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<https://www.ajc.com/news/atlanta-news/calls-to-divest-from-israel-part-of-campus-protests-thats-not-easy-to-do-experts-say/4FBKI3MFFVBY3K65FYNLDRLD4A/>

# College protesters want Israeli divestment. That's very hard to do

Pro-Palestinian demonstrators call on Georgia universities to end financial ties to Jewish state in wake of Israel-Hamas war



Credit: arvin.temkar@ajc.com

Protesters at various Georgia campuses, including Emory University, have called for their schools to cut financial ties to Israel. (Arvin Temkar / AJC)

By Michael E. Kanell  
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From Columbia University in New York, to the University of Southern California and now on Georgia campuses, pro-Palestinian demonstrators have called on their colleges to divest from and cut ties with Israel amid the ongoing war with Hamas in Gaza.

“Disclose, divest, we will not stop, we will not rest,” a group of protesters chanted Tuesday evening on the Emory University Quad.

Protesters at public schools like the University of Georgia to private ones like Emory have made varying demands, including ending university investments in weapons makers, Israeli corporations or other companies that do business with the country. Others have called on colleges to halt study-abroad programs with Israeli universities and cut ties to [an international law enforcement partnership](#) initially created ahead of Atlanta’s 1996 Centennial Olympic Games.

Experts say in a globally connected economy, disentangling from Israel or companies that do business there would be very difficult to do. Many major U.S. and foreign companies do business in Israel or with Israeli companies. Of publicly traded Israeli companies, 48 have a value of more than \$1 billion and some are widely held. [Check Point Software](#), for example, is listed in the portfolios of more than 80 exchange-traded funds, according to Swing Trade, which tracks the markets.

Exchange-traded funds, which bundle securities into single funds that trade like stocks, are commonly held and found within the endowments of universities and the retirement accounts of many protesters’ parents. Similar investments are also in the education savings accounts known as 529s that make college possible for many students.

“It can be challenging to identify all investments involving Israel, as many companies have global footprints and supply chains,” said Jillian Grennan, [finance professor at the Haas School of Business](#) at the University of California’s Berkeley campus. “For instance, (software giant) Nvidia, one of the best trades of the last year, is acquiring some Israeli tech startups and has previously invested in Israeli chip firms.”

The interwoven nature of global finance hasn’t dissuaded many protesters from demanding their colleges disclose holdings and withdraw their money.

“I would like to see funds from those companies diverted into other programs that would help the people in Palestine,” said Kennesaw State University student Madyson St. Rose. “It would show that the school is not only listening to its students, but is acting on what they have to say.”

The calls for divestment to punish Israel echo student-led demands made in the 1970s and 1980s against South Africa over apartheid. They also are the most visible examples locally of the long-running pro-Palestinian “boycott, divestment and sanctions” or BDS movement against Israel, which critics have alleged is antisemitic.

The Oct. 7 surprise attack by Hamas and allies killed nearly 1,200 Israelis, many of them civilians. Hamas and allied groups also took hostages into Gaza, and more than 100 people, including some from the U.S., are still captive. Israel soon after launched an

offensive into Gaza, and health authorities overseen by Hamas say more than 34,000 people have been killed so far.

The U.S. government recently approved a multibillion-dollar aid package for Israel, which remains under threat of attack by Hamas, Hezbollah and Iran, with billions also earmarked for humanitarian relief in Gaza.

Current student calls for divestment are “a direct outgrowth” of the BDS movement, said Eytan Davidson, regional director for the Anti-Defamation League. “The founders of the BDS movement did not found it to create a peaceful, two-state solution. Their goal is to destroy the state of Israel and that is fundamentally anti-Semitic.”



Credit: arvin.temkar@ajc.com

Supporters of Israel confront a Pro-Palestine protestor in Atlanta on Thursday, April 25, 2024. (Arvin Temkar / AJC)

Thus far, Georgia universities have refused the demands, though leaders of Ivy League school Brown University this week agreed to a future vote on divestment. The city of [Richmond, California](#), however, recently voted to divest from Israel.

Experts say divestment in the near-term would likely have little practical impact on companies, the Israeli government or Israel's economy — at least in the short-term.

In Georgia, the highest-profile divestment calls have come from protesters at [Emory](#), which has [an endowment of more than \\$10 billion](#), the 17th-largest in the country, according to the [National Association of College and University Business Officers](#).

Emory's endowment and returns on its investments supports its hospitals and health system, life-saving research and need-based programs.

A spokeswoman for Emory declined to discuss the endowment or the divestment calls.

University endowments typically don't disclose individual investments and the universities themselves don't always have the ability to extricate funds from financial instruments that have tentacles stretching into the stocks of multinational corporations that also don't fully disclose their many clients and investments.

"We are so much more entwined than we were 50 years ago," Ray Hill, a finance professor emeritus in Emory's [Goizueta School of Business](#), said of the global economy. "If you said, 'I do not want any investment in any company that has anything to do with Israel,' they'd have to sell pretty much everything. It would be a nightmare. But if you want just those with the most exposure, that might be more possible."

### **'Challenging to identify'**

Zachary Hammond, a junior at Emory who has helped lead several pro-Palestinian protests on the campus, is the co-president of Emory's Students for Socialism group. In addition to calling on the university to divest from companies based in Israel, Hammond said that his club is asking Emory's leadership to cancel a study abroad program at Tel Aviv University, saying there should not be "business as usual in a country that is causing a mass casualty."



Credit: arvin.temkar@ajc.com

Pro-Palestine students and supporters rally at Emory University in Atlanta on Monday, April 29, 2024, following police arresting pro-Palestine protestors on campus the previous week. (Arvin Temkar / AJC)

The targets for divestment cut a wide swath of companies, said Azka Mahmood, executive director of the [Council on American-Islamic Relations](#) in Georgia. The list, she said, includes arms-makers like Lockheed Martin, which has a factory in Marietta, and companies that write “software that supports the killing and subjugation of Palestinians.” Also included, she said, are companies that invest in Israel and those that operate on the “illegal settlements” like those on the West Bank.

Even if a school agrees on particular stocks to sell, picking them out can be difficult, Grennan, of Cal Berkeley, said.

Some investments are not “liquid” and cannot be quickly sold, Grennan said. “It depends on the institution’s current investment portfolio and the types of investments held.”

No matter how large a divestment argument might loom on campus, universities typically do not control a significant portion of any one company's stock. Even complete divestment can represent only a fraction of a large company's shares.

To sell, a university also must have buyers. Those buyers likely would have few or no qualms about the behaviors student groups are protesting.

Research on previous divestment campaigns shows that their financial impact — especially in the short-term — is very limited, Grennan said. “On the other hand, behavioral economists would argue that ... divestment campaigns have an impact not by changing the firm's cost of capital but by raising public awareness and influencing public discourse.”

## Stigma

If policy change is the goal, divestment campaigns are a long haul.

The effort to divest from South Africa helped make the country a pariah and put its racist, apartheid policies in a global spotlight. But those policies did not change — and Nelson Mandela did not get out of prison — until 1994, decades after the divestment movement began.

Researchers who have studied the issue — whether around South Africa, fossil fuels, or other campaigns — say divestment sometimes has a modest financial impact, but generally say its effectiveness isn't financial.

A [2018 piece](#) in an ethics journal concluded that if a divestment campaign receives a lot of publicity, it can “stigmatize” the country or sector and discourage some investors, although the overall market impact is modest. Another [2023 paper](#) said the real impact is in creating a “narrative with impact,” a story that can — over time — shape the attitudes of public and investors as it spreads through the culture.

Or as researcher Noam Bergman argued in [a British publication in 2018](#), “while the direct impacts of divestment are small, the indirect impacts, in terms of public discourse shift, are significant.”



Credit: Miguel Martinez

Eric Atkinson, University of Georgia dean of students, answer questions from International Affairs student Zeena Mohamed during a rally UGA Old Campus lawn in Athens following arrests on Monday, April 29, 2024. Mohamed was one of the students arrested on Monday morning and later released to find out she has been suspended from the school. (Miguel Martinez / AJC)

That is the crucial factor, said Maggie Kulyk, chief executive officer of Atlanta-based [Chicory Wealth](#), which does financial planning and investing for individuals and nonprofits.

Tanking a company's stock isn't needed to convey a message, because even a small impact on a company's shares has meaning, [she said](#). "How are CEOs and executives paid? They are often paid on the basis of the stock price."

[Chicory](#) frequently runs what in the industry are called "screens," keeping client investments away from makers of weapons, tobacco or alcohol. But those decisions are not black and white, the call is often nuanced, she said.

“If it’s 3% of their revenues, we might still hold their stock. If it’s 30% we probably would sell,” she said. “There’s really no pure space to stand with global capitalism, but there are better and worse places.”

Hashem Dezhbakhsh, the head of Emory’s [economics department](#) and a member of the school’s [investment committee](#), said he could not address specifics about the university’s investments. However, he said that those who manage portfolios must always consider the consequences of a “screen” that rules out certain investments.

“There’s a cost,” he said. “The more constraints you put on your portfolio, the lower your return will be.”

Protesters at Emory and elsewhere say they deserve to know where their universities invest, though full divestment might not be likely, several said.

“I think the calls for divestment — it seems unlikely that Emory will actually divest, but I think with enough people behind it there might be partial divestment,” Emory student Macarah Morgan said. “I think that would be more of a realistic hope for the protests going on.”

For an institution like Emory, the crisis in the Middle East and the calls for divestment should prompt more communications with students, faculty and the larger community, Kulyk said.

“There should be a conversation,” she said. “The investments shouldn’t be secret. The university could say, ‘We’ve run our analysis and we have ‘x percent’ of these investments.’ But that would mean engaging and I think they are terrified of it.”

— *AJC staff writers Shaddi Abusaid, Cassidy Alexander and freelancer Sarah Davis contributed to this report.*

About the Author

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