

December 6, 2016

RE: *in opposition to Am. H.B. 476*

Dear Chairman Coley, Vice Chair Seitz, Ranking Member Yuko, and members of the Government Oversight and Reform Committee,

Thank you for the opportunity to address you with my reasons for opposing HB 476.

I am here as a member of the local chapter of Jewish Voice for Peace, which is an organization inspired by the Jewish tradition to work for peace, social justice, human rights for all, and respect for international law. Jewish Voice for Peace has endorsed several boycotts of companies doing business in illegal settlements developed on land expropriated from Palestinians, and it advocates for persons and institutions to divest from these settlements and related settlement activity.

I was born just off Wright-Patterson Air Force base. My father's position in the U.S. Air Force meant that we moved around a lot. When I was in elementary school—while we were living in Orange County, California—on separate occasions our car's tires were slashed outside our home, our home was egged, and a baseball with "FSU" written on it was thrown through my bedroom window. The writing on the baseball made the source and purpose of these acts of violence and terror clear to me. FSU was the call sign of a local white supremacist, neo-Nazi group. We were targeted for being Jewish. No child should be made to feel unsafe in her own home. I tell you this story—just one of a series of incidents and exchanges I have experienced—because I know what anti-Semitism looks like and how it makes me feel. I have no doubt that people in our community hold anti-Semitic views, and that some even engage in hateful acts against Jewish people.

HB 476 proposes two actions that I find objectionable: the requirement that state contractors refrain from "boycotting Israel" and the permitted increase of State investment in foreign assets. I would like to take this opportunity to raise a few concerns about the reasoning for each of these two actions. I will address both the explicit reasoning offered by the bill's sponsors, as well as the implicit reasoning that I think is unacceptable.

On the Ohio House floor last week, Rep. Schuring and Rep. Sprague offered several arguments in favor of the bill. None of them withstand scrutiny.

Rep. Schuring stated that the purpose of this bill is to protect and promote the state of Ohio's economic interests in Israel. But he offered no testimony or evidence that boycotts of Israeli settlements and/or settlement activity will impact the \$200 million in Ohio goods exported to Israel in recent years.

Rep. Sprague stated that only Israel meets Ohio's very high standards for investment in foreign bonds. He indicated that the bond must be issued by a country that has one of the highest three ratings from at least two of the national credit rating agencies, and it must have never defaulted on a sovereign debt payment.¹ However, as my table in Appendix 1 indicates, there are more than twenty countries that satisfy these criteria, and Israel sits at the virtual bottom of this list.

¹ NB: Experts debate how exactly to define what counts as a default. I have relied upon the Bank of Canada Technical Report No. 101, "Database of Sovereign Defaults, 1975-2015" by David T. Beers and Jean-Sébastien Nadeau (May 2015) and its associated table available at <http://www.bankofcanada.ca/wp-content/uploads/2015/05/crag-database-update-04-05-15.xlsx> and Wikipedia's list of sovereign debt crises at https://en.wikipedia.org/wiki/List_of_sovereign_debt_crises.

Rep. Sprague added that Israel is a beacon of democracy. However, according to an index developed by *The Economist*, Israel only qualifies as a “flawed democracy”.² There are nine “full democracies” that satisfy Rep. Sprague’s two criteria. If our bond investments are an instrument for us to promote robust democratic institutions around the world, then Israel is not high on the list of where we should be investing. And if we think that we ought to be investing in fledgling democracies, then my table again suggests a number of superior alternatives. For instance, Japan is also a “flawed democracy” and its bonds are a much more secure investment. And if the goal is to make as much money as possible with as diversified of risk as possible, again Israel is not a leading option. In this context, doubling our investment in Israel bonds is not sound policy-making.

I understand that the bill is written with permissive language. It does not require the state treasurer to increase the percentage of foreign assets in our total portfolio, and it does not require that any increase in foreign assets be exclusively in Israel bonds. But the expressive force of a bill that mandates state contractor’s pledge to support Israel followed by permission to increase foreign assets is to sanction such increased investment. These two measures do not belong in the same bill, and should be deliberated over separately. Logrolling does not make for good legislation.

If I had the opportunity to discuss a possible increase in our foreign investments separately, I would ask about our overall investment goals and priorities. My son is enrolled in a Columbus City School and I spend many hours per month fundraising or planning for fundraising to meet often basic educational needs that the district cannot fund, like purchasing external mice for the computers so students can take state mandated tests as comfortably as possible and thereby support higher test scores. We have also raised funds to pay for after-school buses for students taking part in co-curricular activities like chess club and LEGO Robotics club because the district can only afford to pay for buses for after-school athletic activities. Instead of investing in more foreign bonds, we should use that money for much needed local services—either through direct subsidy or by maintaining our current mix of investments. I would like to spend more time with my son, not fundraising for my son’s education.

I was most disturbed by the “secondary purpose” for the bill suggested by Rep. Sprague, who aimed to connect the fate of Ohio and Israel through a strategic exclusion and dehumanization of Palestinians. In his remarks on the House floor, he drew an analogy between the fear, shock, and horror we experienced by Abdul Artan’s attack of faculty and students on OSU’s campus last week and similar incidents of car-rammings and stabbings in the state of Israel. Rep. Sprague asked, “Can you imagine that type of terror going on in our country as it did on The Ohio State University campus yesterday?”

I whole-heartedly agree with the need to extend empathy beyond our narrow community. My husband teaches at OSU, and had to try to distract his students from the misinformation circulating over social media while they were in a locked classroom with its lights turned off for an hour and a half during the response to Artan’s attack. I had to decide not to tell our four-year old son what was going on, and then act like everything was normal. And while I waited to learn of my husband’s safety and the fate of those who were unfortunately caught up in those events, my shock and horror knew no national bounds.

Rep. Sprague’s call for enlarged empathy misses its mark if it aims to apply only to Israelis and not also to Palestinians. I wish he had also cited the terror experienced daily in the occupied territories: the demolition of people’s homes, barriers to accessing basic medical care, and the

² *The Economist* Intelligence Unit (EIU) report, “Democracy Index 2015: Democracy in an age of anxiety” (2015) available at http://www.eiu.com/public/topical_report.aspx?campaignid=DemocracyIndex2015

excessive use of force at checkpoints, to name but a few. I also wish he had distinguished between an individual's act of violence and violence undertaken by a state engaged in military occupation. Rep. Sprague's analogy dehumanizes Palestinians by failing to recognize their claims for justice alongside those of Israelis. A just and lasting peace for the people living in the region will not occur if some are subject to systematic and persistent dehumanization.

The broader context that has led to HB 476 makes Rep. Sprague's analogy even more problematic. The Palestinian Intifadas are often criticized for the recourse to violence in their resistance to Israeli occupation, while the nonviolent aspects of that resistance receive little attention and support. The BDS movement is part of a civil society effort to promote a just peace through nonviolent means.

Proponents of HB 476 implicitly claim that "boycotting Israel" (line 11) is "discriminatory" (line 15) because it is anti-Semitic and anti-Israel. But this mischaracterizes the growing civil society movement that calls for boycott and divestment in support of Palestinian human rights. BDS is a political strategy characteristically motivated by moral opposition to Israeli policies that deny and/or disregard Palestinian human rights and Israel's obligations under international law. An analogy is helpful: those who support boycotting Cuba characteristically do so out of a desire to see policy change in Cuba, not from any animus toward the Cuban people.

I favor of many of the campaigns to boycott and divest from individuals and companies profiting from Israel's illegal settlements because I see those settlements and the policies that are necessary for sustaining and securing those settlements as violations of Palestinian human rights and obstacles to a just and lasting peace in the region. For instance, I am in favor of boycotting AirBnB should it eventually not respond to a BDS petition—which currently has over 150,000 signatures—for it to withdraw from the illegal Israeli settlements. AirBnB is a website that lists personal properties available for short- to long-term rental. It currently allows homes in these settlements to be rented through its website, and *lists them as part of Israel despite the fact that they are on occupied Palestinian land*. Under HB 476, a state contractor who was boycotting AirBnB for this reason would be violating its contract with the state of Ohio even if the goods and/or services that it was providing to the state of Ohio *had nothing to do with AirBnB*. The bill is thus objectionably broad in its scope.

In the stated definition of "boycotting Israel" the pledge would require doing business with—or at least being prepared to do business with—Israeli companies that operate out of settlements built on land illegally expropriated since 1967. Despite the fact that the U.S. State Department has refused to recognize the legitimacy of these settlements and has called them "unhelpful to peace efforts", the state of Ohio would mandate that its contractors (continue to) undermine efforts to achieve a just and lasting peace for the people living in the region.

In brief: as an effort to take a stand against anti-Semitism, HB 476 will be completely ineffectual *but it will be very effective as an expression of disregard for the human rights of Palestinians*. Our compassion for Israelis and our commitment to promoting Israel's democratic institutions should not be predicated upon ignoring the open-air prison that Palestinians live in today.

Thank you for considering my testimony. I would be happy to answer any of your questions.

Sincerely,


Amy L. Shuster
Member of *Central Ohio Jewish Voice for Peace*

Appendix 1: All countries with ratings at or above Israel's rating, listed by Standard and Poor's rating

Country	S&P Rating	Moody's Rating	Fitch Rating	Freedom House Aggregate Status	EIU Democracy Index Score Category
Norway	AAA	Aaa	AAA	100 Free	9.93 Full Democracy
Sweden	AAA	Aaa	AAA	100 Free	9.45 Full Democracy
Canada	AAA	Aaa	AAA	99 Free	9.08 Full Democracy
Netherlands	AAA	Aaa	AAA	99 Free	8.92 Full Democracy
Australia	AAA	Aaa	AAA	98 Free	9.01 Full Democracy
Denmark	AAA	Aaa	AAA	98 Free	9.11 Full Democracy
Luxembourg	AAA	Aaa	AAA	98 Free	8.88 Full Democracy
Switzerland	AAA	Aaa	AAA	96 Free	9.09 Full Democracy
Germany	AAA	Aaa	AAA	95 Free	8.64 Full Democracy
Hong Kong	AAA	Aa1	AA+	63 Partly Free	6.5 Flawed Democracy
Singapore	AAA	Aaa	AAA	51 Partly Free	6.14 Flawed Democracy
Finland	AA+	Aa1	AA+	100 Free	9.03 Full Democracy
Austria	AA+	Aa1	AA+	95 Free	8.54 Full Democracy
United States of America	AA+	Aaa	AAA	90 Free	8.05 Full Democracy
New Zealand	AA	Aaa	AA	98 Free	9.26 Full Democracy
Belgium	AA	Aa3	AA	96 Free	7.93 Flawed Democracy
United Kingdom	AA	Aa1	AA	95 Free	8.31 Full Democracy
France	AA	Aa2	AA	91 Free	7.92 Flawed Democracy
South Korea	AA	Aa2	AA-	83 Free	7.97 Flawed Democracy
Kuwait	AA	Aa2	AA	36 Partly Free	3.85 Authoritarian
Qatar	AA	Aa2	AA	27 Not Free	3.18 Authoritarian
United Arab Emirates	AA	Aa2	AA	20 Not Free	2.75 Authoritarian
Chile	AA-	Aa3	A+	95 Free	7.84 Flawed Democracy
Czech Republic	AA-	A1	A+	95 Free	7.94 Flawed Democracy
Estonia	AA-	A1	A+	94 Free	7.85 Flawed Democracy
Taiwan	AA-	Aa3	A+	89 Free	7.83 Flawed Democracy
China	AA-	Aa3	A+	16 Not Free	3.14 Authoritarian
Ireland	A+	A3	A	96 Free	8.85 Full Democracy
Japan	A+	A1	A	96 Free	7.96 Flawed Democracy
Slovakia	A+	A2	A+	89 Free	7.29 Flawed Democracy
Israel	A+	A1	A	80 Free	7.7 Flawed Democracy
Bermuda	A+	A2			

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Country	Date of Formation	History of Defaults by Century			
		21st	20th	19th	18th
Norway	872				
Sweden	1523			1812	
Canada	1867				
Netherlands	1581				
Australia	1901				
Denmark	980				
Luxembourg	1815				
Switzerland	1291				
Germany	1871		1932, 1939, 1948		
Hong Kong					
Singapore	1965				
Finland	1917				
Austria	1918		1938, 1940, 1945		
United States of America	1776	1933, 1971	1841-42, 1873, 1862	1798	
New Zealand	1907				
Belgium	1945				
United Kingdom	1707		1932	1822, 1834, 1888-9	
France	843				
South Korea	1948				
Kuwait	1961		1990-91		
Qatar	1971				
United Arab Emirates	1971				
Chile	1810		1975, 1983-90		
Czech Republic	870				
Estonia	1918				
Taiwan					
China	1911				
Ireland	1919	2013			
Japan	400				
Slovakia	1993				
Israel	1948				
Bermuda					

 Dark fill means that the state was not yet formed, so those dates are not applicable.

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Country	
Norway	
Sweden	Sources:
Canada	Current credit ratings from http://www.tradingeconomics.com/country-list/rating
Netherlands	Freedom House 2016 ratings https://freedomhouse.org/report/freedom-world-2016/table-scores
Australia	<i>The Economist</i> Intelligence Unit (EIU) report, "Democracy Index 2015: Democracy in an age of anxiety" (2015)
Denmark	Wikipedia list of sovereign debt crises https://en.wikipedia.org/wiki/List_of_sovereign_debt_crises
Luxembourg	Bank of Canada Technical Report No. 101, "Database of Sovereign Defaults, 1975-2015" by Beers and Nadeau (May 2015)
Switzerland	http://www.bankofcanada.ca/wp-content/uploads/2015/05/crag-database-update-04-05-15.xlsx
Germany	
Hong Kong	
Singapore	
Finland	
Austria	
United States of America	
New Zealand	
Belgium	
United Kingdom	
France	
South Korea	
Kuwait	
Qatar	
United Arab Emirates	
Chile	
Czech Republic	
Estonia	
Taiwan	
China	
Ireland	
Japan	
Slovakia	
Israel	
Bermuda	