

Economic Activity of Public Bodies (Overseas Matters) Bill

Quaker briefing for Peers at Second Reading, February 2024

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Introduction

[Quakers in Britain](#) are a faith community committed to peace, equality, truth, and sustainability. We work to tackle the root causes of violence and injustice in the world. We believe this bill will undermine our ability to put our faith into action and bring about positive change. This briefing sets out our concerns and some potential unintended consequences of the bill. We ask that you raise our concerns during debates and in conversations with ministers and other parliamentarians. If you have any questions about this briefing, please email the Quakers in Britain public affairs team on graced@quaker.org.uk and billyv@quaker.org.uk.

Our concerns

Our faith

Quakers have a long and celebrated history of taking nonviolent action against global injustices. These actions have sometimes taken the form of boycotts and divestments. Many Quakers were involved in the national boycott of slave-produced sugar in the late 1700s, and the anti-apartheid campaign during the second half of the twentieth century. Quakers continue to campaign for justice and equality to this day. We know from experience that grassroots action can be an effective, peaceful way to bring about lasting positive change. In severely limiting the ethical decisions that public bodies can make, we are concerned that the bill restricts Quakers and other people of faith from putting their faith into action by campaigning on matters of conscience, particularly at the local authority level where opportunities for citizens to influence democratic decisions are greater.

Quakers believe in living authentic and honest lives, which includes being truthful in both words and actions. Clause 4 of the Bill forbids public authorities from saying publicly whether they would have made certain investment and procurement decisions had they not been prohibited by legislation from doing so. We are concerned that Quakers who work in, or are elected to, these organisations will be forced to refrain from open and honest communication, including about matters of conscience, which is a vital part of the Quaker faith. This may be an unintended consequence of the bill that would infringe on the right to freedom of thought, conscience and religion, as well as the right to freedom of expression.

The Quaker community is known for being very active in contacting political representatives and pushing for change in line with human rights and international law. This bill will have a chilling effect on both campaigners and the public officials they contact, who will want to avoid responsibility for banned conduct under this bill that could open their employer up to fines. They may avoid many kinds of outreach and engagement, even if it doesn't come within the scope of the bill.

Community cohesion and interfaith relations

The government has stated that the bill is important for UK community cohesion, because it argues that boycott, divestment and sanctions (BDS) campaigns targeted at the Israeli state are harmful to UK community relations. However, by linking (a) criticism of illegal Israeli state action with (b) community cohesion in the UK, the government is implying that Jewish people in the UK are inherently linked to the Israeli state and supportive of Israeli state policies. This itself is extremely problematic, and detrimental to interfaith relations and community cohesion in the UK. The government claims that BDS campaigns lead to a rise in antisemitism, yet their own [impact assessment](#) states that they “cannot definitively determine the level of impact from the available evidence”.

Quakers are active in interfaith and community relations in the UK, and we were not consulted on the impact of the bill, nor do we know of any faith groups or interfaith networks who were consulted except for the Board of Deputies of British Jews (who were rightly consulted).

Investing in human rights

This bill will severely curtail the ability of public bodies to show their opposition to countries that commit human rights abuses. Quakers in Britain have often spoken out against international arms sales, including to countries committing human rights violations against minorities both within their territories and/or beyond their borders. Sometimes, our work involves cooperation with organisations defined as ‘public bodies’ under this legislation.

While the British government has said it will immediately exempt Russia and Belarus from the legislation, it has made no such commitment to exempt other countries that are known to be committing human rights abuses. This bill gives the government the power to control which violations of international law public bodies can protest and

which ones they must keep silent about. We believe that public bodies should have the freedom to shed light on abuses around the world, even (perhaps especially) areas where the national government would rather avoid scrutiny.

Sustainable investment

We are extremely concerned about this bill's impact on public bodies' ability to invest ethically and with our planet's future in mind. Quakers in Britain have previously called upon the UK government to end its financial support for fossil fuel extraction. As a national church we agreed in 2013 to divest from fossil fuel extraction companies, and later produced a guide for Quaker meetings around the country who want to divest from fossil fuels.

While the bill makes an exception for decisions relating to 'environmental misconduct', this is limited to conduct that is illegal in the UK or another country, whereas much environmental damage takes place legally. Many public bodies have taken commendable steps towards divestment from fossil fuels, recognising the urgent need to reduce greenhouse gas emissions and mitigate climate breakdown. This bill could interfere with efforts to divest from harmful activities such as deforestation and fossil fuel extraction.

Sound investment and the fiduciary duty of public bodies

There are an increasing number of studies highlighting the higher return of ethical investments over more contentious investment portfolios, often due to the particular vulnerability of more contentious investments to a weakening of their value as social justice campaigns, and political, legal, and reputational developments evolve.

For example, [data released by Platform London](#) in October 2015 highlights the loss of £683m from the pension schemes of 61 UK councils following failed investments into coal firms, affecting the pensions of millions of public service workers. Following the release of this data, [Natalie Smith, a lawyer for ClientEarth, stated that](#), "There is a growing body of evidence suggesting that the financial risks associated with climate change will impact investment portfolios. If pension scheme trustees fail to properly manage these risks in their investment decision-making process, and there is a consequential decline in value of the pension pots of members, then trustees and investment managers could be sued for breaching their fiduciary duties." This could be another unintended consequence of the bill.

Our work in Palestine and Israel

Quakers in Britain are the UK and Ireland coordinators for the Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI), which is an international programme bringing people from around the world to serve as independent human rights monitors in the occupied West Bank.

This legislation, by specifically and uniquely granting permanent immunity in Clause 3 to Israel and its settlements serves to legitimise the many well-documented human

rights abuses being committed against Palestinians. It would punish public bodies who try to bring about positive change by refusing to do business with those who are complicit in violations of human rights and other international laws. An example of such a violation is included below in a quote from an EAPPI human rights monitor. We are also mindful of the recent International Court of Justice interim ruling that there is a plausible risk that genocide is being committed in Gaza. This bill would restrict public bodies from divesting from companies engaged in the violence, thus exposing the bodies themselves to criminal charges of complicity in genocide.

This would be the first time a piece of British law fails to distinguish between Israel and the Palestinian land it occupies, instead treating them all as one. This perhaps unintended consequence in the drafting of the Bill sets a worrying precedent in the context of calls for a two-state solution and is at odds with the UK's own foreign policy of working for a "just peace between a stable, [democratic Palestinian State and Israel, based on 1967 borders](#)."

Eye witness account from EAPPI human rights monitor, Imogen

Ameera [7 years old] lived with her mum, dad and five siblings. They lived next door to her aunt and uncle who also have six children. Within 45 minutes, three diggers and one bulldozer had destroyed both houses, reducing them to rubble. Only the kitchen sink was left standing, still full of unwashed dishes. The demolition left 18 people homeless immediately. There wasn't time for Ameera's father, Muhammed, to notify his oldest children who were at school.

House demolitions like this are not uncommon in the West Bank. The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) [reported](#) that in 2022, the Israeli authorities carried out 953 demolitions or seizures of Palestinian properties, displacing 1,031 people. Israel has since appropriated [more than fifty percent](#) of Palestinian land in the West Bank, a [large proportion](#) of which has been reallocated to [settlements](#) – villages, towns and cities built exclusively for Jewish-Israeli citizens [and illegal under international law].

Following the formation of Israel's new ultranationalist coalition government, there has been a stark increase in house demolitions in the West Bank, including East Jerusalem. In January 2023 alone, Israeli authorities demolished 132 structures, resulting in 174 Palestinians being displaced, a [135% increase](#) compared to the same period in 2022. The new Minister for National Security, Itamar Ben-Gvir, has pledged to intensify the demolition of Palestinian homes, as well as promising to strengthen settlements in the West Bank, in violation of international law.

Conclusion

Quakers oppose this bill for a number of reasons including our faith and interfaith relations, and issues we work on such as human rights and climate justice. We have also highlighted several potential unintended consequences of the bill. We ask you to raise our concerns.