

USE IT OR LOSE IT - SHARE POWER AND DIVESTMENT

Are you planning to get involved in the AIUSA SHARE POWER campaign? If you do, you may find yourself in a coalition that includes activists who call for divestment from particular companies. AIUSA does not currently take a position in support of the tactic of divestment. So how can you work effectively in collaboration with people and organizations that employ different tactics?

To answer this question, it is important to understand the difference between the shareholder advocacy tactics used by SHARE POWER and divestment.

The goal of the SHARE POWER campaign is to harness the power of major shareholders to actively support human rights. We are all connected to major shareholders, such as university endowments, mutual funds, and state and local government employee pension funds. We can use these connections to lobby our university president or state treasurer to vote their shares in Dow Chemical or Chevron in favor of shareholder resolutions pressing those companies to uphold the rights of people affected by their operations. This kind of shareholder pressure has a solid track record of success in persuading companies to adopt a human rights policy and change their practices to better respect human rights.

By contrast, the end goal of a strategy of divestment is to press an investor, such as a mutual fund, to sell (divest) its stock in a certain company. Divestment does not affect that company directly. It just means that the investor, in this case a mutual fund, simply sells the stock to another investor. The effect on the company's

“This kind of integrated campaign demand can help transcend differences over tactics between your AIUSA group and other activists. It will make it easier for your campaign to focus on the key issues, such as Dow Chemicals responsibility for Bhopal and Chevron pollution in Ecuador. Finally, it will help you ensure that your targeted investor takes action instead of doing nothing.”

-Simon Billenness, Local Group 133, Somerville and BHR Volunteer Leader



*Simon Billenness, AI Group 133 CAN Member leading a workshop on SHARE POWER at a Students for Bhopal conference.
Photo: Students for Bhopal*

stock price is likely nil. However, such divestment – if done to protest the company's connection to human rights abuses – can represent a symbolic public shunning of the company.

If you decide to work in coalition with activists who propose divestment, you can effectively integrate their demands with the demands of SHARE POWER in a “Use it or lose it” campaign. This new joint demand could, for instance, involve pressing a Dow Chemical investor, such as university endowment, to either use its power as a shareholder to vote for a resolution addressing the Bhopal disaster or sell its stock. The campaign should make it abundantly clear to the university that simply doing nothing is not acceptable.