



## UAW, Divest Now!

An info sheet from UAW Labor for Palestine about the Campaign to Divest from Israel Bonds  
November 1, 2024

### Background

In October 2023, UAW Labor for Palestine reignited a longstanding demand urging the UAW International Executive Board (IEB) to divest from Israel Bonds. Rank-and-file workers have been making this demand of the UAW for over fifty years—since 1973, when the [Arab Workers Caucus](#) initiated a wildcat strike over the union’s financial backing of Israel’s expanding settler colony and military violence.

Today, the UAW IEB maintains somewhere between \$400,000 and \$1,000,000 in investments in [Israel Bonds](#), which directly fund the ongoing and spreading genocide in occupied Palestine, Lebanon, Yemen, and beyond. The company’s own website highlights “the crucial role of Israel Bonds during this time of conflict and war.”

Echoing demands by Arab, Black, and other UAW members in [1973](#), UAW members today are demanding to know why the IEB is investing their dues money to support an expanding U.S.-backed genocide. Below are some Frequently Asked Questions to help fellow rank-and-file workers understand the significance of this campaign and demand to divest from Israel Bonds.

### FAQ

#### **1. What are “government bonds” and how do they work?**

*A government bond is essentially a loan to a particular government for a certain duration of time. Each year, the bond purchaser receives interest payments that are a set fraction of their total bond purchase. After the bond’s agreed-upon end date, it is said to reach “maturity,” and the buyer also gets back the cost of the original bond.*

*Bonds are backed by a state’s credit. Credit rating agencies like Moody’s or Standard & Poor assess risk, the likelihood that a government will actually be able to repay its debt with interest, and assign a rating. If there is sufficient concern about the financial security*

of a government, a bond's credit rating can be downgraded, meaning investors are less likely to invest.

## 2. What is "Israel Bonds"?

Owned by the Development Company of Israel, [Israel Bonds](#) sells government bonds to fund the State of Israel. Once a bond is purchased, Israel can use the funds in whatever way the state decides. Since the company first started selling Israel Bonds in 1951, Israel has used the funds to construct illegal settlements, beef up its military, and purchase weapons. Israel Bond purchases directly fund Israel's current, ongoing and expanding genocide in Palestine, where an [estimated 186,000 Palestinians have been killed in Gaza](#) since the beginning of the escalations a year ago.

Some organizations argue that [Israel Bonds is operating illegally](#): while the company is technically headquartered in New York City, the bonds are fully controlled by the State of Israel, and the company therefore operates in violation of the U.S. Foreign Agent Registration Act.

## 3. Who buys "Israel Bonds"?

The company sells bonds to a variety of individual buyers and other entities. Among its most significant buyers are U.S. governments and municipalities, which have collectively [purchased more than \\$1.7 billion worth of Israel Bonds](#) since October 7, 2023, the beginning of Israel's latest genocidal escalation in Palestine. In addition, many pensions, university endowments, and hedge funds also maintain investments in Israel Bonds.

The UAW currently holds between \$400,000 and \$1,000,000 in Israel Bonds, investing members' dues money through several funds controlled by the UAW's International Executive Board (IEB). In May, the IEB voted down a resolution to compel the union not to purchase any new Israel Bonds—a concerning and confusing decision, given how risky these assets are.

## 4. What are the risks in investing in Israel Bonds?

Ethical: On the most basic level, we do not believe it is right to invest in genocide. In doing so, the UAW risks its reputation as an organization that stands for human rights, internationalism, working class power, and democracy, instead aligning itself with racist mass murder. Given that the [majority of people in the U.S.](#) and around the world oppose genocide and support an immediate halt to Israel's assault on Gaza and Palestine, UAW's investment in genocide represents a serious reputational risk.

Financial: With Israel's economy in a tailspin due to the expanding costs of genocide and war on multiple fronts, [Israel Bonds' credit rating has been downgraded and is now precariously hovering just above "junk bond" status](#)—a level that is not sufficiently secure

for most investors. The state is at serious risk of sovereign default, where it will not be able to repay its debts, including to Israel Bond investors.

## 5. Why hasn't the UAW divested already?

UAW IEB members have told rank-and-file members that it might cost the union to divest from Israel Bonds. However, to date, they have given no documentation or explanation for this transaction cost.

We know that in other cases, investors can ask their investment managers to apply what is known as an "[investment screen](#)." Investment screens simply filter out investments in companies whose values do not align with the investors' (e.g., military contractors, private prisons, companies that harm the climate, hate groups, states enacting genocide, etc.) at no additional cost to the investor. The UAW's investment manager works for the union, not the other way around. The union should be able to dictate where its funds can and can't be invested, and invest in ways that align with the union's values. As the UAW was among the first major U.S. unions to call for [a permanent ceasefire](#) and later [a weapons embargo](#), divesting from genocide is the next logical step to take.

While some IEB members argue that divestment is simply "too expensive," rank-and-file UAW members refuse to put a price on honoring the Palestinian trade union picket line against genocide. Regardless of the reason for the cost, we, alongside movement allies at [Break the Bonds](#), [Dissenters](#), and many other formations believe it is imperative to divest from genocide.

## 6. How can I help?

On November 4, 2024, you can join hundreds of UAW members and allies around the country who will be calling on the UAW IEB to immediately divest from Israel Bonds. Check out this [downloadable flier](#) and our Instagram page [@uawlaborforpalestine](#) to learn how you can support!