of the student protests succeeded at all?

JOSH: I guess it depends on how you define success, or how they define success. Some are succeeding in forcing conversations.

SCORING IN <Cycles of Life - APM>

JOSH: A good example is Brown University.

*<CLIP> ARIELA ROSENZWEIG, BROWN UNIVERSITY STUDENT: My name is Ariela Rosenzweig. I'm a senior at Brown University. I've been organizing primarily in Jewish movements for solidarity with Palestine since I was 16.*

SCORING BUMP

*<CLIP> ARIELA ROSENZWEIG: Brown students were, I think, the second school after October to have arrests. Myself and 19 other Jewish students were arrested on November 8th during a sit-in in our university hall, calling for Brown to materially support a ceasefire by divesting from companies profiting off of and facilitating apartheid, genocide and occupation in Palestine. The university still refused to hear us and to heed our demands. Actually, they refused even to meet with us.*

*And so there was another sit-in of 41 students. Those students were also arrested with the same demand. You know, we still didn't really receive a response from our university.*

*And so in February, 19 of us, myself included, went on a hunger strike, demanding that Brown, not even that it pass divestment, but that it vote on divestment in the February corporation meeting. The answer then was pretty unequivocally no.*

JOSH: Their governing board is hearing a divestment presentation from students this month and will vote on divestment in October.

*<CLIP> ARIELA ROSENZWEIG: For Brown administrators to come flat out after a week of the encampment and say that they would like to negotiate with us and to actually do so, you know, willing to give serious concessions was shocking to me and to others who have been doing this, you know, not only this year but for years and have never seen any movement by the administration.*

*<CLIP> ARIELA ROSENZWEIG: The deal is not perfect. It's not, you know, a victory. It is not the end of the movement in any sense. But it is a pretty significant deal because it is the first time after pushing for five years that the Brown corporation has agreed, signed basically, a legally binding contract that they will vote on divestment from Israel this fall.*

JOSH: And that was a deal struck between protesters and Brown in order to get them to take down the encampment. So that is a possible win for them, depending on how you define success.

*<CLIP> ARIELA ROSENZWEIG: That's not to say that we have ceased all activism on campus. That will never be the case. It will never be the case until Brown is fully divested. And until Palestine is free.*

SCORING OUT

JOSH: At Portland State University, the administration agreed to pause connections with Boeing. Which, as I understand, they don't do business with, but they have taken donations from. But with that, it seems like about $28,000 in annual scholarship money will be lost, which basically comes at a cost for some students. So you have to question, you know, how do you define success.

*<*[*CLIP*](https://www.wilx.com/video/2024/04/25/msu-students-join-nationwide-pro-palestine-protests-asking-trustees-divest-now/)*> WILX: Protesters: “Long live Palestine!”*

*TA’NIYAH JORDAN: Students at Michigan State University joined the nationwide demonstrations by setting up tent encampments at MSU’s People’s Park.*

JOSH: Michigan State was an interesting case because you have these encampments cropping up and presidents for the most part were not and have not been engaging directly with the protesters. Michigan State's really interesting because the president goes to the encampment, has a conversation with the students, treats them like adults, but also tells them your encampment violates our policies.

*<*[*CLIP*](https://www.youtube.com/watch?v=wZHZ5R9i13k)*> WLNS 6 NEWS: Michigan State University released a statement saying they’re supporting free speech, adding that officers peacefully spoke with the group leaders and informed them they were in violation of the camping ordinance.*

JOSH: But then he helps guide them through the permit process to keep the encampment up. And they get permission to keep the encampment up. He sends a communication out, about, you know, we don't have any direct investments. We have nothing to divest.

SCORING IN <Purplebutter - BMC>

JOSH: As a result of, I think, frankly, a pretty savvy way to approach the situation, the protesters packed up their encampment, declared victory, and that was that.

SCORING BUMP

NOEL: And THAT was Josh Moody from Inside Higher Ed. Coming up… colleges have said it would be REALLY hard for them to divest their endowments from Israel. How hard would it be exactly?

**[BREAK]**

**[BUMPER]**

NOEL: It’s *Today, Explained*. I’m Noel King with Charlie Eaton.

CHARLIE EATON (associate professor of sociology at UC-Merced): I'm an associate professor of sociology at UC-Merced, and I am the author of the book “Bankers in the Ivory Tower.” It's a book about the rise of financiers in higher education and in US society more largely. And how inequalities in higher ed and in our larger economy are connected.

NOEL: What do you mean by financiers?

CHARLIE: Financiers are folks who manage private equity and hedge funds.

NOEL: Ah! Okay. Okay.

CHARLIE: Who have become very wealthy, make up a disproportionate share of America's billionaires.

NOEL: Can you explain for us what a college endowment is and how everything works?

CHARLIE: Yeah. It's an investment fund that universities often have had for, for many decades, if not longer. They used to be invested in pretty conservative things like bonds and savings accounts. And then starting in the 70s, and especially in the 80s, universities started to invest to try to maximize investment returns. And what are they used for? Well, any range of things, to support employing faculty, paying salaries on campus, funding research. In recent years, the wealthiest private universities have reduced student loan borrowing among their undergraduates. So at Stanford, Princeton, Harvard, only about 7% of students have student loans who are undergrads. And that's in part because the endowments have been used to subsidize financial aid. But in recent years, there's been increasing debate about, should schools invest according to values and principles other than just maximizing…

NOEL: Huh!

CHARLIE: …returns? Should there also be environmental sustainability criteria or social or governance criteria? And consistent with that, we've seen some big shifts in endowment investment.

*<*[*CLIP*](https://www.youtube.com/watch?v=KQ-FQwtjohk)*> Protesters chanting: “Fossil free UC! Fossil free UC!” [fade under]*

CHARLIE: For example, my university system, the University of California, we have over $150 billion in assets under management across our pension funds and our endowments. And four years ago, in 2020, our funds divested from fossil fuels. We sold off over $1 billion in fossil fuel assets.

*<*[*CLIP*](https://www.youtube.com/watch?v=wcdnG5e-6D8)*> JAGDEEP BACHHER, CHIEF INVESTMENT OFFICER, UNIVERSITY OF CALIFORNIA: After five years of working our portfolio and de-fossil fueling it, we actually became the first university in the country to go ex-fossil fuels, which certainly felt like an incredible accomplishment.*

CHARLIE: There's more than one way to use your investments and your investment holdings to advocate for your values in a given company or in the economy. You can say, okay, we're going to divest. But it is, you know, reasonable to say we live in a world that is flush with global capital. Others will invest in what you divest from. Another approach that others have used is to say, okay, we're a shareholder and we're going to use our position as shareholders in a company to be activist investors and to say, we want this company to adopt a given policy, or a given governance change. That requires holding very large, concentrated shares and working with other shareholders. And it's not a sure path to changing a company's behavior that you might want to do, as well. But those are both approaches that people have taken, to trying to leverage their investment capital to effect change in support of their values.

NOEL: If these schools were to divest from companies that do business in Israel and make a lot of money doing business in Israel, do we know that that would hurt the school's financial standing? Hurt what the school is able to do, hit the endowment?

CHARLIE: It's hard to deal in hypotheticals, but we can say that the University of California investment funds are still pretty healthy four years after divesting from fossil fuels. We can say that Columbia's endowment is still pretty healthy after it divested from fossil fuels and divested from private prisons. So many of these universities are thriving. There are folks, myself included, who would like to see these universities do more with their endowments. And one of the problems is endowments have gone up at the wealthiest schools over tenfold in the last 40 or 50 years, but they tend to enroll just as few students as they did in the 70s and 80s. And the students remain from overwhelmingly advantaged backgrounds. So, you know, there's a question of, to what end are we trying to grow these endowments? And can we grow them without investing in things that are, not just and that are, you know, do we really want to have universities that are wealthy at the expense of others? I think those are the kinds of questions that people are asking.

NOEL: I wonder if you can walk us through some of the other divestment campaigns that we've seen in the past. We keep hearing students on college campuses mention South Africa and apartheid.

CHARLIE: Yeah, well. And I might reach back even farther...

NOEL: Mm!

CHARLIE: …to the Vietnam War.

SCORING IN <Refractive Angles - BMC>

*<*[*CLIP*](https://archive.org/details/69254-protest-columbia-1968-vwr)*> 1968 PROTEST AT COLUMBIA UNIVERSITY: We have protested the use of the university to support the war in Vietnam by again discovering military means to resolve social and political problems. And we found that our own administration has responded in exactly the same way.*

CHARLIE: There are a lot of demands of universities to sever their relationships with defense contractors. And at that time, endowments didn't play a central role in universities. So a lot of the attention focused more on research contracts and research relationships. You get to the 1980s and South Africa, which had an apartheid state, in which a white minority controlled the government. There were demands for divestment from apartheid South Africa of endowments in the 1980s. Hundreds of colleges divested. And that preceded a transition to a democratic government in South Africa in the early 90s.

*<*[*CLIP*](https://www.youtube.com/watch?v=J8aItm4rO88)*> FOX 5 NY'S SHARON CROWLEY: In 1985, the Ivy League students successfully pressured Columbia to divest from a number of companies that did business in apartheid South Africa. Protests against apartheid started back on campus in 1978. That year, students wore white armbands at graduation to signal their objections.*

NOEL: So it worked.

CHARLIE: Yeah, it's I mean, it's hard to to draw straight lines between divestment and the transition to democracy in South Africa and the end of apartheid. But one of the things that happened around that is that really focused debate and attention across society about South Africa. And so it had implications for the geopolitics, for the international relations, in ways that may have benefited the liberation movement in South Africa.

SCORING OUT

CHARLIE: You know, I think the recent divestments from fossil fuels and from for-profit prisons show that divestment is something that universities can do. And that protest movements and engagement by the campus community can lead to that. I think one of the hard things about divestment from the Israeli-Gaza conflict is that there's a lot more contention on campus across the campus community. There's, you know, resistance among some folks on campus, there's not the same level of consensus yet I think that we've seen around fossil fuel divestment.

NOEL: Okay, and perhaps not even the same as there was around divestment from South Africa, which for various reasons Americans did have a fair amount of distance from, right.

CHARLIE: Yeah, yeah. There are, you know, members of our Jewish community in the US feel strong attachments and have strong social attachments to Israel in many cases. And so there's really strong and invested feelings, recent traumas, around the tragedy and the horrors of October 7th. So I think that's part of the context that we're seeing play out on campuses.

SCORING IN <Basic Barbara - BMC>

CHARLIE: I think that universities are going to have to grapple with what are their values and how do they apply their values to their endowment investments? Because with how big endowments are, they connect the university community to ever more far flung corners of the global economy.

NOEL: Hm!

CHARLIE: And so if it's not the Israeli-Palestinian conflict, there are going to continue to be other issues where we see demands from students and from communities for endowments to be divested from things that they don't see as aligning with their university values. And I think universities should be thinking also about affirmatively, what are the kinds of things that they want to invest in that do align with university values. And I think that will help universities to navigate contentious issues that their endowments will continue to be tied up in because of the scale of endowments today and the interconnectedness of our economy.

SCORING BUMP

NOEL: That’s Charlie Eaton at the University of California-Merced.

Today’s show was produced by Avishay Artsy. It was edited by Amina Al-Sadi and fact-checked by Laura Bullard and Amanda Lewellyn. Rob Byers engineered. I’m Noel King. It’s *Today, Explained*.

**[10 SECONDS OF SILENCE]**